SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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AFLAC INC

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Mailing Address
1932 WYNNTON ROAD
COLUMBUS GA 31999

Business Address
1932 WYNNTON RD
COLUMBUS GA 31999
7063233431

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2012

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from __________ to __________

Commission File Number: 001-07434

Aflac Incorporated

Aflac Incorporated

(Exact name of registrant as specified in its charter)

Georgia	**58-1167100**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1932 Wynnton Road, Columbus, Georgia	**31999**
(Address of principal executive offices)	(ZIP Code)

706.323.3431

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☑ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☑ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☑ No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	July 27, 2012
Common Stock, $.10 Par Value	468,271,629

Aflac Incorporated and Subsidiaries
Quarterly Report on Form 10-Q
For the Quarter Ended June 30, 2012

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Items other than those listed above are omitted because they are not required or are not applicable.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

Review by Independent Registered Public Accounting Firm

The June 30, 2012, and 2011, consolidated financial statements included in this filing have been reviewed by KPMG LLP, an independent registered public accounting firm, in accordance with established professional standards and procedures for such a review.

The report of KPMG LLP commenting upon its review is included on the following page.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Aflac Incorporated:

We have reviewed the consolidated balance sheet of Aflac Incorporated and subsidiaries (the Company) as of June 30, 2012, and the related consolidated statements of earnings and comprehensive income (loss) for the three-month and six-month periods ended June 30, 2012 and 2011, and the consolidated statements of shareholders' equity and cash flows for the six-month periods ended June 30, 2012 and 2011. These consolidated financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Aflac Incorporated and subsidiaries as of December 31, 2011, and the related consolidated statements of earnings, shareholders' equity, cash flows and comprehensive income (loss) for the year then ended (not presented herein); and in our report dated February 24, 2012, we expressed an unqualified opinion on those consolidated financial statements. Our report refers to a change in the method of evaluating the consolidation of variable interest entities (VIEs) and qualified special purpose entities (QSPEs) in 2010 and a change in the method of evaluating other-than-temporary impairments of debt securities in 2009. As described in Note 1, on January 1, 2012, the Company adopted amended accounting guidance on accounting for costs associated with acquiring or renewing insurance contracts on a retrospective basis resulting in a revision of the December 31, 2011, consolidated balance sheet. We have not audited and reported on the revised balance sheet reflecting the adoption of this new guidance.

KPMG LLP

Atlanta, Georgia
August 3, 2012

Aflac Incorporated and Subsidiaries
Consolidated Statements of Earnings

(In millions, except for share and per-share amounts - Unaudited)	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Revenues:				
Premiums, principally supplemental health insurance	**$ 5,467**	$ 4,956	**$ 10,845**	$ 9,828
Net investment income	**845**	784	**1,728**	1,579
Realized investment gains (losses):				
Other-than-temporary impairment losses realized	**(343)**	(528)	**(546)**	(933)
Sales and redemptions	**(8)**	(182)	**70**	(326)
Derivative and other gains (losses)	**(67)**	42	**13**	12
Total realized investment gains (losses)	**(418)**	(668)	**(463)**	(1,247)
Other income	**8**	16	**32**	44
Total revenues	**5,902**	5,088	**12,142**	10,204
Benefits and expenses:				
Benefits and claims	**3,763**	3,310	**7,409**	6,532
Acquisition and operating expenses:				
Amortization of deferred policy acquisition costs	**269**	251	**557**	511
Insurance commissions	**432**	427	**867**	849
Insurance expenses	**587**	565	**1,150**	1,098
Interest expense	**62**	46	**119**	92
Other operating expenses	**48**	45	**97**	86
Total acquisition and operating expenses	**1,398**	1,334	**2,790**	2,636
Total benefits and expenses	**5,161**	4,644	**10,199**	9,168
Earnings before income taxes	**741**	444	**1,943**	1,036
Income taxes	**258**	170	**675**	373
Net earnings	**$ 483**	$ 274	**$ 1,268**	$ 663
Net earnings per share:				
Basic	**$ 1.04**	$ .59	**$ 2.72**	$ 1.42
Diluted	**1.03**	.58	**2.71**	1.41
Weighted-average outstanding common shares used in computing earnings per share (In thousands):				
Basic	**466,788**	466,498	**466,337**	467,317
Diluted	**468,590**	469,752	**468,561**	470,990
Cash dividends per share	**$ .33**	$ .30	**$ .66**	$ .60

Prior-year amounts have been adjusted for the adoption of accounting guidance on January 1, 2012 related to deferred policy acquisition costs.
See the accompanying Notes to the Consolidated Financial Statements.

Aflac Incorporated and Subsidiaries
Consolidated Statements of Comprehensive Income (Loss)

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions - Unaudited)	**2012**	2011	**2012**	2011
Net earnings	**$ 483**	$ 274	**$ 1,268**	$ 663
Other comprehensive income (loss) before income taxes:				
Unrealized foreign currency translation gains (losses) during period	**32**	(93)	**(68)**	(89)
Unrealized gains (losses) on investment securities:				
Unrealized holding gains (losses) on investment securities during period	**(319)**	473	**5**	(136)
Reclassification adjustment for realized (gains) losses on investment securities included in net earnings	**368**	716	**497**	1,243
Unrealized gains (losses) on derivatives during period	**4**	17	**(8)**	(38)
Pension liability adjustment during period	**(2)**	0	**3**	4
Total other comprehensive income (loss) before income taxes	**83**	1,113	**429**	984
Income tax expense (benefit) related to items of other comprehensive income (loss)	**(89)**	293	**222**	300
Other comprehensive income (loss), net of income taxes	**172**	820	**207**	684
Total comprehensive income (loss)	**$ 655**	$ 1,094	**$ 1,475**	$ 1,347

Prior-year amounts have been adjusted for the adoption of accounting guidance on January 1, 2012 related to deferred policy acquisition costs.
See the accompanying Notes to the Consolidated Financial Statements.

Aflac Incorporated and Subsidiaries
Consolidated Balance Sheets

(In millions - Unaudited)		**June 30, 2012**		December 31, 2011
Assets:				
Investments and cash:				
Securities available for sale, at fair value:				
Fixed maturities (amortized cost $41,699 in 2012 and $40,534 in 2011)	**$**	**44,036**	$	42,222
Fixed maturities - consolidated variable interest entities (amortized cost $5,262 in 2012 and $4,822 in 2011)		**5,745**		5,350
Perpetual securities (amortized cost $4,383 in 2012 and $5,365 in 2011)		**3,966**		5,149
Perpetual securities - consolidated variable interest entities (amortized cost $899 in 2012 and $1,532 in 2011)		**766**		1,290
Equity securities (cost $21 in 2012 and $22 in 2011)		**23**		25
Securities held to maturity, at amortized cost:				
Fixed maturities (fair value $52,229 in 2012 and $45,817 in 2011)		**52,098**		46,366
Fixed maturities - consolidated variable interest entities (fair value $311 in 2012 and $566 in 2011)		**315**		643
Other investments		**176**		168
Cash and cash equivalents		**2,130**		2,249
Total investments and cash		**109,255**		103,462
Receivables		**747**		680
Accrued investment income		**813**		802
Deferred policy acquisition costs		**9,961**		9,789
Property and equipment, at cost less accumulated depreciation		**603**		617
Other		**830** [1]		887 [1]
Total assets	**$**	**122,209**	$	116,237

[1] *Includes $281 in 2012 and $375 in 2011 of derivatives from consolidated variable interest entities*
Prior-year amounts have been adjusted for the adoption of accounting guidance on January 1, 2012 related to deferred policy acquisition costs.
See the accompanying Notes to the Consolidated Financial Statements.

(continued)

Aflac Incorporated and Subsidiaries
Consolidated Balance Sheets (continued)

(In millions, except for share and per-share amounts - Unaudited)	**June 30, 2012**	December 31, 2011
Liabilities and shareholders' equity:		
Liabilities:		
Policy liabilities:		
Future policy benefits	**$ 80,078**	$ 79,278
Unpaid policy claims	**4,057**	3,981
Unearned premiums	**2,068**	1,704
Other policyholders' funds	**13,210**	9,630
Total policy liabilities	**99,413**	94,593
Notes payable	**3,672**	3,285
Income taxes	**2,635**	2,308
Payables for return of cash collateral on loaned securities	**192**	838
Other	**2,118** (2)	2,267 (2)
Commitments and contingent liabilities (Note 10)		
Total liabilities	**108,030**	103,291
Shareholders' equity:		
Common stock of $.10 par value. In thousands: authorized 1,900,000 shares in 2012 and 2011; issued 664,532 shares in 2012 and 663,639 shares in 2011	**66**	66
Additional paid-in capital	**1,453**	1,408
Retained earnings	**16,108**	15,148
Accumulated other comprehensive income (loss):		
Unrealized foreign currency translation gains	**865**	984
Unrealized gains (losses) on investment securities:		
Unrealized gains (losses) on securities not other-than-temporarily impaired	**1,470**	1,143
Unrealized gains (losses) on derivatives	**4**	9
Pension liability adjustment	**(168)**	(171)
Treasury stock, at average cost	**(5,619)**	(5,641)
Total shareholders' equity	**14,179**	12,946
Total liabilities and shareholders' equity	**$ 122,209**	$ 116,237

(2) Includes $474 in 2012 and $531 in 2011 of derivatives from consolidated variable interest entities
Prior-year amounts have been adjusted for the adoption of accounting guidance on January 1, 2012 related to deferred policy acquisition costs.
See the accompanying Notes to the Consolidated Financial Statements.

Aflac Incorporated and Subsidiaries
Consolidated Statements of Shareholders' Equity

	Six Months Ended June 30,	
(In millions - Unaudited)	**2012**	2011
Common stock:		
Balance, beginning of period	**$ 66**	$ 66
Balance, end of period	**66**	66
Additional paid-in capital:		
Balance, beginning of period	**1,408**	1,320
Exercise of stock options	**15**	15
Share-based compensation	**16**	18
Gain (loss) on treasury stock reissued	**14**	19
Balance, end of period	**1,453**	1,372
Retained earnings:		
Balance, beginning of period	**15,148**	13,787
Net earnings	**1,268**	663
Dividends to shareholders	**(308)**	(281)
Balance, end of period	**16,108**	14,169
Accumulated other comprehensive income (loss):		
Balance, beginning of period	**1,965**	753
Unrealized foreign currency translation gains (losses) during period, net of income taxes:		
Change in unrealized foreign currency translation gains (losses) during period, net of income taxes	**(119)**	(14)
Unrealized gains (losses) on investment securities during period, net of income taxes and reclassification adjustments:		
Change in unrealized gains (losses) on investment securities not other-than-temporarily impaired, net of income taxes	**327**	716
Change in unrealized gains (losses) on other-than-temporarily impaired investment securities, net of income taxes	**0**	3
Unrealized gains (losses) on derivatives during period, net of income taxes	**(5)**	(25)
Pension liability adjustment during period, net of income taxes	**3**	3
Balance, end of period	**2,171**	1,436
Treasury stock:		
Balance, beginning of period	**(5,641)**	(5,386)
Purchases of treasury stock	**(10)**	(231)
Cost of shares issued	**32**	26
Balance, end of period	**(5,619)**	(5,591)
Total shareholders' equity	**$ 14,179**	$ 11,452

Prior-year amounts have been adjusted for the adoption of accounting guidance on January 1, 2012 related to deferred policy acquisition costs.
See the accompanying Notes to the Consolidated Financial Statements.

Aflac Incorporated and Subsidiaries
Consolidated Statements of Cash Flows

(In millions - Unaudited)	Six Months Ended June 30, 2012	2011
Cash flows from operating activities:		
Net earnings	**$ 1,268**	$ 663
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Change in receivables and advance premiums	**3,135**	926
Increase in deferred policy acquisition costs	**(311)**	(204)
Increase in policy liabilities	**2,679**	1,922
Change in income tax liabilities	**105**	(89)
Realized investment (gains) losses	**463**	1,247
Other, net	**(94)**	(87)
Net cash provided (used) by operating activities	**7,245**	4,378
Cash flows from investing activities:		
Proceeds from investments sold or matured:		
Securities available for sale:		
Fixed maturities sold	**982**	1,767
Fixed maturities matured or called	**938**	775
Perpetual securities sold	**897**	226
Perpetual securities matured or called	**376**	61
Securities held to maturity:		
Fixed maturities matured or called	**1,058**	325
Costs of investments acquired:		
Securities available for sale:		
Fixed maturities acquired	**(3,265)**	(4,822)
Securities held to maturity:		
Fixed maturities acquired	**(8,418)**	(3,484)
Cash received as collateral on loaned securities, net	**(646)**	147
Other, net	**20**	(29)
Net cash provided (used) by investing activities	**(8,058)**	(5,034)
Cash flows from financing activities:		
Purchases of treasury stock	**(10)**	(222)
Proceeds from borrowings	**749**	0
Principal payments under debt obligations	**(339)**	(1)
Dividends paid to shareholders	**(296)**	(260)
Change in investment-type contracts, net	**601**	275
Treasury stock reissued	**11**	26
Other, net	**9**	7
Net cash provided (used) by financing activities	**725**	(175)
Effect of exchange rate changes on cash and cash equivalents	**(31)**	1
Net change in cash and cash equivalents	**(119)**	(830)
Cash and cash equivalents, beginning of period	**2,249**	2,121
Cash and cash equivalents, end of period	**$ 2,130**	$ 1,291

Supplemental disclosures of cash flow information:		
Income taxes paid	**$ 355**	$ 460
Interest paid	**113**	72
Impairment losses included in realized investment losses	**546**	933
Noncash financing activities:		
Capitalized lease obligations	**2**	1
Treasury stock issued for:		
Associate stock bonus	**19**	0
Shareholder dividend reinvestment	**12**	21
Share-based compensation grants	**4**	2

Prior-year amounts have been adjusted for the adoption of accounting guidance on January 1, 2012 related to deferred policy acquisition costs.
See the accompanying Notes to the Consolidated Financial Statements.

Aflac Incorporated and Subsidiaries
Notes to the Consolidated Financial Statements
(Interim period data – Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

Aflac Incorporated (the Parent Company) and its subsidiaries (collectively, the Company) primarily sell supplemental health and life insurance in the United States and Japan. The Company's insurance business is marketed and administered through American Family Life Assurance Company of Columbus (Aflac), which operates in the United States (Aflac U.S.) and as a branch in Japan (Aflac Japan). Most of Aflac's policies are individually underwritten and marketed through independent agents. Additionally, Aflac U.S. markets and administers group products through Continental American Insurance Company (CAIC), branded as Aflac Group Insurance. Our insurance operations in the United States and our branch in Japan service the two markets for our insurance business. Aflac Japan's revenues, including realized gains and losses on its investment portfolio, accounted for 77% and 73% of the Company's total revenues in the six-month periods ended June 30, 2012, and 2011, respectively. The percentage of the Company's total assets attributable to Aflac Japan was 87% at June 30, 2012, and December 31, 2011.

Basis of Presentation

We prepare our financial statements in accordance with U.S. generally accepted accounting principles (GAAP). These principles are established primarily by the Financial Accounting Standards Board (FASB). In these Notes to the Consolidated Financial Statements, references to GAAP issued by the FASB are derived from the FASB Accounting Standards Codification™ (ASC). The preparation of financial statements in conformity with GAAP requires us to make estimates when recording transactions resulting from business operations based on currently available information. The most significant items on our balance sheet that involve a greater degree of accounting estimates and actuarial determinations subject to changes in the future are the valuation of investments, deferred policy acquisition costs, liabilities for future policy benefits and unpaid policy claims, and income taxes. These accounting estimates and actuarial determinations are sensitive to market conditions, investment yields, mortality, morbidity, commission and other acquisition expenses, and terminations by policyholders. As additional information becomes available, or actual amounts are determinable, the recorded estimates will be revised and reflected in operating results. Although some variability is inherent in these estimates, we believe the amounts provided are adequate.

The unaudited consolidated financial statements include the accounts of the Parent Company, its subsidiaries and those entities required to be consolidated under applicable accounting standards. All material intercompany accounts and transactions have been eliminated.

In the opinion of management, the accompanying unaudited consolidated financial statements of the Company contain all adjustments, consisting of normal recurring accruals, which are necessary to fairly present the consolidated balance sheets as of June 30, 2012, and December 31, 2011, the consolidated statements of earnings and comprehensive income (loss) for the three- and six-month periods ended June 30, 2012, and 2011, and the consolidated statements of shareholders' equity and cash flows for the six-month periods ended June 30, 2012, and 2011. Results of operations for interim periods are not necessarily indicative of results for the entire year. As a result, these financial statements should be read in conjunction with the financial statements and notes thereto included in our annual report to shareholders for the year ended December 31, 2011.

Significant Accounting Policies

We have revised the accounting policy for deferred policy acquisition costs as a result of the adoption of amended accounting guidance effective January 1, 2012, and we have updated the disclosure in the accounting policy for income taxes. All other categories of significant accounting policies remain unchanged from our annual report to shareholders for the year ended December 31, 2011.

Deferred Policy Acquisition Costs: Certain direct and incremental costs of acquiring new business are deferred and amortized with interest over the premium payment periods in proportion to the ratio of annual premium income to total anticipated premium income. Anticipated premium income is estimated by using the same mortality, persistency and interest assumptions used in computing liabilities for future policy benefits. In this manner, the related acquisition expenses are matched with revenues. Deferred costs include the excess of current-year commissions over ultimate renewal-year commissions and certain incremental direct policy issue, underwriting and sales expenses. All of these incremental costs are directly related to successful policy acquisition.

For some products, policyholders can elect to modify product benefits, features, rights or coverages by exchanging a contract for a new contract or by amendment, endorsement, or rider to a contract, or by the election of a feature or coverage within a contract. These transactions are known as internal replacements. For internal replacement transactions where the resulting contract is substantially unchanged, the policy is accounted for as a continuation of the replaced contract. Unamortized deferred acquisition costs from the original policy continue to be amortized over the expected life of the new policy, and the costs of replacing the policy are accounted for as policy maintenance costs and expensed as incurred. Internal replacement transactions that result in a policy that is not substantially unchanged are accounted for as an extinguishment of the original policy and the issuance of a new policy. Unamortized deferred acquisition costs on the original policy that was replaced are immediately expensed, and the costs of acquiring the new policy are capitalized and amortized in accordance with our accounting policies for deferred acquisition costs.

Income Taxes: Income tax provisions are generally based on pretax earnings reported for financial statement purposes, which differ from those amounts used in preparing our income tax returns. Deferred income taxes are recognized for temporary differences between the financial reporting basis and income tax basis of assets and liabilities, based on enacted tax laws and statutory tax rates applicable to the periods in which we expect the temporary differences to reverse. We record deferred tax assets for tax positions taken based on our assessment of whether the tax position is more likely than not to be sustained upon examination by taxing authorities. A valuation allowance is established for deferred tax assets when it is more likely than not that an amount will not be realized.

As discussed in the Translation of Foreign Currencies section in Note 1 of the Notes to the Consolidated Financial Statements in our annual report to shareholders for the year ended December 31, 2011, Aflac Japan maintains a dollar-denominated investment portfolio on behalf of Aflac U.S. While there are no translation effects to record in other comprehensive income, the deferred tax expense or benefit associated with foreign exchange gains or losses on the portfolio is recognized in other comprehensive income until the securities mature or are sold. Total income tax expense (benefit) related to items of other comprehensive income (loss) included a tax benefit of $96 million during the three-month period ended June 30, 2012, and a tax benefit of $112 million during the three-month period ended June 30, 2011, for this dollar-denominated portfolio. Excluding these amounts from total taxes on other comprehensive income would result in an effective income tax rate on pretax other comprehensive income (loss) of 8.3% and 36.4% in the three-month periods ended June 30, 2012 and 2011, respectively. Total income tax expense (benefit) related to items of other comprehensive income (loss) included tax expense of $61 million during the six-month period ended June 30, 2012, and a tax benefit of $50 million during the six-month period ended June 30, 2011, for this dollar-denominated portfolio. Excluding these amounts from total taxes on other comprehensive income would result in an effective income tax rate on pretax other comprehensive income (loss) of 37.5% and 35.8% in the six-month periods ended June 30, 2012 and 2011, respectively.

On August 2, 2012, the Internal Revenue Service notified us of the final settlement of our tax returns for the years ended December 31, 2008 and 2009. As a result, we estimate that will recognize an income tax benefit ranging from $20 to $25 million, excluding interest, as a result of this final settlement.

New Accounting Pronouncements

Recently Adopted Accounting Pronouncements

Presentation of comprehensive income: In June 2011, the FASB issued guidance to amend the presentation of comprehensive income. The amendment requires that all non-owner changes in stockholders' equity be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. We adopted this guidance as of January 1, 2012 and elected the option to report comprehensive income in two separate but consecutive statements. The adoption of this guidance did not have an impact on our financial position or results of operations. The amendment also requires reclassification adjustments for items that are reclassified from other comprehensive income to net income to be presented in the statements where the components of net income and the components of other comprehensive income are presented; however, in December 2011, the FASB issued guidance to temporarily defer the effective date of this additional requirement.

Fair value measurements and disclosures: In May 2011, the FASB issued guidance to amend the fair value measurement and disclosure requirements. Most of the amendments are clarifications of the FASB's intent about the application of existing fair value measurement and disclosure requirements. Other amendments change a particular principle or requirement for measuring fair value or disclosing information about fair value measurements. The new fair value measurement disclosures include additional quantitative and qualitative disclosures for Level 3 measurements, including a qualitative sensitivity analysis of fair value to changes in unobservable inputs, and categorization by fair value hierarchy level for items for which the fair value is only disclosed. We adopted this guidance as of January 1, 2012. The adoption of this guidance impacted our financial statement disclosures, but it did not affect our financial position or results of operations.

Accounting for costs associated with acquiring or renewing insurance contracts: In October 2010, the FASB issued amended accounting guidance on accounting for costs associated with acquiring or renewing insurance contracts. Under the previous guidance, costs that varied with and were primarily related to the acquisition of a policy were deferrable. Under the amended guidance, only incremental direct costs associated with the successful acquisition of a new or renewal contract may be capitalized, and direct-response advertising costs may be capitalized only if they meet certain criteria. This guidance is effective on a prospective or retrospective basis for interim and annual periods beginning after December 15, 2011. We retrospectively adopted this guidance as of January 1, 2012. The retrospective adoption of this accounting standard resulted in an after-tax cumulative reduction to retained earnings of $408 million and an after-tax cumulative reduction to unrealized foreign currency translation gains in accumulated other comprehensive income of $108 million, resulting in a total reduction to shareholders' equity of $516 million as of December 31, 2010. The adoption of this accounting standard had an immaterial impact on net income in 2011 and for all preceding years.

Recent accounting guidance not discussed above is not applicable or did not have an impact to our business.

For additional information on new accounting pronouncements and recent accounting guidance and their impact, if any, on our financial position or results of operations, see Note 1 of the Notes to the Consolidated Financial Statements in our annual report to shareholders for the year ended December 31, 2011.

2. BUSINESS SEGMENT INFORMATION

The Company consists of two reportable insurance business segments: Aflac Japan and Aflac U.S., both of which sell supplemental health and life insurance. Operating business segments that are not individually reportable are included in the "Other business segments" category.

We do not allocate corporate overhead expenses to business segments. We evaluate and manage our business segments using a financial performance measure called pretax operating earnings. Our definition of operating earnings excludes the following items from net earnings on an after-tax basis: realized investment gains/losses (securities transactions, impairments, and the impact of derivative and hedging activities) and nonrecurring items. We then exclude income taxes related to operations to arrive at pretax operating earnings. Information regarding operations by segment follows:

(In millions)	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Revenues:				
Aflac Japan:				
Earned premiums	**$ 4,216**	$ 3,770	**$ 8,364**	$ 7,472
Net investment income	**691**	636	**1,421**	1,285
Other income	**0**	5	**16**	25
Total Aflac Japan	**4,907**	4,411	**9,801**	8,782
Aflac U.S.:				
Earned premiums	**1,251**	1,186	**2,482**	2,356
Net investment income	**153**	148	**304**	291
Other income	**2**	3	**5**	6
Total Aflac U.S.	**1,406**	1,337	**2,791**	2,653
Other business segments	**10**	13	**24**	28
Total business segment revenues	**6,323**	5,761	**12,616**	11,463
Realized investment gains (losses)	**(418)**	(668)	**(463)**	(1,247)
Corporate	**64**	60	**128**	121
Intercompany eliminations	**(67)**	(65)	**(139)**	(133)
Total revenues	**$ 5,902**	$ 5,088	**$ 12,142**	$ 10,204

(In millions)	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Pretax earnings:				
Aflac Japan	**$ 964**	$ 925	**$ 2,004**	$ 1,899
Aflac U.S.	**258**	243	**529**	494
Total business segment pretax operating earnings	**1,222**	1,168	**2,533**	2,393
Interest expense, noninsurance operations	**(45)**	(41)	**(89)**	(82)
Corporate and eliminations	**(18)**	(15)	**(38)**	(28)
Pretax operating earnings	**1,159**	1,112	**2,406**	2,283
Realized investment gains (losses)	**(418)**	(668)	**(463)**	(1,247)
Total earnings before income taxes	**$ 741**	$ 444	**$ 1,943**	$ 1,036
Income taxes applicable to pretax operating earnings	**$ 404**	$ 384	**$ 837**	$ 789
Effect of foreign currency translation on operating earnings	**6**	51	**26**	99

Prior-year amounts have been adjusted for the adoption of accounting guidance on January 1, 2012 related to deferred policy acquisition costs.

Assets were as follows:

(In millions)	**June 30, 2012**	December 31, 2011
Assets:		
Aflac Japan	**$ 106,832**	$ 101,692
Aflac U.S.	**14,630**	13,942
Other business segments	**162**	160
Total business segment assets	**121,624**	115,794
Corporate	**17,645**	16,182
Intercompany eliminations	**(17,060)**	(15,739)
Total assets	**$ 122,209**	$ 116,237

Prior-year amounts have been adjusted for the adoption of accounting guidance on January 1, 2012 related to deferred policy acquisition costs.

3. INVESTMENTS

Investment Holdings

The amortized cost for our investments in debt and perpetual securities, the cost for equity securities and the fair values of these investments are shown in the following tables.

	June 30, 2012			
(In millions)	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities available for sale, carried at fair value:				
Fixed maturities:				
Yen-denominated:				
Japan government and agencies	$ 11,678	$ 741	$ 1	$ 12,418
Mortgage- and asset-backed securities	852	47	1	898
Public utilities	3,939	73	233	3,779
Sovereign and supranational	2,006	46	65	1,987
Banks/financial institutions	4,226	177	436	3,967
Other corporate	6,217	141	367	5,991
Total yen-denominated	28,918	1,225	1,103	29,040
Dollar-denominated:				
U.S. government and agencies	94	22	0	116
Municipalities	1,052	144	7	1,189
Mortgage- and asset-backed securities	296	80	1	375
Public utilities	3,251	572	28	3,795
Sovereign and supranational	473	103	3	573
Banks/financial institutions	3,449	341	41	3,749
Other corporate	9,428	1,555	39	10,944
Total dollar-denominated	18,043	2,817	119	20,741
Total fixed maturities	46,961	4,042	1,222	49,781
Perpetual securities:				
Yen-denominated:				
Banks/financial institutions	4,634	27	570	4,091
Other corporate	338	4	0	342
Dollar-denominated:				
Banks/financial institutions	310	7	18	299
Total perpetual securities	5,282	38	588	4,732
Equity securities	21	4	2	23
Total securities available for sale	$ 52,264	$ 4,084	$ 1,812	$ 54,536

	June 30, 2012			
(In millions)	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities held to maturity, carried at amortized cost:				
Fixed maturities:				
Yen-denominated:				
Japan government and agencies	$ 26,927	$ 605	$ 5	$ 27,527
Municipalities	539	37	2	574
Mortgage- and asset-backed securities	115	5	0	120
Public utilities	5,377	214	165	5,426
Sovereign and supranational	3,633	167	102	3,698
Banks/financial institutions	10,957	184	809	10,332
Other corporate	4,865	160	162	4,863
Total yen-denominated	52,413	1,372	1,245	52,540
Total securities held to maturity	$ 52,413	$ 1,372	$ 1,245	$ 52,540

(In millions)	December 31, 2011 Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities available for sale, carried at fair value:				
Fixed maturities:				
Yen-denominated:				
Japan government and agencies	$ 11,108	$ 670	$ 0	$ 11,778
Mortgage- and asset-backed securities	912	43	1	954
Public utilities	3,850	59	226	3,683
Sovereign and supranational	1,704	87	16	1,775
Banks/financial institutions	4,312	74	359	4,027
Other corporate	6,213	120	459	5,874
Total yen-denominated	28,099	1,053	1,061	28,091
Dollar-denominated:				
U.S. government and agencies	31	4	0	35
Municipalities	1,060	107	8	1,159
Mortgage- and asset-backed securities	310	74	0	384
Public utilities	3,052	517	27	3,542
Sovereign and supranational	449	89	5	533
Banks/financial institutions	3,324	223	121	3,426
Other corporate	9,031	1,433	62	10,402
Total dollar-denominated	17,257	2,447	223	19,481
Total fixed maturities	45,356	3,500	1,284	47,572
Perpetual securities:				
Yen-denominated:				
Banks/financial institutions	6,217	155	604	5,768
Other corporate	344	17	0	361
Dollar-denominated:				
Banks/financial institutions	336	3	29	310
Total perpetual securities	6,897	175	633	6,439
Equity securities	22	4	1	25
Total securities available for sale	$ 52,275	$ 3,679	$ 1,918	$ 54,036

	December 31, 2011			
(In millions)	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities held to maturity, carried at amortized cost:				
Fixed maturities:				
Yen-denominated:				
Japan government and agencies	$ 18,775	$ 297	$ 1	$ 19,071
Municipalities	553	35	4	584
Mortgage- and asset-backed securities	129	5	0	134
Public utilities	5,615	188	166	5,637
Sovereign and supranational	4,200	148	183	4,165
Banks/financial institutions	12,389	170	1,079	11,480
Other corporate	5,348	149	185	5,312
Total yen-denominated	47,009	992	1,618	46,383
Total securities held to maturity	$ 47,009	$ 992	$ 1,618	$ 46,383

The methods of determining the fair values of our investments in debt securities, perpetual securities and equity securities are described in Note 5.

During the second quarter of 2012, we reclassified five investments from the held-to-maturity portfolio to the available-for-sale portfolio as a result of significant declines in the issuers' creditworthiness. At the time of transfer, the securities had an aggregate amortized cost of $842 million and an aggregate unrealized loss of $268 million. Included in this transfer were securities issued by UniCredit and Bankia SA, financial institutions, and Generalitat de Catalunya and Junta de Andalucia, regional governments in Spain. During the first quarter of 2012, we reclassified one investment from the held-to-maturity portfolio to the available-for-sale portfolio as a result of a significant decline in the issuer's creditworthiness. At the time of transfer, the security had an amortized cost of $122 million and an unrealized loss of $23 million. This investment was issued by Energias de Portugal SA (EDP), an integrated electric utility domiciled in Portugal.

During the second quarter of 2011, we did not reclassify any investments from the held-to-maturity portfolio to the available-for-sale portfolio. During the first quarter of 2011, we reclassified eight investments from the held-to-maturity portfolio to the available-for-sale portfolio as a result of significant declines in the issuers’ creditworthiness. At the time of the transfer, the securities had an aggregate amortized cost of $1.6 billion and an aggregate unrealized loss of $270 million. The securities transferred included investments in the Republic of Tunisia and securities associated with financial institutions in Portugal and Ireland. The investments from the financial institutions in Portugal were subsequently sold by the end of the third quarter of 2011.

Contractual and Economic Maturities

The contractual maturities of our investments in fixed maturities at June 30, 2012, were as follows:

	Aflac Japan		Aflac U.S.	
(In millions)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Available for sale:				
Due in one year or less	$ 1,980	$ 2,012	$ 13	$ 13
Due after one year through five years	2,455	2,569	352	379
Due after five years through 10 years	4,133	4,447	984	1,138
Due after 10 years	28,095	28,889	7,681	8,919
Mortgage- and asset-backed securities	1,104	1,217	44	57
Total fixed maturities available for sale	$ 37,767	$ 39,134	$ 9,074	$ 10,506
Held to maturity:				
Due in one year or less	$ 412	$ 419	$ 0	$ 0
Due after one year through five years	839	908	0	0
Due after five years through 10 years	3,298	3,635	0	0
Due after 10 years	47,749	47,458	0	0
Mortgage- and asset-backed securities	115	120	0	0
Total fixed maturities held to maturity	$ 52,413	$ 52,540	$ 0	$ 0

At June 30, 2012, the Parent Company had a portfolio of investment-grade available-for-sale fixed-maturity securities totaling $120 million at amortized cost and $141 million at fair value, which is not included in the table above.

Expected maturities may differ from contractual maturities because some issuers have the right to call or prepay obligations with or without call or prepayment penalties.

The majority of our perpetual securities are subordinated to other debt obligations of the issuer, but rank higher than the issuer's equity securities. Perpetual securities have characteristics of both debt and equity investments, along with unique features that create economic maturity dates for the securities. Although perpetual securities have no contractual maturity date, they have stated interest coupons that were fixed at their issuance and subsequently change to a floating short-term interest rate of 125 to more than 300 basis points above an appropriate market index, generally by the 25th year after issuance, thereby creating an economic maturity date. The economic maturities of our investments in perpetual securities, which were all reported as available for sale at June 30, 2012, were as follows:

	Aflac Japan		Aflac U.S.	
(In millions)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	$ 315	$ 317	$ 0	$ 0
Due after one year through five years	1,289	1,299	5	5
Due after five years through 10 years	457	461	0	0
Due after 10 years	3,047	2,488	169	162
Total perpetual securities available for sale	$ 5,108	$ 4,565	$ 174	$ 167

Investment Concentrations

Our investment discipline begins with a top-down approach for each investment opportunity we consider. Consistent with that approach, we first approve each country in which we invest. In our approach to sovereign analysis, we consider the political, legal and financial context of the sovereign entity in which an issuer is domiciled and operates. Next we approve the issuer's industry sector, considering such factors as the stability of results and the importance of the sector to the overall economy. Specific credit names within approved countries and industry sectors are evaluated for their market position and specific strengths and potential weaknesses. Structures in which we invest are chosen for specific portfolio management purposes, including asset/liability management, portfolio diversification and net investment income.

Banks and Financial Institutions

After Japanese government bonds (JGBs), our second largest investment concentration as of June 30, 2012, was banks and financial institutions. Within the countries we approve for investment opportunities, we primarily invest in financial institutions that are strategically crucial to each approved country's economy. The bank and financial institution sector is a highly regulated industry and plays a strategic role in the global economy. We achieve some degree of diversification in the bank and financial institution sector through a geographically diverse universe of credit exposures. Within this sector, the more significant concentration of our credit risk by geographic region or country of issuer at June 30, 2012, based on amortized cost, was: Europe, excluding the United Kingdom (34%); United States (24%); United Kingdom (8%); Japan (8%); and other (26%).

Our total investments in the bank and financial institution sector, including those classified as perpetual securities, were as follows:

	June 30, 2012		December 31, 2011	
	Total Investments in Banks and Financial Institutions Sector (in millions)	**Percentage of Total Investment Portfolio**	Total Investments in Banks and Financial Institutions Sector (in millions)	Percentage of Total Investment Portfolio
Fixed maturities:				
Amortized cost	**$ 18,632**	**18%**	$ 20,025	20%
Fair value	**18,048**	**17**	18,933	19
Perpetual securities:				
Upper Tier II:				
Amortized cost	**$ 3,311**	**3%**	$ 4,285	5%
Fair value	**3,052**	**3**	4,244	4
Tier I:				
Amortized cost	**1,633**	**2**	2,268	2
Fair value	**1,338**	**1**	1,834	2
Total:				
Amortized cost	**$ 23,576**	**23%**	$ 26,578	27%
Fair value	**22,438**	**21**	25,011	25

Derisking

During the three- and six-month periods ended June 30, 2012, we continued our efforts which began in the first quarter of 2011 of pursuing strategic investment activities to lower the risk profile of our investment portfolio. Our primary focus during the first half of 2012 was on reducing our exposure to perpetual and other subordinated securities of European issuers, particularly in the financial sector. See further details in the Realized Investment Gains and Losses section below.

Realized Investment Gains and Losses

Information regarding pretax realized gains and losses from investments is as follows:

(In millions)	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Realized investment gains (losses) on securities:				
Fixed maturities:				
Available for sale:				
Gross gains from sales	**$ 19**	$ 10	**$ 33**	$ 36
Gross losses from sales	**(35)**	(132)	**(36)**	(319)
Net gains (losses) from redemptions	**2**	(1)	**2**	6
Other-than-temporary impairment losses	**(267)**	(344)	**(330)**	(748)
Held to maturity:				
Net gains (losses) from redemptions	**3**	0	**3**	0
Total fixed maturities	**(278)**	(467)	**(328)**	(1,025)
Perpetual securities:				
Available for sale:				
Gross gains from sales	**0**	48	**70**	54
Gross losses from sales	**3**	(107)	**(62)**	(109)
Net gains (losses) from redemptions	**0**	0	**60**	0
Other-than-temporary impairment losses	**(76)**	(184)	**(216)**	(184)
Total perpetual securities	**(73)**	(243)	**(148)**	(239)
Equity securities:				
Other-than-temporary impairment losses	**0**	0	**0**	(1)
Total equity securities	**0**	0	**0**	(1)
Derivatives and other:				
Derivative gains (losses)	**(67)**	(25)	**13**	(55)
Other	**0**	67	**0**	73
Total derivatives and other	**(67)**	42	**13**	18
Total realized investment gains (losses)	**$ (418)**	$ (668)	**$ (463)**	$ (1,247)

During the three-month period ended June 30, 2012, sales and redemptions of securities generated a net realized investment loss. However, for the six-month period ended June 30, 2012, sales and redemptions of securities generated a net realized investment gain. The overall net gain for the six-month period primarily resulted from both the redemption in the first quarter of 2012 of a previously impaired perpetual security and sales related to our plan to reduce the risk exposure in our investment portfolio (see the Investment Concentrations section above for more information). The other-than-temporary losses that we recognized in the six-month period ended June 30, 2012 were largely composed of impairments recognized in the first quarter for two Tier I securities that were sold in the second quarter of 2012, and impairments in the second quarter on certain securities issued by Spanish institutions and further impairments on several securities that had previously been impaired in the fourth quarter 2011.

During the three- and six-month periods ended June 30, 2011, we recognized other-than-temporary impairment losses and realized investment losses from the sale of securities, primarily a result of a plan to reduce the risk exposure in our investment portfolio coupled with the continued decline in the creditworthiness of issuers of certain investments. A valuation allowance of $19 million was recorded in the second quarter of 2011 related to deferred tax assets associated with realized investment losses.

Other-than-temporary Impairment

The fair value of our debt and perpetual security investments fluctuates based on changes in interest rates and credit spreads in the global financial markets. Credit spreads are most impacted by market rates of interest, the general and specific credit environment and global market liquidity. We believe that fluctuations in the fair value of our investment securities related to changes in credit spreads have little bearing on whether our investment is ultimately recoverable. Generally, we consider such declines in fair value to be temporary even in situations where an investment remains in an unrealized loss position for a year or more.

However, in the course of our credit review process, we may determine that it is unlikely that we will recover our investment in an issuer due to factors specific to an individual issuer, as opposed to general changes in global credit spreads. In this event, we consider such a decline in the investment's fair value, to the extent it is below the investment's cost or amortized cost, to be an other-than-temporary impairment of the investment and write the investment down to its fair value.

In addition to the usual investment risk associated with a debt instrument, our perpetual security holdings may be subject to the risk of nationalization of their issuers in connection with capital injections from an issuer's sovereign government. We cannot be assured that such capital support will extend to all levels of an issuer's capital structure. In addition, certain governments or regulators may consider imposing interest and principal payment restrictions on issuers of hybrid securities to preserve cash and build capital. In addition to the cash flow impact that additional deferrals would have on our portfolio, such deferrals could result in ratings downgrades of the affected securities, which in turn could result in a reduction of fair value of the securities and increase our regulatory capital requirements. We take factors such as these into account in our credit review process.

When determining our intention to sell a security prior to recovery of its fair value to amortized cost, we evaluate facts and circumstances such as, but not limited to, sales of securities to meet cash flow needs and decisions to reposition our security portfolio. We perform ongoing analyses of our liquidity needs, which includes cash flow testing of our policy liabilities, debt maturities, projected dividend payments and other cash flow and liquidity needs. Our cash flow testing includes extensive duration matching of our investment portfolio and policy liabilities. Based on our analyses, we have concluded that we have sufficient excess cash flows to meet our liquidity needs without liquidating any of our investments prior to their maturity. We have performed analyses of our investment portfolio, and we have determined that certain securities are no longer within our investment risk exposure guidelines. Therefore, we have started to reposition our security portfolio in an effort to enhance diversification and our credit profile by reducing our risk exposure through opportunistic investment transactions.

The following table details our pretax other-than-temporary impairment losses by investment category that resulted from our impairment evaluation process.

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	**2012**	2011	**2012**	2011
Perpetual securities	**$ 76**	$ 184	**$ 216**	$ 184
Corporate bonds	**120**	343	**183**	740
Mortgage- and asset-backed securities	**3**	1	**3**	7
Municipalities	**0**	0	**0**	1
Sovereign and supranational	**144**	0	**144**	0
Equity securities	**0**	0	**0**	1
Total other-than-temporary impairment losses realized	**$ 343** (1)	$ 528 (2)	**$ 546** (1)	$ 933 (2)

(1) Includes $267 and $295 for the three- and six-month periods ended June 30, 2012, respectively, for credit-related impairments and $76 and $251 for the three- and six-month periods ended June 30, 2012, respectively, from change in intent to sell securities
(2) Consisted completely of credit-related impairments

Unrealized Investment Gains and Losses

Effect on Shareholders' Equity

The net effect on shareholders' equity of unrealized gains and losses from investment securities was as follows:

(In millions)	**June 30, 2012**	December 31, 2011
Unrealized gains (losses) on securities available for sale	**$ 2,272**	$ 1,761
Unamortized unrealized gains on securities transferred to held to maturity	**26**	34
Deferred income taxes	**(828)**	(652)
Shareholders' equity, unrealized gains (losses) on investment securities	**$ 1,470**	$ 1,143

Gross Unrealized Loss Aging

The following tables show the fair value and gross unrealized losses of our available-for-sale and held-to-maturity investments, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position.

	June 30, 2012					
	Total		Less than 12 months		12 months or longer	
(In millions)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed maturities:						
Japan government and agencies:						
Yen-denominated	$ 1,397	$ 6	$ 1,397	$ 6	$ 0	$ 0
Municipalities:						
Dollar-denominated	51	7	19	0	32	7
Yen-denominated	61	2	0	0	61	2
Mortgage- and asset- backed securities:						
Dollar-denominated	10	1	10	1	0	0
Yen-denominated	149	1	0	0	149	1
Public utilities:						
Dollar-denominated	347	28	210	14	137	14
Yen-denominated	4,810	398	1,822	141	2,988	257
Sovereign and supranational:						
Dollar-denominated	57	3	6	0	51	3
Yen-denominated	2,355	167	757	63	1,598	104
Banks/financial institutions:						
Dollar-denominated	543	41	230	6	313	35
Yen-denominated	8,450	1,245	1,263	23	7,187	1,222
Other corporate:						
Dollar-denominated	680	39	530	13	150	26
Yen-denominated	5,232	529	1,041	55	4,191	474
Total fixed maturities	24,142	2,467	7,285	322	16,857	2,145
Perpetual securities:						
Dollar-denominated	126	18	111	9	15	9
Yen-denominated	2,349	570	939	108	1,410	462
Total perpetual securities	2,475	588	1,050	117	1,425	471
Equity securities	10	2	8	1	2	1
Total	$ 26,627	$ 3,057	$ 8,343	$ 440	$ 18,284	$ 2,617

	December 31, 2011					
	Total		Less than 12 months		12 months or longer	
(In millions)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed maturities:						
Japan government and agencies:						
Yen-denominated	$ 940	$ 1	$ 859	$ 1	$ 81	$ 0
Municipalities:						
Dollar-denominated	54	8	22	1	32	7
Yen-denominated	60	4	0	0	60	4
Mortgage- and asset- backed securities:						
Yen-denominated	151	1	0	0	151	1
Public utilities:						
Dollar-denominated	295	27	110	3	185	24
Yen-denominated	4,995	392	2,404	141	2,591	251
Sovereign and supranational:						
Dollar-denominated	66	5	34	2	32	3
Yen-denominated	2,349	199	749	62	1,600	137
Banks/financial institutions:						
Dollar-denominated	770	121	391	56	379	65
Yen-denominated	10,175	1,438	1,639	46	8,536	1,392
Other corporate:						
Dollar-denominated	834	62	639	27	195	35
Yen-denominated	6,106	644	2,523	110	3,583	534
Total fixed maturities	26,795	2,902	9,370	449	17,425	2,453
Perpetual securities:						
Dollar-denominated	217	29	109	4	108	25
Yen-denominated	2,290	604	630	69	1,660	535
Total perpetual securities	2,507	633	739	73	1,768	560
Equity securities	8	1	6	1	2	0
Total	$ 29,310	$ 3,536	$ 10,115	$ 523	$ 19,195	$ 3,013

Analysis of Securities in Unrealized Loss Positions

The unrealized losses on our investments have been primarily related to changes in interest rates, foreign exchange rates or the general widening of credit spreads rather than specific issuer credit-related events. In addition, because we do not intend to sell and do not believe it is likely that we will be required to sell these investments before a recovery of fair value to amortized cost, we do not consider any of these investments to be other-than-temporarily impaired as of and for the six-month period ended June 30, 2012. The following summarizes our evaluation of investment categories with significant unrealized losses and securities that were rated below investment grade as of June 30, 2012.

Public Utilities

As of June 30, 2012, 68% of the unrealized losses on investments in the public utilities sector was related to investments that were investment grade, compared with 77% at December 31, 2011. This decline is due to a higher total balance of unrealized losses on below-investment-grade utility investments as of June 30, 2012, primarily driven by the downgrade of our investment in Energias de Portugal SA to below investment grade and the increase in the unrealized loss on our investment in Israel Electric subsequent to December 31, 2011. For any credit-related declines in fair value, we perform a more focused review of the related issuer's credit ratings, financial statements and other available financial data, timeliness of payment, competitive environment and any other significant data related to the issuer. From those reviews, we evaluate the issuer's continued ability to service our investment. We have determined that the majority of the unrealized losses on the investments in the public utilities sector was caused by widening credit spreads. Based on our credit analysis, we believe that the issuers of our investments in this sector have the ability to service their obligations to us.

Sovereign and Supranational

As of June 30, 2012, 65% of the unrealized losses on investment securities in the sovereign and supranational sector were related to investments that were investment grade, compared with 100% at December 31, 2011. This decline is due to a higher total balance of unrealized losses on below-investment-grade sovereign and supranational investments as of June 30, 2012, primarily driven by the downgrade of our investment in Junta de Andalucia, a regional government in Spain, to below investment grade subsequent to December 31, 2011. For any credit-related declines in fair value, we perform a more focused review of the related issuers' credit ratings, financial statements and other available financial data, timeliness of payment, gross domestic product growth projections, balance of payments, foreign currency reserves, and any other significant data related to the issuers. From those reviews, we evaluate the issuers' continued ability to service our investments. We have determined that the majority of the unrealized losses on the investments in the sovereign and supranational sector was caused by widening credit spreads. Based on our credit analysis, we believe that the issuers of our investments in this sector have the ability to service their obligations to us.

Bank and Financial Institution Investments

Our efforts during 2011 and the three- and six-month periods ended June 30, 2012 to reduce risk in our investment portfolio included sales and impairments of certain investments in banks and financial institutions, with an emphasis on reducing our exposure to European financial institutions. The following table shows the composition of our investments in an unrealized loss position in the bank and financial institution sector by fixed-maturity securities and perpetual securities. The table reflects those securities in that sector that were in an unrealized loss position as a percentage of our total investment portfolio in an unrealized loss position and their respective unrealized losses as a percentage of total unrealized losses.

	June 30, 2012		December 31, 2011	
	Percentage of Total Investments in an Unrealized Loss Position	**Percentage of Total Unrealized Losses**	Percentage of Total Investments in an Unrealized Loss Position	Percentage of Total Unrealized Losses
Fixed maturities	**34%**	**42%**	37%	44%
Perpetual securities:				
Upper Tier II	**6**	**10**	4	6
Tier I	**4**	**10**	5	12
Total perpetual securities	**10**	**20**	9	18
Total	**44%**	**62%**	46%	62%

As of June 30, 2012, 79% of the $1.9 billion in unrealized losses on investments in the bank and financial institution sector, including perpetual securities, was related to investments that were investment grade, compared with 80% at December 31, 2011. Of the $11.5 billion in total investments, at fair value, in this sector in an unrealized loss position at June 30, 2012, only $960 million ($389 million in unrealized losses) was below investment grade. Four issuers of investments comprised nearly 98% of the $389 million unrealized loss.

We conduct our own independent credit analysis for investments in the bank and financial institution sector. Our assessment includes analysis of financial information, as well as consultation with the issuers from time to time. Based on our credit analysis, we have determined that the majority of the unrealized losses on the investments in this sector was caused by widening credit spreads, the downturn in the global economic environment and, to a lesser extent, changes in foreign exchange rates. Unrealized gains or losses related to prevailing interest rate environments are impacted by the remaining time to maturity of an investment. Assuming no credit-related factors develop, as investments near maturity, the unrealized gains or losses can be expected to diminish. Based on our credit analysis, we believe that the issuers of our investments in this sector have the ability to service their obligations to us.

Other Corporate Investments

As of June 30, 2012, 74% of the unrealized losses on investments in the other corporate sector was related to investments that were investment grade, compared with 73% at December 31, 2011. For any credit-related declines in fair value, we perform a more focused review of the related issuer's credit ratings, financial statements and other available financial data, timeliness of payment, competitive environment and any other significant data related to the issuer. From that review, we evaluate the issuer's continued ability to service our investment. We have determined that the majority of the unrealized losses on the investments in the other corporate sector was caused by widening credit spreads. Based on our credit analysis, we believe that the issuers of our investments in this sector have the ability to service their obligations to us.

Perpetual Securities

As of June 30, 2012, 93% of the unrealized losses on investments in perpetual securities was related to investments that were investment grade, compared with 73% at December 31, 2011. This improvement is primarily a result of the recognition of other-than-temporary impairments during the six-month period ended June 30, 2012. The majority of our investments in Upper Tier II and Tier I perpetual securities were in highly rated global financial institutions. Upper Tier II securities have more debt-like characteristics than Tier I securities and are senior to Tier I securities, preferred stock, and common equity of the issuer. Conversely, Tier I securities have more equity-like characteristics, but are senior to the common equity of the issuer. They may also be senior to certain preferred shares, depending on the individual security, the issuer's capital structure and the regulatory jurisdiction of the issuer.

Details of our holdings of perpetual securities were as follows:

Perpetual Securities

		June 30, 2012			December 31, 2011		
(In millions)	Credit Rating	**Amortized Cost**	**Fair Value**	**Unrealized Gain (Loss)**	Amortized Cost	Fair Value	Unrealized Gain (Loss)
Upper Tier II:							
	AA	**$ 0**	**$ 0**	**$ 0**	$ 196	$ 204	$ 8
	A	**495**	**498**	**3**	2,108	2,046	(62)
	BBB	**2,770**	**2,508**	**(262)**	1,791	1,804	13
	BB or lower	**45**	**45**	**0**	190	190	0
Total Upper Tier II		**3,310**	**3,051**	**(259)**	4,285	4,244	(41)
Tier I:							
	A	**60**	**57**	**(3)**	0	0	0
	BBB	**1,325**	**1,071**	**(254)**	1,684	1,417	(267)
	BB or lower	**249**	**211**	**(38)**	584	417	(167)
Total Tier I		**1,634**	**1,339**	**(295)**	2,268	1,834	(434)
Other subordinated - non-banks	BBB	**338**	**342**	**4**	344	361	17
Total		**$ 5,282**	**$ 4,732**	**$ (550)**	$ 6,897	$ 6,439	$ (458)

An aspect of our efforts during 2011 and the three- and six-month periods ended June 30, 2012 to reduce risk in our investment portfolio included sales and impairments of certain investments in perpetual securities. With the exception of the Icelandic bank securities that we completely impaired in 2008, none of the perpetual securities we own were in default on interest and principal payments at June 30, 2012. During the second quarter of 2011, we wrote off accrued interest income and stopped accruing further interest income for the Dexia S.A. Upper Tier II perpetual securities, which had a deferred coupon and were impaired during that quarter, and we recognized additional impairments on those securities in the third and fourth quarters of 2011. We collected the deferred coupon upon the sale of those securities as part of our derisking investment activities in the first quarter of 2012. Based on amortized cost as of June 30, 2012, the geographic breakdown of our perpetual securities by issuer was as follows: European countries, excluding the United Kingdom, (67%); the United Kingdom (11%); Japan (14%); and other (8%). To determine any credit-related declines in fair value, we perform a more focused review of the related issuer's credit ratings, financial statements and other available financial data, timeliness of payment, competitive environment and any other significant data related to the issuer. From that review, we evaluate the issuer's continued ability to service our investment.

We have determined that the majority of our unrealized losses in the perpetual security category was principally due to widening credit spreads, largely as the result of the contraction of liquidity in the capital markets. Based on our reviews, we concluded that the ability of the issuers to service our investments has not been compromised by these factors. Unrealized gains or losses related to prevailing interest rate environments are impacted by the remaining time to maturity of an investment. Assuming no credit-related factors develop, as the investments near economic maturity, the unrealized gains or losses can be expected to diminish. Based on our credit analyses, we believe that the issuers of our investments in this sector have the ability to service their obligations to us.

As part of our continuing efforts to reduce our overall exposure to financial institutions, in July 2012, subsequent to the end of the second quarter, we tendered our holdings in Credit Suisse back to the issuer. These holdings consisted of $296 million of Tier I securities and $189 million of Upper Tier II securities based on amortized cost at June 30, 2012. As of June 30, 2012, these securities had a total unrealized loss of $92 million. The transaction, which is expected to settle in August 2012, will result in a realized pretax investment loss of approximately $25 million in the third quarter of 2012.

Variable Interest Entities (VIEs)

The following table details our investments in VIEs.

Investments in Variable Interest Entities

	June 30, 2012		December 31, 2011	
(In millions)	**Amortized Cost**	**Fair Value**	Amortized Cost	Fair Value
VIEs:				
VIEs - consolidated	**$ 6,476**	**$ 6,822**	$ 6,997	$ 7,206
VIEs - not consolidated	**12,911**	**12,927**	13,753	13,714
Total VIEs	**$ 19,387**	**$ 19,749**	$ 20,750	$ 20,920

As a condition to our involvement or investment in a VIE, we enter into certain protective rights and covenants that preclude changes in the structure of the VIE that would alter the creditworthiness of our investment or our beneficial interest in the VIE.

Our involvement with all of the VIEs in which we have an interest is passive in nature, and we are not the arranger of these entities. We have not been involved in establishing these entities, except as it relates to our review and evaluation of the structure of these VIEs in the normal course of our investment decision-making process. Further, we are not, nor have we been, required to purchase any securities issued in the future by these VIEs.

Our ownership interest in the VIEs is limited to holding the obligations issued by them. All of the VIEs in which we invest are static with respect to funding and have no ongoing forms of funding after the initial funding date. We have no direct or contingent obligations to fund the limited activities of these VIEs, nor do we have any direct or indirect financial guarantees related to the limited activities of these VIEs. We have not provided any assistance or any other type of financing support to any of the VIEs we invest in, nor do we have any intention to do so in the future. The weighted-average lives of our notes are very similar to the underlying collateral held by these VIEs where applicable.

Our risk of loss related to our interests in any of our VIEs is limited to our investment in the debt securities issued by them.

VIEs-Consolidated

We are substantively the only investor in the consolidated VIEs listed in the table above. As the sole investor in these VIEs, we have the power to direct the activities of a variable interest entity that most significantly impact the entity's economic performance and are therefore considered to be the primary beneficiary of the VIEs that we consolidate. We also participate in substantially all of the variability created by these VIEs. The activities of these VIEs are limited to holding debt and perpetual securities and interest rate, foreign currency, and/or credit default swaps (CDSs), as appropriate, and utilizing the cash flows from these securities to service our investment. Neither we nor any of our creditors are able to obtain the underlying collateral of the VIEs unless there is an event of default or other specified event. For those VIEs that contain a swap, we are not a direct counterparty to the swap contracts and have no control over them. Our loss exposure to these VIEs is limited to our original investment. Our consolidated VIEs do not rely on outside or ongoing sources of funding to support their activities beyond the underlying collateral and swap contracts, if applicable. With the exception of our investment in senior secured bank loans through a unit trust structure that we began investing in during the second quarter of 2011, the underlying collateral assets and funding of our consolidated VIEs are generally static in nature and the underlying collateral and the reference corporate entities covered by any CDS contracts were all investment grade at the time of issuance.

We are exposed to credit losses within any consolidated collateralized debt obligations (CDOs) that could result in principal losses to our investments. We have mitigated our risk of credit loss through the structure of the VIE, which contractually requires the subordinated tranches within these VIEs to absorb the majority of the expected losses from the underlying credit default swaps. We currently own only senior CDO tranches. Based on our statistical analysis models, each of these VIEs can sustain a reasonable number of defaults in the underlying reference corporate entities in the CDSs with no loss to our investment.

VIEs-Not Consolidated

The VIEs that we are not required to consolidate are investments that are limited to loans in the form of debt obligations from the VIEs that are irrevocably and unconditionally guaranteed by their corporate parents. These VIEs are the primary financing vehicles used by their corporate sponsors to raise financing in the international capital markets. The variable interests created by these VIEs are principally or solely a result of the debt instruments issued by them. We do not have the power to direct the activities that most significantly impact the entity's economic performance, nor do we have (1) the obligation to absorb losses of the entity or (2) the right to receive benefits from the entity. As such, we are not the primary beneficiary of these VIEs and are therefore not required to consolidate them. These VIE investments comprise securities from 159 separate issuers with an average credit rating of BBB.

Securities Lending

We lend fixed-maturity securities to financial institutions in short-term security-lending transactions. These short-term security-lending arrangements increase investment income with minimal risk. Our security lending policy requires that the fair value of the securities and/or unrestricted cash received as collateral be 102% or more of the fair value of the loaned securities. The following table presents our security loans outstanding and the corresponding collateral held:

(In millions)	**June 30, 2012**	December 31, 2011
Security loans outstanding, fair value	**$ 187**	$ 812
Cash collateral on loaned securities	**192**	838

The balance of our security loans outstanding was lower at June 30, 2012, compared with that at December 31, 2011, due to our short-term funding needs being met by operational cash flows as of that date.

4. DERIVATIVE INSTRUMENTS

We do not use derivative financial instruments for trading purposes, nor do we engage in leveraged derivative transactions. The majority of our freestanding derivatives are interest rate, foreign currency and credit default swaps that are associated with investments in special-purpose entities, including VIEs where we are the primary beneficiary. The remaining derivatives are the interest rate swap associated with our variable interest rate yen-denominated debt and cross-currency interest rate swaps associated with our senior notes due in February 2017 and February 2022.

Derivative Types

Interest rate and credit default swaps involve the periodic exchange of cash flows with other parties, at specified intervals, calculated using agreed upon rates or other financial variables and notional principal amounts. Generally, no cash or principal payments are exchanged at the inception of the contract. Typically, at the time a swap is entered into, the cash flow streams exchanged by the counterparties are equal in value. Interest rate swaps are primarily used to convert interest receipts on floating-rate fixed-maturity securities contracts to fixed rates. These derivatives are predominantly used to better match cash receipts from assets with cash disbursements required to fund liabilities.

Credit default swaps are used to assume credit risk related to an individual security or an index. These contracts entitle the consolidated VIE to receive a periodic fee in exchange for an obligation to compensate the derivative counterparty should the referenced security issuers experience a credit event, as defined in the contract. The consolidated VIE is also exposed to credit risk due to embedded derivatives associated with credit-linked notes.

Foreign currency swaps exchange an initial principal amount in two currencies, agreeing to re-exchange the currencies at a future date, at an agreed upon exchange rate. There may also be periodic exchanges of payments at specified intervals based on the agreed upon rates and notional amounts. Foreign currency swaps are used primarily in the consolidated VIEs in our Aflac Japan portfolio to convert foreign-denominated cash flows to yen, the functional currency of Aflac Japan, in order to minimize cash flow fluctuations. We also use foreign currency swaps to convert certain of our dollar-denominated principal and interest senior note obligations into yen-denominated obligations.

Credit Risk Assumed through Derivatives

For the interest rate, foreign currency, and credit default swaps associated with our VIE investments for which we are the primary beneficiary, we bear the risk of foreign exchange or interest rate loss due to counterparty default even though we are not a direct counterparty to those contracts. We are exposed to credit risk in the event of nonperformance by counterparties to the cross-currency swaps related to our senior notes due in February 2017 and 2022 and the interest rate swap on our variable interest rate yen-denominated Samurai notes. The risk of counterparty default for both the VIE and senior note swaps is mitigated by collateral posting requirements the counterparty must meet. The counterparties to these swap agreements are financial institutions with the following credit ratings.

	June 30, 2012		December 31, 2011	
(In millions)	**Fair Value of Swaps**	**Notional Amount of Swaps**	Fair Value of Swaps	Notional Amount of Swaps
Counterparty credit rating:				
AA	**$ 0**	**$ 0**	$ 0	$ 0
A	**(176)**	**6,056**	(156)	5,491
Total	**$ (176)**	**$ 6,056**	$ (156)	$ 5,491

Certain of our consolidated VIEs have credit default swap contracts that require them to assume credit risk from an asset pool. Those consolidated VIEs will receive periodic payments based on an agreed upon rate and notional amount and will only make a payment by delivery of associated collateral, which consists of highly rated asset-backed securities, if there is a credit event. A credit event payment will typically be equal to the notional value of the swap contract less the value of the referenced obligations. A credit event is generally defined as a default on contractually obligated interest or principal payments or bankruptcy of the referenced entity. The diversified portfolios of corporate issuers are established within sector concentration limits.

The following tables present the maximum potential risk, fair value, weighted-average years to maturity, and underlying referenced credit obligation type for credit default swaps within consolidated VIE structures.

		June 30, 2012									
		Less than one year		One to three years		Three to five years		Five to ten years		Total	
(In millions)	Credit Rating	Maximum potential risk	Estimated fair value	Maximum potential risk	Estimated fair value	Maximum potential risk	Estimated fair value	Maximum potential risk	Estimated fair value	Maximum potential risk	Estimated fair value
Index exposure:											
Corporate bonds:											
	A	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ (139)**	**$ (5)**	**$ 0**	**$ 0**	**$ (139)**	**$ (5)**
	BB or lower	**0**	**0**	**0**	**0**	**0**	**0**	**(228)**	**(102)**	**(228)**	**(102)**
Total		**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ (139)**	**$ (5)**	**$ (228)**	**$ (102)**	**$ (367)**	**$ (107)**

		December 31, 2011									
		Less than one year		One to three years		Three to five years		Five to ten years		Total	
(In millions)	Credit Rating	Maximum potential risk	Estimated fair value	Maximum potential risk	Estimated fair value	Maximum potential risk	Estimated fair value	Maximum potential risk	Estimated fair value	Maximum potential risk	Estimated fair value
Index exposure:											
Corporate bonds:											
	A	$ 0	$ 0	$ 0	$ 0	$ (146)	$ (17)	$ 0	$ 0	$ (146)	$ (17)
	BB or lower	0	0	0	0	0	0	(235)	(113)	(235)	(113)
Total		$ 0	$ 0	$ 0	$ 0	$ (146)	$ (17)	$ (235)	$ (113)	$ (381)	$ (130)

Derivative Balance Sheet Classification

The tables below summarize the balance sheet classification of our derivative fair value amounts, as well as the gross asset and liability fair value amounts. The fair value amounts presented do not include income accruals. The notional amount of derivative contracts represents the basis upon which pay or receive amounts are calculated. Notional amounts are not reflective of credit risk.

	June 30, 2012			
(In millions)	Net Derivatives		Asset Derivatives	Liability Derivatives
Hedge Designation/ Derivative Type	**Notional Amount**	**Fair Value**	**Fair Value**	**Fair Value**
Cash flow hedges:				
Interest rate swaps	**$ 70**	**$ 0**	**$ 0**	**$ 0**
Foreign currency swaps	**75**	**28**	**28**	**0**
Total cash flow hedges	**145**	**28**	**28**	**0**
Non-qualifying strategies:				
Interest rate swaps	**367**	**27**	**31**	**(4)**
Foreign currency swaps	**5,177**	**(124)**	**247**	**(371)**
Credit default swaps	**367**	**(107)**	**0**	**(107)**
Total non-qualifying strategies	**5,911**	**(204)**	**278**	**(482)**
Total cash flow hedges and non-qualifying strategies	**$ 6,056**	**$ (176)**	**$ 306**	**$ (482)**
Balance Sheet Location				
Other assets	**$ 2,461**	**$ 306**	**$ 306**	**$ 0**
Other liabilities	**3,595**	**(482)**	**0**	**(482)**
Total derivatives	**$ 6,056**	**$ (176)**	**$ 306**	**$ (482)**

	December 31, 2011			
(In millions)	Net Derivatives		Asset Derivatives	Liability Derivatives
Hedge Designation/ Derivative Type	Notional Amount	Fair Value	Fair Value	Fair Value
Cash flow hedges:				
Interest rate swaps	$ 71	$ 0	$ 0	$ 0
Foreign currency swaps	75	36	36	0
Total cash flow hedges	146	36	36	0
Non-qualifying strategies:				
Interest rate swaps	381	30	34	(4)
Foreign currency swaps	4,583	(92)	305	(397)
Credit default swaps	381	(130)	0	(130)
Total non-qualifying strategies	5,345	(192)	339	(531)
Total cash flow hedges and non-qualifying strategies	$ 5,491	$ (156)	$ 375	$ (531)
Balance Sheet Location				
Other assets	$ 1,794	$ 375	$ 375	$ 0
Other liabilities	3,697	(531)	0	(531)
Total derivatives	$ 5,491	$ (156)	$ 375	$ (531)

Hedging

Derivative Hedges

Certain of our consolidated VIEs have interest rate and/or foreign currency swaps that qualify for hedge accounting treatment. For those that have qualified, we have designated the derivative as a hedge of the variability in cash flows of a forecasted transaction or of amounts to be received or paid related to a recognized asset ("cash flow" hedge). We expect to continue this hedging activity for a weighted-average period of approximately 14 years. The remaining derivatives in our consolidated VIEs that have not qualified for hedge accounting have been designated as held for other investment purposes ("non-qualifying strategies").

We have an interest rate swap agreement related to 5.5 billion yen variable interest rate Samurai notes that we issued in July 2011 (see Note 6). By entering into this contract, we swapped the variable interest rate to a fixed interest rate of 1.475%. We have designated this interest rate swap as a hedge of the variability in our interest cash flows associated with the variable interest rate Samurai notes. The notional amount and terms of the swap match the principal amount and terms of the variable interest rate Samurai notes, and the swap had no value at inception. Changes in the fair value of the swap contract are recorded in other comprehensive income so long as the hedge is deemed effective. Should any portion of the hedge be deemed ineffective, that ineffective portion would be reported in net earnings.

Hedge Documentation and Effectiveness Testing

To qualify for hedge accounting treatment, a derivative must be highly effective in mitigating the designated changes in cash flow of the hedged item. At hedge inception, we formally document all relationships between hedging instruments and hedged items, as well as our risk-management objective and strategy for undertaking each hedge transaction. The documentation process includes linking derivatives that are designated as cash flow hedges to specific assets or liabilities on the statement of financial position or to specific forecasted transactions and defining the effectiveness and ineffectiveness testing methods to be used. At the hedge's inception and on an ongoing quarterly basis, we also formally assess whether the derivatives that are used in hedging transactions have been, and are expected to continue to be, highly effective in offsetting changes in cash flows of hedged items. Hedge effectiveness is assessed using qualitative and quantitative methods. Qualitative methods may include the comparison of critical terms of the derivative to the hedged item. Quantitative methods include regression or other statistical analysis of changes in cash flows associated with the hedge relationship. Hedge ineffectiveness of the hedge relationships is measured each reporting period using the "Hypothetical Derivative Method."

For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive income and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. Gains and losses on the derivative representing hedge ineffectiveness are recognized in current earnings as a component of realized investment gains (losses). All components of each derivative's gain or loss were included in the assessment of hedge effectiveness.

Discontinuance of Hedge Accounting

We discontinue hedge accounting prospectively when (1) it is determined that the derivative is no longer highly effective in offsetting changes in the cash flows of a hedged item; (2) the derivative is de-designated as a hedging instrument; or (3) the derivative expires or is sold, terminated or exercised.

When hedge accounting is discontinued on a cash-flow hedge, including those where the derivative is sold, terminated or exercised, amounts previously deferred in other comprehensive income are reclassified into earnings when earnings are impacted by the cash flow of the hedged item.

Cash Flow Hedges

The following table presents the components of the gain or loss on derivatives that qualified as cash flow hedges.

Derivatives in Cash Flow Hedging Relationships

(In millions)	Gain (Loss) Recognized in Other Comprehensive Income on Derivative (Effective Portion)		Realized Investment Gains (Losses) Recognized in Income on Derivative (Ineffective Portion)	
Three Months Ended June 30, 2012:				
Interest rate swaps	**$**	**0**	**$**	**0**
Foreign currency swaps		**4**		**0**
Total	**$**	**4**	**$**	**0**
Six Months Ended June 30, 2012:				
Interest rate swaps	**$**	**0**	**$**	**0**
Foreign currency swaps		**(8)**		**0**
Total	**$**	**(8)**	**$**	**0**
Three Months Ended June 30, 2011:				
Interest rate swaps	$	0	$	0
Foreign currency swaps		17		2
Total	$	17	$	2
Six Months Ended June 30, 2011:				
Interest rate swaps	$	1	$	0
Foreign currency swaps		(39)		(2)
Total	$	(38)	$	(2)

In the third quarter of 2011, we de-designated certain of the foreign currency swaps with notional values totaling $500 million used in cash flow hedging strategies as a result of determining that these swaps would no longer be highly effective in offsetting the cash flows of the hedged item. As a result, the net gain recorded in accumulated other comprehensive income for these swaps that are no longer eligible for hedge accounting is being amortized into earnings over the expected life of the respective hedged item. The amount amortized from accumulated other comprehensive income into earnings related to these swaps was immaterial in the three- and six-month periods ended June 30, 2012. There was no gain or loss reclassified from accumulated other comprehensive income into earnings related to our designated cash flow hedges for the three- and six-month periods ended June 30, 2012 and 2011. As of June 30, 2012, deferred gains and losses on derivative instruments recorded in accumulated other comprehensive income that are expected to be reclassified to earnings during the next twelve months are immaterial.

Non-qualifying Strategies

For our derivative instruments in consolidated VIEs that do not qualify for hedge accounting treatment, all changes in their fair value are reported in current period earnings as realized investment gains (losses).

We have cross-currency swap agreements related to our $400 million senior notes due February 2017 and our $350 million senior notes due February 2022 (see Note 6). The notional amounts and terms of the swaps match the principal amount and terms of the senior notes. We entered into these cross-currency swaps to reduce interest expense by converting the dollar-denominated principal and interest on the senior notes we issued into yen-denominated obligations. By entering into these cross-currency swaps, we economically converted our $400 million liability into a 30.9 billion yen liability and reduced the interest rate on this debt from 2.65% in dollars to 1.22% in yen. We also economically converted our $350 million liability into a 27.0 billion yen liability and reduced the interest rate on this debt from 4.00% in dollars to 2.07% in yen.

The following table presents the gain or loss recognized in income on non-qualifying strategies.

Non-qualifying Strategies
Gain (Loss) Recognized within Realized Investment Gains (Losses)

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	**2012**	2011	**2012**	2011
Interest rate swaps	**$ (1)**	$ 4	**$ (4)**	$ (1)
Foreign currency swaps	**(57)**	3	**(7)**	(26)
Credit default swaps	**(9)**	(43)	**24**	(38)
Other	**0**	9	**0**	12
Total	**$ (67)**	$ (27)	**$ 13**	$ (53)

The amount of gain or loss recognized in earnings for our VIEs is attributable to the derivatives in those investment structures. While the change in value of the swaps is recorded through current period earnings, the change in value of the available-for-sale fixed income or perpetual securities associated with these swaps is recorded through other comprehensive income.

Net Investment Hedge

Our primary exposure to be hedged is our net investment in Aflac Japan, which is affected by changes in the yen/dollar exchange rate. To mitigate this exposure, we have taken the following courses of action. First, Aflac Japan maintains an investment portfolio of dollar-denominated securities on behalf of Aflac U.S., which serves as an economic currency hedge of a portion of our investment in Aflac Japan. The functional currency for these investments is the U.S. dollar. The related investment income and realized/unrealized investment gains and losses are also denominated in U.S. dollars. The foreign exchange gains and losses related to this portfolio are taxable in Japan and the U.S. when the securities mature or are sold. Until maturity or sale, deferred tax expense or benefit associated with the foreign exchange gains or losses are recognized in other comprehensive income.

Second, we have designated a majority of the Parent Company's yen-denominated liabilities (Samurai and Uridashi notes and yen-denominated loans - see Note 6) as nonderivative hedges of the foreign currency exposure of our investment in Aflac Japan. Our net investment hedge was effective during the three- and six-month periods ended June 30, 2012, and 2011, respectively.

Non-Derivative Hedging Instruments in
Net Investment Hedging Relationships

	Gain (Loss) Recognized in Other Comprehensive Income (Effective Portion)			
	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	**2012**	2011	**2012**	2011
Non-derivative hedging instruments	**$ (32)**	$ (32)	**$ 17**	$ (10)

There was no gain or loss reclassified from accumulated other comprehensive income into earnings related to our net investment hedge during the three- and six-month periods ended June 30, 2012 and 2011, respectively.

For additional information on our financial instruments, see the accompanying Notes 1, 3 and 5 and Notes 1, 3 and 5 of the Notes to the Consolidated Financial Statements in our annual report to shareholders for the year ended December 31, 2011.

5. FAIR VALUE MEASUREMENTS

Fair Value of Financial Instruments

The carrying values and estimated fair values of the Company’s financial instruments were as follows:

	June 30, 2012		December 31, 2011	
(In millions)	**Carrying Value**	**Fair Value**	Carrying Value	Fair Value
Assets:				
Fixed-maturity securities	**$ 96,134**	**$ 96,265**	$ 88,588	$ 88,039
Fixed-maturity securities - consolidated variable interest entities	**6,060**	**6,056**	5,993	5,916
Perpetual securities	**3,966**	**3,966**	5,149	5,149
Perpetual securities - consolidated variable interest entities	**766**	**766**	1,290	1,290
Equity securities	**23**	**23**	25	25
Interest rate, foreign currency, and credit default swaps	**306**	**306**	375	375
Liabilities:				
Notes payable (excluding capitalized leases)	**3,663**	**4,138**	3,275	3,536
Interest rate, foreign currency, and credit default swaps	**482**	**482**	531	531
Obligation to Japanese policyholder protection corporation	**48**	**48**	71	71

We determine the fair values of our fixed maturity securities, perpetual securities, privately issued equity securities and our derivatives using four basic pricing approaches or techniques: quoted market prices readily available from public exchange markets, price quotes and valuations from third party pricing vendors, a discounted cash flow (DCF) pricing model, and non-binding price quotes we obtain from outside brokers.

Our DCF pricing model incorporates an option adjusted spread and utilizes various market inputs we obtain from both active and inactive markets. The estimated fair values developed by the DCF pricing model is most sensitive to prevailing credit spreads, the level of interest rates (yields) and interest rate volatility. Credit spreads are derived using a bond index to create a credit spread matrix which takes into account the current credit spread, ratings and remaining time to maturity, and subordination levels for securities that are included in the bond index. Our DCF pricing model is based on a widely used global bond index that is comprised of investments in active markets. The index provides a broad-based measure of the global fixed-income bond market. This index covers bonds issued by European and American issuers, which account for the majority of bonds that we hold. We validate the reliability of the DCF pricing model periodically by using the model to price investments for which there are quoted market prices from active and inactive markets or, in the alternative, are quoted by our custodian for the same or similar securities.

The pricing data and market quotes we obtain from outside sources are reviewed internally for reasonableness. If a fair value appears unreasonable, we will re-examine the inputs and assess the reasonableness of the pricing data with the vendor. Additionally, we may compare the inputs to relevant market indices and other performance measurements. Based on that analysis, the valuation is confirmed or revised.

The fair values of our publicly issued notes payable were obtained from a limited number of independent brokers, and the fair values of our yen-denominated loans approximate their carrying values. The fair value of the obligation to the Japanese policyholder protection corporation is our estimated share of the industry's obligation calculated on a pro rata basis by projecting our percentage of the industry's premiums and reserves and applying that percentage to the total industry obligation payable in future years.

The carrying amounts for cash and cash equivalents, receivables, accrued investment income, accounts payable, cash collateral and payables for security transactions approximated their fair values due to the short-term nature of these instruments. Consequently, such instruments are not included in the above table. The preceding table also excludes liabilities for future policy benefits and unpaid policy claims as these liabilities are not financial instruments as defined by GAAP.

Fair Value Hierarchy

GAAP specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. These two types of inputs create three valuation hierarchy levels. Level 1 valuations reflect quoted market prices for identical assets or liabilities in active markets. Level 2 valuations reflect quoted market prices for similar assets or liabilities in an active market, quoted market prices for identical or similar assets or liabilities in non-active markets or model-derived valuations in which all significant valuation inputs are observable in active markets. Level 3 valuations reflect valuations in which one or more of the significant inputs are not observable in an active market.

The following tables present the fair value hierarchy levels of the Company's assets and liabilities that are measured and carried at fair value on a recurring basis.

	June 30, 2012			
(In millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets:				
Securities available for sale, carried at fair value:				
Fixed maturities:				
Government and agencies	$ 11,741	$ 793	$ 0	$ 12,534
Municipalities	0	1,189	0	1,189
Mortgage- and asset-backed securities	0	894	379	1,273
Public utilities	0	7,156	418	7,574
Sovereign and supranational	0	2,124	436	2,560
Banks/financial institutions	0	6,602	1,114	7,716
Other corporate	0	15,904	1,031	16,935
Total fixed maturities	11,741	34,662	3,378	49,781
Perpetual securities:				
Banks/financial institutions	0	4,083	307	4,390
Other corporate	0	342	0	342
Total perpetual securities	0	4,425	307	4,732
Equity securities	13	6	4	23
Other assets:				
Interest rate swaps	0	0	31	31
Foreign currency swaps	0	25	250	275
Total other assets	0	25	281	306
Cash and cash equivalents	2,130	0	0	2,130
Total assets	$ 13,884	$ 39,118	$ 3,970	$ 56,972
Liabilities:				
Interest rate swaps	$ 0	$ 0	$ 4	$ 4
Foreign currency swaps	0	8	363	371
Credit default swaps	0	0	107	107
Total liabilities	$ 0	$ 8	$ 474	$ 482

(In millions)	December 31, 2011 Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets:				
Securities available for sale, carried at fair value:				
Fixed maturities:				
Government and agencies	$ 11,092	$ 721	$ 0	$ 11,813
Municipalities	0	1,159	0	1,159
Mortgage- and asset-backed securities	0	944	394	1,338
Public utilities	0	6,803	422	7,225
Sovereign and supranational	0	1,874	434	2,308
Banks/financial institutions	0	6,379	1,074	7,453
Other corporate	0	15,171	1,105	16,276
Total fixed maturities	11,092	33,051	3,429	47,572
Perpetual securities:				
Banks/financial institutions	0	5,552	526	6,078
Other corporate	0	361	0	361
Total perpetual securities	0	5,913	526	6,439
Equity securities	15	6	4	25
Other assets:				
Interest rate swaps	0	0	34	34
Foreign currency swaps	0	0	341	341
Total other assets	0	0	375	375
Cash and cash equivalents	2,249	0	0	2,249
Total assets	$ 13,356	$ 38,970	$ 4,334	$ 56,660
Liabilities:				
Interest rate swaps	$ 0	$ 0	$ 4	$ 4
Foreign currency swaps	0	0	397	397
Credit default swaps	0	0	130	130
Total liabilities	$ 0	$ 0	$ 531	$ 531

The following tables present the fair values categorized by hierarchy levels for the Company's assets and liabilities that are carried at cost or amortized cost and for which fair value is disclosed.

	June 30, 2012			
(In millions)	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total Fair Value**
Assets:				
Securities held to maturity, carried at amortized cost:				
Fixed maturities:				
Government and agencies	**$ 27,527**	**$ 0**	**$ 0**	**$ 27,527**
Municipalities	**0**	**574**	**0**	**574**
Mortgage- and asset-backed securities	**0**	**35**	**85**	**120**
Public utilities	**0**	**5,426**	**0**	**5,426**
Sovereign and supranational	**0**	**3,698**	**0**	**3,698**
Banks/financial institutions	**0**	**10,332**	**0**	**10,332**
Other corporate	**0**	**4,863**	**0**	**4,863**
Total assets	**$ 27,527**	**$ 24,928**	**$ 85**	**$ 52,540**
Liabilities:				
Notes payable (excluding capital leases)	**$ 0**	**$ 0**	**$ 4,138**	**$ 4,138**
Obligation to Japanese policyholder protection corporation	**0**	**0**	**48**	**48**
Total liabilities	**$ 0**	**$ 0**	**$ 4,186**	**$ 4,186**

	December 31, 2011			
(In millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets:				
Securities held to maturity, carried at amortized cost:				
Fixed maturities:				
Government and agencies	$ 19,071	$ 0	$ 0	$ 19,071
Municipalities	0	584	0	584
Mortgage- and asset-backed securities	0	39	95	134
Public utilities	0	5,637	0	5,637
Sovereign and supranational	0	4,165	0	4,165
Banks/financial institutions	0	11,480	0	11,480
Other corporate	0	5,312	0	5,312
Total assets	$ 19,071	$ 27,217	$ 95	$ 46,383
Liabilities:				
Notes payable (excluding capital leases)	$ 0	$ 0	$ 3,536	$ 3,536
Obligation to Japanese policyholder protection corporation	0	0	71	71

Total liabilities	$ 0	$ 0	$ 3,607	$ 3,607

As of June 30, 2012, approximately 52% of the fair value, or 76% of the number of holdings, of our available-for-sale fixed income and perpetual investments classified as Level 2 and 3% of the fair value, or 7% of the number of holdings, of our held-to-maturity fixed income investments classified as Level 2 were valued by obtaining quoted market prices from our investment custodian. The custodian obtains price quotes from various third party pricing services that estimate fair values based on observable market transactions for similar investments in active markets, market transactions for the same investments in inactive markets, or other observable market data where available. The fair value of approximately 42% of our Level 2 available-for-sale fixed income and perpetual investments, or 10% of the number of Level 2 available-for-sale holdings, and 94% of our Level 2 held-to-maturity fixed income investments, or 84% of the number of Level 2 held-to-maturity holdings, were determined using our DCF pricing model. The significant valuation inputs to the DCF model are obtained from, or corroborated by, observable market sources from both active and inactive markets. For the remaining 6% of Level 2 available-for-sale investment valuations, or 14% of the number of Level 2 available-for-sale holdings, and the remaining 3% of Level 2 held-to-maturity investment valuations, or 9% of the number of Level 2 held-to-maturity holdings, that were not provided by our custodian and were not priced using the DCF pricing model, we obtain quotes from other pricing services that estimate fair values based on observable market transactions for similar investments in active markets, market transactions for the same investment in inactive markets, or other observable market data where available.

Due to our reliance on third-party pricing services to provide valuations on 52% of our Level 2 available-for-sale portfolio and 3% of our Level 2 held-to-maturity portfolio, we regularly discuss and review pricing methodologies with the investment custodian. We also review the custodians' Service Organization Control (SOC 1) reports for the period covering the current year to gain satisfaction with the controls and control environment of the custodian.

For securities in Level 2 that are below investment grade or have split ratings where the valuation calculated by our DCF model does not conform to current market conditions, a CDS spread is used in lieu of the index spread discussed above. The CDS is chosen based on an average of spreads of issues with the same issuer, rating and subordination, or comparable issues in that particular sector.

We use derivative instruments to manage the risk associated with certain assets. However, the derivative instrument may not be classified in the same fair value hierarchy level as the associated asset. Inputs used to value derivatives include, but are not limited to, interest rates, credit spreads, foreign currency forward and spot rates, and interest volatility.

The fair value of the foreign currency swaps associated with our senior notes is based on the amount we would expect to receive or pay to terminate the swaps. The determination of the fair value of the swaps is based on observable market inputs, therefore they are classified as Level 2.

For derivatives associated with VIEs where we are the primary beneficiary, we are not the direct counterparty to the swap contracts. As a result, the fair value measurements incorporate the credit risk of the collateral associated with the VIE. Prior to the third quarter of 2011, these derivative instruments were reported in Level 2 of the fair value hierarchy, except CDSs and certain foreign currency swaps which were classified as Level 3. The interest rate and certain foreign currency derivative instruments previously classified as Level 2 were priced by broker quotations. In the third quarter of 2011, we changed from receiving valuations from brokers to receiving valuations from a third party pricing vendor for our derivatives. Based on an analysis of these derivatives and a review of the methodology employed by the pricing vendor, we determined that due to the long duration of these swaps and the need to extrapolate from short-term observable data to derive and measure long-term inputs, certain inputs, assumptions and judgments are required to value future cash flows that cannot be corroborated by current inputs or current observable market data. As a result, the derivatives associated with our consolidated VIEs have been classified as Level 3 of the fair value hierarchy as of September 30, 2011 and thereafter.

The fixed maturities classified as Level 3 consist of securities for which there are limited or no observable valuation inputs. We estimate the fair value of these securities by obtaining non-binding broker quotes from a limited number of brokers. These brokers base their quotes on a combination of their knowledge of the current pricing environment and market conditions. We consider these inputs to be unobservable. The significant valuation inputs that are used in the valuation process for the below-investment-grade and private placement investments classified as Level 3 include forward exchange rates, yen swap rates, dollar swap rates, interest rate volatilities, credit spread data on specific issuers, assumed default and default recovery rates, and certain probability assumptions. In obtaining these valuation inputs, we have determined that certain pricing assumptions and data used by our pricing sources are difficult to validate or corroborate by the market and/or appear to be internally developed rather than observed in or corroborated by the market. The use of these unobservable valuation inputs causes more subjectivity in the valuation process for these securities.

The equity securities classified in Level 3 are related to investments in Japanese businesses, each of which are insignificant and in the aggregate are immaterial. Because fair values for these investments are not readily available, we carry them at their original cost. We review each of these investments periodically and, in the event we determine that any are other-than-temporarily impaired, we write them down to their estimated fair value at that time.

The fair values of our publicly issued notes payable classified as Level 3 were obtained from a limited number of independent brokers. These brokers base their quotes on a combination of their knowledge of the current pricing environment and market conditions. We consider these inputs to be unobservable. The fair value of the obligation to the Japanese policyholder protection corporation classified as Level 3 is our estimated share of the industry's obligation calculated on a pro rata basis by projecting our percentage of the industry's premiums and reserves and applying that percentage to the total industry obligation payable in future years. We consider our inputs for this valuation to be unobservable.

Historically, we have not adjusted the quotes or prices we obtain from the brokers and pricing services we use.

Level 3 Rollforward and Transfers between Hierarchy Levels

The following tables present the changes in our available-for-sale investments and derivatives classified as Level 3.

	Three Months Ended June 30, 2012										
	Fixed Maturities					**Perpetual Securities**	**Equity Securities**	**Derivatives**			
(In millions)	Mortgage- and Asset-Backed Securities	Public Utilities	Sovereign and Supranational	Banks/ Financial Institutions	Other Corporate	Banks/ Financial Institutions		Interest Rate Swaps	Foreign Currency Swaps	Credit Default Swaps	**Total**
Balance, beginning of period	$ 367	$ 409	$ 418	$ 1,097	$ 1,035	$ 325	$ 4	$ 28	$ (79)	$ (97)	$3,507
Realized gains or losses included in earnings	(3)	0	0	0	0	0	0	(1)	(31)	(10)	(45)
Unrealized gains or losses included in other comprehensive income	22	9	18	17	(4)	(18)	0	0	4	0	48
Purchases, issuances, sales and settlements:											
Purchases	0	0	0	0	0	0	0	0	0	0	0
Issuances	0	0	0	0	0	0	0	0	0	0	0
Sales	0	0	0	0	0	0	0	0	0	0	0
Settlements	(7)	0	0	0	0	0	0	0	(7)	0	(14)
Transfers into Level 3	0	0	0	0	0	0	0	0	0	0	0
Transfers out of Level 3	0	0	0	0	0	0	0	0	0	0	0
Balance, end of period	$ 379	$ 418	$ 436	$ 1,114	$ 1,031	$ 307	$ 4	$ 27	$ (113)	$ (107)	$3,496
Change in unrealized gains (losses) still held[(1)]	$ (3)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (1)	$ (31)	$ (10)	$ (45)

[(1)] *Represents the amount of total gains or losses for the period, included in earnings, attributable to the change in unrealized gains (losses) relating to assets classified as Level 3 that were still held at June 30, 2012*

	Three Months Ended June 30, 2011										
	Fixed Maturities						**Perpetual Securities**	**Equity Securities**	**Derivatives**		
(In millions)	Mortgage- and Asset-Backed Securities	Public Utilities	Collateralized Debt Obligations	Sovereign and Supranational	Banks/ Financial Institutions	Other Corporate	Banks/ Financial Institutions		Foreign Currency Swaps	Credit Default Swaps	**Total**
Balance, beginning of period	$ 248	$ 0	$ 5	$ 0	$ 420	$ 0	$ 0	$ 4	$ 126	$ (338)	$ 465
Realized gains or losses included in earnings	0	0	(1)	0	0	0	0	0	25	(43)	(19)
Unrealized gains or losses included in other comprehensive income	12	0	0	0	(22)	0	0	0	13	0	3
Purchases, issuances, sales and settlements:											
Purchases	0	0	0	0	0	0	0	0	0	0	0
Issuances	0	0	0	0	0	0	0	0	0	0	0
Sales	0	0	0	0	0	0	0	0	0	0	0
Settlements	(3)	0	0	0	0	0	0	0	0	128	125
Transfers into Level 3	0	0	0	0	0	0	0	0	0	0	0
Transfers out of Level 3	0	0	0	0	0	0	0	0	0	0	0
Balance, end of period	$ 257	$ 0	$ 4	$ 0	$ 398	$ 0	$ 0	$ 4	$ 164	$ (253)	$ 574
Change in unrealized gains (losses) still held[(1)]	$ 0	$ 0	$ (1)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 25	$ (7)	$ 17

[(1)]*Represents the amount of total gains or losses for the period, included in earnings, attributable to the change in unrealized gains (losses) relating to assets classified as*
Level 3 that were still held at June 30, 2011

	Six Months Ended June 30, 2012										
	Fixed Maturities					**Perpetual Securities**	**Equity Securities**	**Derivatives**			
(In millions)	Mortgage- and Asset-Backed Securities	Public Utilities	Sovereign and Supranational	Banks/ Financial Institutions	Other Corporate	Banks/ Financial Institutions		Interest Rate Swaps	Foreign Currency Swaps	Credit Default Swaps	**Total**
Balance, beginning of period	$ 394	$ 422	$ 434	$ 1,074	$ 1,105	$ 526	$ 4	$ 30	$ (56)	$ (130)	$3,803
Realized gains or losses included in earnings	(3)	0	0	0	2	49	0	(3)	(18)	23	50
Unrealized gains or losses included in other comprehensive income	(1)	(4)	2	40	(42)	(12)	0	0	(8)	0	(25)
Purchases, issuances, sales and settlements:											
Purchases	0	0	0	0	0	0	0	0	0	0	0
Issuances	0	0	0	0	0	0	0	0	0	0	0
Sales	0	0	0	0	(34)	(256)	0	0	0	0	(290)
Settlements	(11)	0	0	0	0	0	0	0	(31)	0	(42)
Transfers into Level 3	0	0	0	0	0	0	0	0	0	0	0
Transfers out of Level 3	0	0	0	0	0	0	0	0	0	0	0
Balance, end of period	$ 379	$ 418	$ 436	$ 1,114	$ 1,031	$ 307	$ 4	$ 27	$ (113)	$ (107)	$3,496
Change in unrealized gains (losses) still held[(1)]	$ (3)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (3)	$ (18)	$ 23	$ (1)

[(1)]Represents the amount of total gains or losses for the period, included in earnings, attributable to the change in unrealized gains (losses) relating to assets classified as Level 3 that were still held at June 30, 2012

Six Months Ended June 30, 2011											
	Fixed Maturities						**Perpetual Securities**	**Equity Securities**	**Derivatives**		
(In millions)	Mortgage- and Asset-Backed Securities	Public Utilities	Collateralized Debt Obligations	Sovereign and Supranational	Banks/ Financial Institutions	Other Corporate	Banks/ Financial Institutions		Foreign Currency Swaps	Credit Default Swaps	**Total**
Balance, beginning of period	$ 267	$ 0	$ 5	$ 0	$ 386	$ 0	$ 0	$ 4	$ 241	$ (343)	$ 560
Realized gains or losses included in earnings	(6)	0	(1)	0	1	0	0	0	(39)	(38)	(83)
Unrealized gains or losses included in other comprehensive income	2	0	0	0	11	0	0	0	(38)	0	(25)
Purchases, issuances, sales and settlements:											
Purchases	0	0	0	0	0	0	0	0	0	0	0
Issuances	0	0	0	0	0	0	0	0	0	0	0
Sales	0	0	0	0	0	0	0	0	0	0	0
Settlements	(6)	0	0	0	0	0	0	0	0	128	122
Transfers into Level 3	0	0	0	0	0	0	0	0	0	0	0
Transfers out of Level 3	0	0	0	0	0	0	0	0	0	0	0
Balance, end of period	$ 257	$ 0	$ 4	$ 0	$ 398	$ 0	$ 0	$ 4	$ 164	$ (253)	$ 574
Change in unrealized gains (losses) still held[1]	$ (6)	$ 0	$ (1)	$ 0	$ 1	$ 0	$ 0	$ 0	$ (39)	$ (15)	$ (60)

[1]*Represents the amount of total gains or losses for the period, included in earnings, attributable to the change in unrealized gains (losses) relating to assets classified as*
Level 3 that were still held at June 30, 2011

Transfers into and/or out of Level 3 are attributable to a change in the observability of inputs. Transfers into and/or out of any fair value hierarchy level are assumed to occur at the balance sheet date. There were no transfers between Level 1 and 2 for the three- and six-month periods ended June 30, 2012 and 2011.

Fair Value Sensitivity

DCF Sensitivity

Our DCF pricing model utilizes various market inputs we obtain from both active and inactive markets. The estimated fair values developed by the DCF pricing models are most sensitive to prevailing credit spreads, the level of interest rates (yields), and, for our callable securities, interest rate volatility. Management believes that under normal market conditions, a movement of 50 basis points (bps) in interest rates and credit spreads and 50 percent in interest rate volatility would be sufficiently reasonable stresses to illustrate the sensitivity of valuations to these risk factors. Therefore, we selected these magnitudes of movement and provided both upward and downward movements in these key assumptions used to estimate fair value. Since the changes in fair value are relatively linear, readers of these financial statements can make their own judgments as to the movement in interest rates and the change in fair value based upon this data. The following scenarios provide a view of the sensitivity of our securities priced by our DCF pricing model.

The fair values of our available-for-sale fixed-maturity and perpetual securities valued by our DCF pricing model totaled $18.6 billion at June 30, 2012. The estimated effect of potential changes in interest rates, credit spreads and interest rate volatility on these fair values as of such date is as follows:

Interest Rates		Credit Spreads		Interest Rate Volatility	
Factor Change	Change in fair value (in millions)	Factor change	Change in fair value (in millions)	Factor change	Change in fair value (in millions)
+50 bps	$ (983)	+50 bps	$ (972)	+50 %	$ (8)
-50 bps	1,035	-50 bps	1,034	-50 %	24

The fair values of our held-to-maturity fixed-maturity securities valued by our DCF pricing model totaled $23.5 billion at June 30, 2012. The estimated effect of potential changes in interest rates, credit spreads and interest rate volatility on these fair values as of such date is as follows:

Interest Rates		Credit Spreads		Interest Rate Volatility	
Factor Change	Change in fair value (in millions)	Factor change	Change in fair value (in millions)	Factor change	Change in fair value (in millions)
+50 bps	$ (1,452)	+50 bps	$ (1,354)	+50 %	$ (119)
-50 bps	1,459	-50 bps	1,334	-50 %	139

Level 3 Significant Unobservable Input Sensitivity

The following tables summarize the significant unobservable inputs used in the valuation of our Level 3 available-for-sale investments and derivatives. Included in the tables are the inputs or range of possible inputs that have an effect on the overall valuation of the financial instruments.

June 30, 2012					
(In millions)	Fair Value	Valuation Technique(s)	Unobservable Input	Range (Weighted Average)	
Assets:					
Securities available for sale, carried at fair value:					
Fixed maturities:					
Mortgage- and asset-backed securities	**$ 379**	Consensus pricing	Offered quotes	N/A	(e)
Public utilities	**418**	Discounted cash flow	Historical volatility	7.43%	
Sovereign and supranational	**436**	Discounted cash flow	Historical volatility	7.43%	
Banks/financial institutions	**580**	Discounted cash flow	Historical volatility	7.43%	
	534	Consensus pricing	Offered quotes	N/A	(e)
Other corporate	**602**	Discounted cash flow	Historical volatility	7.43%	
	429	Consensus pricing	Offered quotes	N/A	(e)
Perpetual securities:					
Banks/financial institutions	**307**	Discounted cash flow	Historical volatility	7.43%	
Equity securities	**4**	Net asset value	Offered quotes	$0-$993 ($4)	
Other assets:					
Interest rate swaps	**31**	Discounted cash flow	Base correlation	44% - 54%	(a)
			CDS spreads	84 - 192 bps	
			Recovery rate	25% - 70% (40%)	
Foreign currency swaps	**87**	Discounted cash flow	Interest rates (USD)	1.78% - 2.52%	(c)
			Interest rates (JPY)	.84% - 1.80%	(d)
			CDS spreads	21 - 138 bps	
			Foreign exchange rates	20.38%	(b)
	35	Discounted cash flow	Interest rates (USD)	1.78% - 2.52%	(c)
			Interest rates (JPY)	.84% - 1.80%	(d)
			CDS spreads	30 - 137 bps	
	128	Discounted cash flow	Interest rates (USD)	1.78% - 2.52%	(c)
			Interest rates (JPY)	.84% - 1.80%	(d)

		Foreign exchange rates	20.38%	(b)
Total assets	$ 3,970			

(a) Weighted-average range of base correlations for our bespoke tranches for attachment and detachment points corresponding to market indices
(b) Based on 10 year volatility of JPY/USD exchange rate
(c) Inputs derived from U.S. long-term rates to accommodate long maturity nature of our swaps
(d) Inputs derived from Japan long-term rates to accommodate long maturity nature of our swaps
(e) N/A represents securities where we receive unadjusted broker quotes and for which there is no transparency into the providers' valuation techniques or unobservable inputs.

June 30, 2012					
(In millions)	Fair Value	Valuation Technique(s)	Unobservable Input	Range (Weighted Average)	
Liabilities:					
Interest rate swaps	**$ 4**	Discounted cash flow	Base correlation	44% - 54%	(a)
			CDS spreads	84 - 192 bps	
			Recovery rate	25% - 70% (40%)	
Foreign currency swaps	**92**	Discounted cash flow	Interest rates (USD)	1.78% - 2.52%	(c)
			Interest rates (JPY)	.84% - 1.80%	(d)
			CDS spreads	41 - 164 bps	
			Foreign exchange rates	20.38%	(b)
	32	Discounted cash flow	Interest rates (USD)	1.78% - 2.52%	(c)
			Interest rates (JPY)	.84% - 1.80%	(d)
			CDS spreads	66 - 294 bps	
	239	Discounted cash flow	Interest rates (USD)	1.78% - 2.52%	(c)
			Interest rates (JPY)	.84% - 1.80%	(d)
			Foreign exchange rates	20.38%	(b)
Credit default swaps	**107**	Discounted cash flow	Base correlations	44% - 54%	(a)
			CDS spreads	84 - 192 bps	
			Recovery rate	25% - 70% (40%)	
Total liabilities	**$ 474**				

(a) Weighted-average range of base correlations for our bespoke tranches for attachment and detachment points corresponding to market indices
(b) Based on 10 year volatility of JPY/USD exchange rate
(c) Inputs derived from U.S. long-term rates to accommodate long maturity nature of our swaps
(d) Inputs derived from Japan long-term rates to accommodate long maturity nature of our swaps

The following is a discussion of the significant unobservable inputs or valuation technique used in determining the fair value of securities and derivatives classified as Level 3. Listed below each discussion are the asset and derivative categories impacted by the respective input or valuation technique.

Annualized Historical Foreign Exchange Volatility

We own a portfolio of callable reverse dual-currency bonds (RDCs). RDCs are securities that have principal denominated in yen while paying U.S. dollar (USD) coupons. The significant unobservable input used for valuation is the historical foreign exchange volatility. The market standard approach is to use implied volatility to value options or instruments with optionality because historical volatility may not represent current market participants' expectations about future volatility. Given the importance of this input to the overall valuation, use of historical volatility could result in a significant increase or decrease in fair value measurement.

- *Public utilities, Other corporate, Sovereign and supranational, Banks/financial institutions*

Net Asset Value

We hold certain unlisted equity securities whose fair value is derived based on the financial statements published by the investee. These securities do not trade on an active market and the valuations derived are dependent on the availability of timely financial reporting of the investee.

- *Equity securities*

Offered Quotes

In circumstances where our valuation model price is overridden because it implies a value that is not consistent with current market conditions, we will solicit bids from a limited number of brokers. We also receive unadjusted prices from brokers for our mortgage and asset-backed securities. These quotes are non-binding and are best estimates of value at that particular point in time.

- *Mortgage- and asset-backed securities, Banks/financial institutions, Other corporate, Equity securities*

Interest Rates, CDS Spreads, Foreign Exchange Rates

The significant drivers of the valuation of the interest and foreign exchange swaps are interest rates, foreign exchange rates and CDS spreads. Our swaps have long maturities that increase the sensitivity of the swaps to interest rate fluctuations. Since most of our yen-denominated cross currency swaps are in a net liability position, an increase in interest rates will decrease the liabilities and increase the value of the swap.

Foreign exchange swaps also have a lump-sum final settlement of foreign exchange principal receivables at the termination of the swap. An increase in yen interest rates will decrease the value of the final settlement foreign exchange receivables and decrease the value of the swap, and an increase in USD interest rates increase the swap value.

A similar sensitivity pattern is observed for the foreign exchange rates. When the spot U.S. dollar/Japanese yen (USD/JPY) foreign exchange rate decreases and the swap is receiving a final exchange payment in JPY, the swap value will increase due to the appreciation of the JPY. Most of our swaps are designed to receive payments in JPY at the termination and will thus be impacted by USD/JPY foreign exchange rate in this way. In cases where there is no final foreign exchange receivable in JPY and we are paying JPY as interest payments and receiving USD, a decrease in the foreign exchange rate will lead to a decrease in the swap value.

The extinguisher feature in most of our swaps results in a cessation of cash flows and no further payments between the parties to the swap in the event of a default on the referenced or underlying collateral. To price this feature, we apply the survival probability of the referenced entity to the projected cash flows. The survival probability uses the CDS spreads and recovery rates to adjust the present value of the cash flows. For extinguisher swaps with positive values, an increase in CDS spreads decreases the likelihood of receiving the final exchange payments and reduces the value of the swap.

Due to the long duration of these swaps and the need to extrapolate from short-term observable data to derive and

measure long-term inputs, certain inputs, assumptions and judgments are required to value future cash flows that cannot be corroborated by current inputs or current observable market data.

- *Foreign currency swaps*

Base Correlations, CDS Spreads, Recovery Rate

Our CDOs are tranches on baskets of single-name credit default swaps. The risks in these types of synthetic CDOs come from the single-name CDS risk and the correlations between the single names. The valuation of synthetic CDOs is dependent on the calibration of market prices for interest rates, single name CDS default probabilities and base correlation using financial modeling tools. Since there is limited or no observable data available for these tranches, these base correlations must be obtained from commonly traded market tranches such as the CDX and iTraxx indices. From the historical prices of these indices, base correlations can be obtained to develop a pricing curve of CDOs with different seniorities. Since the reference entities of the market indices do not match those in our portfolio underlying the synthetic CDO to be valued, several processing steps are taken to map the names in our portfolio to the indices. With the base correlation determined and the appropriate spreads selected, a valuation is calculated. An increase in the CDS spreads in the underlying portfolio leads to a decrease in the value due to higher probability of defaults and losses. The impact on the valuation due to base correlation depends on a number of factors, including the riskiness between market tranches and the modeled tranche based on our portfolio and the equivalence between detachment points in these tranches. Generally speaking, an increase in base correlation will decrease the value of the senior tranches while increasing the value of junior tranches. This may result in a positive or negative value change.

The CDO tranches in our portfolio are junior tranches and, due to the low level of credit support for these tranches, exhibit equity-like behavior. As a result, an increase in recovery rates tends to cause their values to decrease.

Our interest rate swaps are linked to the underlying synthetic CDOs. The valuation of these swaps is performed using a similar approach to that of the synthetic CDOs themselves; that is, the base correlation model is used to ensure consistency between the synthetic CDOs and the swaps.

- *Credit default swaps, Interest rate swaps*

For additional information on our investments and financial instruments, see the accompanying Notes 1, 3 and 4 and Notes 1, 3 and 4 of the Notes to the Consolidated Financial Statements in our annual report to shareholders for the year ended December 31, 2011.

6. NOTES PAYABLE

A summary of notes payable follows:

(In millions)	June 30, 2012	December 31, 2011
8.50% senior notes due May 2019	**$ 850**	$ 850
6.45% senior notes due August 2040	**448** (1)	448 (1)
6.90% senior notes due December 2039	**396** (2)	396 (2)
3.45% senior notes due August 2015	**300**	300
2.65% senior notes due February 2017	**400**	0
4.00% senior notes due February 2022	**349** (3)	0
Yen-denominated Uridashi notes:		
2.26% notes due September 2016 (principal amount 8 billion yen)	**101**	103
Yen-denominated Samurai notes:		
1.47% notes due July 2014 (principal amount 28.7 billion yen)	**362**	369
1.87% notes paid June 2012 (principal amount 26.6 billion yen)	**0**	342
1.84% notes due July 2016 (principal amount 15.8 billion yen)	**199**	203
Variable interest rate notes due July 2014 (1.34% in 2012 and 2011, principal amount 5.5 billion yen)	**69**	71
Yen-denominated loans:		
3.60% loan due July 2015 (principal amount 10 billion yen)	**126**	129
3.00% loan due August 2015 (principal amount 5 billion yen)	**63**	64
Capitalized lease obligations payable through 2022	**9**	10
Total notes payable	**$ 3,672**	$ 3,285

(1) $450 issuance net of a $2 underwriting discount that is being amortized over the life of the notes
(2) $400 issuance net of a $4 underwriting discount that is being amortized over the life of the notes
(3) $350 issuance net of a $1 underwriting discount that is being amortized over the life of the notes

In June 2012, we redeemed 26.6 billion yen (approximately $337 million using the exchange rate on the date of redemption) of our Samurai notes upon their maturity.

In February 2012, the Parent Company issued two series of senior notes totaling $750 million through a U.S. public debt offering. The first series, which totaled $400 million, bears interest at a fixed rate of 2.65% per annum, payable semi-annually, and has a five-year maturity. The second series, which totaled $350 million, bears interest at a fixed rate of 4.00% per annum, payable semi-annually, and has a ten-year maturity. We have entered into cross-currency swaps to reduce interest expense by converting the dollar-denominated principal and interest on the senior notes we issued into yen-denominated obligations. By entering into these cross-currency swaps, we economically converted our $400 million liability into a 30.9 billion yen liability and reduced the interest rate on this debt from 2.65% in dollars to 1.22% in yen. We also economically converted our $350 million liability into a 27.0 billion yen liability and reduced the interest rate on this debt from 4.00% in dollars to 2.07% in yen.

In June 2012, the Parent Company and Aflac entered into a 364-day senior unsecured revolving credit facility agreement in the amount of 50 billion yen with a syndicate of financial institutions. This credit agreement provides for borrowings in Japanese yen or the equivalent of Japanese yen in U.S. dollars on a revolving basis. Borrowings under the credit agreement may be used for general corporate purposes, including a capital contingency plan for our Japanese operations. This credit agreement will expire on the earlier of (a) June 27, 2013, or (b) the date of termination of the commitments upon an event of default as defined in the agreement. The Parent Company and Aflac may request that commitments under the credit agreement be extended for an additional 364-day period from the commitment termination date, subject to terms and conditions which are defined in the agreement. As of June 30, 2012, no borrowings were outstanding under our 50 billion yen revolving credit agreement.

We were in compliance with all of the covenants of our notes payable and line of credit at June 30, 2012. No events of default or defaults occurred during the six-month period ended June 30, 2012.

Subsequent to the end of the second quarter, in July 2012, the Parent Company issued $250 million of senior notes that are an addition to the original series of senior notes issued in February 2012. These notes have a five-year maturity and a fixed rate of 2.65% per annum, payable semi-annually.

For additional information, see Notes 4 and 8 of the Notes to the Consolidated Financial Statements in our annual report to shareholders for the year ended December 31, 2011.

7. SHAREHOLDERS' EQUITY

The following table is a reconciliation of the number of shares of the Company's common stock for the six-month periods ended June 30.

(In thousands of shares)	**2012**	2011
Common stock - issued:		
Balance, beginning of period	**663,639**	662,660
Exercise of stock options and issuance of restricted shares	**893**	752
Balance, end of period	**664,532**	663,412
Treasury stock:		
Balance, beginning of period	**197,329**	192,999
Purchases of treasury stock:		
Open market	**0**	4,100
Other	**205**	155
Dispositions of treasury stock:		
Shares issued to AFL Stock Plan	**(905)**	(745)
Exercise of stock options	**(72)**	(85)
Other	**(135)**	(79)
Balance, end of period	**196,422**	196,345
Shares outstanding, end of period	**468,110**	467,067

Outstanding share-based awards are excluded from the calculation of weighted-average shares used in the computation of basic earnings per share (EPS). The following table presents the approximate number of share-based awards to purchase shares, on a weighted-average basis, that were considered to be anti-dilutive and were excluded from the calculation of diluted earnings per share for the following periods.

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	**2012**	2011	**2012**	2011
Anti-dilutive share-based awards	**8,385**	4,246	**6,921**	3,419

Share Repurchase Program: During the first six months of 2012, we did not repurchase any shares of our common stock in the open market. We repurchased 4.1 million shares of our common stock in the open market in the first six months of 2011.

As of June 30, 2012, a remaining balance of 24.4 million shares of our common stock was available for purchase under a share repurchase authorization by our board of directors in 2008.

8. SHARE-BASED COMPENSATION

As of June 30, 2012, the Company has outstanding share-based awards under two long-term incentive compensation plans.

The first plan, which expired in February 2007, is a stock option plan which allowed grants for incentive stock options (ISOs) to employees and non-qualifying stock options (NQSOs) to employees and non-employee directors. The options have a term of 10 years and generally vest after three years. The exercise price of options granted under this plan is equal to the fair market value of a share of the Company's common stock at the date of grant. Options granted before the plan's expiration date remain outstanding in accordance with their terms.

The second long-term incentive plan allows awards to Company employees for ISOs, NQSOs, restricted stock, restricted stock units, and stock appreciation rights. Non-employee directors are eligible for grants of NQSOs, restricted stock, and stock appreciation rights. Generally, the awards vest based upon time-based conditions or time- and performance-based conditions. Performance-based vesting conditions generally include the attainment of goals related to Company financial performance. Effective March 14, 2012, the Board of Directors approved to amend and restate the long-term incentive plan. The shareholders approved the amended and restated plan at the annual shareholder meeting in May 2012. The amended and restated plan provides, among other things, an extension of its expiration date from 2014 to 2017, makes clear that option strike prices can be set at the closing price on the date of grant (rather than only at the average high-low sales price), updates the performance factors available for use under awards that are intended to qualify for favorable tax deduction treatment, and adjusts the size of awards that may be granted to incumbent directors. There were no additional shares of common stock authorized for issuance under the amended and restated plan. As of June 30, 2012, approximately 14 million shares were available for future grants under the plan, and the only performance-based awards issued and outstanding were restricted stock awards.

Share-based awards granted to U.S.-based grantees are settled with authorized but unissued Company stock, while those issued to Japan-based grantees are settled with treasury shares.

The following table provides information on stock options outstanding and exercisable at June 30, 2012.

	Stock Option Shares (in thousands)	Weighted-Average Remaining Term (in years)	Aggregate Intrinsic Value (in millions)	Weighted-Average Exercise Price Per Share
Outstanding	14,451	4.8	$50	$43.60
Exercisable	12,056	4.1	48	42.62

We received cash from the exercise of stock options in the amount of $9 million during the first six months of 2012, compared with $13 million in the first six months of 2011. The tax benefit realized as a result of stock option exercises and restricted stock releases was $13 million in the first six months of 2012, compared with $12 million in the first six months of 2011.

As of June 30, 2012, total compensation cost not yet recognized in our financial statements related to restricted stock awards was $43 million, of which $22 million (748 thousand shares) was related to restricted stock awards with a performance-based vesting condition. We expect to recognize these amounts over a weighted-average period of approximately 1.9 years. There are no other contractual terms covering restricted stock awards once vested.

For additional information on our long-term share-based compensation plans and the types of share-based awards, see Note 11 of the Notes to the Consolidated Financial Statements included in our annual report to shareholders for the year ended December 31, 2011.

9. BENEFIT PLANS

We have funded defined benefit plans in Japan and the United States which cover substantially all of our full-time employees. Additionally, we maintain non-qualified, unfunded supplemental retirement plans that provide defined pension benefits in excess of limits imposed by federal tax law for certain Japanese, U.S. and former employees.

We provide certain health care benefits for eligible U.S. retired employees, their beneficiaries and covered dependents ("other postretirement benefits"). The health care plan is contributory and unfunded. Substantially all of our U.S. employees may become eligible to receive other postretirement benefits if they retire at age 55 or older with at least 15 years of service or if they retire when their age plus service, in years, equals or exceeds 80. At retirement, an employee is given an opportunity to elect continuation of coverage under our medical plan until age 65. For certain employees and former employees, additional coverage is provided for all medical expenses for life.

Pension and other postretirement benefit expenses, included in acquisition and operating expenses in the consolidated statement of earnings, included the following components:

	Three Months Ended June 30,					
	Pension Benefits				Other Postretirement Benefits	
	Japan		U.S.			
(In millions)	**2012**	2011	**2012**	2011	**2012**	2011
Components of net periodic benefit cost:						
Service cost	**$ 5**	$ 4	**$ 5**	$ 3	**$ 2**	$ 1
Interest cost	**3**	2	**7**	7	**1**	1
Expected return on plan assets	**(1)**	(1)	**(4)**	(3)	**0**	0
Amortization of net actuarial loss	**1**	1	**2**	2	**0**	0
Net periodic (benefit) cost	**$ 8**	$ 6	**$ 10**	$ 9	**$ 3**	$ 2

	Six Months Ended June 30,					
	Pension Benefits				Other Postretirement Benefits	
	Japan		U.S.			
(In millions)	**2012**	2011	**2012**	2011	**2012**	2011
Components of net periodic benefit cost:						
Service cost	**$ 9**	$ 8	**$ 11**	$ 7	**$ 3**	$ 2
Interest cost	**6**	4	**14**	14	**2**	2
Expected return on plan assets	**(2)**	(2)	**(8)**	(7)	**0**	0
Amortization of net actuarial loss	**2**	2	**4**	3	**0**	0
Net periodic (benefit) cost	**$ 15**	$ 12	**$ 21**	$ 17	**$ 5**	$ 4

During the six months ended June 30, 2012, Aflac Japan contributed approximately $12 million (using the weighted-average yen/dollar exchange rate for the six-month period ending June 30, 2012) to the Japanese funded defined benefit plan, and Aflac U.S. did not make a contribution to the U.S. funded defined benefit plan.

For additional information regarding our Japanese and U.S. benefit plans, see Note 13 of the Notes to the Consolidated Financial Statements in our annual report to shareholders for the year ended December 31, 2011.

10. COMMITMENTS AND CONTINGENT LIABILITIES

We are a defendant in various lawsuits considered to be in the normal course of business. Members of our senior legal and financial management teams review litigation on a quarterly and annual basis. The final results of any litigation cannot be predicted with certainty. Although some of this litigation is pending in states where large punitive damages, bearing little relation to the actual damages sustained by plaintiffs, have been awarded in recent years, we believe the outcome of pending litigation will not have a material adverse effect on our financial position, results of operations, or cash flows.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

FORWARD-LOOKING INFORMATION

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" to encourage companies to provide prospective information, so long as those informational statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those included in the forward-looking statements. We desire to take advantage of these provisions. This report contains cautionary statements identifying important factors that could cause actual results to differ materially from those projected herein, and in any other statements made by Company officials in communications with the financial community and contained in documents filed with the Securities and Exchange Commission (SEC). Forward-looking statements are not based on historical information and relate to future operations, strategies, financial results or other developments. Furthermore, forward-looking information is subject to numerous assumptions, risks and uncertainties. In particular, statements containing words such as "expect," "anticipate," "believe," "goal," "objective," "may," "should," "estimate," "intends," "projects," "will," "assumes," "potential," "target" or similar words as well as specific projections of future results, generally qualify as forward-looking. Aflac undertakes no obligation to update such forward-looking statements.

We caution readers that the following factors, in addition to other factors mentioned from time to time, could cause actual results to differ materially from those contemplated by the forward-looking statements:

- difficult conditions in global capital markets and the economy
- governmental actions for the purpose of stabilizing the financial markets
- defaults and credit downgrades of securities in our investment portfolio
- impairment of financial institutions
- credit and other risks associated with Aflac's investment in perpetual securities
- differing judgments applied to investment valuations
- significant valuation judgments in determination of amount of impairments taken on our investments
- limited availability of acceptable yen-denominated investments
- concentration of our investments in any particular single-issuer or sector
- concentration of business in Japan
- ongoing changes in our industry
- exposure to significant financial and capital markets risk
- fluctuations in foreign currency exchange rates
- significant changes in investment yield rates
- deviations in actual experience from pricing and reserving assumptions
- subsidiaries' ability to pay dividends to Aflac Incorporated
- changes in law or regulation by governmental authorities
- ability to attract and retain qualified sales associates and employees
- decreases in our financial strength or debt ratings
- ability to continue to develop and implement improvements in information technology systems
- changes in U.S. and/or Japanese accounting standards
- failure to comply with restrictions on patient privacy and information security
- level and outcome of litigation
- ability to effectively manage key executive succession
- impact of the recent earthquake and tsunami natural disaster and related events at the nuclear plant in Japan and their aftermath
- catastrophic events including, but not necessarily limited to, tornadoes, hurricanes, earthquakes, tsunamis, and damage incidental to such events
- failure of internal controls or corporate governance policies and procedures

MD&A OVERVIEW

Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is intended to inform the reader about matters affecting the financial condition and results of operations of Aflac Incorporated and its subsidiaries for the three-month and six-month periods ended June 30, 2012 and 2011. Results of operations for interim periods are not necessarily indicative of results for the entire year. As a result, the following discussion should be read in conjunction with the consolidated financial statements and notes that are included in our annual report to shareholders for the year ended December 31, 2011. This MD&A is divided into the following sections:

- Our Business
- Performance Highlights
- Critical Accounting Estimates
- Results of Operations, consolidated and by segment
- Analysis of Financial Condition, including discussion of market risks of financial instruments
- Capital Resources and Liquidity, including discussion of availability of capital and the sources and uses of cash

OUR BUSINESS

Aflac Incorporated (the Parent Company) and its subsidiaries (collectively, the Company) primarily sell supplemental health and life insurance in the United States and Japan. The Company's insurance business is marketed and administered through American Family Life Assurance Company of Columbus (Aflac), which operates in the United States (Aflac U.S.) and as a branch in Japan (Aflac Japan). Most of Aflac's policies are individually underwritten and marketed through independent agents. Aflac U.S. markets and administers group products through Continental American Insurance Company (CAIC), branded as Aflac Group Insurance. Our insurance operations in the United States and our branch in Japan service the two markets for our insurance business.

PERFORMANCE HIGHLIGHTS

Results for the second quarter of 2012 benefited from the stronger yen/dollar exchange rate. Total revenues rose 16.0% to $5.9 billion, compared with $5.1 billion in the second quarter of 2011. Net earnings were $483 million, or $1.03 per diluted share, compared with $274 million, or $.58 per diluted share, in the second quarter of 2011.

Results for the first six months of 2012 also benefited from the stronger yen/dollar exchange rate. Total revenues rose 19.0% to $12.1 billion, compared with $10.2 billion in the first half of 2011. Net earnings were $1.3 billion, or $2.71 per diluted share, compared with $663 million, or $1.41 per diluted share, for the first six months of 2011.

Results in the second quarter of 2012 included pretax net realized investment losses of $418 million ($272 million after-tax), compared with net realized investment losses of $668 million ($453 million after-tax) in the second quarter of 2011. Net investment losses in the second quarter of 2012 included $343 million ($223 million after-tax) of other-than-temporary impairment losses; $8 million of net losses ($5 million after-tax) from the sale or redemption of securities; and $67 million of net losses ($44 million after-tax) from valuing derivatives.

Results for the first six months of 2012 included pretax net realized investment losses of $463 million ($301 million after-tax), compared with net realized investment losses of $1.2 billion ($830 million after-tax) in the first six months of 2011. Net investment losses in 2012 included $546 million ($355 million after-tax) of other-than-temporary impairment losses; $70 million of net gains ($45 million after-tax) from the sale or redemption of securities; and $13 million of net gains ($9 million after-tax) from valuing derivatives.

Shareholders' equity included a net unrealized gain on investment securities and derivatives of $1.5 billion at June 30, 2012 and $1.2 billion at December 31, 2011.

CRITICAL ACCOUNTING ESTIMATES

We prepare our financial statements in accordance with U.S. generally accepted accounting principles (GAAP). These principles are established primarily by the Financial Accounting Standards Board (FASB). In this MD&A, references to GAAP issued by the FASB are derived from the FASB Accounting Standards Codification™ (ASC). The preparation of financial statements in conformity with GAAP requires us to make estimates based on currently available information when recording transactions resulting from business operations. The estimates that we deem to be most critical to an understanding of Aflac's results of operations and financial condition are those related to the valuation of investments and derivatives, deferred policy acquisition costs (DAC), liabilities for future policy benefits and unpaid policy claims, and income taxes. The preparation and evaluation of these critical accounting estimates involve the use of various assumptions developed from management's analyses and judgments. The application of these critical accounting estimates determines the values at which 96% of our assets and 80% of our liabilities are reported as of June 30, 2012, and thus has a direct effect on net earnings and shareholders' equity. Subsequent experience or use of other assumptions could produce significantly different results.

See Note 1 of the Notes to the Consolidated Financial Statements for information on changes to the accounting policy for deferred policy acquisition costs, costs associated with acquiring or renewing insurance contracts. There have been no other changes in the items that we have identified as critical accounting estimates during the six months ended June 30, 2012. For additional information, see the Critical Accounting Estimates section of MD&A included in our annual report to shareholders for the year ended December 31, 2011.

New Accounting Pronouncements

On January 1, 2012, we retrospectively adopted amended accounting guidance on accounting for costs associated with acquiring or renewing insurance contracts, or DAC. Under the previous guidance, we capitalized costs that varied with and were primarily related to the acquisition of a policy. Under the amended accounting guidance, only incremental direct costs associated with the successful acquisition of new or renewal contracts may be capitalized, and direct-response advertising costs may be capitalized under certain conditions. As of December 31, 2010, approximately 70% of our unadjusted deferred acquisition cost balance was related to compensation paid to third parties for successful sales and was therefore still deferrable under the new rules. The remaining 30% of the deferred acquisition costs balance was evaluated for deferral under the amended accounting guidance. The retrospective adoption of this accounting standard resulted in an after-tax cumulative reduction to retained earnings of $408 million and an after-tax cumulative reduction to unrealized foreign currency translation gains in accumulated other comprehensive income of $108 million, resulting in a total reduction to shareholders' equity of $516 million as of December 31, 2010. The adoption of this accounting standard had an immaterial impact on net income in 2011 and for all preceding years.

For additional information on new accounting pronouncements and the impact, if any, on our financial position or results of operations, see Note 1 of the Notes to the Consolidated Financial Statements.

RESULTS OF OPERATIONS

The following table is a presentation of items impacting net earnings and net earnings per diluted share.

Items Impacting Net Earnings

	In Millions		**Per Diluted Share**		**In Millions**		**Per Diluted Share**	
	Three Months Ended June 30,				Six Months Ended June 30,			
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
Net earnings	**$ 483**	$ 274	**$ 1.03**	$ .58	**$ 1,268**	$ 663	**$ 2.71**	$ 1.41
Items impacting net earnings, net of tax:								
Realized investment gains (losses):								
Securities transactions and impairments	**(228)**	(480)	**(.49)**	(1.03)	**(310)**	(838)	**(.66)**	(1.78)

Impact of derivative and hedging activities	**(44)**	27	**(.09)**	.06	**9**	8	**.02**	.02

Prior-year amounts have been adjusted for the adoption of accounting guidance on January 1, 2012 related to deferred policy acquisition costs.

Realized Investment Gains and Losses

Our investment strategy is to invest in fixed-income securities to provide a reliable stream of investment income, which is one of the drivers of the Company's profitability. This investment strategy aligns our assets with our liability structure, which our assets support. We do not purchase securities with the intent of generating capital gains or losses.

However, investment gains and losses may be realized as a result of changes in the financial markets and the creditworthiness of specific issuers, tax planning strategies, and/or general portfolio maintenance and rebalancing. The realization of investment gains and losses is independent of the underwriting and administration of our insurance products, which are the principal drivers of our profitability.

Securities Transactions and Impairments

During the three-month period ended June 30, 2012, we realized pretax investment losses, net of gains, of $8 million ($5 million after-tax) from sales and redemptions of securities. These net losses primarily resulted from sales related to our plan to reduce the risk exposure in our investment portfolio. We realized pretax investment losses of $343 million ($223 million after-tax) as a result of the recognition of other-than-temporary impairment losses, primarily for certain securities issued by Spanish institutions and further impairments on several securities that had previously been impaired in the fourth quarter 2011.

During the six-month period ended June 30, 2012, we realized pretax investment gains, net of losses, of $70 million ($45 million after-tax) from sales and redemptions of securities. These gains primarily resulted from both the redemption of a previously impaired perpetual security and sales related to our plan to reduce the risk exposure in our investment portfolio. We realized pretax investment losses of $546 million ($355 million after-tax) as a result of the recognition of other-than-temporary impairment losses, primarily impairments recognized in the first quarter for two Tier I securities that were sold in the second quarter of 2012 and certain impairments in the second quarter as discussed above.

During the three- and six-month periods ended June 30, 2011, we realized pretax investment losses of $528 million ($343 million after-tax) and $933 million ($607 million after-tax), respectively, as a result of the recognition of other-than-temporary impairments on certain securities, and we realized pretax investment losses, net of gains, of $182 million ($137 million after-tax) and $326 million ($231 million after-tax), respectively, from the sale of securities as a result of a plan to reduce the risk exposure in our investment portfolio. We recorded a valuation allowance of $19 million in the second quarter of 2011 on the deferred tax asset for our realized investment losses, which is reflected in the tax-effected realized investment losses for securities transactions reported above.

See Note 3 of the Notes to Consolidated Financial Statements for a more detailed discussion of these investment activities.

The following table details our pretax impairment losses by investment category.

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	**2012**	2011	**2012**	2011
Perpetual securities	**$ 76**	$ 184	**$ 216**	$ 184
Corporate bonds	**120**	343	**183**	740
Mortgage- and asset-backed securities	**3**	1	**3**	7
Municipalities	**0**	0	**0**	1
Sovereign and supranational	**144**	0	**144**	0
Equity securities	**0**	0	**0**	1
Total other-than-temporary impairment losses realized	**$ 343** (1)	$ 528 (2)	**$ 546** (1)	$ 933 (2)

(1) Includes $267 and $295 for the three- and six-month periods ended June 30, 2012, respectively, for credit-related impairments and $76 and $251 for the three- and six-month periods ended June 30, 2012, respectively, from change in intent to sell securities
(2) Consisted completely of credit-related impairments

Impact of Derivative and Hedging Activities

Our derivative activities include foreign currency, interest rate and credit default swaps in variable interest entities that are consolidated, cross-currency interest rate swaps associated with our senior notes due February 2017 and February 2022, and an interest rate swap associated with our variable interest rate yen-denominated debt. We realized pretax investment losses, net of gains, of $67 million ($44 million after-tax) for the three-month period ended June 30, 2012, compared with pretax investment gains, net of losses, of $42 million ($27 million after-tax) for the same period in 2011, as a result of valuing the swaps described above. During the six-month period ended June 30, 2012, we realized pretax investment gains, net of losses, of $13 million ($9 million after-tax), compared with pretax investment gains, net of losses, of $12 million ($8 million after-tax) for the same period in 2011, as a result of valuing these swaps.

For a description of other items that could be included in the Impact of Derivative and Hedging Activities, see the Hedging Activities subsection of MD&A and Note 4 of the accompanying Notes to the Consolidated Financial Statements.

For additional information regarding realized investment gains and losses, see Notes 3 and 4 of the Notes to the Consolidated Financial Statements.

Foreign Currency Translation

Aflac Japan's premiums and most of its investment income are received in yen. Claims and expenses are paid in yen, and we primarily purchase yen-denominated assets to support yen-denominated policy liabilities. These and other yen-denominated financial statement items are translated into dollars for financial reporting purposes. We translate Aflac Japan's yen-denominated income statement into dollars using an average exchange rate for the reporting period, and we translate its yen-denominated balance sheet using the exchange rate at the end of the period. However, it is important to distinguish between translating and converting foreign currency. Except for a limited number of transactions, we do not actually convert yen into dollars.

Due to the size of Aflac Japan, where our functional currency is the Japanese yen, fluctuations in the yen/dollar exchange rate can have a significant effect on our reported results. In periods when the yen weakens, translating yen into dollars results in fewer dollars being reported. When the yen strengthens, translating yen into dollars results in more dollars being reported. Consequently, yen weakening has the effect of suppressing current period results in relation to the comparable prior period, while yen strengthening has the effect of magnifying current period results in relation to the comparable prior period. As a result, we view foreign currency translation as a financial reporting issue for Aflac and not an economic event to our Company or shareholders. Because changes in exchange rates distort the growth rates of our operations, management evaluates Aflac's financial performance excluding the impact of foreign currency translation.

Income Taxes

Our combined U.S. and Japanese effective income tax rate on pretax earnings was 34.8% for the three-month period ended June 30, 2012, compared with 38.3% for the same period in 2011. The decrease in the effective income tax rate was due primarily to a $19 million valuation allowance recognized in the second quarter of 2011 related to the deferred tax assets associated with realized investment losses discussed above. Our combined U.S. and Japanese effective income tax rate on pretax earnings for the six-month period ended June 30, 2012 was 34.7%, compared with 36.0% for the same period in 2011.

Earnings Guidance

We communicate earnings guidance in this report based on the growth in net earnings per diluted share. However, certain items that cannot be predicted or that are outside of management's control may have a significant impact on actual results. Therefore, our comparison of net earnings includes certain assumptions to reflect the limitations that are inherent in projections of net earnings. In comparing period-over-period results, we exclude the effect of realized investment gains and losses (securities transactions, impairments, and the impact of derivative and hedging activities) and nonrecurring items. We also assume no impact from foreign currency translation on the Aflac Japan segment and the Parent Company's yen-denominated interest expense for a given period in relation to the prior period.

Subject to the preceding assumptions, our objective for 2012 is to increase net earnings per diluted share in the range of 3% to 6% over 2011. If the yen averages 80 for the full year, we believe that net earnings per diluted share will be $6.45 to $6.52 for the year, which is toward the lower end of the range, primarily due to the continued low level of investment yields. Using that same exchange rate assumption, we would expect third quarter net earnings per diluted share of $1.64 to $1.69. Based on our stated objective for 2012, the following table shows the likely results for 2012 net earnings per diluted share, including the impact of foreign currency translation using various yen/dollar exchange rate scenarios.

2012 Net Earnings Per Share (EPS) Scenarios[1]

Weighted-Average Yen/Dollar Exchange Rate	Net Earnings Per Diluted Share	% Growth Over 2011	Yen Impact on EPS
70.00	$7.06 - 7.25	12.6 - 15.6%	$.60
75.00	6.73 - 6.92	7.3 - 10.4	.27
79.75[2]	6.46 - 6.65	3.0 - 6.1	.00
80.00	6.45 - 6.64	2.9 - 5.9	(.01)
85.00	6.21 - 6.40	(1.0) - 2.1	(.25)

[1] *Excludes realized investment gains/losses (securities transactions, impairments, and the impact of derivative and hedging activities) and nonrecurring items in 2012 and 2011*

[2] *Actual 2011 weighted-average exchange rate*

Our objective for 2013 is to increase net earnings per diluted share by 4% to 7% over 2012, excluding the effect of realized investment gains and losses (securities transactions, impairments, and the impact of derivative and hedging activities), nonrecurring items, and foreign currency translation. This earnings objective assumes no significant impact on investment income from realized investment losses and no further material decline in interest rates.

INSURANCE OPERATIONS

Aflac's insurance business consists of two segments: Aflac Japan and Aflac U.S. Aflac Japan, which operates as a branch of Aflac, is the principal contributor to consolidated earnings. GAAP financial reporting requires that a company report financial and descriptive information about operating segments in its annual and interim period financial statements. Furthermore, we are required to report a measure of segment profit or loss, certain revenue and expense items, and segment assets.

We measure and evaluate our insurance segments' financial performance using operating earnings on a pretax basis. We define segment operating earnings as the profits we derive from our operations before realized investment gains and losses (securities transactions, impairments, and the impact of derivative and hedging activities) and nonrecurring items. We believe that an analysis of segment pretax operating earnings is vitally important to an understanding of the underlying profitability drivers and trends of our insurance business. Furthermore, because a significant portion of our business is conducted in Japan, we believe it is equally important to understand the impact of translating Japanese yen into U.S. dollars.

We evaluate our sales efforts using new annualized premium sales, an industry operating measure. New annualized premium sales, which include both new sales and the incremental increase in premiums due to conversions, represent the premiums that we would collect over a 12-month period, assuming the policies remain in force. For Aflac Japan, new annualized premium sales are determined by applications submitted during the reporting period. For Aflac U.S., new annualized premium sales are determined by applications that are issued during the reporting period. Premium income, or earned premiums, is a financial performance measure that reflects collected or due premiums that have been earned ratably on policies in force during the reporting period.

AFLAC JAPAN SEGMENT

Aflac Japan Pretax Operating Earnings

Changes in Aflac Japan's pretax operating earnings and profit margins are primarily affected by morbidity, mortality, expenses, persistency and investment yields. The following table presents a summary of operating results for Aflac Japan.

Aflac Japan Summary of Operating Results

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	**2012**	2011	**2012**	2011
Premium income	**$ 4,216**	$ 3,770	**$ 8,364**	$ 7,472
Net investment income:				
Yen-denominated investment income	**473**	434	**946**	866
Dollar-denominated investment income	**218**	202	**475**	419
Net investment income	**691**	636	**1,421**	1,285
Other income (loss)	**0**	5	**16**	25
Total operating revenues	**4,907**	4,411	**9,801**	8,782
Benefits and claims	**3,044**	2,633	**6,011**	5,213
Operating expenses:				
Amortization of deferred policy acquisition costs	**177**	162	**355**	315
Insurance commissions	**290**	290	**585**	578
Insurance and other expenses	**432**	401	**846**	777
Total operating expenses	**899**	853	**1,786**	1,670
Total benefits and expenses	**3,943**	3,486	**7,797**	6,883
Pretax operating earnings(1)	**$ 964**	$ 925	**$ 2,004**	$ 1,899
Weighted-average yen/dollar exchange rate	**80.19**	81.57	**79.88**	81.95

	In Dollars				In Yen			
	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended June 30,		Six Months Ended June 30,	
Percentage change over previous period:	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
Premium income	**11.8%**	18.3%	**11.9%**	16.9%	**9.7%**	5.1 %	**8.8%**	5.0 %
Net investment income	**8.6**	7.3	**10.6**	8.4	**6.9**	(5.0)	**7.8**	(2.8)
Total operating revenues	**11.2**	16.8	**11.6**	15.5	**9.2**	3.7	**8.5**	3.7
Pretax operating earnings(1)	**4.2**	16.9	**5.5**	18.2	**2.4**	3.5	**2.8**	6.0

(1) See the Insurance Operations section of this MD&A for our definition of segment operating expenses.
Prior-year amounts have been adjusted for the adoption of accounting guidance on January 1, 2012 related to deferred policy acquisition costs.

The percentage increases in premium income in yen reflect the growth of premiums in force. Annualized premiums in force increased 10.8% to 1.42 trillion yen as of June 30, 2012, compared with 1.29 trillion yen as of June 30, 2011. The increase in annualized premiums in force in yen reflect the sales of new policies combined with the high persistency of Aflac Japan's business. Annualized premiums in force, translated into dollars at respective period-end exchange rates, were $18.0 billion at June 30, 2012, compared with $15.9 billion a year ago.

Aflac Japan maintains a portfolio of dollar-denominated and reverse-dual currency securities (yen-denominated debt securities with dollar coupon payments). Dollar-denominated investment income from these assets accounted for approximately 34% of Aflac Japan's investment income in the first six months of 2012, compared with 33% a year ago. In periods when the yen strengthens in relation to the dollar, translating Aflac Japan's dollar-denominated investment income into yen lowers growth rates for net investment income, total operating revenues, and pretax operating earnings in yen terms. In periods when the yen weakens, translating dollar-denominated investment income into yen magnifies growth rates for net investment income, total operating revenues, and pretax operating earnings in yen terms. Excluding foreign currency changes from the prior period, dollar-denominated investment income accounted for approximately 34% of Aflac Japan’s investment income during the first six months of 2012, compared with 35% a year ago.

The following table illustrates the effect of translating Aflac Japan's dollar-denominated investment income and related items into yen by comparing certain segment results with those that would have been reported had yen/dollar exchange rates remained unchanged from the comparable period in the prior year.

Aflac Japan Percentage Changes Over Previous Period
(Yen Operating Results)
For the Periods Ended June 30,

	Including Foreign Currency Changes				**Excluding Foreign Currency Changes[2]**			
	Three Months		Six Months		Three Months		Six Months	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
Net investment income	**6.9%**	(5.0)%	**7.8%**	(2.8)%	**7.4%**	(.9)%	**8.6%**	.9%
Total operating revenues	**9.2**	3.7	**8.5**	3.7	**9.6**	4.5	**8.7**	4.3
Pretax operating earnings[1]	**2.4**	3.5	**2.8**	6.0	**3.0**	7.1	**3.2**	8.5

[1] See the Insurance Operations section of this MD&A for our definition of segment operating earnings.
[2] Amounts excluding foreign currency changes on dollar-denominated items were determined using the same yen/dollar exchange rate for the current period as the comparable period in the prior year.
Prior-year amounts have been adjusted for the adoption of accounting guidance on January 1, 2012 related to deferred policy acquisition costs.

The following table presents a summary of operating ratios for Aflac Japan.

	Three Months Ended June 30,		Six Months Ended June 30,	
Ratios to total revenues:	**2012**	2011	**2012**	2011
Benefits and claims	**62.0 %**	59.7 %	**61.3 %**	59.4 %
Operating expenses:				
Amortization of deferred policy acquisition costs	**3.6**	3.7	**3.6**	3.6
Insurance commissions	**5.9**	6.6	**6.0**	6.6
Insurance and other expenses	**8.9**	9.1	**8.6**	8.8
Total operating expenses	**18.4**	19.4	**18.2**	19.0
Pretax operating earnings[1]	**19.6**	20.9	**20.5**	21.6

[1] See the Insurance Operations section of this MD&A for our definition of segment operating earnings.
Prior-year amounts have been adjusted for the adoption of accounting guidance on January 1, 2012 related to deferred policy acquisition costs.

Aflac Japan's financial results for the first quarter of 2011 reflected a provision of 3.0 billion yen, or $37 million, for claims related to the earthquake and tsunami that occurred in Japan on March 11, 2011. These claims were offset by reserve releases and reinsurance of 2.0 billion yen, or $25 million, resulting in a net income statement impact of 1.0 billion yen, or $12 million, in 2011. The financial results also reflected .7 billion yen, or $8 million, of operating expenses in the first quarter of 2011 resulting from the earthquake and tsunami. Based on our claims experience to date and our claims estimates, we believe that our initial provision is adequate. The natural disaster and its related events have not had a material impact on our financial position or results of operations.

In the past several years, the benefit ratio for our health products has been positively impacted by favorable claim trends, primarily in our cancer product line. We expect this downward claim trend to continue. However, for several years, the rate of decline in Aflac Japan's benefit ratio has moderated, due primarily to strong sales results in our ordinary products, including WAYS and child endowment. These products have higher benefit ratios and lower expense ratios than our health products. The benefit ratio has also been impacted by the effect of low investment yields and portfolio derisking, both of which impact our profit margin by reducing the spread between investment yields and required interest on policy reserves. In the three- and six- month periods ended June 30, 2012, the benefit ratio increased and the operating expense ratio decreased, resulting in a lower pretax operating profit margin, compared with the same respective periods in 2011. For the full year of 2012, we expect to achieve our profit objectives through better-than-average premium growth associated with the life products and somewhat lower profit margins due to the change in business mix discussed above.

Aflac Japan Sales

Aflac Japan's second quarter 2012 production set a new annualized premium sales record for the fourth consecutive quarter. Aflac Japan's new annualized premium sales exceeded our expectations in the second quarter of 2012 and increased 47.4% in yen, compared with the same period in 2011. The following table presents Aflac Japan’s new annualized premium sales for the periods ended June 30.

	In Dollars				In Yen			
	Three Months		Six Months		Three Months		Six Months	
(In millions of dollars and billions of yen)	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
New annualized premium sales	**$ 664**	$ 442	**$ 1,323**	$ 856	**53.2**	36.1	**105.6**	70.2
Increase (decrease) over comparable period in prior year	**50.1%**	20.1%	**54.5%**	22.0%	**47.4%**	6.6%	**50.5%**	9.4%

The following table details the contributions to new annualized premium sales by major insurance product for the periods ended June 30.

	Three Months		Six Months	
	2012	2011	**2012**	2011
Medical	**17 %**	25 %	**17 %**	26 %
Cancer	**14**	24	**13**	21
Ordinary life:				
Child endowment	**12**	17	**13**	20
WAYS	**45**	19	**45**	18
Other ordinary life	**8**	11	**8**	11
Other	**4**	4	**4**	4
Total	**100 %**	100 %	**100 %**	100 %

The bank channel generated new annualized premium sales of 24.7 billion yen in the second quarter of 2012, an increase of 224.2% over the second quarter of 2011. Bank channel sales accounted for 46% of new annualized premium sales for Aflac Japan in the second quarter of 2012, compared with 21% during the same period a year ago. WAYS, a unique hybrid whole-life product that we first introduced in 2006 and introduced to the bank channel in 2009, has been a significant contributor to bank sales growth. The average premium for WAYS sold through the bank channel, the primary distribution outlet for this product, is about ten times the average premium for cancer and medical products, making it a strong contributor to revenue growth. The profit margin on WAYS is lower than our health insurance products, however the profit margin is significantly enhanced when policyholders elect to pay premiums upfront using the “discounted advance premium” option. More than 90% of customers at banks choose this payment option. We are employing strategies to enhance the profitability of our WAYS product. Sales of WAYS were 24.1 billion yen during the second quarter of 2012, an increase of 258.7% over the second quarter of 2011.

The foundation of Aflac Japan's product portfolio has been, and continues to be, our cancer and medical products. Cancer insurance sales decreased 19.0% during the second quarter of 2012, compared with the same period a year ago, reflecting a difficult comparison to prior year sales which had benefited from the favorable consumer response to our new base cancer policy, DAYS, which was introduced at the end of March 2011. We remain convinced that the affordable cancer products Aflac Japan provides will continue to be an important part of our product portfolio.

Medical insurance sales increased 1.4% during the second quarter of 2012, compared with the same period a year ago, and we maintained our position as the number one seller of medical insurance policies in Japan. We expect our new non-standard medical product introduced in July 2012 to benefit medical sales in the second half of the year. With continued cost pressure on Japan’s health care system, we expect the need for medical products will continue to rise in the future, and we remain encouraged about the outlook for the medical insurance market.

At June 30, 2012, we had agreements to sell our products at 374 banks, or more than 90% of the total number of banks in Japan. We have seen sales steadily improve at many of these bank branches as training has taken place and as many banks expand their offerings of Aflac products. We believe we have significantly more banks selling our third sector insurance products than any other insurer operating in Japan. Japanese consumers rely on banks not only to provide traditional bank services, but also to provide insurance solutions, among other services. Approximately 80% of our customers at banks are new customers to Aflac. We believe our long-standing and strong relationships within the

Japanese banking sector, along with our strategic preparations, have proven to be an advantage as this channel opened up for our types of products. Our partnership with banks provides us with a wider demographic of potential customers than we would otherwise have been able to reach, and it also allows banks to expand their product and service offerings to consumers. Our access through the bank channel gives us the opportunity to cross-sell our more profitable medical and cancer policies along with WAYS and child endowment policies.

We remain committed to selling through our traditional channels. These channels, consisting of affiliated corporate agencies, independent corporate agencies and individual agencies, accounted for 52% of total new annualized premium sales for Aflac Japan in the second quarter of 2012. During the three-month period ended June 30, 2012, we recruited nearly 940 new sales agencies. At June 30, 2012, Aflac Japan was represented by approximately 19,600 sales agencies and more than 123,300 licensed sales associates employed by those agencies.

Overall, Aflac Japan performed well in the second quarter of 2012. We believe that there is a continued need for our products in Japan. Facing difficult sales comparisons in the third and fourth quarter of 2012, we expect new annualized premium sales in the last half of this year to be flat to up 5%. However, combining this second half sales expectation with the results we produced in the first half of the year, we are upwardly revising our annual 2012 sales target to a 22% to 25% increase.

Aflac Japan Investments

Growth of investment income in yen is affected by available cash flow from operations, the timing of investing the cash flow, yields on new investments, and the effect of yen/dollar exchange rates on dollar-denominated investment income. Aflac Japan has invested in privately issued securities to secure higher yields than those available on Japanese government or other public corporate bonds, while still adhering to prudent standards for credit quality. All of our privately issued securities are rated investment grade at the time of purchase. These securities are generally issued with documentation consistent with standard medium-term note programs. In addition, many of these investments have protective covenants appropriate to the specific issuer, industry and country. These covenants often require the issuer to adhere to specific financial ratios and give priority to repayment of our investment under certain circumstances.

The following table presents the results of Aflac Japan’s investment yields for the periods ended June 30.

	Three Months		Six Months	
	2012	2011	**2012**	2011
New money yield - yen only	**1.89 %**	2.16 %	**1.92 %**	2.24 %
New money yield - blended	**1.97**	2.67	**2.00**	2.88
Return on average invested assets, net of investment expenses	**2.93**	3.15	**3.06**	3.23

The decrease in Aflac Japan's new money yield reflects the low level of interest rates. At June 30, 2012, the yield on Aflac Japan’s investment portfolio, including dollar-denominated investments, was 3.10%, compared with 3.51% a year ago. See Notes 3 and 5 of the Notes to the Consolidated Financial Statements and the Analysis of Financial Condition section of this MD&A for additional information on our investments.

Japanese Economy

The Bank of Japan's July 2012 *Monthly Report of Recent Economic Developments* stated that Japan's economic activity has started improving moderately as domestic demand is supported by reconstruction-related demand. Exports and production have shown signs of improvement. Public investment and housing investment have continued to increase, and private consumption has increased moderately. The report projected that Japan's economy is expected to return to a moderate recovery path as overseas economies emerge from a deceleration phase and reconstruction demand related to the tsunami and earthquake disaster remains firm. Exports and production are expected to increase moderately. Public investment and housing investment are expected to continue to increase, while private consumption is expected to remain firm as the employment situation is on an improving trend. For additional information, see the Japanese Economy subsection of MD&A in our annual report to shareholders for the year ended December 31, 2011.

Japanese Regulatory Environment

Japan’s Financial Services Agency (FSA) maintains a solvency standard, which is used by Japanese regulators to monitor the financial strength of insurance companies. The FSA has applied a revised method of calculating the solvency margin ratio for life insurance companies as of fiscal year-end 2011 (March 31, 2012). The FSA had commented that the revision would generally reduce life insurance companies' solvency margin ratios to approximately half the level of those reported under the former calculation method. Aflac Japan's solvency margin ratio, most recently reported as of March 31, 2012, was 609.6% under the new standards. As expected, based on the results of the calculation of the solvency margin ratio under the new standards, Aflac Japan's relative position within the industry has not materially changed.

In 2005, legislation aimed at privatizing Japan's postal system (Japan Post) was enacted into law. The privatization laws split Japan Post into four operating entities that began operations in October 2007. In 2007, one of these entities selected Aflac Japan as its provider of cancer insurance to be sold through its post offices, and, in 2008, we began selling cancer insurance through these post offices. Japan Post has historically been a popular place for consumers to purchase insurance products. Currently, our products are being offered in approximately 1,000 post offices. Japan's three major political parties recently submitted legislation regarding postal reform. This legislation will merge two of the postal operating entities (the one that delivers the mail and the one that runs the post offices). This legislation passed the Diet in April 2012. However, at the current time, it is not possible to predict with any degree of certainty what impact, if any, this legislation will have on Aflac Japan's operations. Regardless, we believe that postal reform is unlikely to change Aflac Japan's relationship with the post office company.

AFLAC U.S. SEGMENT

Aflac U.S. Pretax Operating Earnings

Changes in Aflac U.S. pretax operating earnings and profit margins are primarily affected by morbidity, mortality, expenses, persistency and investment yields. The following table presents a summary of operating results for Aflac U.S.

Aflac U.S. Summary of Operating Results

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	**2012**	2011	**2012**	2011
Premium income	**$ 1,251**	$ 1,186	**$ 2,482**	$ 2,356
Net investment income	**153**	148	**304**	291
Other income	**2**	3	**5**	6
Total operating revenues	**1,406**	1,337	**2,791**	2,653
Benefits and claims	**719**	676	**1,397**	1,319
Operating expenses:				
Amortization of deferred policy acquisition costs	**92**	89	**202**	196
Insurance commissions	**142**	138	**282**	271
Insurance and other expenses	**195**	191	**381**	373
Total operating expenses	**429**	418	**865**	840
Total benefits and expenses	**1,148**	1,094	**2,262**	2,159
Pretax operating earnings(1)	**$ 258**	$ 243	**$ 529**	$ 494
Percentage change over previous period:				
Premium income	**5.5%**	3.4%	**5.3%**	2.9%
Net investment income	**3.6**	9.7	**4.5**	9.2
Total operating revenues	**5.2**	4.0	**5.2**	3.6
Pretax operating earnings(1)	**6.3**	7.8	**7.2**	5.0

(1) See the Insurance Operations section of this MD&A for our definition of segment operating earnings.
Prior-year amounts have been adjusted for the adoption of accounting guidance on January 1, 2012 related to deferred policy acquisition costs.

Annualized premiums in force increased 5.1% to $5.3 billion as of June 30, 2012, compared with $5.0 billion as of June 30, 2011.

The following table presents a summary of operating ratios for Aflac U.S.

	Three Months Ended June 30,		Six Months Ended June 30,	
Ratios to total revenues:	**2012**	2011	**2012**	2011
Benefits and claims	**51.1 %**	50.6 %	**50.1 %**	49.7 %
Operating expenses:				
Amortization of deferred policy acquisition costs	**6.6**	6.7	**7.2**	7.4
Insurance commissions	**10.1**	10.3	**10.1**	10.2
Insurance and other expenses	**13.9**	14.3	**13.6**	14.1
Total operating expenses	**30.6**	31.3	**30.9**	31.7
Pretax operating earnings[1]	**18.3**	18.1	**19.0**	18.6

[1] See the Insurance Operations section of this MD&A for our definition of segment operating earnings.
Prior-year amounts have been adjusted for the adoption of accounting guidance on January 1, 2012 related to deferred policy acquisition costs.

The benefit ratio increased in the three- and six- month periods ended June 30, 2012, compared with the same periods a year ago. The expense ratio decreased during those periods, resulting in a slight expansion in the pretax operating profit margin compared with the same respective periods in 2011. For the remainder of 2012, we expect the pretax operating profit margin to be similar to that experienced in 2011.

Aflac U.S. Sales

In the second quarter of 2012, Aflac U.S. generated moderate sales growth, compared with the same period in 2011. We believe this sales growth reflects our focus on supporting our field force with enhanced products, including group products, and other resources that help our sales force approach selling in the challenging economic environment more effectively. The following table presents Aflac's U.S. new annualized premium sales for the periods ended June 30.

	Three Months		Six Months	
(In millions)	**2012**	2011	**2012**	2011
New annualized premium sales	**$ 359**	$ 353	**$ 709**	$ 689
Increase (decrease) over comparable period in prior year	**1.5 %**	5.9 %	**3.0 %**	6.1 %

The following table details the contributions to new annualized premium sales by major insurance product category for the periods ended June 30.

	Three Months		Six Months	
	2012	2011	**2012**	2011
Income-loss protection:				
Short-term disability	**20 %**	17 %	**20 %**	17 %
Life	**6**	6	**6**	6
Asset-loss protection:				
Accident	**30**	31	**30**	31
Critical care[1]	**22**	23	**23**	23
Supplemental medical:				
Hospital indemnity	**15**	16	**15**	16
Dental/vision	**7**	7	**6**	7
Total	**100 %**	100 %	**100 %**	100 %

[1] Includes cancer, critical illness, and hospital intensive care products

New annualized premium sales for accident insurance, our leading product category, decreased 0.5%, short-term disability sales increased 24.3%, critical care insurance sales (including cancer insurance) decreased 4.1%, and hospital indemnity insurance sales decreased 2.8% in the second quarter of 2012, compared with the same period a year ago.

As part of our U.S. sales strategy, we continue to focus on growing and enhancing the effectiveness of our U.S. sales force. We recruited nearly 6,400 new sales associates in the second quarter of 2012, resulting in approximately

76,900 licensed sales associates as of June 30, 2012.

In addition to expanding the size and capabilities of our traditional sales force, we are encouraged about the opportunities to broaden our distribution by pursuing and strengthening relationships with insurance brokers. Insurance brokers have been a historically underleveraged sales channel for Aflac, so we have been developing relationships with brokers the past several years that complement our traditional distribution system. We have a management team experienced in broker sales, and we are supporting this initiative with streamlined products, targeted broker-specific advertising campaigns, customized enrollment technology, and competitive compensation. At the beginning of 2012, Aflac U.S. launched an initiative to address the largest insurance brokers. We believe that we have significant potential for growth in this larger-case market.

Our group products sold through Aflac Group Insurance have enhanced sales opportunities not only for brokers but also for our traditional sales force of individual associates, especially when they pursue larger payroll accounts. For the three-month period ended June 30, 2012, sales from Aflac Group Insurance increased 10.6%, compared with the same period in the prior year, to $38 million, representing 11% of new annualized premium sales for Aflac U.S. For the six-month period ended June 30, 2012, sales from Aflac Group Insurance increased 24.8%, compared with the same period in the prior year, to $88 million, representing 12% of new annualized sales for Aflac U.S.

Although we remain somewhat cautious in the short-term sales outlook for Aflac U.S. due to the relatively weak economic environment, our longer-term view has not changed. We believe the need for the products we sell remains strong, and that the United States provides a vast and accessible market for our products. We are taking measures to better reach potential customers through our product and distribution strategy, which includes broadening our product portfolio to include group products in addition to our traditional individually issued products. The addition of the group product platform and our growing broker initiative only serve to enhance our ability to leverage the Aflac brand to reach employees at more companies, large and small, across the United States. We believe employers and consumers will increasingly come to understand the need for the products we offer, just as they have in Japan. For 2012, our objective is for Aflac U.S. new annualized premium sales to increase in the range of 3% to 8%.

Aflac U.S. Investments

The following table presents the results of Aflac's U.S. investment yields for the periods ended June 30.

	Three Months		Six Months	
	2012	2011	**2012**	2011
New money yield	**4.37 %**	5.72 %	**4.57 %**	5.74 %
Return on average invested assets, net of investment expenses	**6.42**	6.41	**6.45**	6.42

The decrease in the U.S. new money yield for the three- and six-month periods ended June 30, 2012 reflects a low level of interest rates and tightening credit spreads. At June 30, 2012, the portfolio yield on Aflac's U.S. portfolio was 6.59%, compared with 6.76% a year ago. See Notes 3 and 5 of the Notes to the Consolidated Financial Statements and the Analysis of Financial Condition section of this MD&A for additional information on our investments.

U.S. Economy

Operating in the U.S. economy continues to be challenging. We generated sales growth that exceeded our expectations for 2011, but even so, ongoing low confidence levels from consumers and small businesses coupled with fewer employees at the worksite continue to pose challenges to our U.S. sales growth. Our group products and growing relationships with insurance brokers that handle the larger-case market are helping us as we expand our reach to do business with larger businesses. However, most of our business continues to revolve around small business owners and accounts with fewer than 100 employees. Small businesses, in particular, have proven to be especially vulnerable to ongoing economic weakness, and both small-business owners and their workers are anxious about the future. Workers at small businesses are holding back on increasing their spending for voluntary insurance products. Although we believe that the weakened U.S. economy has dampened our sales growth, we also believe our products remain affordable to the average American consumer. We believe that consumers' underlying need for our U.S. product line remains strong, and that the United States remains a sizeable and attractive market for our products.

U.S. Regulatory Environment

In March 2010, President Barack Obama signed the Patient Protection and Affordable Care Act (PPACA) to give Americans of all ages and income levels access to comprehensive major medical health insurance. The primary subject of the new legislation is major medical insurance, therefore, the PPACA, as enacted, does not directly affect the design of our insurance products or our sales model. Our experience with Japan's national health care environment leads us to believe that the need for our products will only increase over the coming years.

In July 2010, President Obama signed the Dodd-Frank Wall Street Reform and Consumer Protection Act, commonly known as the Dodd-Frank Act, which, among other things, created a Financial Stability and Oversight Council. The Council may designate by a two-thirds vote whether certain insurance companies and insurance holding companies pose a grave threat to the financial stability of the United States, in which case such nonbank financial companies would become subject to prudential regulation by the Board of Governors of the U.S. Federal Reserve (the Board), including capital requirements, leverage limits, liquidity requirements and examinations. The Board may limit such company's ability to enter into merger transactions, restrict its ability to offer financial products, require it to terminate one or more activities, or impose conditions on the manner in which it conducts activities. The Dodd-Frank Act also established a Federal Insurance Office under the U.S. Treasury Department to monitor all aspects of the insurance industry and of lines of business other than certain health insurance, certain long-term care insurance and crop insurance. Traditionally, U.S. insurance companies have been regulated primarily by state insurance departments. The Dodd-Frank Act requires extensive rule-making and other future regulatory action, which in some cases will take a period of years to implement. We believe that Aflac would not likely be considered a company that would pose a systemic risk to the financial stability of the United States. However, at the current time, it is not possible to predict with any degree of certainty what impact, if any, the Dodd-Frank Act will have on our U.S. business, financial condition, or results of operations.

ANALYSIS OF FINANCIAL CONDITION

Our financial condition has remained strong in the functional currencies of our operations. The yen/dollar exchange rate at the end of each period is used to translate yen-denominated balance sheet items to U.S. dollars for reporting purposes.

The following table demonstrates the effect of the change in the yen/dollar exchange rate by comparing select balance sheet items as reported at June 30, 2012, with the amounts that would have been reported had the exchange rate remained unchanged from December 31, 2011.

Impact of Foreign Exchange on Balance Sheet Items

(In millions)	As Reported	Exchange Effect	Net of Exchange Effect
Yen/dollar exchange rate[1]	79.31		77.74
Investments and cash	$ 109,255	$ (1,764)	$ 111,019
Deferred policy acquisition costs	9,961	(145)	10,106
Total assets	122,209	(1,940)	124,149
Policy liabilities	99,413	(1,839)	101,252
Total liabilities	108,030	(1,922)	109,952

[1] *The exchange rate at June 30, 2012, was 79.31 yen to one dollar, or 2.0% weaker than the December 31, 2011, exchange rate of 77.74.*

Market Risks of Financial Instruments

Our investment philosophy is to maximize investment income while emphasizing liquidity, safety and quality. Our investment objective, subject to appropriate risk constraints, is to fund policyholder obligations and other liabilities in a manner that enhances shareholders' equity. We seek to achieve this objective primarily through a diversified portfolio of fixed-income investments that reflects the characteristics of the liabilities it supports.

The following table details investment securities by segment.

Investment Securities by Segment

(In millions)	Aflac Japan June 30, 2012	Aflac Japan December 31, 2011	Aflac U.S. June 30, 2012	Aflac U.S. December 31, 2011
Securities available for sale, at fair value:				
Fixed maturities	**$ 39,134**	$ 37,473	**$ 10,506** [(1)]	$ 9,961 [(1)]
Perpetual securities	**4,565**	6,271	**167**	168
Equity securities	**23**	25	**0**	0
Total available for sale	**43,722**	43,769	**10,673**	10,129
Securities held to maturity, at amortized cost:				
Fixed maturities	**52,413**	47,009	**0**	0
Total held to maturity	**52,413**	47,009	**0**	0
Total investment securities	**$ 96,135**	$ 90,778	**$ 10,673**	$ 10,129

[(1)]Excludes investment-grade, available-for-sale fixed-maturity securities held by the Parent Company of $141 in 2012 and $138 in 2011.

Because we invest in fixed-income securities, our financial instruments are exposed primarily to three types of market risks: currency risk, interest rate risk, and credit risk.

Currency Risk

The functional currency of Aflac Japan's insurance operations is the Japanese yen. All of Aflac Japan's premiums, claims and commissions are received or paid in yen, as are most of its investment income and other expenses. While we have been investing a portion of our yen cash flow in dollar-denominated securities, most of Aflac Japan's investments, cash and liabilities are yen-denominated. When yen-denominated securities mature or are sold, the proceeds are generally reinvested in yen-denominated securities. Aflac Japan holds these yen-denominated assets to fund its yen-denominated policy obligations. In addition, Aflac Incorporated has yen-denominated debt obligations.

Although we generally do not convert yen into dollars, we do translate financial statement amounts from yen into dollars for financial reporting purposes. Therefore, reported amounts are affected by foreign currency fluctuations. We report unrealized foreign currency translation gains and losses in accumulated other comprehensive income. In periods when the yen weakens against the dollar, translating yen into dollars causes fewer dollars to be reported. When the yen strengthens, translating yen into dollars causes more dollars to be reported. The weakening of the yen relative to the dollar will generally adversely affect the value of our yen-denominated investments in dollar terms.

Aflac Japan maintains a portfolio of reverse-dual currency securities (yen-denominated debt securities with dollar coupon payments), which exposes Aflac to changes in foreign exchange rates. The foreign currency effect on the yen-denominated securities is accounted for as a component of unrealized gains or losses on available-for-sale securities in accumulated other comprehensive income, while the foreign currency effect on the dollar coupons is realized in earnings. The reverse-dual currency securities provide a higher yield than those available on Japanese government or other public corporate bonds, while still adhering to prudent standards of credit quality. The yen/dollar exchange rate would have to strengthen to approximately 45 before the yield on these instruments would equal that of a comparable yen-denominated instrument.

We attempt to minimize the exposure of shareholders' equity to foreign currency translation fluctuations. We accomplish this by investing a portion of Aflac Japan's investment portfolio in dollar-denominated securities and by the Parent Company's issuance of yen-denominated debt (for additional information, see the discussion under the Hedging Activities subsection of MD&A). As a result, the effect of currency fluctuations on our net assets is reduced.

The following table demonstrates the effect of foreign currency fluctuations by presenting the dollar values of our yen-denominated assets and liabilities, and our consolidated yen-denominated net asset exposure at selected exchange rates.

Dollar Value of Yen-Denominated Assets and Liabilities at Selected Exchange Rates

(In millions)	**June 30, 2012**			December 31, 2011		
Yen/dollar exchange rates	**64.31**	**79.31**[(1)]	**94.31**	62.74	77.74[(1)]	92.74
Yen-denominated financial instruments:						
Assets:						
Securities available for sale:						
Fixed maturities	**$ 32,250**	**$26,150**	**$ 21,991**	$ 31,405	$ 25,345	$ 21,246
Fixed maturities - consolidated variable interest entities	**3,564**	**2,890**	**2,430**	3,402	2,746	2,302
Perpetual securities	**4,623**	**3,747**	**3,152**	6,117	4,937	4,138
Perpetual securities - consolidated variable interest entities	**845**	**686**	**577**	1,477	1,192	999
Equity securities	**22**	**18**	**15**	24	19	16
Securities held to maturity:						
Fixed maturities	**64,249**	**52,098**	**43,812**	57,451	46,366	38,867
Fixed maturities - consolidated variable interest entities	**389**	**315**	**265**	797	643	539
Cash and cash equivalents	**1,543**	**1,251**	**1,052**	1,737	1,402	1,175
Other financial instruments	**192**	**156**	**131**	183	147	124
Subtotal	**107,677**	**87,311**	**73,425**	102,593	82,797	69,406
Liabilities:						
Notes payable	**1,146**	**929**	**782**	1,599	1,291	1,082
Japanese policyholder protection corporation	**60**	**48**	**40**	88	71	60
Subtotal	**1,206**	**977**	**822**	1,687	1,362	1,142
Net yen-denominated financial instruments	**106,471**	**86,334**	**72,603**	100,906	81,435	68,264
Other yen-denominated assets	**10,821**	**8,775**	**7,379**	10,706	8,640	7,243
Other yen-denominated liabilities	**116,163**	**94,193**	**79,212**	112,559	90,840	76,148
Consolidated yen-denominated net assets (liabilities) subject to foreign currency fluctuation	**$ 1,129**	**$ 916**	**$ 770**	$ (947)	$ (765)	$ (641)

(1) Actual period-end exchange rate
Prior-year amounts have been adjusted for the adoption of accounting guidance on January 1, 2012 related to deferred policy acquisition costs.

We are required to consolidate certain variable interest entities (VIEs). Prior to consolidation, our beneficial interest in certain VIEs was a yen-denominated available-for-sale fixed maturity security. Upon consolidation, the original yen-denominated investment was derecognized and the underlying U.S. dollar-denominated fixed-maturity or perpetual securities and cross-currency swaps were recognized. While the combination of a U.S. dollar-denominated investment and cross-currency swap economically creates a yen-denominated investment, these investments will create foreign currency fluctuations but have no impact on our net investment hedge position. For additional information, see the Hedging Activities subsection of MD&A.

Some of the consolidated VIEs in our Aflac Japan portfolio use foreign currency swaps to convert foreign denominated cash flows to yen, the functional currency of Aflac Japan, in order to minimize cash flow fluctuations. Foreign currency swaps exchange an initial principal amount in two currencies, agreeing to re-exchange the currencies at a future date, at an agreed upon exchange rate. There may also be periodic exchanges of payments at specified intervals based on the agreed upon rates and notional amounts.

We are exposed to economic currency risk only when yen funds are actually converted into dollars. This primarily occurs when we repatriate yen-denominated funds from Aflac Japan to Aflac U.S., which is generally done annually. The exchange rates prevailing at the time of repatriation will differ from the exchange rates prevailing at the time the yen profits were earned. A portion of the repatriation may be used to service Aflac Incorporated's yen-denominated notes payable with the remainder converted into dollars.

Interest Rate Risk

Our primary interest rate exposure is to the impact of changes in interest rates on the fair value of our investments in debt and perpetual securities. We estimate that the reduction in the fair value of debt and perpetual securities we own resulting from a 100 basis point increase in market interest rates, based on our portfolios at June 30, 2012, and December 31, 2011, would be as follows:

(In millions)	**June 30, 2012**	December 31, 2011
Effect on yen-denominated debt and perpetual securities	**$ (10,952)**	$ (9,715)
Effect on dollar-denominated debt and perpetual securities	**(1,993)**	(1,900)
Effect on total debt and perpetual securities	**$ (12,945)**	$ (11,615)

There are various factors that affect the fair value of our investment in debt and perpetual securities. Included in those factors are changes in the prevailing interest rate environment, which directly affect the balance of unrealized gains or losses for a given period in relation to a prior period. Decreases in market yields generally improve the fair value of debt and perpetual securities, while increases in market yields generally have a negative impact on the fair value of our debt and perpetual securities. However, we do not expect to realize a majority of any unrealized gains or losses because we generally have the intent and ability to hold such securities until a recovery of value, which may be maturity. For additional information on unrealized losses on debt and perpetual securities, see Note 3 of the Notes to the Consolidated Financial Statements.

We attempt to match the duration of our assets with the duration of our liabilities. Currently, when debt and perpetual securities we own mature, the proceeds may be reinvested at a yield below that of the interest required for the accretion of policy benefit liabilities on policies issued in earlier years. However, adding riders to our older policies has helped offset negative investment spreads on these policies. Overall, adequate profit margins exist in Aflac Japan’s aggregate block of business because of changes in the mix of business and favorable experience from mortality, morbidity and expenses.

We entered into an interest rate swap agreement related to the 5.5 billion yen variable interest rate Samurai notes that we issued in July 2011. This agreement effectively converted the variable interest rate notes to fixed rate notes to eliminate the volatility in our interest expense. We also have interest rate swaps related to some of our consolidated VIEs. These interest rate swaps are primarily used to convert interest receipts on floating-rate fixed-maturity securities contracts to fixed rates. For further information, see Note 4 of the accompanying Notes to the Consolidated Financial Statements and Note 8 of the Notes to the Consolidated Financial Statements and the Interest Rate Risk subsection of MD&A in our annual report to shareholders for the year ended December 31, 2011.

Credit Risk

Our investment activities expose us to credit risk, which is a consequence of extending credit and/or carrying investment positions. However, we continue to adhere to prudent standards for credit quality. We accomplish this by considering our product needs and overall corporate objectives, in addition to credit risk. In evaluating the initial rating, we look at the overall senior issuer rating, the explicit rating for the actual issue or the rating for the security class, and, where applicable, the appropriate designation from the Securities Valuation Office (SVO) of the National Association of Insurance Commissioners (NAIC). All of our securities have ratings from either a nationally recognized statistical rating organization, the SVO of the NAIC, or are assigned ratings by us based on NAIC rules. In addition, we perform extensive internal credit reviews to ensure that we are consistent in applying rating criteria for all of our securities.

We use specific criteria to judge the credit quality of both existing and prospective investments. Furthermore, we use several methods to monitor these criteria, including credit rating services and internal credit analysis. The ratings references in the two tables below are based on the ratings designations provided by major credit rating agencies (Moody's, S&P and Fitch) or, if not rated, are determined based on the ratings assigned by the SVO of the NAIC and/or our internal credit analysis of such securities. For investment grade securities where the ratings assigned by the major credit agencies are not equivalent, in periods prior to the first quarter of 2012 we used the highest rating that was assigned; as of the first quarter of 2012, we are using the second lowest rating that is assigned. Periods prior to the first quarter of 2012 have been adjusted to reflect this new rating methodology for comparative purposes. For a description of the ratings methodology that we use when a security is split-rated, see "Market Risks of Financial Instruments - Below-Investment-Grade and Split-Rated Securities" in the Analysis of Financial Condition section of this MD&A.

The distributions by credit rating of our purchases of debt securities, based on acquisition cost, were as follows:

Composition of Purchases by Credit Rating[(1)]

	Six Months Ended June 30, 2012	Twelve Months Ended December 31, 2011	Six Months Ended June 30, 2011
AAA	**.5%**	6.6%	16.4%
AA	**87.0**	75.4	58.2
A	**6.4**	9.7	14.0
BBB	**4.5**	7.8	10.0
BB or lower	**1.6**	.5	1.4
Total	**100.0%**	100.0%	100.0%

[(1)] *See the preceding discussion in this section of MD&A regarding the change in credit rating methodology effective March 31, 2012*

Purchases of securities from period to period are determined based on diversification objectives, relative value and availability of investment opportunities, while meeting our investment policy guidelines for liquidity, safety and quality. We did not purchase any perpetual securities during the periods presented in the table above. The increase in purchases of AA rated securities during the first six months of 2012 was primarily due to purchases of JGBs. The purchases of BB or lower rated securities in 2012 and 2011 was due to a limited program that was initiated in May 2011 to invest in senior secured bank loans to U.S. and Canadian corporate borrowers, most of which have below-investment-grade ratings. The program is managed externally by third party firms specializing in this asset class. Its mandate requires a minimum average credit quality of BB-/Ba3, no loans rated below B/B2, and no exposure to any individual credit greater than 3% of the program's assets. The objectives of this program include enhancing the yield on invested assets, achieving further diversification of credit risk, and mitigating the risk of rising interest rates through the acquisition of floating rate assets.

The distributions of debt and perpetual securities we own, by credit rating, were as follows:

Composition of Portfolio by Credit Rating[(1)]

	June 30, 2012		December 31, 2011	
	Amortized Cost	**Fair Value**	Amortized Cost	Fair Value
AAA	**1.7%**	**1.8%**	1.8%	1.9%
AA	**43.3**	**44.1**	39.1	39.9
A	**26.8**	**27.8**	29.7	30.4
BBB	**22.2**	**21.1**	23.6	22.7
BB or lower	**6.0**	**5.2**	5.8	5.1
Total	**100.0%**	**100.0%**	100.0%	100.0%

[(1)] *See the preceding discussion in this section of MD&A regarding the change in credit rating methodology effective March 31, 2012*

As of June 30, 2012, our direct and indirect exposure to securities in our investment portfolio that were guaranteed by third parties was immaterial both individually and in the aggregate.

Subordination Distribution

The majority of our total investments in debt and perpetual securities was senior debt at June 30, 2012, and December 31, 2011. We also maintained investments in subordinated financial instruments that primarily consisted of Lower Tier II, Upper Tier II, and Tier I securities, listed in order of seniority. The Lower Tier II (LTII) securities are debt instruments with fixed maturities. Our Upper Tier II (UTII) and Tier I investments consisted of debt instruments with fixed maturities and perpetual securities, which have an economic maturity as opposed to a stated maturity.

The following table shows the subordination distribution of our debt and perpetual securities.

Subordination Distribution of Debt and Perpetual Securities

	June 30, 2012		December 31, 2011	
(In millions)	**Amortized Cost**	**Percentage of Total**	Amortized Cost	Percentage of Total
Senior notes	**$ 93,576**	**89.4%**	$ 85,544	86.2%
Subordinated securities:				
Fixed maturities (stated maturity date):				
Lower Tier II	**4,778**	**4.6**	5,795	5.8
Tier I[(1)]	**548**	**.5**	555	.6
Surplus notes	**335**	**.3**	335	.3
Trust preferred - non-banks	**85**	**.1**	85	.1
Other subordinated - non-banks	**52**	**.0**	51	.1
Total fixed maturities	**5,798**	**5.5**	6,821	6.9
Perpetual securities (economic maturity date):				
Upper Tier II	**3,310**	**3.2**	4,285	4.3
Tier I	**1,634**	**1.6**	2,268	2.3
Other subordinated - non-banks	**338**	**.3**	344	.3
Total perpetual securities	**5,282**	**5.1**	6,897	6.9
Total debt and perpetual securities	**$ 104,656**	**100.0%**	$ 99,262	100.0%

(1)Includes trust preferred securities

As indicated in the table above, the percentage of our investment portfolio comprising subordinated fixed maturities and perpetual securities investments has declined due primarily to sales and impairments resulting from an implemented plan to reduce the risk exposure in our investment portfolio. See the Investment Concentrations section below for more information on these derisking activities.

Portfolio Composition

For information regarding the amortized cost for our investments in debt and perpetual securities, the cost for equity securities and the fair values of these investments, refer to Note 3 of the Notes to the Consolidated Financial Statements.

Investment Concentrations

As of June 30, 2012, one of our largest investment industry sector concentrations was banks and financial institutions. Throughout 2008 and during the first half of 2009, concerns related to troubled residential mortgages in the United States, United Kingdom and Europe spread to structured investment securities. As a result, banks and financial institutions suffered significant write-downs of asset values, which pressured banks and financial institutions to seek capital and liquidity support. National governments responded with various forms of support, ranging from guarantees on new and existing debt to significant injections of capital. These actions resulted in a temporary improvement in asset valuations in the latter part of 2009.

However, 2010 brought forth concerns with the fiscal integrity of peripheral European sovereign nations and their inability to effectively address their fiscal and economic problems. This in turn revealed the high correlation between these sovereigns' fiscal condition and their banking systems. These concerns about the fiscal integrity of peripheral European sovereigns have persisted since 2010 due to the inability of Eurozone leaders to produce an effective solution. As a result, most financial institutions in the Euro area have faced both liquidity and asset valuation pressures. Greece, Ireland, Portugal, and most recently, Spain were forced to accept external funding aid in various forms to meet their financial obligations or support their banking systems, as public markets were not accessible. Nationalization, recapitalization, and loss-sharing among bondholders all remain distinct risks for financial institution investors. While European politicians are very hesitant to put taxpayers at risk, we believe, with few exceptions, nationalizations and coerced burden-sharing among debt holders remain options of last resort.

See Note 3 of the Notes to the Consolidated Financial Statements for a discussion of our investment discipline and further discussion of our investment industry sector concentration in banks and financial institutions.

Our 20 largest global investment exposures as of June 30, 2012, were as follows:

Largest 20 Global Investment Positions

(In millions)	Amortized Cost	% of Total	Seniority	Ratings Moody's	S&P	Fitch
Japan National Government[1]	**$ 37,979**	**36.3%**	Senior	Aa3	AA-	A+
Israel Electric Corp.	**816**	**.8**	Senior	Baa3	BB+	—
Republic of Tunisia	**806**	**.8**	Senior	Baa3	BB	BBB-
Republic of South Africa	**769**	**.7**	Senior	A3	BBB+	BBB+
HSBC Holdings PLC	**710**	**.7**				
HSBC Finance Corporation (formerly Household Finance)	630	.6	Senior	Baa1	A	AA-
The Hongkong & Shanghai Banking Corporation Ltd.	80	.1	Upper Tier II	A1	—	—
Bank of America Corp. (includes Merrill Lynch)	**567**	**.5**				
Merrill Lynch & Co. Inc.	315	.3	Senior	Baa2	A-	A
Bank of America Corp.	252	.2	Lower Tier II	Baa3	BBB+	BBB
Bank of Tokyo-Mitsubishi UFJ Ltd.	**567**	**.5**				
Bank of Tokyo-Mitsubishi UFJ Ltd. (BTMU Curacao Holdings NV)	567	.5	Lower Tier II	A1	A	A-
Investcorp SA	**516**	**.5**				
Investcorp Capital Limited	516	.5	Senior	Ba2	—	BB
Sumitomo Mitsui Financial Group Inc.	**504**	**.5**				
Sumitomo Mitsui Banking Corporation	126	.1	Lower Tier II	A1	A	A-
Sumitomo Mitsui Banking Corporation (includes SMBC International Finance)	378	.4	Upper Tier II	A2	BBB+	—
National Grid PLC	**504**	**.5**				
National Grid Gas PLC	252	.3	Senior	A3	A-	A
National Grid Electricity Transmission PLC	252	.2	Senior	A3	A-	A
Telecom Italia SpA	**504**	**.5**				
Telecom Italia Finance SA	504	.5	Senior	Baa2	BBB	BBB
Citigroup Inc.	**497**	**.5**				
Citigroup Inc (includes Citigroup Global Markets Holdings Inc.)	496	.5	Senior	Baa2	A-	A
Citigroup Inc. (Citicorp)	1	.0	Lower Tier II	Baa3	BBB+	BBB+
JP Morgan Chase & Co. (including Bear Stearns)	**493**	**.5**				
JPMorgan Chase & Co (including Bear Stearns Companies Inc.)	442	.5	Senior	A2	A	A+
JPMorgan Chase & Co (FNBC)	23	.0	Senior	Aa1	A+	—
JPMorgan Chase & Co (Bank One Corp.)	17	.0	Lower Tier II	A3	A-	A
JPMorgan Chase & Co (NBD Bank)	11	.0	Lower Tier II	A1	A	A+
Commonwealth Bank of Australia	**492**	**.5**				
Commonwealth Bank of Australia	126	.1	Lower Tier II	Aa3	A-	A+
Commonwealth Bank of Australia	253	.3	Upper Tier II	—	BBB	—
Bankwest	113	.1	Upper Tier II	Aa3	BBB	—
Credit Suisse Group[2]	**485**	**.5**				
Credit Suisse International[2]	63	.1	Upper Tier II	Baa3	BBB	BBB
Credit Suisse, London Branch[2]	126	.1	Upper Tier II	Baa3	BBB	BBB-
Credit Suisse Group Capital[2]	296	.3	Tier I	Ba2	BBB-	BBB-
Metlife Inc.	**481**	**.5**				
Metlife Inc.	165	.2	Senior	A3	A-	A-

Metropolitan Life Global Fund	316	.3	Senior	Aa3	AA-	A+
Unique Zurich Airport	**467**	**.4**				
Flughafen Zurich AG	467	.4	Senior	—	A	—
Banobras	**467**	**.4**	Senior	Baa1	BBB	BBB
Gas Natural SDG (Union Fenosa)	**466**	**.4**				
Union Fenosa Finance B.V.	466	.4	Senior	Baa2	BBB	A-
General Electric Co.	**452**	**.4**				
GE Capital Corporation	400	.4	Senior	A1	AA+	—
Security Capital Group	37	.0	Senior	A1	AA+	—
Susa Partnership LP	9	.0	Senior	A1	AA+	—
GE Capital Services Inc.	6	.0	Lower Tier II	A1	AA+	—
Subtotal	**$ 48,542**	**46.4%**				
Total debt and perpetual securities	**$ 104,656**	**100.0%**				

(1) *JGBs or JGB-backed securities*
(2) *Redeemed in July 2012*

As previously disclosed, we own long-dated debt instruments in support of our long-dated policyholder obligations. Included in our largest global investment holdings are positions that date back many years. Additionally, the concentration of certain of our holdings of individual credit exposures has grown over time through merger and consolidation activity. Beginning in 2005, we have generally limited our investment exposures to individual issuers to no more than 5% of total adjusted capital (TAC) on a statutory accounting basis, with the exception of obligations of the Japanese and U.S. governments. However, existing investment exposures that exceeded 5% of TAC at the time this guidance was adopted, or exposures that may exceed this threshold from time to time through merger and consolidation activity, are not automatically reduced through sales of the issuers' securities but rather are reduced over time consistent with our investment policy.

Geographical Exposure

The following table indicates the geographic exposure of our investment portfolio.

	June 30, 2012		December 31, 2011	
(In millions)	**Amortized Cost**	**% of Total Portfolio**	Amortized Cost	% of Total Portfolio
Japan	**$ 42,994**	**41.1%**	**$ 34,942**	**35.2%**
United States and Canada	**17,592**	**16.8**	**17,221**	**17.4**
United Kingdom	**4,798**	**4.6**	**5,031**	**5.1**
Germany	**4,393**	**4.2**	**4,877**	**4.9**
France	**2,680**	**2.6**	**2,723**	**2.7**
PIIGS	**5,643**	**5.4**	**6,066**	**6.1**
Portugal	303	.3	308	.3
Italy	2,537	2.4	2,588	2.6
Ireland	534	.5	544	.6
Spain	2,269	2.2	2,626	2.6
Other Central Europe	**4,522**	**4.3**	**5,812**	**5.9**
Netherlands	2,450	2.3	2,496	2.5
Switzerland	1,335	1.3	1,357	1.4
Austria	433	.4	1,143	1.2
Belgium	304	.3	816	.8
Nordic Region	**3,877**	**3.7**	**4,126**	**4.2**
Sweden	1,827	1.7	1,863	1.9
Norway	871	.8	1,051	1.1
Denmark	602	.6	614	.6
Finland	577	.6	598	.6
Eastern Europe	**889**	**.9**	**907**	**.9**
Czech Republic	630	.6	643	.6
Poland	259	.3	264	.3
Asia excluding Japan	**5,589**	**5.3**	**5,690**	**5.7**
Africa and Middle East	**4,150**	**4.0**	**4,197**	**4.2**
Latin America	**3,492**	**3.3**	**3,771**	**3.8**
Australia	**3,178**	**3.0**	**3,159**	**3.2**
All Others	**859**	**.8**	**740**	**.7**
Total debt and perpetual securities	**$ 104,656**	**100.0%**	**$ 99,262**	**100.0%**

Investments in Certain European Countries

Greece, Ireland, Italy, Portugal, and Spain are at the epicenter of the European debt crisis, and the developments affecting these countries in turn affect the other 12 countries inextricably linked to these five countries through their collective membership in the Economic and Monetary Union and resultant adoption of a single common currency - the euro.

The primary factor considered when determining domicile is the legal domicile of the issuer. However, other factors such as the location of the parent guarantor, the location of the company's headquarters or major business operations (including location of major assets), location of primary market (including location of revenue generation) and specific country risk publicly recognized by rating agencies can influence the assignment of the country (or geographic) risk location. When the issuer is a special financing vehicle or a branch or subsidiary of a global company, then we consider any guarantees and/or legal, regulatory and corporate relationships of the issuer relative to its ultimate parent in determining the proper assignment of country risk.

We had no direct exposure to Greece as of June 30, 2012 and December 31, 2011. Our direct investment exposures to Ireland, Italy, Portugal and Spain and the related maturities of those investments were as follows:

	June 30, 2012							
	One to Five Years		Five to Ten Years		After Ten Years		Total	
(In millions)	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Available-for-sale securities:								
Ireland:								
Banks/financial institutions	$ 0	$ 0	$ 0	$ 0	$ 282	$ 169	$ 282	$ 169
Italy:								
Public utilities	0	0	0	0	15	14	15	14
Other corporate	0	0	0	0	391	391	391	391
Portugal:								
Public utilities	10	11	167	135	126	103	303	249
Spain:								
Sovereign	0	0	145	153	336	303	481	456
Banks/financial institutions	34	34	0	0	70	70	104	104
Public utilities	0	0	0	0	467	418	467	418
Other corporate	33	33	0	0	239	205	272	238
Held-to-maturity securities:								
Ireland:								
Banks/financial institutions	0	0	0	0	252	204	252	204
Italy:								
Sovereign	0	0	0	0	315	303	315	303
Banks/financial institutions	0	0	0	0	189	181	189	181
Public utilities	0	0	0	0	933	884	933	884
Other corporate	0	0	0	0	694	658	694	658
Spain:								
Banks/financial institutions	0	0	0	0	252	107	252	107
Public utilities	0	0	0	0	441	421	441	421
Other corporate	0	0	0	0	252	232	252	232

Total gross and net funded exposure	**$ 77**	**$ 78**	**$ 312**	**$ 288**	**$ 5,254**	**$ 4,663**	**$ 5,643**	**$ 5,029**

December 31, 2011								
	One to Five Years		Five to Ten Years		After Ten Years		Total	
(In millions)	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Available-for-sale securities:								
Ireland:								
Banks/financial institutions	$ 0	$ 0	$ 0	$ 0	$ 287	$ 170	$ 287	$ 170
Italy:								
Public utilities	0	0	0	0	15	14	15	14
Other corporate	0	0	0	0	399	392	399	392
Portugal:								
Public utilities	10	10	40	33	129	105	179	148
Spain:								
Sovereign	0	0	148	162	0	0	148	162
Banks/financial institutions	34	35	0	0	45	45	79	80
Public utilities	0	0	0	0	476	422	476	422
Other corporate	34	33	0	0	243	212	277	245
Held-to-maturity securities:								
Ireland:								
Banks/financial institutions	0	0	0	0	257	209	257	209
Italy:								
Sovereign	0	0	0	0	322	303	322	303
Banks/financial institutions	0	0	0	0	193	181	193	181
Public utilities	0	0	0	0	952	914	952	914
Other corporate	0	0	0	0	707	661	707	661
Portugal:								
Public utilities	0	0	129	135	0	0	129	135
Spain:								
Sovereign	0	0	0	0	489	470	489	470
Banks/financial institutions	0	0	0	0	450	356	450	356
Public utilities	0	0	0	0	450	447	450	447
Other corporate	0	0	0	0	257	241	257	241
Total gross and net funded exposure	$ 78	$ 78	$ 317	$ 330	$ 5,671	$ 5,142	$ 6,066	$ 5,550

We do not have any unfunded exposure in the European countries shown in the preceding table, and we have not entered into any hedges to mitigate credit risk for our funded exposure. The banks and financial institutions investments in Ireland, Italy, Portugal and Spain represented 5% of total investments in the banks and financial institutions sector at June 30, 2012 and December 31, 2011, and 1% of total investments in debt and perpetual securities at June 30, 2012 and December 31, 2011.

Ireland

As of June 30, 2012, our total direct exposure to Ireland of $534 million at amortized cost comprised senior unsecured obligations. Senior securities issued by the Bank of Ireland with amortized costs and fair values totaling $252 million and

$139 million, respectively, were rated below investment grade. We believe that these unrealized losses were more closely linked to the Irish government's aggressive approach to addressing its debt burden, which included at one point potentially imposing losses on senior debt holders of certain non-viable Irish banks. While the political risk of burden-sharing remains, it significantly subsided during the second half of 2011, as the government has shifted its focus to reducing its debt burden related to the EU/IMF program rather than disrupt the progress made in restoring stability to the Irish banking sector. This Irish bank is current on its obligation to us, and we believe it has the ability to meet its obligations to us. In addition, as of June 30, 2012, we had the intent to hold this investment to recovery in value. As a result, we did not recognize an other-than-temporary impairment for this investment as of June 30, 2012. The other senior security holdings in Ireland were issued by DEPFA Bank PLC and had an amortized cost of $282 million as of June 30, 2012. DEPFA is an Irish-domiciled and licensed financial institution that is a wholly owned subsidiary of Hypo Real Estate Holding, a Germany licensed and regulated financial institution. Due to this ownership by a German parent, DEPFA has not been included in the Republic of Ireland's bank re-structuring and capitalization plan. DEPFA was current on its obligation to us and was rated investment grade at Baa3/BBB/BBB+ by Moody's, S&P and Fitch, respectively, as of June 30, 2012.

There have been no additional ratings actions by Moody's since it downgraded Ireland's foreign currency long-term debt rating from Baa3 to Ba1 on July 12, 2011. Moody's affirmed its rating of Ireland on February 13, 2012. S&P placed Ireland's foreign currency long-term debt rating of BBB+ on negative watch on December 5, 2011 and subsequently removed the watch on January 13, 2012. On December 16, 2011, Fitch placed its foreign currency long-term debt rating of BBB+ for Ireland on negative watch. Fitch affirmed its rating of Ireland on January 27, 2012.

Italy

During the second half of 2011, the European sovereign crisis shifted focus from Greece and moved to other periphery European sovereigns, including Italy. We believe the focus on Italy has been driven by a combination of factors which, separately in a normal market environment, would have a limited impact on the fiscal profile and financing capabilities of a developed market government, like Italy's. The factors include the EU leadership's inability to solve the Greece fiscal problem, weak economic growth, a high overall debt profile, and a lack of political will to address the government's budget.

As of June 30, 2012, our total direct exposure to Italy was $2.5 billion, at amortized cost. This exposure comprised $315 million of direct investment in the sovereign of Italy; a senior unsecured bank obligation of $189 million; and several utility and industrial companies of $948 million and $1.1 billion, respectively. Our total exposure to Italy-based utility companies contained $681 million of securities that have below-investment-grade put options.

We expect the operating environment will be difficult in 2012 as Italy's government implements austerity measures to reduce deficits. Meaningful economic growth will be difficult due to the aforementioned austerity measures and a contraction of bank credit. Although there has been substantial improvement in the political environment and the fiscal outlook has improved recently, Italy's economic and ratings profile is expected to remain under pressure in the short-term.

Corporates, especially utilities, domiciled in Italy will continue to carry sovereign rating risk, but we expect they will continue to meet obligations due to factors including high barriers to entry, necessity of product/service, good operating cash flow, leading market positions and well-diversified product and market mix.

Italy's foreign currency long-term debt rating was downgraded one notch by Moody's from A2 to A3 on February 13, 2012, and was downgraded by two notches from A3 to Baa2 on July 13, 2012. S&P placed Italy's long-term debt rating of A on negative watch on December 5, 2011 and subsequently downgraded the rating to BBB+ on January 13, 2012. Italy's foreign currency long-term debt rating was placed on negative watch by Fitch on December 16, 2011, and was subsequently downgraded from A+ to A- on January 27, 2012.

As of June 30, 2012, all of our Italian exposures were rated investment grade, were current on their obligations to us, and we believe they have the ability to meet their obligations to us.

Portugal

As of June 30, 2012, our total direct exposure to Portugal was $303 million, at amortized cost. All of this exposure is to two electric utility issuers domiciled in Portugal; Redes Energeticas Nacionas SGPS, S.A. (REN) and Energias de Portugal SA (EDP). Our exposure to REN and EDP was $126 million and $177 million, respectively, at amortized cost.

REN, an electric transmission operator, was rated Ba1/BB+ by Moody's and S&P, respectively, as of June 30, 2012. Our investment in REN was classified as below investment grade. As of June 30, 2012, REN was current on its obligations to us, and we believe it has the ability to meet its obligations to us.

EDP, an integrated electric utility, was rated Ba1/BB+/BBB+ by Moody's, S&P, and Fitch, respectively, as of June 30, 2012. Our investments issued by EDP were classified as below investment grade. As of December 31, 2011, our investments in EDP had been classified as investment grade. EDP's debt rating from Moody's had been Baa3 since July 8, 2011. However, following Moody's downgrade of Portugal to Ba3 on February 13, 2012, EDP's debt rating was downgraded to Ba1 on February 16, 2012. S&P placed EDP's foreign issuer credit rating on credit watch negative on December 8, 2011 and subsequently downgraded it from BBB to BB+ on February 1, 2012. Due to these downgrades, we classified our investments in EDP as below investment grade effective February 2012 and transferred these investments from the held-to-maturity portfolio to the available-for-sale portfolio. As of June 30, 2012, EDP was current on its obligations to us, and we believe it has the ability to meet its obligations to us.

Utilities domiciled in Portugal will continue to carry sovereign rating risk and could experience difficulty in accessing capital markets because of that risk. However, we expect they will continue to meet debt obligations as a result of factors including high barriers to entry, necessity of product/service, good operating cash flow, market leading positions and well-diversified markets.

Spain

During 2011, the Euro area sovereign crisis shifted to other periphery European sovereigns, including Spain. The factors influencing the crisis in Spain include the EU leadership's inability to solve the Greece fiscal problem, high unemployment and other social burdens, the rapid decline of its real estate/construction sector, a high fiscal deficit and a difficulty at both the federal and regional level to address the government's fiscal budget.

We expect the operating environment will continue to be difficult for the remainder of 2012 as Spain's government implements austerity measures to reduce deficits at both the federal and regional levels. In addition, economic growth will be negative due to the aforementioned austerity measures and a contraction of bank credit. Greater uncertainty over their fiscal profiles has made it difficult for the regional governments in Spain to obtain reasonable financing for existing and new debt facilities. Therefore, Spain's and its regional governments' economic and ratings profile are expected to remain under pressure for the forseeable future.

As of June 30, 2012, our total direct exposure to Spain was $2.3 billion, at amortized cost. This exposure comprised $481 million of investments in sub-sovereign (i.e. regional governments) issuers; a senior unsecured bank obligation of $70 million; several Lower Tier II bank obligations of $286 million; and Spain-domiciled utilities and industrials of $908 million and $524 million, respectively.

During the second quarter of 2012, Spain experienced a large increase in its overall cost of funding due to concerns about the sovereign's fiscal and economic condition. The increase in funding costs as well as concerns about fiscal and economic conditions also had a negative impact on the Spanish sub-sovereigns' cost of funding and made access to credit almost impossible for them. Our $481 million of investments in Spanish sub-sovereign issuers consisted of $83 million of investments in Generalitat de Catalunya and $397 million of investments in Junta de Andalucia, on an amortized cost basis. As of June 30, 2012, Generalitat de Catalunya was rated Ba1/BBB-/BBB- by Moody's, S&P, and Fitch, respectively, however we have classified this investment as below investment grade. Catalunya's fiscal condition has become very weak due to significant amounts of debt and high fiscal deficits. As a result, its cost of funding is unsustainably high, its liquidity position is low, and the government has very little access to wholesale credit. It is anticipated that this deteriorated condition will not improve for the foreseeable future. We recognized an other-than-temporary impairment of $144 million on our investment in Generalitat de Catalunya in the second quarter. As of June 30, 2012, Junta de Andalucia was rated Baa3/BBB/BBB by Moody's, S&P, and Fitch, respectively. However, we have classified this investment as below investment grade. Junta de Andalucia's fiscal condition has deteriorated due to significant amounts of debt and high fiscal deficits. As a result, its cost of funding is unsustainably high and the government has very little access to wholesale credit. While its condition has deteriorated, Junta de Andalucia's liquidity remains relatively good. We have below-investment-grade put options on our Junta de Andalucia holdings. As of June 30, 2012, Junta de Andalucia was current on its obligations to us, and we believe it has the ability to meet its obligations to us. Due to the multiple downgrades in the second quarter of 2012, we have classified all of our investments in Generalitat de Catalunya and Junta de Andalucia as available for sale as of June 30, 2012.

Our Spanish senior unsecured bank investment of $70 million, at amortized cost, was issued by Bankia SA (Bancaja Emisiones SA Unipersonal). Bankia SA was downgraded to below investment grade in the second quarter of 2012 and was rated Ba2/BB+/BBB by Moody's, S&P, and Fitch, respectively, as of June 30, 2012. Upon the nationalization of its parent and its own executive management turnover in early May 2012, Bankia SA sought state support of 19 billion euros on May 25, 2012, which accelerated the Spanish government's need to seek external support to solve its banking crisis. We transferred this investment from the held-to-maturity portfolio to the available-for-sale portfolio, and we recognized an other-than-temporary impairment of $120 million on our investment in Bankia SA in the second quarter.

Corporates, especially utilities, domiciled in Spain will continue to carry sovereign rating risk, but we expect they will continue to meet obligations due to some or all of the following factors including high barriers to entry, necessity of product/ service, good operating cash flow, market leading positions and well-diversified product and market mix.

Spain's foreign currency long-term debt rating was downgraded two notches by Moody's from A1 to A3 on February 13, 2012 and was downgraded three notches to Baa3 on June 13, 2012. S&P placed Spain's foreign currency long-term rating of AA- on negative watch on December 5, 2011 and subsequently downgraded the rating to A on January 13, 2012 and then to BBB+ on April 26, 2012. Spain's foreign currency long-term debt rating by Fitch was downgraded from AA- to A on January 27, 2012 and was downgraded again on June 7, 2012 from A to BBB.

As of June 30, 2012, with the exception of the securities discussed above, the remainder of our Spain-domiciled exposures were rated investment grade and were current on their obligations to us, and we believe they have the ability to meet their obligations to us.

Monitoring and mitigating exposure

During most of 2011, we saw the Euro area sovereign crisis persist and escalate. As a result, we saw contagion risk expand from periphery Eurozone sovereign credits to also include core Eurozone sovereign credits. Apart from our direct investments in sovereign debt, we view our European financial holdings as our largest indirect exposure due to the high correlation between financials and the sovereign from both a ratings and economics perspective. Our other significant source of indirect exposure is via our investment in fixed income securities issued by integrated electric utilities and industrials domiciled in periphery Eurozone countries. As of June 30, 2012, we had investments of $10.0 billion in European financials (including $2.0 billion in the United Kingdom), $2.2 billion in periphery Eurozone utilities and $1.6 billion in periphery Eurozone industrials, at amortized cost. Our large and diversified exposure requires a considerable allocation of resources. In order to maintain up-to-date knowledge of conditions, we use a number of tools and resources including news reports, rating agency commentary and reports, company reports, third party research, and academic and regulator commentary. In addition, we regularly conduct teleconference and on-site interviews with executives of companies in which we have invested in Europe, rating agency analysts and Euro area regulatory officials to assist us in the monitoring and evaluation of conditions in the Euro area.

Due to the persistency of this crisis and the opportunity to obtain better financial data from the European Banking Authority (EBA) stress tests performed during the year, we performed a more intense and comprehensive stress test on all our financial institutional holdings. Our stress test incorporated the development of several negative events, including the restructuring of European periphery sovereigns and an overall deterioration in various capital ratios. The results of the test assisted us in identifying those credits more likely to experience a serious credit event resulting from a large restructuring event and considering implementing risk mitigation strategies, including, but not limited to, redemption, impairment, sale, or use of credit derivatives. It should be noted that the majority of our holdings are structured as privately issued securities and therefore, other than impairment, there can be no assurance that these risk mitigation strategies would be effective or could be easily executed.

Additionally, on a regular basis, we perform a general stress test of our entire investment portfolio based on the recurrence of conditions similar to those experienced in 2008 or other stressed conditions, for example interest rate shocks. These conditions incorporate several events, including default of one or more of the Euro area sovereign credits, strengthening of the yen, recession in Japan, Europe and the United States, and a general contraction in available credit. The test contemplates both direct and indirect exposures. The results assist us in identifying those credits more likely to experience a serious credit event in the coming quarters and possibly implementing risk mitigation strategies, including, but not limited to, redemption, impairment, sale, or use of credit derivatives. As mentioned above, the majority of our holdings are structured as privately issued securities and therefore, other than impairment, there can be no assurance that these risk mitigation strategies would be effective or could be easily executed.

In addition, several of our fixed income investments issued by periphery European sub-sovereigns and periphery Eurozone domiciled utilities contain covenants that enable us to seek an early redemption of our security. The covenants contained in these instruments vary from put options that vest should the issuer be downgraded to below investment grade by a rating agency, obligations to maintain leverage below a certain level, obligations to maintain interest coverage ratios above a certain level or a combination of the above. On an amortized cost basis, as of June 30, 2012, we had $1.3 billion in securities issued by periphery sub-sovereigns and corporates containing below-investment-grade put options, of which $397 million were issued by sub-sovereign entities and $933 million were issued by corporate and utility companies. As of June 30, 2012, we had $845 million in securities issued by periphery corporate and utility companies that contained a leverage covenant, an interest coverage covenant, or a combination of both.

Derisking

During 2011 and continuing into the first and second quarters of 2012, we pursued strategic investment activities to lower the risk profile of our investment portfolio. Our primary focus during the first half of 2012 was on reducing our exposure to perpetual and other subordinated securities of European issuers, particularly in the financial sector. As a result of our investment derisking activities in 2011 and the first half of 2012, we have experienced significant reductions in peripheral Eurozone, perpetual, and financial exposures on an amortized cost basis. At the start of 2008, sovereign and financial investments in peripheral Eurozone countries comprised 5.9% of total investments and cash, declining to 1.8% by the end of the second quarter of 2012. At the start of 2008, investments in perpetual securities comprised 14.7% of total investments and cash, declining to 4.9% by the end of the second quarter of 2012. As a result of these derisking activities, we have no direct sovereign or financial investment exposure to Greece or Portugal, and we have only senior indebtedness in Ireland.

Securities by Type of Issuance

We have investments in both publicly and privately issued securities. The outstanding amount of a particular issuance, as well as the level of activity in a particular issuance and market conditions, including credit events and the interest rate environment, affect liquidity regardless of whether it is publicly or privately issued.

The following table details investment securities by type of issuance.

Investment Securities by Type of Issuance

	June 30, 2012		December 31, 2011	
(In millions)	**Amortized Cost**	**Fair Value**	Amortized Cost	Fair Value
Publicly issued securities:				
Fixed maturities	**$ 54,554**	**$ 57,958**	$ 45,475	$ 48,163
Perpetual securities	**169**	**172**	195	178
Equity securities	**12**	**13**	13	15
Total publicly issued	**54,735**	**58,143**	45,683	48,356
Privately issued securities:				
Fixed maturities	**44,820**	**44,363**	46,890	45,792
Perpetual securities	**5,113**	**4,560**	6,702	6,261
Equity securities	**9**	**10**	9	10
Total privately issued	**49,942**	**48,933**	53,601	52,063
Total investment securities	**$ 104,677**	**$ 107,076**	$ 99,284	$ 100,419

The following table details our privately issued investment securities.

Privately Issued Securities

(Amortized cost, in millions)		**June 30, 2012**		December 31, 2011
Privately issued securities as a percentage of total debt and perpetual securities		**47.7%**		54.0%
Privately issued securities held by Aflac Japan	**$**	**46,943**	$	50,819
Privately issued securities held by Aflac Japan as a percentage of total debt and perpetual securities		**44.9%**		51.2%

Reverse-Dual Currency Securities [(1)]

(Amortized cost, in millions)		**June 30, 2012**		December 31, 2011
Privately issued reverse-dual currency securities	**$**	**11,322**	$	12,655
Publicly issued collateral structured as reverse-dual currency securities		**2,908**		2,958
Total reverse-dual currency securities	**$**	**14,230**	$	15,613
Reverse-dual currency securities as a percentage of total debt and perpetual securities		**13.6%**		15.7%

(1) *Principal payments in yen and interest payments in dollars*

The decrease in privately issued securities as a percentage of total debt and perpetual securities was due primarily to sales and impairments of investments and the allocation of new investments to JGBs during the first six months of 2012.

Aflac Japan has invested in privately issued securities to better match liability characteristics and secure higher yields than those available on Japanese government or other public corporate bonds. Aflac Japan's investments in yen-denominated privately issued securities consist primarily of non-Japanese issuers and have longer maturities, thereby allowing us to improve our asset/liability matching and our overall investment returns. Most of our privately issued securities are issued under medium-term note programs and have standard documentation commensurate with credit ratings of the issuer, except when internal credit analysis indicates that additional protective and/or event-risk covenants are required.

Below-Investment-Grade and Split-Rated Securities

The below-investment-grade securities shown in the following table were investment grade at the time of purchase and were subsequently downgraded.

Below-Investment-Grade Securities[(1)(2)]

(In millions)	June 30, 2012 Par Value	Amortized Cost	Fair Value	Unrealized Gain(Loss)	December 31, 2011 Par Value	Amortized Cost	Fair Value	Unrealized Gain(Loss)
Israel Electric Corp. Ltd.	$ 870	$ 816	$ 745	$ (71)	$ 888	$ 847	$ 805	$ (42)
Republic of Tunisia	807	806	798	(8)	823	823	877	54
Investcorp Capital Limited	517	516	426	(90)	526	526	441	(85)
Commerzbank AG (includes Dresdner Bank)	504	325	366	41	*	*	*	*
Lloyds Banking Group PLC	408	362	373	11	408	360	312	(48)
Junta de Andalucia[(3)]	397	397	373	(24)	*	*	*	*
UPM-Kymmene	391	391	256	(135)	399	399	235	(164)
UniCredit Bank AG (HVB Funding Trust I, III, & VI)	368	368	230	(138)	*	*	*	*
CSAV (Tollo Shipping Co. S.A.)	303	127	131	4	309	130	130	0
Bank of Ireland	252	252	139	(113)	257	257	140	(117)
Swedbank AB [(4)]	240	181	148	(33)	180	139	106	(33)
Generalitat de Catalunya [(3)]	227	83	83	0	*	*	*	*
Tokyo Electric Power Co., Inc.	217	219	217	(2)	232	235	211	(24)
Bankia SA (Bancaja Emisiones SA Unipersonal)	189	70	70	0	*	*	*	*
Energias de Portugal SA (EDP)	179	177	146	(31)	*	*	*	*
IKB Deutsche Industriebank AG	164	86	98	12	167	87	87	0
Redes Energeticas Nacionais SGPS, S.A. (REN)	126	126	103	(23)	129	129	105	(24)
Finance For Danish Industry (FIH)	126	98	105	7	129	100	100	0
Dexia SA (Includes Dexia Bank Belgium & Dexia Overseas) [(4)]	0	0	0	0	579	190	190	0
Erste Group Bank (Erste Finance Jersey Ltd. 3 & 5) [(4)]	0	0	0	0	450	424	253	(171)
Ford Motor Credit Company	*	*	*	*	386	386	388	2
Bawag Capital Finance Jersey[(4)]	0	0	0	0	180	77	77	0
Hypo Vorarlberg Capital Finance[(4)]	0	0	0	0	141	83	86	3
Nextera Energy Inc. (FPL Marcus Hook, White Pine Hydro)	65	65	61	(4)	40	40	44	4
Barclays Bank PLC [(4)]	65	48	50	2	*	*	*	*
Sparebanken Vest [(4)]	60	60	55	(5)	60	60	59	(1)
Other Issuers (below $50 million in par value) [(5)]	368	364	351	(13)	408	378	339	(39)
Total	$ 6,843	$ 5,937	$ 5,324	$ (613)	$ 6,691	$ 5,670	$ 4,985	$ (685)

** Investment grade at respective reporting date*

(1) Does not include senior secured bank loans in an externally managed portfolio that were below investment grade when initially purchased

(2) See the Market Risks of Financial Instruments - Credit Risk subsection of this MD&A regarding the change in credit rating methodology effective March 31, 2012

(3) Deemed by the Company to be below investment grade

(4) Perpetual security

(5) Includes 15 issuers in 2012 and 17 issuers in 2011

In May 2011, we initiated a limited program to invest in senior secured bank loans to U.S. and Canadian corporate borrowers, most of which have below-investment-grade ratings. The program is managed externally by third party firms specializing in this asset class. Its mandate requires a minimum average credit quality of BB-/Ba3, no loans rated below B/B2, and no exposure to any individual credit greater than 3% of the program's assets. The objectives of this program include enhancing the yield on invested assets, achieving further diversification of credit risk, and mitigating the risk of rising interest rates through the acquisition of floating rate assets. As of June 30, 2012, our investments in this program totaled $299 million at amortized cost.

Excluding the senior secured bank loans discussed above that were rated below investment grade when initially purchased, below-investment-grade debt and perpetual securities represented 5.7% of total debt and perpetual securities at June 30, 2012 and December 31, 2011, at amortized cost. Debt and perpetual securities classified as below investment grade at June 30, 2012 and December 31, 2011 were generally reported as available for sale and carried at fair value.

Occasionally, a debt or perpetual security will be split rated. This occurs when one rating agency rates the security as investment grade while another rating agency rates the same security as below investment grade. As of the first quarter of 2012, our policy has been to utilize the second lowest rating designation assigned to the security, which in this case where there are only two ratings - one investment grade and one below investment grade - would result in the security being rated as below investment grade. In the event that the second lowest rating designation from the major credit rating agencies (Moody's, S&P and Fitch) is investment grade, our policies do not preclude us from assigning a below-investment-grade rating if our own internal analysis shows a credit deterioration has occurred and our assessment results in a rating below that which is assigned by such agencies. Our review in those cases includes evaluating the issuer's credit position as well as current market pricing and other factors, such as the issuer's or security's inclusion on a credit rating downgrade watch list. Split-rated securities, excluding the senior secured bank loan investments discussed above, totaled $5.5 billion as of June 30, 2012, and $2.7 billion as of December 31, 2011, and represented 5% of total debt and perpetual securities, at amortized cost, at June 30, 2012, and 3% at December 31, 2011. The 10 largest split-rated securities as of June 30, 2012, were as follows:

Split-Rated Securities

(In millions)	Amortized Cost	Investment-Grade Status
Israel Electric Corp. Ltd.	$ 816	Below Investment Grade
Republic of Tunisia	806	Below Investment Grade
SLM Corp.	408	Investment Grade
Ford Motor Credit Company	378	Investment Grade
UniCredit Bank AG (HVB Funding Trust I, III & VI)	368	Below Investment Grade
Commerzbank AG (includes Dresdner Bank)	325	Below Investment Grade
Societe Generale [1]	315	Investment Grade
Credit Suisse Group Capital [1][2]	296	Investment Grade
BBVA Subordinated Capital	252	Investment Grade
Bank of Ireland	252	Below Investment Grade

[1] *Perpetual security*

[2] *Downgraded to below investment grade and redeemed in July 2012*

Other-than-temporary Impairment

See Note 3 of the Notes to the Consolidated Financial Statements for a discussion of our impairment policy.

Unrealized Investment Gains and Losses

The following table provides details on amortized cost, fair value and unrealized gains and losses for our investments in debt and perpetual securities by investment-grade status as of June 30, 2012.

(In millions)	Total Amortized Cost	Total Fair Value	Percentage of Total Fair Value	Gross Unrealized Gains	Gross Unrealized Losses
Available-for-sale securities:					
Investment-grade securities	$ 46,016	$ 48,901	45.7%	$ 3,956	$ 1,071
Below-investment-grade securities	6,227	5,612	5.2	124	739
Held-to-maturity securities:					
Investment-grade securities	52,413	52,540	49.1	1,372	1,245
Total	$ 104,656	$ 107,053	100.0%	$ 5,452	$ 3,055

The following table presents an aging of debt and perpetual securities in an unrealized loss position as of June 30, 2012.

Aging of Unrealized Losses

(In millions)	Total Amortized Cost	Total Unrealized Loss	Less than Six Months		Six Months to Less than 12 Months		12 Months or Longer	
			Amortized Cost	Unrealized Loss	Amortized Cost	Unrealized Loss	Amortized Cost	Unrealized Loss
Available-for-sale securities:								
Investment-grade securities	$ 10,933	$ 1,071	$ 2,343	$ 55	$ 1,143	$ 121	$ 7,447	$ 895
Below-investment-grade securities	3,858	739	1,007	93	440	66	2,411	580
Held-to-maturity securities:								
Investment-grade securities	14,881	1,245	2,165	24	1,664	80	11,052	1,141
Total	$ 29,672	$ 3,055	$ 5,515	$ 172	$ 3,247	$ 267	$ 20,910	$ 2,616

The following table presents a distribution of unrealized losses on debt and perpetual securities by magnitude as of June 30, 2012.

Percentage Decline From Amortized Cost

(In millions)	Total Amortized Cost	Total Unrealized Loss	Less than 20%		20% to 50%		Greater than 50%	
			Amortized Cost	Unrealized Loss	Amortized Cost	Unrealized Loss	Amortized Cost	Unrealized Loss
Available-for-sale securities:								
Investment-grade securities	$ 10,933	$ 1,071	$ 8,812	$ 559	$ 2,121	$ 512	$ 0	$ 0
Below-investment-grade securities	3,858	739	2,163	202	1,695	537	0	0

Held-to-maturity securities:								
Investment-grade securities	14,881	1,245	14,250	967	379	133	252	145
Total	$ 29,672	$ 3,055	$ 25,225	$ 1,728	$ 4,195	$ 1,182	$ 252	$ 145

The following table presents the 10 largest unrealized loss positions in our portfolio as of June 30, 2012.

(In millions)	Credit Rating	Amortized Cost	Fair Value	Unrealized Loss
BBVA Subordinated Capital	BBB	$ 252	$ 107	$ (145)
UniCredit SpA (includes UniCredit Bank AG and UniCredit Bank Austria AG)	BB	379	242	(137)
SLM Corp.	BBB	408	272	(136)
UPM-Kymmene	BB	391	256	(135)
Bank of Ireland	BB	252	139	(113)
Credit Suisse Group [1][2]	BBB	485	393	(92)
Investcorp Capital Limited	BB	516	426	(90)
Bank of Tokyo-Mitsubishi UFJ Ltd. (BTMU Curacao Holdings N.V.)	A	568	489	(79)
AXA[1]	BBB	392	315	(77)
Nordea Bank AB[1]	BBB	424	350	(74)

(1) *Perpetual security*

(2) *Redeemed in July 2012 at an approximate realized pretax loss of $25 million*

Declines in fair value noted above were impacted by changes in interest rates and credit spreads, yen/dollar exchange rates, and issuer credit status. However, we believe it would be inappropriate to recognize impairment charges because we believe the changes in fair value are temporary. See the Market Risks of Financial Instruments - Credit Risk subsection of this MD&A for a discussion of unrealized losses related to Ireland, and see the Unrealized Investment Gains and Losses section in Note 3 of the Notes to the Consolidated Financial Statements for further discussions of unrealized losses related to financial institutions, including perpetual securities, and other corporate investments.

Investment Valuation and Cash

We estimate the fair values of our securities available for sale on a monthly basis. We monitor the estimated fair values derived from our discounted cash flow pricing model and those obtained from our custodian, pricing vendors and brokers for consistency from month to month, while considering current market conditions. We also periodically discuss with our custodian and pricing brokers and vendors the pricing techniques they use to monitor the consistency of their approach and periodically assess the appropriateness of the valuation level assigned to the values obtained from them.

Due to our reliance on third-party pricing services to provide valuations on 52% of our Level 2 available-for-sale portfolio and 3% of our Level 2 held-to-maturity portfolio (for disclosure purposes), we regularly discuss and review pricing methodologies with the investment custodian. We also review the custodians' Service Organization Control (SOC 1) reports for the period covering the current year to gain satisfaction with the controls and control environment of the custodian.

See Note 5 of the Notes to the Consolidated Financial Statements for the fair value hierarchy classification of our available-for-sale and held-to-maturity securities as of June 30, 2012.

Cash and cash equivalents totaled $2.1 billion, or 1.9% of total investments and cash, as of June 30, 2012, compared with $2.2 billion, or 2.2%, at December 31, 2011. For a discussion of the factors affecting our cash balance, see the Operating Activities, Investing Activities and Financing Activities subsections of this MD&A.

For additional information concerning our investments, see Notes 3, 4, and 5 of the Notes to the Consolidated Financial Statements.

Deferred Policy Acquisition Costs

The following table presents deferred policy acquisition costs by segment.

(In millions)	June 30, 2012	December 31, 2011	% Change
Aflac Japan	$ 7,191	$ 7,102	1.2% (1)
Aflac U.S.	2,770	2,687	3.1
Total	$ 9,961	$ 9,789	1.8%

(1) Aflac Japan's deferred policy acquisition costs increased 3.3% in yen during the six months ended June 30, 2012.
Prior-year amounts have been adjusted for the adoption of accounting guidance on January 1, 2012 related to deferred policy acquisition costs.

See Note 1 of the Notes to the Consolidated Financial Statements and the New Accounting Pronouncements subsection of this MD&A for a discussion of changes to the accounting policy for DAC effective January 1, 2012.

Policy Liabilities

The following table presents policy liabilities by segment.

(In millions)	June 30, 2012	December 31, 2011	% Change
Aflac Japan	$ 91,091	$ 86,522	5.3% (1)
Aflac U.S.	8,320	8,069	3.1
Other	2	2	.0
Total	$ 99,413	$ 94,593	5.1%

(1) Aflac Japan's policy liabilities increased 7.4% in yen during the six months ended June 30, 2012.

Notes Payable

Notes payable totaled $3.7 billion at June 30, 2012, compared with $3.3 billion at December 31, 2011. In February 2012, the Parent Company issued $750 million of senior notes through a U.S. public debt offering. In June 2012, we redeemed 26.6 billion yen (approximately $337 million using the exchange rate on the date of redemption) of our Samurai notes upon their maturity. The ratio of debt to total capitalization (debt plus shareholders' equity, excluding the unrealized gains and losses on investment securities and derivatives) was 22.4% as of June 30, 2012, compared with 21.0% as of December 31, 2011. Subsequent to the end of the second quarter, in July 2012, the Parent Company issued $250 million of senior notes that are an addition to the original series of senior notes that were issued in February 2012 and mature in February 2017. See Note 6 of the accompanying Notes to the Consolidated Financial Statements for additional information on our notes payable.

Benefit Plans

Aflac Japan and Aflac U.S. have various benefit plans. For additional information on our Japanese and U.S. plans, see Note 9 of the accompanying Notes to the Consolidated Financial Statements and Note 13 of the Notes to the Consolidated Financial Statements in our annual report to shareholders for the year ended December 31, 2011.

Policyholder Protection Corporation

The Japanese insurance industry has a policyholder protection system that provides funds for the policyholders of insolvent insurers. Legislation enacted regarding the framework of the Life Insurance Policyholder Protection Corporation (LIPPC) included government fiscal measures supporting the LIPPC through March 2012. On December 27, 2011, Japan's FSA announced the plans to enhance the stability of the LIPPC by extending the government's fiscal support of the LIPPC through March 2017. Accordingly, the FSA submitted legislation to the Diet on January 27, 2012 to extend the government's fiscal support framework, and the legislation was approved on March 30, 2012.

Hedging Activities

Net Investment Hedge

Our primary exposure to be hedged is our investment in Aflac Japan, which is affected by changes in the yen/dollar exchange rate. To mitigate this exposure, we have taken the following courses of action. First, Aflac Japan maintains a portfolio of dollar-denominated securities, which serve as an economic currency hedge of a portion of our investment in Aflac Japan. The foreign exchange gains and losses related to this portfolio are taxable in Japan and the U.S. when the securities mature or are sold. Until maturity or sale, deferred tax expense or benefit associated with the foreign exchange gains or losses are recognized in other comprehensive income. Second, we have designated the majority of the Parent Company's yen-denominated liabilities (Samurai and Uridashi notes and yen-denominated loans) as a hedge of our investment in Aflac Japan. At the beginning of each quarter, we make our net investment hedge designation. If the total of our designated yen-denominated liabilities is equal to or less than our net investment in Aflac Japan, the hedge is deemed to be effective and the related exchange effect on the liabilities is reported in the unrealized foreign currency component of other comprehensive income. Should these designated yen-denominated liabilities exceed our investment in Aflac Japan, the foreign exchange effect on the portion of the liabilities that exceeds our investment in Aflac Japan would be recognized in net earnings. We estimate that if our yen-denominated liabilities exceeded our investment in Aflac Japan by 10 billion yen, we would report a foreign exchange gain/loss of approximately $1 million for every 1% yen weakening/strengthening in the end-of-period yen/dollar exchange rate. Our net investment hedge was effective during the three- and six-month periods ended June 30, 2012 and 2011, respectively.

The yen net asset figure calculated for hedging purposes differs from the yen-denominated net asset position as discussed in the Currency Risk subsection of MD&A. As disclosed in that subsection, the consolidation of the underlying assets in certain VIEs requires that we derecognize our yen-denominated investment in the VIE and recognize the underlying U.S. dollar-denominated fixed-maturity or perpetual securities and cross-currency swaps. While these U.S. dollar investments will create foreign currency fluctuations, the combination of the U.S. dollar-denominated investment and the cross-currency swap economically creates a yen-denominated investment that qualifies for inclusion as a component of our investment in Aflac Japan.

The dollar values of our yen-denominated net assets, including certain VIEs as yen-denominated investments for net investment hedging purposes as discussed above, are summarized as follows (translated at end-of-period exchange rates):

(In millions)	**June 30, 2012**	December 31, 2011
Aflac Japan yen-denominated net assets	**$ 4,494**	$ 3,255
Parent Company yen-denominated net liabilities	**(901)**	(1,258)
Consolidated yen-denominated net assets (liabilities) subject to foreign currency translation fluctuations	**$ 3,593**	$ 1,997

Prior-year amounts have been adjusted for the adoption of accounting guidance on January 1, 2012 related to deferred policy acquisition costs.

Cash Flow Hedges

We have freestanding derivative instruments that are reported in the consolidated balance sheet at fair value and are reported in other assets and other liabilities. During 2011, we de-designated certain of the derivatives used in cash flow hedging strategies as a result of determining that these swaps would no longer be highly effective in offsetting the cash flows of the hedged item. The $7 million after-tax gain recorded in accumulated other comprehensive income for these swaps is being amortized into earnings over the expected life of the respective hedged item. The amount amortized from accumulated other comprehensive income into earnings related to these swaps was immaterial for the three- and six-month periods ended June 30, 2012. As of June 30, 2012, a couple of the freestanding foreign currency swaps that are used within VIEs to hedge the risk arising from changes in foreign currency exchange rates still qualified for hedge accounting. See Note 4 of the Notes to the Consolidated Financial Statements for additional information.

We have an interest rate swap agreement related to the 5.5 billion yen variable interest rate Samurai notes that we issued in July 2011. By entering into this contract, we swapped the variable interest rate to a fixed interest rate of 1.475%. We have designated this interest rate swap as a hedge of the variability in our interest cash flows associated with the variable interest rate Samurai notes. This hedge was effective during the three- and six-month periods ended June 30, 2012 and 2011, respectively. See Note 4 of the Notes to the Consolidated Financial Statements for additional information.

Off-Balance Sheet Arrangements

As of June 30, 2012, we had no material letters of credit, standby letters of credit, guarantees or standby repurchase obligations. See Note 14 of the Notes to the Consolidated Financial Statements in our annual report to shareholders for the year ended December 31, 2011, for information on material unconditional purchase obligations that are not recorded on our balance sheet.

CAPITAL RESOURCES AND LIQUIDITY

Aflac provides the primary sources of liquidity to the Parent Company through dividends and management fees. The following table presents the amounts provided for the six-month periods ending June 30.

Liquidity Provided by Aflac to Parent Company

(In millions)	**2012**	2011
Dividends declared or paid by Aflac	**$ 0**	$ 282
Management fees paid by Aflac	**128**	115

The primary uses of cash by the Parent Company are shareholder dividends, the repurchase of its common stock and interest on its outstanding indebtedness. The Parent Company's sources and uses of cash are reasonably predictable and are not expected to change materially in the future. For additional information, see the Financing Activities subsection of this MD&A.

The Parent Company also accesses debt security markets to provide additional sources of capital. In May 2012, we filed a shelf registration statement with the SEC that allows us to issue an indefinite amount of senior and subordinated debt, in one or more series, from time to time until May 2015. In December 2011, we filed a shelf registration statement with Japanese regulatory authorities that allows us to issue up to 100 billion yen of yen-denominated Samurai notes in Japan through January 2014. If issued, these yen-denominated Samurai notes would not be available to U.S. persons. We believe outside sources for additional debt and equity capital, if needed, will continue to be available. For additional information, see Note 6 of the Notes to the Consolidated Financial Statements.

The principal sources of cash for our insurance operations are premiums and investment income. The primary uses of cash by our insurance operations are investments, policy claims, commissions, operating expenses, income taxes and payments to the Parent Company for management fees and dividends. Both the sources and uses of cash are reasonably predictable.

When making an investment decision, our first consideration is based on product needs. Our investment objectives provide for liquidity through the purchase of investment-grade debt securities. These objectives also take into account duration matching, and because of the long-term nature of our business, we have adequate time to react to changing cash flow needs.

As a result of policyholder aging, claims payments are expected to gradually increase over the life of a policy. Therefore, future policy benefit reserves are accumulated in the early years of a policy and are designed to help fund future claims payments. We expect our future cash flows from premiums and our investment portfolio to be sufficient to meet our cash needs for benefits and expenses.

In June 2012, the Parent Company and Aflac entered into a 364-day senior unsecured revolving credit facility agreement in the amount of 50 billion yen with a syndicate of financial institutions. This credit agreement provides for borrowings in Japanese yen or the equivalent of Japanese yen in U.S. dollars on a revolving basis. Borrowings under the credit agreement may be used for general corporate purposes, including a capital contingency plan for our Japanese operations. This credit agreement will expire on the earlier of (a) June 27, 2013, or (b) the date of termination of the commitments upon an event of default as defined in the agreement. The Parent Company and Aflac may request that commitments under the credit agreement be extended for an additional 364-day period from the commitment termination date, subject to terms and conditions which are defined in the agreement. As of June 30, 2012, no borrowings were outstanding under our 50 billion yen revolving credit agreement.

Our financial statements adequately convey our financing arrangements during the periods presented. We have not engaged in material intra-period short-term financings during the periods presented that are not otherwise reported in our balance sheet. We were in compliance with all of the covenants of our notes payable at June 30, 2012. We have not entered into transactions involving the transfer of financial assets with an obligation to repurchase financial assets that have been accounted for as a sale under applicable accounting standards, including securities lending transactions. See Note 3 of the Notes to the Consolidated Financial Statements and Note 1 of the Notes to the Consolidated Financial Statements in our annual report to shareholders for the year ended December 31, 2011, for more information on our securities lending activity. We do not have a known trend, demand, commitment, event or uncertainty that would reasonably result in our liquidity increasing or decreasing by a material amount. Our cash and cash equivalents include unrestricted cash on hand, money market instruments, and other debt instruments with a maturity of 90 days or less when purchased, all of which has minimal market, settlement or other risk exposure.

Consolidated Cash Flows

We translate cash flows for Aflac Japan's yen-denominated items into U.S. dollars using weighted-average exchange rates. In periods when the yen weakens, translating yen into dollars causes fewer dollars to be reported. When the yen strengthens, translating yen into dollars causes more dollars to be reported.

The following table summarizes consolidated cash flows by activity for the six-month periods ended June 30.

(In millions)	2012	2011
Operating activities	$ 7,245	$ 4,378
Investing activities	(8,058)	(5,034)
Financing activities	725	(175)
Exchange effect on cash and cash equivalents	(31)	1
Net change in cash and cash equivalents	$ (119)	$ (830)

Operating Activities

The following table summarizes operating cash flows by source for the six-month periods ended June 30.

(In millions)	2012	2011
Aflac Japan	$ 6,968	$ 4,067
Aflac U.S. and other operations	277	311
Total	$ 7,245	$ 4,378

Investing Activities

Operating cash flow is primarily used to purchase debt securities to meet future policy obligations. The following table summarizes investing cash flows by source for the six-month periods ended June 30.

(In millions)	2012	2011
Aflac Japan	$ (7,794)	$ (4,835)
Aflac U.S. and other operations	(264)	(199)
Total	$ (8,058)	$ (5,034)

Prudent portfolio management dictates that we attempt to match the duration of our assets with the duration of our liabilities. Currently, when our debt and perpetual securities mature, the proceeds may be reinvested at a yield below that required for the accretion of policy benefit liabilities on policies issued in earlier years. However, the long-term nature of our business and our strong cash flows provide us with the ability to minimize the effect of mismatched durations and/or yields identified by various asset adequacy analyses. When market opportunities arise, we dispose of selected debt and perpetual securities that are available for sale to improve the duration matching of our assets and liabilities, improve future investment yields, and/or rebalance our portfolio. As a result, dispositions before maturity can vary significantly from year to year. Dispositions before maturity were approximately 3% of the year-to-date average investment portfolio of debt and perpetual securities available for sale during the six-month periods ended June 30, 2012 and 2011.

Financing Activities

Consolidated cash provided by financing activities was $725 million in the first six months of 2012, compared with consolidated cash used by financing activities of $175 million for the same period of 2011.

Cash returned to shareholders through dividends and treasury stock purchases was $306 million during the six-month period ended June 30, 2012, compared with $482 million during the six-month period ended June 30, 2011. In February 2012, the Parent Company issued $400 million and $350 million of senior notes that are due in February 2017 and February 2022, respectively. We redeemed 26.6 billion yen (approximately $337 million using the exchange rate on the date of redemption) of Samurai notes in June 2012 using proceeds from this debt offering.

See our preceding discussion in this Capital Resources and Liquidity section of MD&A regarding the 364-day senior unsecured revolving credit facility agreement entered into by the Parent Company and Aflac in June 2012 in the amount of 50 billion yen. As of June 30, 2012, no borrowings were outstanding under our 50 billion yen revolving credit agreement.

We were in compliance with all of the covenants of our notes payable and line of credit at June 30, 2012.

In July 2012, the Parent Company issued $250 million of senior notes which are an addition to the original series of senior notes issued in February 2012 that are due in February 2017.

The following tables present a summary of treasury stock activity during the six-month periods ended June 30.

Treasury Stock Purchased

(In millions of dollars and thousands of shares)	**2012**	2011
Treasury stock purchases	**$ 10**	$ 222
Number of shares purchased:		
Open market	**0**	4,100
Other	**205**	155
Total shares purchased	**205**	4,255

Treasury Stock Issued

(In millions of dollars and thousands of shares)	**2012**	2011
Stock issued from treasury:		
Cash financing	**$ 11**	$ 26
Noncash financing	**35**	23
Total stock issued from treasury	**$ 46**	$ 49
Number of shares issued	**1,112**	909

During the first six months of 2012, we did not repurchase any shares of our common stock as part of our share repurchase program. As of June 30, 2012, a remaining balance of 24.4 million shares of our common stock was available for purchase under a share repurchase authorization by our board of directors in 2008.

Cash dividends paid to shareholders were $.33 per share in the second quarter of 2012, compared with $.30 per share in the second quarter of 2011. The following table presents the dividend activity for the six-month periods ended June 30.

(In millions)	**2012**	2011
Dividends paid in cash	**$ 296**	$ 260
Dividends through issuance of treasury shares	**12**	21
Total dividends to shareholders	**$ 308**	$ 281

In July 2012, the board of directors declared the third quarter cash dividend of $.33 per share. The dividend is payable on September 4, 2012, to shareholders of record at the close of business on August 15, 2012.

Regulatory Restrictions

Aflac is domiciled in Nebraska and is subject to its regulations. A life insurance company’s statutory capital and surplus is determined according to rules prescribed by the NAIC, as modified by the insurance department in the insurance company’s state of domicile. Statutory accounting rules are different from GAAP and are intended to emphasize policyholder protection and company solvency. The continued long-term growth of our business may require increases in the statutory capital and surplus of our insurance operations. Aflac’s insurance operations may secure additional statutory capital through various sources, such as internally generated statutory earnings or equity contributions by the Parent Company from funds generated through debt or equity offerings. The NAIC’s risk-based capital (RBC) formula is used by insurance regulators to help identify inadequately capitalized insurance companies. The RBC formula quantifies insurance risk, business risk, asset risk and interest rate risk by weighing the types and mixtures of risks inherent in the insurer’s operations. Aflac’s company action level RBC ratio was estimated to be within the range of 560% and 600% as of June 30, 2012. Aflac’s RBC ratio remains high and reflects a strong capital and surplus position.

In addition to limitations and restrictions imposed by U.S. insurance regulators, Japan's FSA may not allow profit repatriations from Aflac Japan if the transfers would cause Aflac Japan to lack sufficient financial strength for the protection of policyholders. The FSA maintains its own solvency standard. See the Japanese Regulatory Environment subsection of this MD&A for a discussion of changes to the calculation of the solvency margin ratio. Aflac Japan's solvency margin ratio, most recently reported as of March 31, 2012, was 609.6% under the new calculation method, which significantly exceeded regulatory minimums. As expected, based on the results of the calculation of the solvency margin ratio under the new standards, our relative position within the industry has not materially changed. Given the low interest rate environment and the sensitivity of the solvency margin ratio to interest rate changes, we have recently taken actions to improve our solvency margin, including entering into surplus relief reinsurance contracts and increasing our allocation of JGBs classified as held to maturity. As previously discussed, we entered into a 364-day senior unsecured revolving credit facility in the amount of 50 billion yen as a capital contingency plan in the event of a rapid change in interest rates. We continue to evaluate other alternatives for reducing the sensitivity of the solvency margin ratio against interest rate and foreign exchange rate changes.

Payments are made from Aflac Japan to the Parent Company for management fees and to Aflac U.S. for allocated expenses and remittances of earnings. The following table details Aflac Japan remittances for the six-month periods ended June 30.

Aflac Japan Remittances

(In millions)		**2012**		2011
Aflac Japan management fees paid to Parent Company	**$**	**14**	$	13
Expenses allocated to Aflac Japan		**30**		20

In July 2012, Aflac Japan remitted profits to Aflac U.S. of 37 billion yen, consisting of cash (16.4 billion yen, or $209 million) and dollar-denominated available-for-sale fixed-maturity securities ($209 million at amortized cost and $258 million at fair value as of June 30, 2012). We anticipate that there will not be any further profit remittances from Aflac Japan during the remainder of 2012.

For additional information on regulatory restrictions on dividends, profit repatriations and other transfers, see Note 12 of the Notes to the Consolidated Financial Statements and the Regulatory Restrictions subsection of MD&A, both in our annual report to shareholders for the year ended December 31, 2011.

Other

For information regarding commitments and contingent liabilities, see Note 10 of the Notes to the Consolidated Financial Statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The information required by Item 3 is incorporated by reference from the Market Risks of Financial Instruments subsection of MD&A in Part I, Item 2 of this report.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this quarterly report (the "Evaluation Date"). Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the second fiscal quarter of 2012 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting, with the exception of the new and revised internal controls related to the implementation of our SAP® worldwide financial reporting system in April 2012. Our management believes that the implementation of this system has improved and enhanced our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

During the second quarter of 2012, we repurchased shares of Aflac common stock as follows:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
April 1 - April 30	628	$ 45.04	0	24,370,254
May 1 - May 31	0	0.00	0	24,370,254
June - June 30	4,782	38.69	0	24,370,254
Total	5,410 [(2)]	$ 39.42	0	24,370,254 [(1)]

[(1)]The total remaining shares available for purchase at June 30, 2012, consisted of 24,370,254 shares related to a 30,000,000 share repurchase authorization by the board of directors announced in January 2008.

[(2)]During the second quarter of 2012, 5,410 shares were purchased in connection with income tax withholding obligations related to the vesting of restricted-share-based awards during the period.

Item 6. Exhibits

(a) EXHIBIT INDEX:

3.0	-	Articles of Incorporation, as amended – incorporated by reference from Form 10-Q for June 30, 2008, Exhibit 3.0 (File No. 001-07434).
3.1	-	Bylaws of the Corporation, as amended – incorporated by reference from Form 10-Q for March 31, 2010, Exhibit 3.1 (File No. 001-07434).
4.0	-	There are no instruments with respect to long-term debt not being registered in which the total amount of securities authorized exceeds 10% of the total assets of Aflac Incorporated and its subsidiaries on a consolidated basis. We agree to furnish a copy of any long-term debt instrument to the Securities and Exchange Commission upon request.
4.1	-	Indenture, dated as of May 21, 2009, between Aflac Incorporated and The Bank of New York Mellon Trust Company, N.A., as trustee – incorporated by reference from Form 8-K dated May 21, 2009, Exhibit 4.1 (File No. 001-07434).
4.2	-	First Supplemental Indenture, dated as of May 21, 2009, between Aflac Incorporated and The Bank of New York Mellon Trust Company, N.A., as trustee (including form of 8.500% Senior Note due 2019) – incorporated by reference from Form 8-K dated May 21, 2009, Exhibit 4.2 (File No. 001-07434).
4.3	-	Second Supplemental Indenture, dated as of December 17, 2009, between Aflac Incorporated and The Bank of New York Mellon Trust Company, N.A., as trustee (including form of 6.900% Senior Note due 2039) – incorporated by reference from Form 8-K dated December 14, 2009, Exhibit 4.1 (File No. 001-07434).
4.4	-	Third Supplemental Indenture, dated as of August 9, 2010, between Aflac Incorporated and The Bank of New York Mellon Trust Company, N.A., as trustee (including form of 6.45% Senior Note due 2040) - incorporated by reference from Form 8-K dated August 4, 2010, Exhibit 4.1 (File No. 001-07434).
4.5	-	Fourth Supplemental Indenture, dated as of August 9, 2010, between Aflac Incorporated and The Bank of New York and Mellon Trust Company, N.A., as trustee (including form of 3.45% Senior Note due 2015) – incorporated by reference from Form 8-K dated August 4, 2010, Exhibit 4.2 (File No. 001-07434).
4.6	-	Fifth Supplement Indenture, dated as of February 10, 2012, between Aflac Incorporated and The Bank of New York Mellon Trust Company, N.A., as trustee (including form of 2.65% Senior Note due 2017) - incorporated by reference from Form 8-K dated February 8, 2012, Exhibit 4.1 (File No. 001-07434).
4.7	-	Sixth Supplement Indenture, dated as of February 10, 2012, between Aflac Incorporated and The Bank of New York Mellon Trust Company, N.A., as trustee (including form of 4.00% Senior Note due 2022) - incorporated by reference from Form 8-K dated February 8, 2012, Exhibit 4.2 (File No. 001-07434).
4.8	-	Seventh Supplement Indenture, dated as of July 31, 2012, between Aflac Incorporated and The Bank of New York Mellon Trust Company, N.A., as trustee (including the form of 2.65% Senior Note due 2017) - incorporated by reference from Form 8-K dated July 27, 2012, Exhibit 4.1 (File No. 001-07434).
10.0*	-	American Family Corporation Retirement Plan for Senior Officers, as amended and restated October 1, 1989 – incorporated by reference from 1993 Form 10-K, Exhibit 10.2 (File No. 001-07434).
10.1*	-	Amendment to American Family Corporation Retirement Plan for Senior Officers, dated December 8, 2008 – incorporated by reference from 2008 Form 10-K, Exhibit 10.1 (File No. 001-07434).
10.2*	-	Aflac Incorporated Supplemental Executive Retirement Plan, as amended and restated January 1, 2009 – incorporated by reference from 2008 Form 10-K, Exhibit 10.5 (File No. 001-07434).
10.3*	-	Aflac Incorporated Executive Deferred Compensation Plan, as amended and restated, effective January 1, 2009 – incorporated by reference from 2008 Form 10-K, Exhibit 10.9 (File No. 001-07434).
10.4*	-	First Amendment to the Aflac Incorporated Executive Deferred Compensation Plan dated June 1, 2009 – incorporated by reference from Form 10-Q for June 30, 2009, Exhibit 10.4 (File No. 001-07434).
10.5*	-	Aflac Incorporated Amended and Restated 2009 Management Incentive Plan – incorporated by reference from the 2008 Shareholders' Proxy Statement, Appendix B (File No. 001-07434).

10.6*	-	First Amendment to the Aflac Incorporated Amended and Restated 2009 Management Incentive Plan, dated December 19, 2008 – incorporated by reference from 2008 Form 10-K, Exhibit 10.11 (File No. 001-07434).
10.7*	-	Aflac Incorporated 2013 Management Incentive Plan - incorporated by reference from the 2012 Proxy Statement, Appendix B (File No. 001-07434).
10.8*	-	Aflac Incorporated Sales Incentive Plan – incorporated by reference from 2007 Form 10-K, Exhibit 10.8 (File No. 001-07434).
10.9*	-	1999 Aflac Associate Stock Bonus Plan, as amended, dated February 11, 2003 – incorporated by reference from 2002 Form 10-K, Exhibit 99.2 (File No. 001-07434).

10.10*	-	Aflac Incorporated 1997 Stock Option Plan – incorporated by reference from the 1997 Shareholders' Proxy Statement, Appendix B (File No. 001-07434).
10.11*	-	Form of Officer Stock Option Agreement (Non-Qualifying Stock Option) under the Aflac Incorporated 1997 Stock Option Plan – incorporated by reference from Form 8-K dated January 28, 2005, Exhibit 10.5 (File No. 001-07434).
10.12*	-	Form of Officer Stock Option Agreement (Incentive Stock Option) under the Aflac Incorporated 1997 Stock Option Plan – incorporated by reference from Form 8-K dated January 28, 2005, Exhibit 10.6 (File No. 001-07434).
10.13*	-	Notice of grant of stock options and stock option agreement to officers under the Aflac Incorporated 1997 Stock Option Plan – incorporated by reference from Form 8-K dated January 28, 2005, Exhibit 10.7 (File No. 001-07434).
10.14*	-	2004 Aflac Incorporated Long-Term Incentive Plan, as amended and restated March 14, 2012 – incorporated by reference from the 2012 Proxy Statement, Appendix A (File No. 001-07434).
10.15*	-	Form of Non-Employee Director Stock Option Agreement (NQSO) under the 2004 Aflac Incorporated Long-Term Incentive Plan – incorporated by reference from Form 8-K dated January 28, 2005, Exhibit 10.1 (File No. 001-07434).
10.16*	-	Notice of grant of stock options to non-employee director under the 2004 Aflac Incorporated Long-Term Incentive Plan – incorporated by reference from Form 8-K dated January 28, 2005, Exhibit 10.2 (File No. 001-07434).
10.17*	-	Form of Non-Employee Director Restricted Stock Award Agreement under the 2004 Aflac Incorporated Long-Term Incentive Plan – incorporated by reference from Form 8-K dated January 28, 2005, Exhibit 10.3 (File No. 001-07434).
10.18*	-	Notice of restricted stock award to non-employee director under the 2004 Aflac Incorporated Long-Term Incentive Plan – incorporated by reference from Form 8-K dated January 28, 2005, Exhibit 10.4 (File No. 001-07434).
10.19*	-	Form of Officer Restricted Stock Award Agreement under the 2004 Aflac Incorporated Long-Term Incentive Plan – incorporated by reference from Form 8-K dated February 7, 2005, Exhibit 10.1 (File No. 001-07434).
10.20*	-	Notice of restricted stock award to officers under the 2004 Aflac Incorporated Long-Term Incentive Plan – incorporated by reference from Form 8-K dated February 7, 2005, Exhibit 10.2 (File No. 001-07434).
10.21*	-	Form of Officer Stock Option Agreement (Non-Qualifying Stock Option) under the 2004 Aflac Incorporated Long-Term Incentive Plan – incorporated by reference from Form 8-K dated February 7, 2005, Exhibit 10.3 (File No. 001-07434).
10.22*	-	Form of Officer Stock Option Agreement (Incentive Stock Option) under the 2004 Aflac Incorporated Long-Term Incentive Plan – incorporated by reference from Form 8-K dated February 7, 2005, Exhibit 10.4 (File No. 001-07434).
10.23*	-	Notice of grant of stock options to officers under the 2004 Aflac Incorporated Long-Term Incentive Plan – incorporated by reference from Form 8-K dated February 7, 2005, Exhibit 10.5 (File No. 001-07434).
10.24*	-	Aflac Incorporated Retirement Plan for Directors Emeritus, as amended and restated, dated February 9, 2010 – incorporated by reference from 2009 Form 10-K, Exhibit 10.26 (File No. 001-07434).
10.25*	-	Amendment to Aflac Incorporated Retirement Plan for Directors Emeritus, as amended and restated, dated August 10, 2010 – incorporated by reference from Form 10-Q for September 30, 2010, Exhibit 10.27 (File No. 001-07434).
10.26*	-	Aflac Incorporated Employment Agreement with Daniel P. Amos, dated August 1, 1993 – incorporated by reference from 1993 Form 10-K, Exhibit 10.4 (File No. 001-07434).
10.27*	-	Amendment to Aflac Incorporated Employment Agreement with Daniel P. Amos, dated December 8, 2008 – incorporated by reference from 2008 Form 10-K, Exhibit 10.32 (File No. 001-07434).
10.28*	-	Aflac Incorporated Employment Agreement with Kriss Cloninger III, dated February 14, 1992, and as amended November 12, 1993 – incorporated by reference from 1993 Form 10-K, Exhibit 10.6 (File No. 001-07434).

10.29*	-	Amendment to Aflac Incorporated Employment Agreement with Kriss Cloninger III, dated November 3, 2008 – incorporated by reference from 2008 Form 10-K, Exhibit 10.34 (File No. 001-07434).
10.30*	-	Amendment to Aflac Incorporated Employment Agreement with Kriss Cloninger III, dated December 19, 2008 – incorporated by reference from 2008 Form 10-K, Exhibit 10.35 (File No. 001-07434).
10.31*	-	Amendment to Aflac Incorporated Employment Agreement with Kriss Cloninger III, dated March 15, 2011 – incorporated by reference from Form 10-Q for March 31, 2011, Exhibit 10.33 (File No. 001-07434).
10.32*	-	Aflac Incorporated Employment Agreement with Paul S. Amos II, dated January 1, 2005 – incorporated by reference from Form 8-K dated February 7, 2005, Exhibit 10.2 (File No. 001-07434).

10.33*	-	Amendment to Aflac Incorporated Employment Agreement with Paul S. Amos II, dated December 19, 2008 – incorporated by reference from 2008 Form 10-K, Exhibit 10.39 (File No. 001-07434).
10.34*	-	Amendment to Aflac Incorporated Employment Agreement with Paul S. Amos II, dated March 7, 2012 - incorporated by reference from Form 10-Q for March 31, 2012, Exhibit 10.36 (File No. 001-07434).
10.35*	-	Aflac Incorporated Employment Agreement with Joey Loudermilk, dated September 12, 1994 and as amended December 10, 2008 – incorporated by reference from 2008 Form 10-K, Exhibit 10.40 (File No. 001-07434).
10.36*	-	Amendment to Aflac Incorporated Employee Agreement with Joey Loudermilk, dated December 14, 2011 - incorporated by reference from 2011 Form 10-K, Exhibit 10.37 (File No. 001-07434).
10.37*	-	Aflac Incorporated Employment Agreement with Tohru Tonoike, effective February 1, 2007 – incorporated by reference from 2008 Form 10-K, Exhibit 10.41 (File No. 001-07434).
10.38*	-	Amendment to Aflac Incorporated Employment Agreement with Tohru Tonoike, dated February 9, 2010 – incorporated by reference from 2009 Form 10-K, Exhibit 10.36 (File No. 001-07434).
10.39*	-	Aflac Retirement Agreement with E. Stephen Purdom, dated February 15, 2000 – incorporated by reference from 2000 Form 10-K, Exhibit 10.13 (File No. 001-07434).
10.40	-	Senior unsecured revolving credit facility agreement, dated June 28, 2012.
11	-	Statement regarding the computation of per-share earnings for the Registrant.
12	-	Statement regarding the computation of ratio of earnings to fixed charges for the Registrant.
15	-	Letter from KPMG LLP regarding unaudited interim financial information.
31.1	-	Certification of CEO dated August 3, 2012, required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934.
31.2	-	Certification of CFO dated August 3, 2012, required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934.
32	-	Certification of CEO and CFO dated August 3, 2012, pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	-	XBRL Instance Document.(1)
101.SCH	-	XBRL Taxonomy Extension Schema.
101.CAL	-	XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	-	XBRL Taxonomy Extension Definition Linkbase.
101.LAB	-	XBRL Taxonomy Extension Label Linkbase.
101.PRE	-	XBRL Taxonomy Extension Presentation Linkbase.

(1) *Includes the following materials contained in this Quarterly Report on Form 10-Q for the period ended June 30, 2012, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Earnings, (ii) Consolidated Statements of Comprehensive Income (Loss), (iii) Consolidated Balance Sheets, (iv) Consolidated Statements of Shareholders' Equity, (v) Consolidated Statements of Cash Flows, (vi) Notes to the Consolidated Financial Statements*

* *Management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 6 of this report*

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	Aflac Incorporated
August 3, 2012	/s/ ***Kriss Cloninger III***
	(Kriss Cloninger III) President, Chief Financial Officer, Treasurer and Director
August 3, 2012	/s/ ***June Howard***
	(June Howard) Senior Vice President, Financial Services; Chief Accounting Officer

EXHIBIT 10.40

EXECUTION COPY

Published CUSIP Number: ________________

364-DAY CREDIT AGREEMENT

Dated as of June 28, 2012

among

AFLAC INCORPORATED
and
AMERICAN FAMILY LIFE ASSURANCE COMPANY OF COLUMBUS,
as Borrowers,

AFLAC INCORPORATED,
as Guarantor,

MIZUHO CORPORATE BANK, LTD.,
as Administrative Agent,

and

The Other Lenders Party Hereto

SUMITOMO MITSUI BANKING CORPORATION,
as
Syndication Agent

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
as
Documentation Agent

MIZUHO CORPORATE BANK, LTD.,
as
Sole Lead Arranger and Sole Book Manager

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CREDIT AGREEMENT

This 364-DAY CREDIT AGREEMENT ("***Agreement***") is entered into as of June 28, 2012, among AFLAC INCORPORATED, a Georgia corporation (the "***Parent***") and AMERICAN FAMILY LIFE ASSURANCE COMPANY OF COLUMBUS, a Nebraska domiciled insurance company ("***Aflac***" and, together with the Parent, in its capacity as a borrower, each a "***Borrower***" and collectively, the "***Borrowers***"), the Parent (in its capacity as a guarantor, the "***Guarantor***"), each lender from time to time party hereto (collectively, the "***Lenders***" and individually, a "***Lender***"), and MIZUHO CORPORATE BANK, LTD., as Administrative Agent.

The Borrowers have requested that the Lenders provide a revolving credit facility, and the Lenders are willing to do so on the terms and conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

Article I. Definitions and Accounting Terms

1.01 **Defined Terms.** As used in this Agreement, the following terms shall have the meanings set fourth below:

"***Additional Commitment Lender***" has the meaning specified in ***Section 2.12(d)***.

"***Administrative Agent***" means Mizuho in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

"***Administrative Agent's Office***" means, with respect to any currency, the Administrative Agent's address and, as appropriate, account as set forth on ***Schedule 10.02*** with respect to such currency, or such other address or account with respect to such currency as the Administrative Agent may from time to time notify to the Borrowers and the Lenders.

"***Administrative Questionnaire***" means an Administrative Questionnaire in a form approved by the Administrative Agent.

"***Affiliate***" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"***Aflac***" has the meaning specified in the introductory paragraph hereto.

"***Aggregate Commitments***" means the Commitments of all the Lenders.

"***Agreement***" means this Credit Agreement.

"***Applicable Percentage***" means, with respect to any Lender, the percentage of the Aggregate Commitments represented by such Lender's Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments.

"Applicable Rate" means a per annum rate equal to:

(a) with respect to Eurocurrency Rate Loans, 1.025%; and

(b) with respect to the Facility Fee, 0.10%.

"***Approved Fund***" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"***Arranger***" means Mizuho, in its capacity as sole lead arranger and sole book manager.

"***Assignment and Assumption***" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by ***Section 11.06(b)***), and accepted by the Administrative Agent, in substantially the form of ***Exhibit D*** or any other form approved by the Administrative Agent.

"***Attributable Indebtedness***" means, on any date, in respect of any capital lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP.

"***Audited Financial Statements***" means the audited consolidated balance sheet of the Parent and its Subsidiaries for the fiscal year ended December 31, 2011, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year of the Parent and its Subsidiaries, including the notes thereto.

"***Availability Period***" means the period from and including the Closing Date to the earliest of (a) the Commitment Termination Date, (b) the date of termination of the Aggregate Commitments pursuant to ***Section 2.04***, and (c) the date of termination of the Commitment of each Lender to make Loans pursuant to ***Section 8.02***.

"***Base Rate***" means, for any day, a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by Mizuho as its "*prime rate*", and (c) the Eurocurrency Rate plus 1.00%. The "***prime rate***" is a rate set by Mizuho based upon various factors including Mizuho's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by Mizuho shall take effect at the opening of business on the day specified in the public announcement of such change.

"***Base Rate Loan***" means a Loan that bears interest based on the Base Rate. All Base Rate Loans shall be denominated in Dollars.

"***Borrower***" and "***Borrowers***" have the meanings specified in the introductory paragraph hereto.

"***Borrower Materials***" has the meaning specified in ***Section 6.02***.

"***Borrowing***" means a borrowing consisting of simultaneous Loans of the same Type, in the same currency and, in the case of Eurocurrency Rate Loans, having the same Interest Period made by each of the Lenders pursuant to ***Section 2.01***.

"***Business Day***" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent's Office with respect to Obligations denominated in Yen is located and:

(a) if such day relates to any interest rate setting as to a Eurocurrency Rate Loan denominated in Yen, means any such day on which dealings in deposits in Yen are conducted by and between banks in the London or other applicable offshore interbank market for Yen;

(b) if such day relates to any fundings, disbursements, settlements and payments in Yen in respect of a Eurocurrency Rate Loan denominated in Yen, or any other dealings in Yen to be carried out pursuant to this Agreement in respect of any such Eurocurrency Rate Loan (other than any interest rate setting), means any such day on which banks are open for foreign exchange business in Tokyo, Japan; and

(c) if such day relates to any interest rate setting as to a Eurocurrency Rate Loan denominated in Dollars, any fundings, disbursements, settlements and payments in Dollars in respect of any such Eurocurrency Rate Loan, or any other dealings in Dollars to be carried out pursuant to this Agreement in respect of any such Eurocurrency Rate Loan, means any such day on which dealings in deposits in Dollars are conducted by and between banks in the London interbank eurodollar market.

"***Change in Law***" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to have been adopted and gone into effect after the date hereof.

"***Change of Control***" means an event or series of events by which:

(a) any "*person*" or "*group*" (as such terms are used in *Sections 13(d)* and *14(d)* of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "*beneficial owner*" (as defined in *Rules 13d-3* and *13d-5* under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "*beneficial ownership*" of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "*option right*")), directly or indirectly, of 25% or more of the equity securities of the Parent entitled to vote for members of the board of directors or equivalent governing body of the Parent on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right);

(b) during any period of 12 consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Parent cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in ***clause (i)*** above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in ***clauses (i)*** and ***(ii)*** above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body (excluding, in the case of both ***clause (ii)*** and ***clause (iii)***, any individual whose initial nomination for, or assumption of office as, a member of that board or equivalent governing body occurs as a result of an actual or threatened solicitation of proxies or consents for the election or removal of one or more directors by any person or group other than a solicitation for the election of one or more directors by or on behalf of the board of directors); or

(c) The Parent shall cease to own, directly or indirectly, all of the outstanding equity securities of Aflac.

"***Closing Date***" means the first date all the conditions precedent in ***Section 4.01*** are satisfied or waived in accordance with ***Section 11.01***.

"***Code***" means the Internal Revenue Code of 1986.

"***Commitment***" means, as to each Lender, its obligation to make Loans to each Borrower pursuant to ***Section 2.01***, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on ***Schedule 2.01*** or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"***Commitment Termination Date***" means, for any Lender, the later of (a) June 27, 2013 and (b) if such Lender agrees to extend its Commitment pursuant to ***Section 2.12***, the date to which such Lender's Commitment has been then extended as determined pursuant to such Section; *provided*, *however*, that, in each case, if such date is not a Business Day, the Commitment Termination Date shall be the next preceding Business Day.

"***Compliance Certificate***" means a certificate substantially in the form of ***Exhibit C***.

"***Connection Income Taxes***" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"***Contractual Obligation***" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"***Control***" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "***Controlling***" and "***Controlled***" have meanings correlative thereto.

"***Debtor Relief Laws***" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

"***Default***" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"***Default Rate***" means, (a) with respect to a Eurocurrency Rate Loan, an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan *plus* 2% per annum, and

(b) with respect to a Base Rate Loan or any other Obligation (other than a Eurocurrency Rate Loan), the Base Rate *plus* 2% per annum.

"***Defaulting Lender***" means, subject to ***Section 2.13(b)***, any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the applicable Borrower in writing that such failure is the result of such Lender's reasonable determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent or any Lender any other amount required to be paid by it hereunder within two Business Days of the date when due, (b) has notified the Borrowers or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrowers, to confirm in writing to the Administrative Agent and the Borrowers that it will comply with its prospective funding obligations hereunder (*provided* that such Lender shall cease to be a Defaulting Lender pursuant to this ***clause (c)*** upon receipt of such written confirmation by the Administrative Agent and the Borrowers), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of ***clauses (a)*** through ***(d)*** above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to ***Section 2.13(b)***) upon delivery of written notice of such determination to the Borrowers and each Lender.

"***Dispose***" means the sale, transfer or other disposition (including any sale and leaseback transaction) of any property by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

"***Dollar***" and "***$***" mean lawful money of the United States.

"***Dollar Equivalent***" means, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in Yen, the equivalent amount thereof in Dollars as determined by the Administrative Agent, at such time on the basis of the Spot Rate (determined as of the most recent Revaluation Date) for the purchase of Dollars with Yen.

"***Eligible Assignee***" means any Person that meets the requirements to be an assignee under ***Section 11.06(b)(iii)***, ***11.06(b)(v)***, and ***11.06(b)(vii)*** (subject to such consents, if any, as may be required under ***Section 11.06(b)(iii)***).

"Embargoed Person" means any person, entity or government subject to trade restrictions under U.S. law, or any regulations promulgated thereunder, including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders of the President of the United States, with the result that any transaction between a Loan Party and such person, entity or government is prohibited by law or in violation of law.

"***Environmental Laws***" means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, or governmental licenses, relating to pollution and the protection of the environment or the release of any hazardous materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to the environment.

"***Equity Interests***" means, with respect to any Person, all of the shares of capital stock of (or other ownership in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"***ERISA***" means the Employee Retirement Income Security Act of 1974.

"***ERISA Affiliate***" means any trade or business (whether or not incorporated) under common control with any Loan Party within the meaning of *Section 414(b)* or *(c)* of the Code (and *Sections 414(m)* and *(o)* of the Code for purposes of provisions relating to *Section 412* of the Code).

"***ERISA Event***" means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of any Loan Party or any ERISA Affiliate from a Pension Plan subject to *Section 4063* of ERISA during a plan year in which such entity was a "***substantial employer***" as defined in *Section 4001(a)(2)* of ERISA or a cessation of operations that is treated as such a withdrawal under *Section 4062(e)* of ERISA; (c) a complete or partial withdrawal by a Loan Party or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under *Section 4041* or *4041A* of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under *Section 4042* of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of *Sections 430*, *431* and *432* of the Code or *Sections 303*, *304* and *305* of ERISA; or (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under *Section 4007* of ERISA, upon a Loan Party or any ERISA Affiliate.

"***Eurocurrency Base Rate***" has the meaning specified in the definition of Eurocurrency Rate.

"***Eurocurrency Rate***" means a rate per annum determined by the Administrative Agent pursuant to the following formula:

$$\text{Eurocurrency Rate} = \frac{\text{Eurocurrency Base Rate}}{1.00 - \text{Eurocurrency Reserve Percentage}}$$

Where,

"***Eurocurrency Base Rate***" means:

(a) for any Interest Period with respect to a Eurocurrency Rate Loan, the rate per annum equal to the British Bankers Association LIBOR Rate ("***BBA LIBOR***"), as published by Reuters (or other commercially available source providing quotations of BBA LIBOR as designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for deposits in the relevant currency (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period. If such rate is not available at such time for any reason, then the "***Eurocurrency Base Rate***" for such Interest Period shall be the rate per annum determined by the Administrative Agent to be the rate at which deposits in the relevant currency for delivery on the first day of such Interest Period in Same Day Funds in the approximate amount of the Eurocurrency Rate Loan being made, continued or converted by Mizuho and with a term equivalent to such Interest Period would be offered by Mizuho's London Branch (or other Mizuho branch or Affiliate) to major banks in the London or other offshore interbank market for such currency at their request at approximately 11:00 a.m. (London time) two Business Days prior to the commencement of such Interest Period; and

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to (i) BBA LIBOR, as published by Reuters (or other commercially available source providing quotations of BBA LIBOR as designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time two Business Days prior to such date for Dollar deposits being delivered in the London interbank market for a term of one month commencing that day or (ii) if such published rate is not available at such time for any reason, the rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the date of determination in Same Day Funds in the approximate amount of the Base Rate Loan being made or maintained and with a term equal to one month would be offered by Mizuho's London Branch (or other Mizuho branch or Affiliate) to major banks in the London interbank eurodollar market at their request at the date and time of determination.

"***Eurocurrency Reserve Percentage***" means, for any day during any Interest Period, the reserve percentage (expressed as a decimal, carried out to five decimal places) in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as "***Eurocurrency liabilities***"). The Eurocurrency Rate for each outstanding Eurocurrency Rate Loan shall be adjusted automatically as of the effective date of any change in the Eurocurrency Reserve Percentage.

"***Eurocurrency Rate Loan***" means a Loan that bears interest at a rate based on the Eurocurrency Rate. Eurocurrency Rate Loans may be denominated in Yen or in Dollars.

"***Eurocurrency Reserve Percentage***" has the meaning specified in the definition of Eurocurrency Rate.

"***Event of Default***" has the meaning specified in ***Section 8.01***.

"***Excluded Taxes***" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by any Borrower under ***Section 3.06(b)***) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to ***Section 3.01***, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with ***Section 3.01(f)*** and (d) any U.S. federal withholding Taxes imposed under FATCA.

"***Extending Lender***" has the meaning specified in ***Section 2.12(e)***.

"***Extension Date***" has the meaning specified in ***Section 2.12(a)***.

"***Facility Fee***" has the meaning specified in ***Section 2.07(a)***.

"***FASB ASC***" means the Accounting Standards Codification of the Financial Accounting Standards Board.

"***FATCA***" means *Sections 1471* through *1474* of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof.

"***Federal Funds Rate***" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Mizuho on such day on such transactions as determined by the Administrative Agent.

"***Fee Letter***" means the letter agreement, dated May 10, 2012, between the Parent and the Arranger.

"***Foreign Lender***" means a Lender that is not a U.S. Person.

"***FRB***" means the Board of Governors of the Federal Reserve System of the United States.

"***Fund***" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

"***GAAP***" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

"***Governmental Authority***" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"***Guarantee***" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"***Guarantor***" has the meaning specified in the introductory paragraph hereto.

"***Indebtedness***" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties and similar instruments (excluding, for the avoidance of doubt, surety bonds, fidelity bonds and other similar insurance products);

(c) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business);

(d) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(e) capital leases;

(f) all mandatory obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interest in such Person or any other Person, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference *plus* accrued and unpaid dividends; and

(g) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any capital lease as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date.

"***Indemnified Taxes***" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"***Indemnitees***" has the meaning specified in ***Section 11.04(b)***.

"***Information***" has the meaning specified in ***Section 11.07***.

"***Insurance Regulatory Authority***" means, for Aflac, the insurance department or similar administrative authority or agency of the State of Nebraska.

"***Interest Payment Date***" means, (a) as to any Eurocurrency Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date; *provided*, *however*, that if any Interest Period for a Eurocurrency Rate Loan exceeds three months, the date that falls three months after the beginning of such Interest Period shall also be an Interest Payment Date; and (b) as to any Base Rate Loan, the last Business Day of each March, June, September and December and the Maturity Date.

"***Interest Period***" means, as to any Eurocurrency Rate Loan, the period commencing on the date such Eurocurrency Rate Loan is disbursed or converted to or continued as a Eurocurrency Rate Loan and ending on the date one, two, three or six months thereafter, as selected by the applicable Borrower in its Loan Notice; *provided* that:

(i) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless, in the case of a Eurocurrency Rate Loan, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(ii) any Interest Period pertaining to a Eurocurrency Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(iii) no Interest Period with respect to any Eurocurrency Rate Loan owing to any Lender shall extend beyond the Maturity Date of such Lender.

"***IRS***" means the United States Internal Revenue Service.

"***Laws***" means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, and requests of any Governmental Authority, in each case having the force of law.

"***Lender***" has the meaning specified in the introductory paragraph hereto.

"***Lending Office***" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrowers and the Administrative Agent.

"***Lien***" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"***Loan***" means an extension of credit by a Lender to a Borrower under ***Article II***.

"***Loan Documents***" means this Agreement, each Note and the Fee Letter.

"***Loan Notice***" means a notice of (a) a Borrowing, (b) a conversion of Loans from one Type to the other, or (c) a continuation of Eurocurrency Rate Loans, pursuant to ***Section 2.02(a)***, which, if in writing, shall be substantially in the form of ***Exhibit A***.

"***Loan Parties***" means, collectively, the Borrowers and the Guarantor.

"***Material Adverse Effect***" means (a) a material adverse change in, or a material adverse effect upon, the operations, business, assets, properties or financial condition of the Parent and its Subsidiaries taken as a whole; (b) a material impairment of the rights and remedies of the Administrative Agent or any Lender under any Loan Document to which it is a party or of the ability of any Loan Party to perform its obligations, taken as a whole, under any Loan Document to which it is a party; or (c) a material adverse effect upon the enforceability, taken as a whole, legality, validity or binding effect against any Loan Party of any Loan Document to which it is a party.

"***Maturity Date***" means, for any Lender, its Commitment Termination Date; *provided* that if the maturity of the Loans owing to such Lender is extended pursuant to ***Section 2.05***, the Maturity Date for such Lender shall mean the first anniversary of such Commitment Termination Date.

"***Mizuho***" means Mizuho Corporate Bank, Ltd. and its successors.

"***Multiemployer Plan***" means any employee benefit plan of the type described in *Section 4001(a)(3)* of ERISA, to which a Loan Party or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

"***Multiple Employer Plan***" means a Plan which has two or more contributing sponsors (including a Loan Party or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in *Section 4064* of ERISA.

"***NAIC***" means the National Association of Insurance Commissioners and any successor thereto.

"***Net Worth***" means, as of any date of determination, the consolidated shareholders' equity, determined in accordance with GAAP, of the Parent and its Subsidiaries on that date; *provided, however*, that there shall be excluded from the calculation of "***Net Worth***" any effects resulting from accumulated other comprehensive income.

"***Non-Consenting Lender***" means any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all affected Lenders in accordance with the terms of ***Section 11.01*** and (ii) has been approved by the Required Lenders.

"***Non-Defaulting Lender***" means, at any time, each Lender that is not a Defaulting Lender at such time.

"***Non-Extending Lender***" has the meaning specified in ***Section 2.12(b)***.

"***Note***" means a promissory note made by a Borrower in favor of a Lender evidencing Loans made by such Lender, substantially in the form of ***Exhibit B***.

"***Notice Date***" has the meaning specified in ***Section 2.12(b)***.

"***Obligations***" means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

"***OFAC***" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"***Organization Documents***" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"***Other Connection Taxes***" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"***Other Taxes***" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to ***Section 3.06***).

"***Outstanding Amount***" means, with respect to Loans on any date, the Yen Equivalent amount of the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Loans occurring on such date.

"***Overnight Rate***" means, for any day, (a) with respect to any amount denominated in Yen, the rate of interest per annum at which overnight deposits in Yen, in an amount approximately equal to the amount with respect to which such rate is being determined, would be offered for such day by a branch or Affiliate of Mizuho in the applicable offshore interbank market for Yen to major banks in such interbank market and (b) with respect to any amount denominated in Dollars, the greater of (i) the Federal Funds Rate and (ii) an overnight rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

"***Parent***" has the meaning specified in the introductory paragraph hereto.

"***Participant***" has the meaning specified in ***Section 11.06(d)***.

"***Participant Register***" has the meaning specified in ***Section 11.06(d)***.

"***PBGC***" means the Pension Benefit Guaranty Corporation.

"***Pension Act***" means the Pension Protection Act of 2006.

"***Pension Funding Rules***" means the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, *Section 412* of the Code and *Section 302* of ERISA, each as in effect prior to the Pension Act and, thereafter, *Section 412*, *430*, *431*, *432* and 436 of the Code and *Sections 302*, *303*, *304* and *305* of ERISA.

"***Pension Plan***" means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by any Loan Party or any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under *Section 412* of the Code.

"***Person***" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"***Plan***" means any employee benefit plan within the meaning of *Section 3(3)* of ERISA (including a Pension Plan), maintained for employees of any Loan Party or any ERISA Affiliate or any such Plan to which any Loan Party or any ERISA Affiliate is required to contribute on behalf of any of its employees.

"***Platform***" has the meaning specified in ***Section 6.02***.

"***Public Lender***" has the meaning specified in ***Section 6.02***.

"***Recipient***" means (a) the Administrative Agent and (b) any Lender.

"***Register***" has the meaning specified in ***Section 11.06(c)***.

"***Related Parties***" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"***Reportable Event***" means any of the events set forth in *Section 4043(c)* of ERISA, other than events for which the 30 day notice period has been waived.

"***Request Date***" has the meaning specified in ***Section 2.12(a)***.

"***Required Lenders***" means, at any time, Lenders having Total Credit Exposures representing more than 50% of the Total Credit Exposures of all Lenders. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

"***Responsible Officer***" means the chief executive officer, president, chief financial officer, treasurer, assistant treasurer or controller of a Loan Party, and solely for purposes of the delivery of incumbency certificates pursuant to ***Section 4.01***, the secretary or any assistant secretary of a Loan Party and, solely for purposes of notices given pursuant to ***Article II***, any other officer or employee of the applicable Loan Party so designated by any of the foregoing officers in a notice to the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

"***Restricted Payment***" means any dividend or other distribution (whether in cash, securities or other property) with respect to any capital stock or other Equity Interest of the Parent, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such capital stock or other Equity Interest, or on account of any return of capital to the Parent's stockholders, partners or members (or the equivalent Person thereof).

"***Revaluation Date***" means, with respect to any Loan, each of the following: (i) each date of a Borrowing of a Eurocurrency Rate Loan denominated in Dollars, (ii) each date of a continuation of a Eurocurrency Rate Loan denominated in Dollars pursuant to ***Section 2.02***, (iii) each other date on which the Spot Rate is to be determined as provided herein, and (iv) each other date on which the Administrative Agent reasonably believes that the Outstanding Amount of the Loans exceeds 105% of the Aggregate Commitments then in effect.

"***Revolving Credit Exposure***" means, as to any Lender at any time, the Outstanding Amount of its Loans.

"***Same Day Funds***" means, (a) with respect to disbursements and payments in Yen, same day or other funds as may be determined by the Administrative Agent to be customary in the place of disbursement or payment for the settlement of international banking transactions in Yen and (b) with respect to disbursements and payments in Dollars, immediately available funds.

"Sanctioned" means currently identified (A) on the Specially Designated Nationals and Blocked Persons List maintained by OFAC and/or on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation, and (B) as a Person or entity with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States.

"***SAP***" means the accounting procedures and practices prescribed or permitted by the Insurance Regulatory Authority or the NAIC.

"***SEC***" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"***Spot Rate***", for a currency, means the rate determined by the Administrative Agent to be the rate quoted as the spot rate for the purchase by the Administrative Agent of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two Business Days prior to the date as of which the foreign exchange computation is made; *provided* that the Administrative Agent may obtain such spot rate from another financial institution designated by the Administrative Agent if the Administrative Agent does not have as of the date of determination a spot buying rate for any such currency.

"***Statutory Statement***" means, as to Aflac, a statement of the condition and affairs of Aflac prepared in accordance with SAP, and filed with the Insurance Regulatory Authority.

"***Statutory Surplus***" means, with respect to Aflac at any date of determination, the consolidated statutory surplus of Aflac on such date computed in accordance with SAP.

"***Subsidiary***" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of each Borrower.

"***Swap Contract***" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "***Master Agreement***"), including any such obligations or liabilities under any Master Agreement.

"***Swap Termination Value***" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in ***clause (a)***, the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

"***Taxes***" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"***Threshold Amount***" means $50,000,000 or its Yen Equivalent.

"***Total Capital***" means, at any time, Net Worth plus Total Funded Debt.

"***Total Credit Exposure***" means, as to any Lender at any time, the unused Commitment and Revolving Credit Exposure of such Lender at such time.

"***Total Funded Debt***" means, at any time, all Indebtedness of the Parent and its Subsidiaries and any other Person which would, at such time, be classified in whole or in part as a liability on the consolidated balance sheet of the Parent and its consolidated Subsidiaries in accordance with GAAP (it being understood, for the avoidance of doubt, that any liability or obligation excluded from the definition of Indebtedness shall not constitute Indebtedness for purposes of this definition).

"***Type***" means, with respect to a Loan, its character as a Base Rate Loan or a Eurocurrency Rate Loan.

"***United States***" and "***U.S.***" mean the United States of America.

"***U.S. Person***" means any Person that is a "United States Person" as defined in *Section 7701(a)(30)* of the Code.

"***U.S. Tax Compliance Certificate***" has the meaning specified in ***Section 3.01(f)(ii)(B)(3)***.

"***Withholding Agent***" means any Loan Party and the Administrative Agent.

"***Yen***" and "***¥***" mean lawful money of Japan.

"***Yen Equivalent***" means, at any time, (a) with respect to any amount denominated in Yen, such amount, and (b) with respect to any amount denominated in Dollars, the equivalent amount thereof in Yen as determined by the Administrative Agent at such time on the basis of the Spot Rate (determined as of the most recent Revaluation Date) for the purchase of Yen with Dollars.

1.02 **Other Interpretive provisions.** With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”; and the word “through” means “to and including”.

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

1.03 **Accounting terms.**

(a) **Generally**. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP or SAP, as applicable, applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements or Statutory Statements for the fiscal year ended December 31, 2011, *except* as otherwise specifically prescribed herein. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of any Borrower and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 on financial liabilities shall be disregarded.

(b) **Changes in GAAP or SAP**. If at any time any change in GAAP or SAP, as applicable, would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrowers or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Borrowers shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP or SAP, as applicable (subject to the approval of the Required Lenders); *provided that*, until so amended, (A) such ratio or requirement shall continue to be computed in accordance with GAAP or SAP, as applicable, prior to such change therein and (B) the Borrowers shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP or SAP, as applicable. Without limiting the foregoing, leases shall continue to be classified and accounted for on a basis consistent with that reflected in the Audited Financial Statements or Statutory Statements for the fiscal year ended December 31, 2011 for all purposes of this Agreement, notwithstanding any change in GAAP or SAP, as applicable, relating thereto, unless the parties hereto shall enter into a mutually acceptable amendment addressing such changes, as provided for above.

1.04 **Rounding.** Any financial ratios required to be maintained by the Borrowers pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05 **Exchange Rates; Currency Equivalents.**

(a) The Administrative Agent shall determine the Spot Rates as of each Revaluation Date to be used for calculating Yen Equivalent amounts of Borrowings and Outstanding Amounts denominated in Dollars. Such Spot Rates shall become effective as of such Revaluation Date and shall be the Spot Rates employed in converting any amounts between the applicable currencies until the next Revaluation Date to occur. Except for purposes of financial statements delivered by Loan Parties hereunder or calculating financial covenants hereunder or except as otherwise provided herein, the applicable amount of Dollars for purposes of the Loan Documents shall be such Yen Equivalent amount as so determined by the Administrative Agent.

(b) Wherever in this Agreement in connection with a Borrowing, conversion, continuation or prepayment of a Eurocurrency Rate Loan, an amount, such as a required minimum or multiple amount, is expressed in Yen, but such Borrowing or Eurocurrency Rate Loan is denominated in Dollars, such amount shall be the Dollar Equivalent of such Yen amount (rounded to the nearest unit of Dollars, with 0.5 of a unit being rounded upward), as determined by the Administrative Agent.

1.06 **Change of Currency.** Each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify to be appropriate to reflect a change in currency of any other country and any relevant market conventions or practices relating to the change in currency.

1.07 **Times of Day**. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

Article II. The Commitments and loans

2.01 **Loans.** Subject to the terms and conditions set forth herein, each Lender severally agrees to make loans (each such loan, a "***Loan***") to each Borrower in Yen or in Dollars from time to time, on any Business Day during the Availability Period, in an aggregate amount for the Borrowers not to exceed at any time outstanding the amount of such Lender's Commitment (and, for each Lender, the amount of its Applicable Percentage of the applicable Borrowing); *provided*, *however*, that after giving effect to any Borrowing, (i) the Outstanding Amount of the Loans shall not exceed the Aggregate Commitments, and (ii) the Revolving Credit Exposure of any Lender shall not exceed such Lender's Commitment. Within the limits of each Lender's Commitment, and subject to the other terms and conditions hereof, any

Borrower may borrow under this ***Section 2.01***, prepay under ***Section 2.03***, and reborrow under this ***Section 2.01***. Loans may be Base Rate Loans or Eurocurrency Rate Loans, as further provided herein.

2.02 **Borrowings, Conversions and Continuations of Loans.**

(a) Each Borrowing, each conversion of Loans from one Type to the other, and each continuation of Eurocurrency Rate Loans shall be made upon a Borrower's irrevocable notice to the Administrative Agent, which may be given by telephone. Each such notice must be received by the Administrative Agent not later than 11:00 a.m. (i) three Business Days prior to the requested date of any Borrowing of, conversion to or continuation of Eurocurrency Rate Loans or of any conversion of Eurocurrency Rate Loans denominated in Dollars to Base Rate Loans, and (ii) on the requested date of any Borrowing of Base Rate Loans. Each telephonic notice by a Borrower pursuant to this ***Section 2.02(a)*** must be confirmed promptly by delivery to the Administrative Agent of a written Loan Notice, appropriately completed and signed by a Responsible Officer of such Borrower. Each Borrowing of, conversion to or continuation of Eurocurrency Rate Loans shall be in a principal amount of ¥400,000,000 (or such amount's Dollar Equivalent) or a whole multiple of ¥40,000,000 (or such amount's Dollar Equivalent) in excess thereof. Each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of $5,000,000 or a whole multiple of $500,000 in excess thereof. Each Loan Notice (whether telephonic or written) shall specify (i) whether the applicable Borrower is requesting a Borrowing, a conversion of Loans from one Type to the other, or a continuation of Eurocurrency Rate Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed, converted or continued, (iv) the Type of Loans to be borrowed or to which existing Loans are to be converted, (v) if applicable, the duration of the Interest Period with respect thereto, and (vi) the currency of the Loans to be borrowed. If a Borrower fails to specify a currency in a Loan Notice requesting a Borrowing, then the Loans so requested shall be made in Yen. If a Borrower fails to specify a Type of Loan in a Loan Notice or if a Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Loans shall, unless the applicable Loans are prepaid in accordance with ***Section 2.03***, be made as, or converted to or continued as, Eurocurrency Rate Loans in the applicable currency with an Interest Period of one month. If a Borrower requests a Borrowing of, conversion to, or continuation of Eurocurrency Rate Loans in any such Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. No Loan may be converted into or continued as a Loan denominated in a different currency, but instead must be prepaid in the original currency of such Loan and reborrowed in the other currency.

(b) Following receipt of a Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount (and currency) of its Applicable Percentage of the applicable Loans and the other details of such Loans. In the case of a Borrowing, each Lender shall make the amount of its Loan (which shall be its Applicable Percentage of such Borrowing) available to the Administrative Agent not later than 2:00 p.m. and in Same Day Funds at the Administrative Agent's Office, on the Business Day specified in the applicable Loan Notice. Upon satisfaction of the applicable conditions set forth in ***Section 4.02***, the Administrative Agent shall make all funds so received available to the applicable Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of the applicable Borrower on the books of Mizuho with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by such Borrower.

(c) Except as otherwise provided herein, a Eurocurrency Rate Loan may be continued or converted only on the last day of an Interest Period for such Eurocurrency Rate Loan. During the existence of a Default, no Loans (i) denominated in Yen may be continued for an Interest Period longer than one month or (ii) denominated in Dollars may be converted to or continued as Eurocurrency Rate Loans, in each case, without the consent of the Required Lenders.

(d) The Administrative Agent shall promptly notify the applicable Borrower and the Lenders of the interest rate applicable to any Interest Period for Eurocurrency Rate Loans upon determination of such interest rate. At any time that Base Rate Loans are outstanding, the Administrative Agent shall notify the Borrowers and the Lenders of any change in Mizuho's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(e) After giving effect to all Borrowings, all conversions of Loans from one Type to the other, and all continuations of Loans as the same Type, there shall not be more than ten Interest Periods in effect with respect to Loans.

2.03 **Prepayments.**

(a) Any Borrower may, upon notice to the Administrative Agent, at any time or from time to time voluntarily prepay Loans borrowed by it in whole or in part without premium or penalty; *provided* that (i) such notice must be received by the Administrative Agent not later than 11:00 a.m. (A) three Business Days prior to any date of prepayment of Eurocurrency Rate Loans, and (B) on the date of prepayment of Base Rate Loans; (ii) any prepayment of Eurocurrency Rate Loans shall be in a principal amount of ¥400,000,000 (or such amount's Dollar Equivalent) or a whole multiple of ¥40,000,000 (or such amount's Dollar Equivalent) in excess thereof; and (iii) any prepayment of Base Rate Loans shall be in a principal amount of $5,000,000 or a whole multiple of $500,000 in excess thereof or, in the case of ***clauses (ii)*** and ***(iii)*** above, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid and, if Eurocurrency Rate Loans are to be prepaid, the Interest Period(s) of such Loans. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by a Borrower, such Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurocurrency Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to ***Section 3.05***. Subject to ***Section 2.13***, each such prepayment shall be applied to the Loans of the Lenders in accordance with their respective Applicable Percentages.

(b) If for any reason the Outstanding Amount of the Loans at any time exceed the Aggregate Commitments then in effect, one or more of the Borrowers shall immediately prepay Loans borrowed by it in an aggregate amount equal to such excess.

(c) Upon the occurrence of a Change of Control, the Administrative Agent shall, at the request of the Required Lenders, notify the Borrowers that the Aggregate Commitments and the Commitment of each Lender shall terminate as of the date specified in such notice. If such notice of termination has been requested by the Required Lenders, the Administrative Agent shall also, at that time or later, at the request of the Required Lenders, additionally notify the Borrowers that they shall prepay the Outstanding Amount of the Loans and the date on which such prepayment is required to be made (which date shall not be less than five (5) Business Days after the date of such notice), and each Borrower agrees that, upon such additional notice, such Borrower will prepay the Outstanding Amount of its Loans on the date specified.

2.04 **Termination or Reduction of Commitments.** The Borrowers may, upon notice to the Administrative Agent, terminate the Aggregate Commitments, or from time to time permanently reduce the Aggregate Commitments; provided that (i) any such notice shall be received by the Administrative Agent not later than 11:00 a.m. five Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of ¥2,500,000,000 (or such amount's Dollar Equivalent) or a whole multiple of ¥100,000,000 (or such amount's Dollar Equivalent) in excess thereof, and (iii) the Borrowers shall not terminate or reduce the Aggregate Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Outstanding Amount of the Loans would exceed the Aggregate Commitments. The Administrative Agent will promptly notify the Lenders of any such notice of termination or reduction of the Aggregate Commitments. Any reduction of the Aggregate Commitments shall be applied to the Commitment of each Lender according to its Applicable Percentage. All fees accrued until the effective date of any termination of the Aggregate Commitments shall be paid on the effective date of such termination.

2.05 **Repayment of Loans; Extension Option.** Each Borrower shall repay to each Lender on its Commitment Termination Date the aggregate principal amount of Loans borrowed by it and outstanding on such date and the Commitment of such Lender shall terminate; *provided* that (a) so long as no Default has occurred and is continuing on such Commitment Termination Date, (b) the Borrowers notify the Administrative Agent not less than five Business Days prior to such Commitment Termination Date that they elect to have the Loans outstanding on such Commitment Termination Date payable on the first anniversary of such Commitment Termination Date, and (c) on or before such Commitment Termination Date, the Borrowers pay to the Administrative Agent, for the account of such Lender, an extension fee in the amount of 1.00% of the Outstanding Amount of the Loans owing to such Lender on such Commitment Termination Date (after giving effect to any payment or prepayment of such Loans made on such date), each Borrower shall repay to such Lender on its Maturity Date the aggregate principal amount of the Loans outstanding on such date. Amounts repaid or prepaid on or after the Commitment Termination Date of any Lender may not be reborrowed from such Lender.

2.06 **Interest.**

(a) Subject to the provisions of ***subsection (b)*** below, (i) each Eurocurrency Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Eurocurrency Rate for such Interest Period *plus* the Applicable Rate; and (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate.

(b) (i) If any amount of principal of any Loan is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) If any amount (other than principal of any Loan) payable by any Borrower under any Loan Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then upon the request of the Required Lenders, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iii) Upon the request of the Required Lenders, while any Event of Default exists (other than as set forth in ***clauses (b)(i)*** and ***(b)(ii)*** above), the applicable Borrower shall pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iv) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.07 **Fees.**

(a) **Facility Fee**. The Borrowers shall jointly and severally pay to the Administrative Agent for the account of each Lender a facility fee (the "***Facility Fee***") equal to the Applicable Rate *times* the actual daily amount of the Commitment of such Lender (or, if such Commitment has terminated, whether due to the occurrence of the Commitment Termination Date of such Lender or otherwise, on the Outstanding Amount of all Loans owing to such Lender), regardless of usage, subject to adjustment as provided in ***Section 2.13***. The Facility Fee shall accrue at all times during the Availability Period (and thereafter so long as any Loans remain outstanding), including at any time during which one or more of the conditions in ***Article IV*** is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing on September 30, 2012, and on the Maturity Date (and, if applicable, thereafter on demand). The Facility Fee shall be calculated quarterly in arrears.

(b) **Other Fees**.

(i) The Parent shall pay to the Arranger and the Administrative Agent for their own respective accounts, fees in the amounts and at the times specified in the Fee Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

(ii) The Parent shall pay to the Lenders the fees required to be paid in accordance with ***Section 4.01(b)***. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.08 **Computation of Interest and Fees.** All computations of interest for Base Rate Loans when the Base Rate is determined by the "*prime rate*" shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, *provided* that any Loan that is repaid on the same day on which it is made shall, subject to ***Section 2.10(a)***, bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

2.09 **Evidence of Debt.** The Loans made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Loans made by the Lenders to each Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of each Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, each Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Note, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

2.10 **Payments Generally; Administrative Agent's Clawback.**

(a) **General**. All payments to be made by each Borrower shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by each Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in the applicable currency and in Same Day Funds not later than 2:00 p.m. on the date specified herein. Without limiting the generality of the foregoing, the Administrative Agent may require that any payments due under this Agreement be made in the United States. If, for any reason, any Borrower is prohibited by any Law from making any required payment hereunder (i) in Yen, such Borrower shall make such payment in Dollars in the Dollar Equivalent of such Yen payment amount or (ii) in Dollars, such Borrower shall make such payment in Yen in the Yen Equivalent of such Dollar payment amount. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by any Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (i) **Funding by Lenders; Presumption by Administrative Agent**. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of Eurocurrency Rate Loans (or, in the case of any Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with ***Section 2.02*** (or, in the case of a Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by ***Section 2.02***) and may, in reliance upon such assumption, make available to such Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the applicable Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in Same Day Funds with interest thereon, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to the

Administrative Agent, at (A) in the case of a payment to be made by such Lender, the Overnight Rate, plus any administrative, processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing, and (B) in the case of a payment to be made by such Borrower, the interest rate applicable to Eurocurrency Rate Loans having an Interest Period of one month. If the applicable Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the applicable Borrower the amount of such interest paid by such Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the applicable Borrower shall be without prejudice to any claim such Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) **Payments by Borrowers; Presumptions by Administrative Agent**. Unless the Administrative Agent shall have received notice from the applicable Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the applicable Lenders hereunder that such Borrower will not make such payment, the Administrative Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the applicable Lenders the amount due. In such event, if such Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender, in Same Day Funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the Overnight Rate.

A notice of the Administrative Agent to any Lender or the applicable Borrower with respect to any amount owing under this ***subsection (b)*** shall be conclusive, absent manifest error.

(c) **Failure to Satisfy Conditions Precedent**. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this ***Article II***, and such funds are not made available to any Borrower by the Administrative Agent because the conditions to the applicable Borrowing set forth in ***Article IV*** are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) **Obligations of Lenders Several**. The obligations of the Lenders hereunder to make Loans and to make payments pursuant to ***Section 11.04(c)*** are several and not joint. The failure of any Lender to make any Loan or to make any payment under ***Section 11.04(c)*** on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan or to make its payment under ***Section 11.04(c)***.

(e) **Funding Source**. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2.11 **Sharing of Payments by Lenders.** If any Lender shall, by exercising any right of setoff or counterclaim or otherwise (excluding payments received pursuant to ***Section 2.13***), obtain payment in respect of any principal of or interest on any of its Loans or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them; *provided* that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this paragraph shall not be construed to apply to (x) any payment made by any Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender or pursuant to ***Section 3.05***), or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant.

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements of this ***Section 2.11*** may exercise against each Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of each Loan Party in the amount of such participation.

2.12 **Extension of Commitment Termination Date.**

(a) **Requests for Extension**. The Borrowers may, by notice to the Administrative Agent (who shall promptly notify the Lenders then having a Commitment) not earlier than 60 days and not later than 45 days prior to the date occurring every 364 days after the date of this Agreement (each, an "***Extension Date***"), request that each Lender extend such Lender's Commitment for an additional 364 days from such Extension Date. Each date that such notice is given by the Borrowers is herein called a "***Request Date***."

(b) **Lender Elections to Extend**. Each Lender then having a Commitment, acting in its sole and individual discretion, shall, by notice to the Administrative Agent given not later than 30 days after a Request Date (each, a "***Notice Date***"), advise the Administrative Agent whether or not such Lender agrees to such extension (each Lender that determines not to so extend its Commitment is herein called a "***Non-Extending Lender***"). Any Lender that does not so advise the Administrative Agent on or before the applicable Notice Date shall be deemed to be a Non-Extending Lender. The election of any Lender to agree to such extension shall not obligate any other Lender to so agree.

(c) **Notification by Administrative Agent**. The Administrative Agent shall promptly notify the Borrowers of each Lender's determination under this Section.

(d) **Additional Commitment Lenders**. The Borrowers shall have the right to replace each Non-Extending Lender with, and add as "***Lenders***" under this Agreement in place thereof, one or more Eligible Assignees (each, an "***Additional Commitment Lender***") with the approval of the Administrative Agent (which approval shall not be unreasonably withheld or delayed), each of which Additional Commitment Lenders shall have entered into an agreement in form and substance satisfactory to the Borrowers and the Administrative Agent pursuant to which such Additional Commitment Lender shall, effective as of the applicable Extension Date, undertake a Commitment (and, if any such Additional Commitment Lender is already a Lender having a Commitment, its Commitment shall be in addition to such Lender's Commitment hereunder on such date); and *provided* that, for the avoidance of doubt, the Aggregate Commitments in effect immediately prior to the applicable Extension Date shall not be increased pursuant to this ***Section 2.12(d)***.

(e) **Minimum Extension Requirement**. If (and only if) the total of the Commitments of the Lenders that have agreed so to extend their Commitments (each, an "***Extending Lender***") and the additional Commitments of the Additional Commitment Lenders shall be more than 50% of the aggregate amount of the Commitments in effect immediately prior to the applicable Extension Date, then, effective as of the applicable Extension Date, the Commitment Termination Date of each Extending Lender and of each Additional Commitment Lender shall be extended to the date falling 364 days after the applicable Extension Date (except that, if such date is not a Business Day, such Commitment Termination Date as so extended shall be the next preceding Business Day) and each Additional Commitment Lender shall thereupon become a "***Lender***" for all purposes of this Agreement.

(f) **Conditions to Effectiveness of Extensions**. As a condition precedent to any such extension, the Borrowers shall deliver to the Administrative Agent a certificate of each Loan Party dated as of the applicable Extension Date signed by a Responsible Officer of such Loan Party (i) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such extension and (ii) in the case of each Borrower, certifying that, before and after giving effect to such extension, (A) the representations and warranties contained in ***Article V*** and the other Loan Documents are true and correct in all respects (or true and correct in all material respects if such representation or warranty is not qualified by materiality or Material Adverse Effect) on and as of the applicable Extension Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all respects (or true and correct in all material respects if such representation or warranty is not qualified by materiality or Material Adverse Effect) as of such earlier date, except that for purposes of this ***Section 2.12***, the representations and warranties contained in ***subsections (a)***, ***(b)***, ***(c)*** and ***(d)*** of ***Section 5.05*** shall be deemed to refer to the most recent statements furnished pursuant to ***subsections (a)***, ***(b)***, ***(c)*** and ***(d)***, respectively, of ***Section 6.01***, and (B) no Default exists. In addition, on the Commitment Termination Date of each Non-Extending Lender (but subject to ***Section 2.05***), each Borrower shall prepay any Loans borrowed by it from each Non-Extending Lender and outstanding on such date (and pay all accrued interest and fees owing to each Non-Extending Lender and any additional amounts required pursuant to ***Section 3.05***) and shall otherwise prepay Loans to the extent necessary to keep outstanding Loans ratable with any revised Applicable Percentages of the respective Lenders effective as of such date.

(g) **Conflicting Provisions**. This Section shall supersede any provisions in ***Section 2.11*** or ***11.01*** to the contrary.

2.13 **Defaulting Lenders.**

(a) **Adjustments**. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) **Waivers and Amendments**. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "***Required Lenders***" and ***Section 11.01***.

(ii) **Defaulting Lender Waterfall**. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to ***Article VIII*** or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to ***Section 11.08*** shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, as the Borrowers may request (so long as no Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *third*, if so determined by the Administrative Agent and the Borrowers, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement; *fourth*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *fifth*, so long as no Default exists, to the payment of any amounts owing to any Borrower as a result of any judgment of a court of competent jurisdiction obtained by such Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that if (x) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made at a time when the conditions set forth in ***Section 4.02*** were satisfied or waived, such payment shall be applied solely to pay the Loans of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the Lenders pro rata in accordance with the Commitments hereunder. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) **Certain Fees**.

(A) Each Defaulting Lender shall be entitled to receive a Facility Fee for any period during which that Lender is a Defaulting Lender only to extent allocable to the outstanding principal amount of the Loans funded by it.

(B) With respect to any Facility Fee not required to be paid to any Defaulting Lender pursuant to ***clause (A)*** above, the Borrowers shall not be required to pay the remaining amount of any such fee.

(b) **Defaulting Lender Cure**. If the Borrowers and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans to be held pro rata by the Lenders in accordance with the Commitments hereunder, whereupon such Lender will cease to be a Defaulting Lender; *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of any of the Borrowers while that Lender was a Defaulting Lender; and *provided, further*, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

Article III. Taxes, Yield Protection and Illegality

3.01 **Taxes.**

(a) **Payments Free of Taxes**. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) **Payment of Other Taxes by the Loan Parties**. The applicable Loan Party shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) **Indemnification by the Loan Parties**. The applicable Loan Party shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the applicable Loan Party by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) **Indemnification by the Lenders**. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of ***Section 11.06(d)*** relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this ***subsection (d)***.

(e) **Evidence of Payments**. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this ***Section 3.01***, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(f) **Status of Lenders**.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the applicable Loan Party and the Administrative Agent, at the time or times reasonably requested by the applicable Loan Party or the Administrative Agent, such properly completed and executed documentation reasonably requested by such Loan Party or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by any Loan Party or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by such Loan Party or the Administrative Agent as will enable such Loan Party or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in ***Section 3.01(f)(ii)(A)***, ***3.01(f)(ii)(B)*** and ***3.01(f)(ii)(D)*** below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Loan Parties and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of any Loan Party or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Loan Parties and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of any Loan Party or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of,

U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under *Section 881(c)* of the Code, (x) a certificate substantially in the form of ***Exhibit E-1*** to the effect that such Foreign Lender is not a "bank" within the meaning of *Section 881(c)(3)(A)* of the Code, a "10 percent shareholder" of any Loan Party within the meaning of *Section 881(c)(3)(B)* of the Code, or a "controlled foreign corporation" described in *Section 881(c)(3)(C)* of the Code (a "***U.S. Tax Compliance Certificate***") and (y) executed originals of IRS Form W-8BEN; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of ***Exhibit E-2*** or ***Exhibit E-3***, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; *provided* that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of ***Exhibit E-4*** on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Loan Parties and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of any Loan Party or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit any Loan Party or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in *Section 1471(b)* or *1472(b)* of the Code, as applicable), such Lender shall deliver to the Loan Parties and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by any Loan Party or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by *Section 1471(b)(3)(C)(i)* of the Code) and such additional documentation reasonably requested by any Loan Party or the Administrative Agent as may be necessary for such Loan Party and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this ***clause (D)***, "***FATCA***" shall include any amendments made to FATCA after the date of this Agreement.

(iii) Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Loan Parties and the Administrative Agent in writing of its legal inability to do so.

(g) **Treatment of Certain Refunds**. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this ***Section 3.01*** (including by the payment of additional amounts pursuant to this ***Section 3.01***), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of (i) all out-of-pocket expenses (including Taxes) and (ii) any loss or gain realized in the conversion of such funds from or to another currency of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this ***subsection (g)*** (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this ***subsection (g)***, in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this ***subsection (g)*** the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) **Survival**. Each party's obligations under this ***Section 3.01*** shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

3.02 **Illegality.** If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to the Eurocurrency Rate (whether denominated in Yen or Dollars), or to determine or charge interest rates based upon the Eurocurrency Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Yen or Dollars in the applicable interbank market, then, on notice thereof by such Lender to the Borrowers through the Administrative Agent, (i) any obligation of such Lender to make or continue Eurocurrency Rate Loans in the affected currency or currencies or, in the case of Eurocurrency Rate Loans in Dollars, to convert Base Rate Loans to Eurocurrency Rate Loans shall be suspended, and (ii) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Eurocurrency Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurocurrency Rate component of the Base Rate, in each case until such Lender notifies the Administrative Agent and the Borrowers that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the applicable Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable and such Loans are denominated in Dollars, convert all such Eurocurrency Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurocurrency Rate component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurocurrency Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurocurrency Rate Loans and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Eurocurrency Rate, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Eurocurrency Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurocurrency Rate. Upon any such prepayment or conversion, the applicable Borrower shall also pay accrued interest on the amount so prepaid or converted and any amounts payable under ***Section 3.05***.

3.03 **Inability to Determine Rates.** If the Required Lenders determine that for any reason in connection with any request for a Eurocurrency Rate Loan or a conversion to or continuation thereof that (a) deposits (whether in Yen or Dollars) are not being offered to banks in the applicable offshore interbank market for such currency for the applicable amount and Interest Period of such Eurocurrency Rate Loan, (b) adequate and reasonable means do not exist for determining the Eurocurrency Rate for any requested Interest Period with respect to a proposed Eurocurrency Rate Loan (whether denominated in Yen or Dollars) or in connection with an existing or proposed Base Rate Loan, or (c) the Eurocurrency Rate for any requested Interest Period with respect to a proposed Eurocurrency Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Administrative Agent will promptly so notify the Borrowers and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurocurrency Rate Loans in the affected currency or currencies shall be suspended, and (y) in the event of a determination described in the preceding sentence with respect to the Eurocurrency Rate component of the Base Rate, the utilization of the Eurocurrency Rate component in determining the Base Rate shall be suspended, in each case until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, any Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurocurrency Rate Loans in the affected currency or currencies or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein.

3.04 **Increased Costs.**

(a) **Increased Costs Generally**. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the Eurocurrency Rate);

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in ***clauses (b)*** through ***(d)*** of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon written request of such Lender or other Recipient, the applicable Borrower will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) **Capital Requirements**. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrowers shall jointly and severally pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) **Certificates for Reimbursement**. A certificate of a Lender (a) setting forth the amount or amounts necessary to compensate such Lender or its holding company and (b) certifying that such Lender, such Lender's holding company or Recipient is generally also seeking such compensation from similarly situated borrowers under syndicated loan facilities similar to the facilities set forth herein that include provisions similar to this ***Section 3.04*** and the definition of "***Change in Law***", in each case, as specified in ***subsection (a)*** or ***(b)*** of this ***Section 3.04*** and delivered to the applicable Borrower, shall be conclusive absent manifest error. The applicable Borrower shall pay such Lender the amount shown as due on any such certificate within 30 days after receipt thereof; *provided*, no amount specified in ***subsection (a)*** or ***(b)*** of this ***Section 3.04*** shall be due until receipt of such certificate.

(d) **Delay in Requests**. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; *provided* that none of the Borrowers shall be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than six months prior to the date that such Lender notifies the Borrowers of the Change in Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof).

3.05 **Compensation for Losses.** Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the applicable Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by such Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by such Borrower;

(c) any failure by any Borrower to make payment of any Loan (or interest due thereon) denominated in Dollars on its scheduled due date or any payment thereof in a different currency; or

(d) any assignment of a Eurocurrency Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by such Borrower pursuant to ***Section 3.06(b)***;

excluding any loss of anticipated profits but including any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. Such Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by any Borrower to the Lenders under this ***Section 3.05***, each Lender shall be deemed to have funded each Eurocurrency Rate Loan made by it at the Eurocurrency Rate for such Loan by a matching deposit or other borrowing in the offshore interbank market for such currency for a comparable amount and for a comparable period, whether or not such Eurocurrency Rate Loan was in fact so funded.

3.06 **Mitigation Obligations; Replacement of Lenders.**

(a) **Designation of a Different Lending Office**. If any Lender requests compensation under ***Section 3.04***, or if any Loan Party is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to ***Section 3.01***, or if any Lender gives a notice pursuant to ***Section 3.02***, then in each case such Lender shall (at the request of such Loan Party) use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to ***Section 3.01*** or ***3.04***, as the case may be, in the future, or eliminate the need for the notice pursuant to ***Section 3.02***, as applicable, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. Such Loan Party hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) **Replacement of Lenders**. If any Lender requests compensation under ***Section 3.04***, or if any Loan Party is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to ***Section 3.01*** and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with ***Section 3.06(a)***, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then in each case the Borrowers may, at their sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, ***Section 11.06***), all of its interests, rights (other than its existing rights to payments pursuant to ***Section 3.01*** or ***Section 3.04***) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); *provided* that:

(i) the Borrowers (or the assignee) shall have paid to the Administrative Agent the assignment fee (if any) specified in ***Section 11.06***;

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under ***Section 3.05***) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the applicable Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under ***Section 3.04*** or payments required to be made pursuant to ***Section 3.01***, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) such assignment does not conflict with applicable Laws; and

(v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrowers to require such assignment and delegation cease to apply.

3.07 **Survival.** All of the Loan Parties' obligations under this ***Article III*** shall survive termination of the Aggregate Commitments, repayment of all other Obligations hereunder, and resignation of the Administrative Agent.

Article IV. Conditions Precedent to Borrowings

4.01 **Conditions of Initial Borrowing.** The obligation of each Lender to make its initial Loan hereunder is subject to satisfaction of the following conditions precedent (it being agreed that the following conditions precedent will be satisfied concurrently with the execution and delivery of this Agreement):

(a) The Administrative Agent's receipt of the following, each of which shall be originals or facsimiles (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party (if applicable), each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance satisfactory to the Administrative Agent and each of the Lenders:

(i) executed counterparts of this Agreement, sufficient in number for distribution to the Administrative Agent and the Borrowers;

(ii) Notes executed by the Borrowers in favor of each Lender requesting Notes;

(iii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party;

(iv) such documents and certifications as the Administrative Agent may reasonably require to evidence that each Loan Party is duly organized or formed, and that each of the Loan Parties is validly existing and in good standing in its jurisdiction of organization, including a certificate from the Insurance Regulatory Authority as to the authority to do business and good standing of Aflac;

(v) favorable opinions of In-House Counsel and Skadden, Arps, Slate, Meagher & Flom LLP, each as counsel to the Loan Parties, in form and substance acceptable to the Administrative Agent;

(vi) a certificate of a Responsible Officer of the Parent either (A) attaching copies of all consents, licenses and approvals required in connection with the execution, delivery and performance by each Loan Party and the validity against such Loan Party of the Loan Documents to which it is a party, and such consents, licenses and approvals shall be in full force and effect, or (B) stating that no such consents, licenses or approvals are so required; and

(vii) a certificate signed by a Responsible Officer of the Parent certifying (A) that the conditions specified in ***Sections 4.02(a)*** and ***(b)*** have been satisfied, and (B) that there has been no event or circumstance since the date of the Audited Financial Statements that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect.

(b) Any fees required to be paid on or before the Closing Date shall have been paid.

(c) Unless waived by the Administrative Agent, the Borrowers shall have paid all fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent invoiced prior to the Closing Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (*provided* that such estimate shall not thereafter preclude a final settling of accounts between the Borrowers and the Administrative Agent).

Without limiting the generality of the provisions of the last paragraph of ***Section 9.03***, for purposes of determining compliance with the conditions specified in this ***Section 4.01***, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

4.02 **Conditions to all Borrowings.** The obligation of each Lender to honor any Loan Notice (other than a Loan Notice requesting only a conversion of Loans to the other Type, or a continuation of Eurocurrency Rate Loans) is subject to the following conditions precedent:

(a) The representations and warranties of each Loan Party contained in ***Article V*** (excluding the representations and warranties contained in ***Sections 5.05(e)***, ***5.06*** and ***5.16***, which shall be made only on the Closing Date and on any Extension Date) or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all respects (or true and correct in all material respects if such representation or warranty is not qualified by materiality or Material Adverse Effect) on and as of the date of such Borrowing, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all respects (or true and correct in all material respects if such representation or warranty is not qualified by materiality or Material Adverse Effect) as of such earlier date, except that for purposes of this ***Section 4.02***, the representations and warranties contained in ***subsections (a)***, ***(b)***, ***(c)*** and ***(d)*** of ***Section 5.05*** shall be deemed to refer to the most recent statements furnished pursuant to ***subsections (a)***, ***(b)***, ***(c)*** and ***(d)***, respectively, of ***Section 6.01***.

(b) No Default shall exist, or would result from such proposed Borrowing or from the application of the proceeds thereof.

(c) The Administrative Agent shall have received a Loan Notice in accordance with the requirements hereof.

(d) In the case of a Loan to be denominated in Yen, there shall not have occurred any change in national or international financial, political or economic conditions or currency exchange rates or exchange controls which in the reasonable opinion of the Administrative Agent or the Required Lenders would make it impracticable for such Loan to be denominated in Yen.

Each Loan Notice (other than a Loan Notice requesting only a conversion of Loans to the other Type or a continuation of Eurocurrency Rate Loans) submitted by a Borrower shall be deemed to be a representation and warranty that the conditions specified in ***Sections 4.02(a)*** and ***(b)*** have been satisfied on and as of the date of the applicable Borrowing.

Article V. Representations and Warranties

Each Loan Party represents and warrants to the Administrative Agent and the Lenders that:

5.01 **Existence, Qualification and Power.** Each Loan Party (a) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and is licensed and, as applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, except in each case referred to in ***clause (b)(i)*** or ***(c)***, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.02 **Authorization; No Contravention.** The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is party, have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of such Person's Organization Documents, (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject or (c) violate any Law, except in each case referred to in ***clause (b)(i)***, to the extent such conflict, breach or contravention, creation or requirement could not reasonably be expected to have a Material Adverse Effect.

5.03 **Governmental Authorization; Other Consents.** No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document, except as has been obtained or made and is in full force and effect.

5.04 **Binding Effect.** This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms, except as such enforceability may be limited by Debtor Relief Laws and general principles of equity.

5.05 **Financial Statements; No Material Adverse Effect.**

(a) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present the financial condition of the Parent and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (iii) show all material indebtedness and other liabilities, direct or contingent, of the Parent and its Subsidiaries as of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(b) The unaudited consolidated balance sheet of the Parent and its Subsidiaries dated March 31, 2012, and the related consolidated statements of income or operations, shareholders' equity and cash flows for the fiscal quarter ended on that date (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present the financial condition of the Parent and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject, in the case of ***clauses (i)*** and ***(ii)***, to the absence of footnotes and to normal year-end audit adjustments.

(c) The annual Statutory Statement of Aflac for the fiscal year ended December 31, 2011, as filed with the Insurance Regulatory Authority, (i) was prepared in accordance with SAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly presents the financial condition of Aflac as of the date thereof and its results of operations for the period covered thereby in accordance with SAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein.

(d) The quarterly Statutory Statement of Aflac for the fiscal quarter ended March 31, 2012, as filed with the Insurance Regulatory Authority, (i) was prepared in accordance with SAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly presents the financial condition of Aflac as of the date thereof and its results of operations for the period covered thereby in accordance with SAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein.

(e) Since December 31, 2011, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

5.06 **Litigation.** There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of any Loan Party, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or against any of their properties or revenues that (a) purport to adversely and materially affect this Agreement or any other Loan Document, or any of the transactions contemplated hereby, or (b) either individually or in the aggregate could reasonably be expected to have a Material Adverse Effect.

5.07 **No Default.** No Loan Party is in default under or with respect to any Contractual Obligation that could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.08 **Ownership of Property; Liens.** Each Loan Party has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, except for such defects in title or interest as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.09 **Environmental Compliance**. Each Loan Party conducts their operations in material compliance with applicable Environmental Laws and as a result thereof the Loan Parties have reasonably concluded that continued compliance with such Environmental Laws could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.10 **Insurance.** The properties of each Loan Party are insured in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where such Loan Party operates; *provided* that self-insurance by such Loan Party shall not be deemed a violation of this representation and warranty to the extent that such self-insurance is consistent with reasonable and prudent business practice.

5.11 **Taxes.** Each Loan Party has filed all material Federal, state and other tax returns and reports required to be filed by such Loan Party, and has paid all material Federal, state and other taxes, assessments, fees and other governmental charges levied or imposed upon it or its properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against any Loan Party that could, if made, reasonably be expected to have a Material Adverse Effect.

5.12 **ERISA Compliance.**

(a) Each Plan (or to the best knowledge of the Loan Parties, with respect to each Multiemployer Plan and Multiple Employer Plan) is in compliance in all material respects with the applicable provisions of ERISA, the Code and other Federal or state laws. Each Pension Plan that is intended to be a qualified plan under *Section 401(a)* of the Code has received a favorable determination letter from the Internal Revenue Service to the effect that the form of such Plan is qualified under *Section 401(a)* of the Code and the trust related thereto has been determined by the Internal Revenue Service to be exempt from federal income tax under *Section 501(a)* of the Code, or an application for such a letter is currently being processed by the Internal Revenue Service. To the best knowledge of the Loan Parties, nothing has occurred that would prevent or cause the loss of such tax-qualified status.

(b) There are no pending or, to the best knowledge of the Loan Parties, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan (or to the best knowledge of the Loan Parties, with respect to each Multiemployer Plan and Multiple Employer Plan) that could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan (or to the best knowledge of the Loan Parties, with respect to each Multiemployer Plan and Multiple Employer Plan) that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(c) (i) No ERISA Event has occurred, and no Loan Party nor any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan, except as has not and could not reasonably be expected to result in a Material Adverse Effect; (ii) each Loan Party and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained, except as has not and could not reasonably be expected to result in a Material Adverse Effect; (iii) as of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in *Section 430(d)(2)* of the Code) is 60% or higher and no Loan Party nor any ERISA Affiliate knows of any facts or circumstances that could reasonably be expected to cause the funding target attainment percentage for any such plan to drop below 60% as of the most recent valuation date; (iv) no Loan Party nor any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid, except as has not and could not reasonably be expected to result in a Material Adverse Effect; (v) no Loan Party nor any ERISA Affiliate has engaged in a transaction that could be subject to *Section 4069* or *Section 4212(c)* of ERISA, except as has not and could not reasonably be expected to result in a Material Adverse Effect; and (vi) no Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and, to the best knowledge of the Loan Parties, no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan.

5.13 **Margin Regulations; Investment Company Act.**

(a) No Borrower is engaged or will engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock.

(b) No Borrower or any Person Controlling a Borrower is or is required to be registered as an "investment company" under the Investment Company Act of 1940.

5.14 **Disclosure.** Each Loan Party has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information furnished (whether in writing or orally) by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case, as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that, with respect to projected financial information, each Loan Party represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

5.15 **Compliance with Laws.** Each Loan Party is in compliance in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties and all insurance licenses under which it operates, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree or license is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

5.16 **Taxpayer Identification Number.** Each Borrower's true and correct U.S. taxpayer identification number is set forth on ***Schedule 10.02***.

5.17 **OFAC.** No Loan Party (i) is Sanctioned or (ii) is an Embargoed Person. Each Loan Party maintains, and, to the knowledge of such Loan Party, is in material compliance with, a policy and program designed to avoid doing business with any Person who is Sanctioned or who is an Embargoed Person.

5.18 **No Other Significant Subsidiary.** Neither Loan Party has a Subsidiary (other than Aflac) whose consolidated assets constitute more than 10% of the consolidated assets of the Parent, and the consolidated assets of the Subsidiaries of the Parent (excluding the assets of Aflac on an unconsolidated basis) do not constitute more than 30% of the consolidated assets of the Parent.

Article VI. Affirmative Covenants

So long as any Lender shall have any Commitment hereunder or any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, each Loan Party shall:

6.01 **Financial Statements.** Deliver to the Administrative Agent and each Lender, in form and detail satisfactory to the Administrative Agent and the Required Lenders:

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of the Parent, a consolidated balance sheet of the Parent and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, changes in shareholders' equity, and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, prepared in accordance with GAAP, all audited and reported and opined on in a manner consistent with the requirements of the Securities and Exchange Commission by an independent certified public accountant of nationally recognized standing reasonably acceptable to the Required Lenders, which report and opinion shall not be subject to (i) any "going concern" or like qualification or exception or (ii) any qualification or exception as to the scope of such audit, in the case of this ***clause (ii)***, that is not permitted by the requirements of the Securities and Exchange Commission;

(b) as soon as available, but in any event within 60 days after the end of each of the first three fiscal quarters of each fiscal year of the Parent, a consolidated balance sheet of the Parent and its Subsidiaries as at the end of such fiscal quarter, the related consolidated statements of income or operations for such fiscal quarter and for the portion of the Parent's fiscal year then ended, and the related consolidated statements of changes in shareholders' equity, and cash flows for the portion of the Parent's fiscal year then ended, in each case setting forth in comparative form, as applicable, the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, such consolidated statements to be certified by the chief executive officer, chief financial officer, treasurer or controller of the Parent as fairly presenting the financial condition, results of operations, shareholders' equity and cash flows of the Parent and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes;

(c) promptly after filing with the Insurance Regulatory Authority and in any event within 120 days after the end of each fiscal year of Aflac, the annual Statutory Statement of Aflac (including, without limitation, management's discussion and analysis) for such year prepared in accordance with SAP, certified by a Responsible Officer of Aflac as fairly presenting in all material respects the financial condition and results of operations of Aflac in accordance with SAP;

(d) promptly after filing with the Insurance Regulatory Authority and in any event within 60 days after the end of each of the first three quarterly fiscal periods of each fiscal year of Aflac, the quarterly Statutory Statement of Aflac for such quarterly fiscal period prepared in accordance with SAP, certified by a Responsible Officer of Aflac as fairly presenting in all material respects the financial condition and results of operations of Aflac in accordance with SAP; and

(e) promptly after the filing thereof, any annual or quarterly financial statements required to be filed by Aflac or any of its Subsidiaries with the Japanese Financial Supervisory Agency (or its successor or other Governmental Authority performing its functions), except to the extent that such delivery is prohibited by applicable law.

As to any information contained in materials furnished pursuant to ***Section 6.02(c)***, the Parent shall not be separately required to furnish such information under ***subsection (a)*** or ***(b)*** above, but the foregoing shall not be in derogation of the obligation of the Parent to furnish the information and materials described in ***subsection (a)*** or ***(b)*** above at the times specified therein.

6.02 **Certificates; Other Information.** Deliver to the Administrative Agent and each Lender, in form and detail satisfactory to the Administrative Agent and the Required Lenders:

(a) concurrently with the delivery of the financial statements referred to in ***Sections 6.01(a)*** and ***6.01(b)***, a duly completed Compliance Certificate signed by the chief executive officer, chief financial officer, treasurer or controller of the Parent (which delivery may be by electronic communication including fax or email and shall be deemed to be an original authentic counterpart thereof for all purposes);

(b) promptly after the same are available, copies of each annual report, proxy or financial statement or other report or communication sent to the stockholders of the Parent, and copies of all annual, regular, periodic and special reports and registration statements which the Parent may file or be required to file with the SEC under *Section 13* or *15(d)* of the Securities Exchange Act of 1934, and not otherwise required to be delivered to the Administrative Agent pursuant hereto;

(c) promptly after Aflac receives the results of each examination by NAIC of the financial condition and operations of Aflac, a copy thereof; and

(d) promptly, such additional information regarding the business, financial or corporate affairs of any Loan Party, or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender may from time to time reasonably request.

Documents required to be delivered pursuant to ***Section 6.01(a)*** or ***6.02(a)*** or ***Section 6.02(b)*** (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Loan Parties post such documents, or provide a link thereto on Aflac's website on the Internet at the website address listed on ***Schedule 10.02***; or (ii) on which such documents are posted on Aflac's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); *provided* that the Loan Parties shall notify the Administrative Agent (by facsimile or electronic mail) of the posting of any such documents. The Administrative Agent shall have no obligation to maintain paper copies of the documents referred to above, and each Lender shall be solely responsible for maintaining its copies of such documents.

The Loan Parties hereby acknowledge that (a) the Administrative Agent and/or the Arranger may, but shall not be obligated to, make available to the Lenders materials and/or information provided by or on behalf of the Loan Parties hereunder (collectively, "***Borrower Materials***") by posting the Borrower Materials on Debt Domain, IntraLinks, Syndtrak or another similar electronic system (the "***Platform***") and (b) certain of the Lenders (each, a "***Public Lender***") may have personnel who do not wish to receive material non-public information with respect to the Loan Parties or any of their respective Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Loan Parties hereby agree that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC", the Loan Parties shall be deemed to have authorized the Administrative Agent, the Arranger and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Loan Parties or their respective securities for purposes of United States Federal and state securities laws (*provided, however*, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in ***Section 11.07***); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information"; and (z) the Administrative Agent and the Arranger shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information".

6.03 **Notices.** Promptly notify the Administrative Agent and each Lender:

(a) of the occurrence and knowledge of any Default;

(b) of any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect, including (i) breach or non-performance of, or any default under, a Contractual Obligation of any Loan Party; (ii) any dispute, litigation, investigation, proceeding or suspension between any Loan Party and any Governmental Authority; or (iii) the commencement of, or any material development in, any litigation or proceeding affecting any Loan Party, including pursuant to any applicable Environmental Laws;

(c) of the occurrence of any ERISA Event that has resulted or could reasonably be expected to result in liability of any Loan Party under *Title IV* of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of the Threshold Amount; and

(d) of any material change in accounting policies or financial reporting practices by any Loan Party.

Each notice pursuant to this ***Section 6.03*** shall be accompanied by a statement of a Responsible Officer of the applicable Loan Party setting forth details of the occurrence referred to therein and stating what action the applicable Loan Party has taken and proposes to take with respect thereto. Each notice pursuant to ***Section 6.03(a)*** shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

6.04 **Payment of Obligations.** Pay and discharge as the same shall become due and payable, all its obligations and liabilities, including (a) all material tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by such Loan Party, (b) all lawful claims which, if unpaid, at such time would by law become a Lien upon its property and (c) all Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness.

6.05 **Preservation of Existence, Etc.** (a) Preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization except in a transaction permitted by ***Section 7.02***; (b) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect.

6.06 **Maintenance of Properties.** (a) Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; and (b) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

6.07 **Maintenance of Insurance.** Maintain with financially sound and reputable insurance companies not Affiliates of any Loan Party, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons; *provided* that self-insurance by such Loan Party shall not be deemed a violation of this covenant to the extent that such self-insurance is consistent with reasonable and prudent business practice.

6.08 **Compliance with Laws.** Comply in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property and all insurance licenses under which it operates, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree or license is being contested in good faith by appropriate proceedings diligently conducted; or (b) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

6.09 **Books and Records.** Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP or SAP, as applicable, consistently applied shall be made of all financial transactions and matters involving the assets and business of such Loan Party, as the case may be.

6.10 **Inspection Rights.** Permit representatives and independent contractors of the Administrative Agent and each Lender (coordinated through the Administrative Agent and at the expense of the Administrative Agent or such Lender, as the case may be) to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants (accompanied by a representative of the Loan Parties, if the Loan Parties so desire), all at reasonable times during normal business hours, upon reasonable advance notice to the Loan Parties; *provided*, *however*, that such visits and inspections shall not occur more than one time per year unless an Event of Default has occurred and is continuing; and *provided further*, *however*, that when an Event of Default exists the Administrative Agent or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing at the expense of the Loan Parties at any time during normal business hours and without advance notice.

6.11 **Use of Proceeds.** Use the proceeds of the Borrowings for general corporate purposes not in contravention of any Law or of any Loan Document.

Article VII. Negative Covenants

So long as any Lender shall have any Commitment hereunder or any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, no Loan Party shall directly or indirectly:

7.01 **Liens.** Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a) Liens existing on the date hereof and listed on ***Schedule 7.01*** and any renewals or extensions thereof, *provided* that (i) no additional property is covered thereby and (ii) the principal amount secured or benefited thereby is not increased, in each case after giving effect to such renewal or extension;

(b) Liens for taxes not yet due or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(c) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens which are not overdue for a period of more than 60 days or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person;

(d) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA;

(e) deposits to secure the performance of bids, trade contracts and leases (other than Indebtedness), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature;

(f) easements, rights-of-way, restrictions and other similar encumbrances affecting real property which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person;

(g) Liens securing judgments for the payment of money not constituting an Event of Default under ***Section 8.01(h)***;

(h) Liens arising under or in connection with escrows, trusts, custodianships, separate accounts, funds withheld or modified coinsurance procedures, and similar deposits, arrangements, or agreements established with respect to insurance policies, annuities, funding agreements, guaranteed investment contracts and similar products underwritten by, or reinsurance agreements entered into by, the applicable Person in the ordinary course of business, including Liens securing letters of credit issued in connection therewith;

(i) deposits with, Liens securing obligations (other than Indebtedness) owing to, or letters of credit issued in favor of or required by, insurance regulatory authorities;

(j) Liens on property of any corporation or other entity that becomes a Subsidiary of a Loan Party after the Closing Date, provided that such Liens are in existence at the time such corporation or entity becomes a Subsidiary of such Loan Party and were not created in anticipation thereof;

(k) Liens upon real and/or tangible personal property acquired or improved after the Closing Date (by purchase, capitalized lease, construction or otherwise) by the applicable Person, each of which Liens either (A) existed on such property before the time of its acquisition and was not created in anticipation thereof or (B) was created solely for the purpose of securing Indebtedness representing, or incurred to finance, refinance or refund, the cost (including the cost of construction) of such property or improvements thereon or thereto; provided that no such Lien shall extend to or cover any property of the applicable Person other than the property so acquired and improvements thereon;

(l) Liens arising in connection with repurchase agreements, reverse purchase agreements and other similar agreements for the purchase, sale or loan of securities, in each case in the ordinary course of business; provided that no such Lien shall extend to or cover any property or assets other than the securities subject thereto;

(m) Liens in favor of any Loan Party;

(n) Liens securing obligations under Swap Contracts and entered into not for speculative purposes;

(o) Liens arising in the ordinary course of business on operating accounts (including deposit accounts and any related securities accounts), including bankers' Liens and rights of setoff arising in connection therewith (but excluding consensual Liens securing Indebtedness); and

(p) additional Liens upon real and/or personal property created after the Closing Date, *provided* that the aggregate Indebtedness secured thereby and incurred after the Closing Date shall not exceed the greater of an amount equal to (i) $500,000,000 and (ii) five percent (5%) of Net Worth;

provided that, in no event shall any of the contractual or consensual Liens permitted by the foregoing clauses cover any of the Equity Interests of Aflac.

7.02 **Fundamental Changes.** Merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that, so long as no Default exists or would result therefrom:

(a) any Subsidiary (other than Aflac) may merge with (i) any Loan Party, *provided* that such Loan Party shall be the continuing or surviving Person, or (ii) any one or more other Subsidiaries, *provided* that when any wholly-owned Subsidiary is merging with another Subsidiary, the wholly-owned Subsidiary shall be the continuing or surviving Person; and

(b) any Subsidiary (other than Aflac) may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to any Loan Party or to another Subsidiary; *provided* that if the transferor in such a transaction is a wholly-owned Subsidiary, then the transferee must either be a Loan Party or a wholly-owned Subsidiary.

7.03 **Restricted Payments.** Declare, directly or indirectly, any Restricted Payment if an Event of Default has occurred and is continuing at the time of such declaration or would result therefrom.

7.04 **Change in Nature of Business.** Engage in any material line of business substantially different from those lines of business conducted by any Loan Party and its Subsidiaries on the date hereof or any business substantially related or incidental thereto.

7.05 **Transactions with Affiliates.** Enter into any transaction of any kind with any Affiliate (other than a Subsidiary) of any Loan Party, whether or not in the ordinary course of business, other than on fair and reasonable terms to such Loan Party.

7.06 **Restrictive Agreements.** Enter into any Contractual Obligation that limits the ability of any Subsidiary (a) to make Restricted Payments to any Loan Party or to otherwise transfer property to any Loan Party or (b) to Guarantee the Indebtedness of any Loan Party, except (i) Contractual Obligations entered into to comply with applicable insurance Laws, (ii) Contractual Obligations existing on the date of this Agreement and described on ***Schedule 7.06*** and (iii) Contractual Obligations limiting the transfer of property that are entered into in connection with the incurrence of Indebtedness secured by such property, so long as no other property of such Loan Party is subject to such limitation.

7.07 **Use of Proceeds.** Use the proceeds of any Borrowing, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

7.08 **Financial Covenants.**

(a) **Minimum Consolidated Net Worth**. Permit Net Worth at any time to be less than $8,000,000,000.

(b) **Total Funded Debt to Total Capital**. Permit Total Funded Debt to exceed 35% of Total Capital at any time.

(c) **Minimum Statutory Surplus**. Permit Statutory Surplus at any time to be less than $5,200,000,000.

Article VIII. Events of Default and Remedies

8.01 **Events of Default.** Any of the following shall constitute an Event of Default:

(a) **Non-Payment**. Any Loan Party fails to pay (i) when and as required to be paid herein, and in the currency required hereunder, any amount of principal of any Loan, or (ii) within five days after the same becomes due, any interest on any Loan, or any fee due hereunder, or (iii) within ten days after the same becomes due, any other amount payable hereunder or under any other Loan Document; or

(b) **Specific Covenants**. Any Loan Party fails to perform or observe any term, covenant or agreement contained in any of ***Section 6.03*** (other than ***Section 6.03(d)***), ***6.05*** or ***6.11*** or ***Article VII***; or

(c) **Other Defaults**. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in ***subsection (a)*** or ***(b)*** above) contained in any Loan Document on its part to be performed or observed and such failure continues for 30 days; or

(d) **Representations and Warranties**. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of any Loan Party herein, in any other Loan Document, or in any document delivered in connection with any Loan Document shall be incorrect or misleading in any respect (or incorrect or misleading in any material respect if such representation or warranty is not qualified by materiality or Material Adverse Effect) when made or deemed made; or

(e) **Cross-Default**. (i) Any Loan Party (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise, and giving effect to any applicable grace period) in respect of any Indebtedness or Guarantee (other than Indebtedness hereunder and Indebtedness under Swap Contracts) having an aggregate outstanding principal amount (including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than the Threshold Amount, or (B) fails to observe or perform any other agreement or condition relating to any such Indebtedness or Guarantee or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or such Guarantee to become payable or cash collateral in respect thereof to be demanded; or (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which any Loan Party is the Defaulting Party (as defined in such Swap Contract) or (B) any Termination Event (as so defined) under such Swap Contract as to which any Loan Party is an Affected Party (as so defined) and, in either event, the Swap Termination Value owed by such Loan Party as a result thereof is greater than the Threshold Amount; or

(f) **Insolvency Proceedings, Etc**. Any Loan Party institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for 60 calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for 60 calendar days, or an order for relief is entered in any such proceeding; or

(g) **Inability to Pay Debts; Attachment**. (i) Any Loan Party becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within 45 days after its issue or levy; or

(h) **Judgments**. There is entered against any Loan Party (i) one or more final judgments or orders for the payment of money in an aggregate amount (as to all such judgments or orders) exceeding the Threshold Amount (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage), or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of 45 consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(i) **ERISA**. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of any Loan Party under *Title IV* of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of the Threshold Amount, or (ii) any Loan Party or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under *Section 4201* of ERISA under a Multiemployer Plan in an aggregate amount in excess of the Threshold Amount; or

(j) **Invalidity of Loan Documents**. Any Loan Party contests the validity or enforceability, taken as a whole, of any Loan Document; or any Loan Party denies that it has any or further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind any Loan Document.

8.02 **Remedies Upon Event of Default.** If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(a) declare the Commitment of each Lender to make Loans to be terminated, whereupon the Aggregate Commitments shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrowers; and

(c) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents;

provided, *however*, that upon the occurrence of an actual or deemed entry of an order for relief with respect to any Borrower under the Bankruptcy Code of the United States, the obligation of each Lender to make Loans shall automatically terminate and the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, in each case without further act of the Administrative Agent or any Lender.

8.03 **Application of Funds.** After the exercise of remedies provided for in ***Section 8.02*** (or after the Loans have automatically become immediately due and payable as set forth in the proviso to ***Section 8.02***), any amounts received on account of the Obligations shall, subject to the provisions of ***Section 2.13***, be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including out-of-pocket fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under ***Article III***) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders (including out-of-pocket fees, charges and disbursements of counsel to the respective Lenders and amounts payable under ***Article III***), ratably among them in proportion to the respective amounts described in this *clause Second* payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans and other Obligations, ratably among the Lenders in proportion to the respective amounts described in this *clause Third* payable to them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans, ratably among the Lenders in proportion to the respective amounts described in this *clause Fourth* held by them; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the applicable Borrower or as otherwise required by Law.

Article IX. Administrative Agent

9.01 **Appointment and Authority.** Each of the Lenders hereby irrevocably appoints Mizuho to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent and the Lenders, and no Loan Party shall have any rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

9.02 **Rights as a Lender.** With respect to its Commitment and the Loans made by it, if any, Mizuho (and any successor acting as Administrative Agent or in any other capacity in connection herewith or the transactions contemplated hereby) in its capacity as a Lender hereunder shall have the same rights, powers and obligations hereunder as any other Lender and may exercise such rights and powers as though it were not acting as the Administrative Agent or in any other capacity in connection herewith or the transactions contemplated hereby, and the term "***Lenders***" shall, unless the context otherwise indicates, include Mizuho in its individual capacity. Mizuho (and any successor acting as Administrative Agent or in any other capacity in connection herewith or the transactions contemplated hereby) and its Affiliates may (without having to account therefor to any Lender) accept deposits from, lend money to, make investments in and generally engage in any kind of banking, trust or other business with the Loan Parties and their Affiliates as if it were not acting as a Lender and/or the Administrative Agent or in any other capacity in connection herewith or the transactions contemplated hereby, and Mizuho (and any such successor) and its Affiliates may accept fees and other consideration from the Loan Parties and said other Persons for services in connection with this Agreement or otherwise without having to account for the same to the Lenders. The Lenders acknowledge that, pursuant to such activities, Mizuho or its Affiliates may receive information regarding the Loan Parties or their Affiliates (including information that may be subject to confidentiality obligations in favor of such Loan Party or such Affiliate) and acknowledge that the Administrative Agent or Mizuho acting as Lender or in any other capacity in connection herewith or the transactions contemplated hereby shall be under no obligation to provide such information to them. In addition, Mizuho and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from, and may conflict with, those of the Loan Parties and their Affiliates, and neither Mizuho nor any of its Affiliates has any obligation to disclose any such interest by virtue of any advisory agency or fiduciary relationship or otherwise.

9.03 **Exculpatory Provisions.** The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); *provided* that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in ***Sections 11.01*** and ***8.02***) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent in writing by a Loan Party or a Lender.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in ***Article IV*** or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

9.04 **Reliance by Administrative Agent.** The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Loan Parties), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.05 **Delegation of Duties.** The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

9.06 **Resignation of Administrative Agent**

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrowers. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, with the consent of the Borrowers (such consent not to be unreasonably withheld or delayed, *provided*, if an Event of Default has occurred and is continuing, the Required Lenders shall solely have such right), to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders and the Borrowers, if the Borrowers then have the right to consent to such appointment) (the "***Resignation Effective***

Date”), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to ***clause (d)*** of the definition thereof, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to the Borrowers and such Person remove such Person as Administrative Agent and, with the consent of the Borrowers (such consent not to be unreasonably withheld or delayed, *provided*, if an Event of Default has occurred and is continuing, the Required Lenders shall solely have such right), appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders and the Borrowers, if the Borrowers then have the right to consent to such appointment) (the “***Removal Effective Date***”), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (2) except for any indemnity payments owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent (other than any rights to indemnity payments owed to the retiring or removed Administrative Agent), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and ***Section 11.04*** shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

9.07 **Non-Reliance on Administrative Agent and Other Lenders.** Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

9.08 **No Other Duties, Etc.** Anything herein to the contrary notwithstanding, none of the Lenders or other Persons listed on the cover page hereof as a “syndication agent,” “documentation agent,” “arranger” or “book manager” shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender hereunder.

9.09 **Administrative Agent May File Proofs of Claim.** In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on any Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under ***Sections 2.07*** **and** ***11.04*****)** allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under ***Sections 2.07*** **and** ***11.04*****.**

Article X. Guarantee

10.01 **Guarantee.** The Guarantor hereby unconditionally and irrevocably guarantees, as a primary obligor and not as a surety merely, to the Administrative Agent and the Lenders (together, the "***Guaranteed Parties***") the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the principal of and interest on the Loans and the Notes and all other amounts whatsoever now or hereafter payable or becoming payable by Aflac under this Agreement, in each case strictly in accordance with the terms hereof (such obligations being herein collectively called the "***Guaranteed Obligations***"). The Guarantor hereby further agrees that if Aflac shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, the Guarantor will promptly pay the same upon receipt from the Administrative Agent of written demand for payment thereof, without any other demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal. This guarantee is a continuing guarantee and is a guarantee of payment and is not merely a guarantee of collection, and shall apply to all Guaranteed Obligations whenever arising.

10.02 **Acknowledgments, Waivers and Consents.** The Guarantor agrees that its obligations under ***Section 10.01*** shall, to the fullest extent permitted by applicable law, be primary, absolute, irrevocable and unconditional under any and all circumstances and that the guarantee herein is made with respect to any Guaranteed Obligations now existing or in the future arising. Without limiting the foregoing, the Guarantor agrees that:

(a) **Guarantee Absolute**. The occurrence of any one or more of the following shall not affect the enforceability or effectiveness of the obligations of the Guarantor under this ***Article X*** in accordance with their terms or affect, limit, reduce, discharge or terminate the liability of the Guarantor, or the rights, remedies, powers and privileges of any of the Guaranteed Parties hereunder:

(i) any modification or amendment (including without limitation by way of amendment, extension, renewal or waiver), or any acceleration or other change in the time for payment or performance, of the terms of all or any part of the Guaranteed Obligations or this Agreement, or any other agreement or instrument relating thereto, or any modification or termination of the Commitments;

(ii) any release, termination, waiver, abandonment, lapse or expiration, subordination or enforcement of the liability of any other guarantee of all or any part of the Guaranteed Obligations, or the non-perfection or release of any collateral for any of the Guaranteed Obligations; or

(iii) any time or indulgence that may be granted in respect of the Guaranteed Obligations.

(b) **Waiver of Defenses**. The enforceability and effectiveness of this guarantee and the liability of the Guarantor and the rights, remedies, powers and privileges of the Guaranteed Parties under this guarantee shall not be affected, limited, reduced, discharged or terminated, and the Guarantor hereby expressly waives to the fullest extent permitted by law any defense now or in the future arising, by reason of:

(i) the illegality, invalidity or unenforceability of all or any part of the Guaranteed Obligations or any other agreement or instrument whatsoever relating to all or any part of the Guaranteed Obligations;

(ii) any disability or other defense with respect to all or any part of the Guaranteed Obligations, including the effect of any statute of limitations that may bar the enforcement of all or any part of the Guaranteed Obligations;

(iii) the cessation of liability of Aflac with respect to all or any part of the Guaranteed Obligations (other than, subject to ***Section 10.03*** hereof, by reason of the full payment of all Guaranteed Obligations);

(iv) any failure of the Guaranteed Parties or any of them to marshal assets in favor of Aflac or any other Person (including any other guarantor of all or any part of the Guaranteed Obligations), to exhaust any collateral for all or any part of the Guaranteed Obligations, to pursue or exhaust any right, remedy, power or privilege it may have against Aflac or any other Person or to take any action whatsoever to mitigate or reduce such or any other Person's liability under this guarantee, the Guaranteed Parties being under no obligation to take any such action notwithstanding the fact that all or any part of the Guaranteed Obligations may be due and payable and that Aflac may be in default of its obligations under this Agreement;

(v) any counterclaim, set-off or other claim which Aflac may have or claim with respect to all or any part of the Guaranteed Obligations;

(vi) any failure of the Guaranteed Parties or any of them or any other Person to file or enforce a claim in any bankruptcy or other proceeding with respect to any Person;

(vii) any bankruptcy, insolvency, reorganization, winding-up or adjustment of debts, or appointment of a custodian, liquidator or the like of it, or similar proceedings commenced by or against Aflac, including any discharge of, or bar or stay against collecting, all or any part of the Guaranteed Obligations (or any interest on all or any part of the Guaranteed Obligations) in or as a result of any such proceeding;

(viii) any action taken by the Guaranteed Parties or any of them that is authorized by this ***Section 10.02*** or otherwise in this guarantee or by any other provision of this Agreement or any omission to take any such action; or

(ix) any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor.

(c) **Set-offs and Counterclaims, Etc**. To the fullest extent permitted by law, the Guarantor expressly waives, for the benefit of each of the Guaranteed Parties, all set-offs and counterclaims and all diligence, presentment, demand for payment or performance, notices of nonpayment or nonperformance, protest, notices of protest, notices of dishonor and all other notices or demands of any kind or nature whatsoever (other than the written demand for payment pursuant to ***Section 10.01*** hereof), and any requirement that the Guaranteed Parties or any of them exhaust any right, power or remedy or proceed against Aflac under this Agreement or any other Loan Document or other agreement or instrument referred to herein or therein, or against any other Person under any other guarantee of, or security for, any of the Guaranteed Obligations, and all notices of the existence, creation, incurring or assumption of new or additional Guaranteed Obligations. The Guarantor further expressly waives the benefit of any and all statutes of limitation, to the fullest extent permitted by applicable law.

(d) **Guarantee of Payment and not of Collection**. The Guarantor waives, to the fullest extent permitted by law, for the benefit of each of the Guaranteed Parties, any right to which it may be entitled, including, without limitation:

(i) that the assets of Aflac first be used, depleted and/or applied in satisfaction of Aflac's obligations under this Agreement prior to any amounts being claimed from or paid by the Guarantor; and

(ii) to require that Aflac be sued and all claims against Aflac be completed prior to an action or proceeding being initiated against the Guarantor.

10.03 **Reinstatement.** The obligations of the Guarantor under this ***Article X*** shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of Aflac or any other Person in respect of the Guaranteed Obligations is rescinded or must otherwise be restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and the Guarantor agrees that it will indemnify the Guaranteed Parties on demand for all reasonable costs and expenses (including, without limitation, reasonable out-of-pocket fees of counsel, but without duplication of the obligations of Aflac under this Agreement) incurred by them in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or the like under any bankruptcy, insolvency or similar law.

10.04 **Subrogation.** The Guarantor hereby agrees that, until the final payment in full of all Guaranteed Obligations and the expiration or termination of the Commitments under this Agreement, it shall not exercise any right or remedy arising by reason of any payment by it under its guarantee under this ***Article X*** hereof, whether by subrogation, reimbursement, contribution or otherwise, against Aflac or any security for any of the Guaranteed Obligations.

10.05 **Remedies.** The Guarantor agrees that, as between the Guarantor and the Guaranteed Parties, the obligations of Aflac under this Agreement and the other Loan Documents may be declared to be forthwith due and payable as provided herein or therein (and shall be deemed to have become automatically due and payable in the circumstances provided herein or therein) for purposes of ***Section 10.01*** hereof, notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against Aflac, and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by Aflac) shall forthwith become due and payable by the Guarantor for purposes of said ***Section 10.01***.

10.06 **General Limitation on Guaranteed Obligations.** In any action or proceeding involving any state corporate law, or any state or Federal bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of the Guarantor under ***Section 10.01*** would otherwise be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under ***Section 10.01***, then, notwithstanding any other provision hereof to the contrary, the amount of such liability shall, without any further action by the Guarantor, the Administrative Agent, the Lenders or any other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

10.07 **Priority of Obligations.** If any Obligations are owing by the Parent both as a Borrower and as a Guarantor, such Obligations shall be deemed to be owing by the Parent first as a Borrower.

Article XI. Miscellaneous

11.01 **Amendments, Etc.** No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by any Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders and the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided*, *however*, that no such amendment, waiver or consent shall:

(a) waive any condition set forth in ***Section 4.01(a)*** without the written consent of each Lender;

(b) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to ***Section 8.02***) without the written consent of such Lender;

(c) postpone any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby;

(d) reduce the principal of, or the rate of interest specified herein on, any Loan or (subject to ***clause (ii)*** of the second proviso to this ***Section 11.01***) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby; *provided*, *however*, that only the consent of the Required Lenders shall be necessary to amend the definition of "***Default Rate***" or to waive any obligation of the applicable Borrower to pay interest at the Default Rate;

(e) change ***Section 8.03*** or any other applicable provision of this Agreement in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender directly affected thereby;

(f) change any provision of this Section or the definition of "***Required Lenders***" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; or

(g) release the Guarantor from its obligations hereunder without the written consent of each Lender directly affected thereby;

and, *provided further*, that (i) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; and (ii) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender.

11.02 **Notices; Effectiveness; Electronic Communication.**

(a) **Notices Generally**. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in ***subsection (b)*** below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or "PDF" (or similar electronic transmission) as follows:

(i) if to any Loan Party or the Administrative Agent, to the address, facsimile number, electronic mail address or telephone number specified for such Person on ***Schedule 11.02***; and

(ii) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Loan Parties).

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile or "PDF" (or similar electronic transmission) shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications, to the extent provided in ***subsection (b)*** below, shall be effective as provided in such ***subsection (b)***.

(b) **Electronic Communications**. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, *provided* that the foregoing shall not apply to notices to any Lender pursuant to ***Article II*** if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or any Loan Party may each, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, *provided* that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing ***clause (i)*** of notification that such notice or communication is available and identifying the website address therefor; *provided* that, for both ***clauses (i)*** and ***(ii)***, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c) **The Platform**. The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "***Agent Parties***") have any liability to the Loan Parties, any Lender or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Loan Party's or the Administrative Agent's transmission of communications through the Platform. "***Communications***" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed to the Administrative Agent or any Lender by means of electronic communications pursuant to this Section, including through the Platform.

(d) **Change of Address, Etc**. Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

11.03 **No Waiver; Cumulative Remedies; Enforcement.** No failure by any Lender or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights,

remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with ***Section 8.02*** for the benefit of all the Lenders; *provided*, *however*, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) any Lender from exercising setoff rights in accordance with ***Section 11.08*** (subject to the terms of ***Section 2.11***), or (c) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and *provided*, *further*, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to ***Section 8.02*** and (ii) in addition to the matters set forth in ***clauses (b)***, ***(c)*** and ***(d)*** of the preceding proviso and subject to ***Section 2.11***, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

11.04 **Expenses; Indemnity; Damage Waiver.**

(a) **Costs and Expenses**. The Borrowers shall jointly and severally pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all out-of-pocket expenses incurred by the Administrative Agent or any Lender (including the reasonable fees, charges and disbursements of any counsel for the Administrative Agent or any Lender), and shall pay all fees and time charges for attorneys who may be employees of the Administrative Agent or any Lender, in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) **Indemnification by the Borrowers**. The Borrowers shall jointly and severally indemnify the Administrative Agent (and any sub-agent thereof), the Arranger and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "***Indemnitee***") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable out-of-pocket fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including any Borrower or any other Loan Party) other than such Indemnitee and its Related Parties arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of hazardous materials on or from any
property owned or operated by any Loan Party or any of its Subsidiaries, or any liability arising under any Environmental Law related in any way to such Loan Party or any of its Subsidiaries, or (iv) any

actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Loan Party or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by any Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. This ***Section 11.04(b)*** shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) **Reimbursement by Lenders**. To the extent that any Borrower for any reason fails to indefeasibly pay any amount required under ***subsection (a)*** or ***(b)*** of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof) or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) in connection with such capacity. The obligations of the Lenders under this ***subsection (c)*** are subject to the provisions of ***Section 2.10(d)***.

(d) **Waiver of Consequential Damages, Etc**. To the fullest extent permitted by applicable law, no Loan Party or Indemnitee shall assert, and each Loan Party and Indemnitee hereby waives, any claim against any Indemnitee or Loan Party, as applicable (unless such claim is brought by a third-party and is subject to ***Section 11.04(b)***), on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan, or the use of the proceeds thereof. No Indemnitee referred to in ***subsection (b)*** above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) **Payments**. All amounts due under this Section shall be payable not later than 30 days after demand therefor.

(f) **Survival**. Each party's obligations under this Section shall survive the termination of the Loan Documents and payment of the Obligations hereunder.

11.05 **Payments Set Aside.** To the extent that any payment by or on behalf of any Borrower is made to the Administrative Agent or any Lender, or the Administrative Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently

invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the applicable Overnight Rate from time to time in effect, in the applicable currency of such recovery or payment. The obligations of the Lenders under ***clause (b)*** of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

11.06 **Successors and Assigns.**

(a) **Successors and Assigns Generally**. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Borrower or any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of ***subsection (b)*** of this Section, (ii) by way of participation in accordance with the provisions of ***subsection (d)*** of this Section, or (iii) by way of pledge or assignment of a security interest (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in ***subsection (d)*** of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) **Assignments by Lenders**. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); *provided* that any such assignment shall be subject to the following conditions:

(i) **Minimum Amounts**.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it or contemporaneous assignments to related Approved Funds that equal at least the amount specified in ***paragraph (b)(i)(B)*** of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in ***subsection (b)(i)(A)*** of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "***Trade Date***" is specified in the Assignment and Assumption, as of the Trade Date) shall

not be less than ¥1,600,000,000 unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrowers otherwise consent (each such consent not to be unreasonably withheld or delayed).

(ii) **Proportionate Amounts**. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned;

(iii) **Required Consents**. No consent shall be required for any assignment except to the extent required by ***subsection (b)(i)(B)*** of this Section and, in addition:

(A) the consent of the Borrowers (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; *provided* that the Borrowers shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received written notice thereof; and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignment in respect of any Commitment if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender.

(iv) **Assignment and Assumption**. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of the Yen Equivalent of $3,500; *provided*, *however*, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) **No Assignment to Certain Persons**. No such assignment shall be made (A) to any Loan Party or any of the Loan Parties' Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this ***clause (B)***.

(vi) **No Assignment to Natural Persons**. No such assignment shall be made to a natural Person.

(vii) **Certain Additional Payments**. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or other compensating actions, including funding, with the consent of the Borrowers and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor

hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to ***subsection (c)*** of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of ***Sections 3.01***, ***3.04***, ***3.05***, and ***11.04*** with respect to facts and circumstances occurring prior to the effective date of such assignment; *provided*, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with ***subsection (d)*** of this Section.

(c) **Register**. The Administrative Agent, acting solely for this purpose as an agent of the Borrowers, shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "***Register***"). The entries in the Register shall be conclusive absent manifest error, and the Borrowers, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrowers and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) **Participations**. Any Lender may at any time, without the consent of, or notice to, any Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person or a Loan Party or any of a Loan Party's Affiliates or Subsidiaries) (each, a "***Participant***") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); *provided* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrowers, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under ***Section 11.04(c)*** with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to ***Section 11.01*** that directly affects such Participant. The Borrowers agree that each Participant shall be entitled to the benefits of ***Sections 3.01***, ***3.04*** and ***3.05*** (subject to the requirements and limitations therein, including the requirements under ***Section 3.01(f)*** (it being understood that the documentation required under ***Section 3.01(f)*** shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to ***subsection (b)*** of this Section; *provided* that such Participant (A) agrees to be subject to the provisions of ***Section 3.06*** as if it were an assignee under ***paragraph (b)*** of this Section and (B) shall not be entitled to receive any greater payment under ***Sections 3.01*** or ***3.04***, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrowers' request and expense, to use reasonable efforts to cooperate with the Borrowers to effectuate the provisions of ***Section 3.06*** with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of ***Section 11.08*** as though it were a Lender; *provided* that such Participant agrees to be subject to ***Section 2.11*** as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrowers, maintain a register in the United States on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "***Participant Register***"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under *Section 5f.103-1(c)* of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) **Certain Pledges**. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

11.07 **Treatment of Certain Information; Confidentiality.** Each of the Administrative Agent and the Lenders agree to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the NAIC); (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process; (d) to any other party hereto (subject to ***Section 6.02***); (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to any Loan Party and its obligations, this Agreement or payments hereunder; (g) on a confidential basis to (i) any rating agency in connection with rating any Loan Party or its respective Subsidiaries or the credit facilities provided hereunder or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the credit facilities provided hereunder; (h) with the consent of the applicable Loan Party; or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Administrative Agent, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than any Loan Party.

For purposes of this Section, "***Information***" means all information received from any Loan Party or any of its Subsidiaries relating to such Loan Party or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by such Loan Party or any of its Subsidiaries; *provided* that, in the case of information received from any Loan Party or any of its Subsidiaries after the date hereof, such information is clearly identified at the time of delivery as confidential or not marked "PUBLIC" pursuant to ***Section 6.02***. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

11.08 **Right of Setoff.** If an Event of Default shall have occurred and be continuing, each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Lender, to or for the credit or the account of any Borrower or any other Loan Party against any and all of the obligations of such Borrower or such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations of such Borrower or such Loan Party may be contingent or unmatured or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness; *provided* that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of ***Section 2.13*** and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender may have. Each Lender agrees to notify the Borrowers and the Administrative Agent promptly after any such setoff and application; *provided* that the failure to give such notice shall not affect the validity of such setoff and application.

11.09 **Interest Rate Limitation.** Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "***Maximum Rate***"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the applicable Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and

(c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

11.10 **Counterparts; Integration; Effectiveness.** This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in ***Section 4.01***, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

11.11 **Survival of Representations and Warranties.** All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Borrowing, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied.

11.12 **Severability.** If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this ***Section 11.12***, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, then such provisions shall be deemed to be in effect only to the extent not so limited.

11.13 **Governing Law; Jurisdiction; Etc.**

(a) **GOVERNING LAW**. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) **SUBMISSION TO JURISDICTION**. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION,

WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST ANY OTHER PARTY HERETO IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COUNTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY, AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THIS JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGEMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGEMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRAITVE AGENT OR ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO ANY COLLATERAL RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY BORROWER OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDITION.

(c) **WAIVER OF VENUE**. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) **SERVICE OF PROCESS**. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN ***SECTION 11.02***. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

11.14 **Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

11.15 **No Advisory or Fiduciary Responsibility.** In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each Borrower and each other Loan Party acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Arranger, and the Lenders are arm's-length commercial transactions between each Borrower, each other Loan Party and their respective Affiliates, on the one hand, and the Administrative Agent, the Arranger and the Lenders, on the other hand, (B) each Borrower and each other Loan Party has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) each Borrower and each other Loan Party is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Administrative Agent, the Arranger and each Lender is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for any Borrower, any other Loan Party or any of their respective Affiliates, or any other Person and (B) neither the Administrative Agent, the Arranger nor any Lender has any obligation to any Borrower, any other Loan Party or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the Arranger and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of each Borrower, the other Loan Parties and their respective Affiliates, and neither the Administrative Agent, the Arranger nor any Lender has any obligation to disclose any of such interests to any Borrower, any other Loan Party or any of their respective Affiliates. To the fullest extent permitted by law, each Borrower and each other Loan Party hereby waives and releases any claims that it may have against the Administrative Agent, the Arranger or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

11.16 **Electronic Execution of Assignments and Certain Other Documents.** The words “execution,” “signed,” “signature,” and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

11.17 **USA PATRIOT Act.** Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrowers that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “***Act***”), it is required to obtain, verify and record information that identifies the Borrowers, which information includes the name and address of the Borrowers and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrowers in accordance with the Act. The Borrowers shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the Act.

11.18 **Judgment Currency.** If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be the Spot Rate on the Business Day on which final judgment is given. The obligation of each Loan Party in respect of any such sum due from it to the Administrative Agent or any Lender hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the "***Judgment Currency***") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "***Agreement Currency***"), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent or such Lender, as the case may be, of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent or such Lender, as the case may be, may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent or any Lender from any Borrower in the Agreement Currency, such Loan Party agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or such Lender, as the case may be, against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent or any Lender in such currency, the Administrative Agent or such Lender, as the case may be, agrees to return the amount of any excess to such Loan Party (or to any other Person who may be entitled thereto under applicable law).

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

AFLAC INCORPORATED, as a Borrower and the Guarantor

By: */s/ June P. Howard*
Name: June P. Howard
Title: Senior Vice President and Chief Accounting Officer

AMERICAN FAMILY LIFE ASSURANCE COMPANY OF COLUMBUS, as a Borrower

By: /s/ June P. Howard
Name: June P. Howard
Title: Senior Vice President, Chief Accounting Officer and Treasurer

MIZUHO CORPORATE BANK, LTD., as Administrative Agent

By:	*/s/ Kevin Holmes*
Name:	Kevin Holmes
Title:	Senior Vice President

MIZUHO CORPORATE BANK, LTD., as a Lender

By:	*/s/ David Lim*
Name:	David Lim
Title:	Authorized Signatory

SUMITOMO MITSUI BANKING CORPORATION, as a Lender

By:	*/s/ Shuji Yabe*
Name:	Shuji Yabe
Title:	Managing Director

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., as a Lender

By: */s/ Glenn Schuermann*
Name: Glenn Schuermann
Title: Vice President

GOLDMAN SACHS BANK USA, as a Lender

By:	*/s/ Mark Walton*
Name:	Mark Walton
Title:	Authorized Signatory

JPMORGAN CHASE BANK, N.A., as a Lender

By:	*/s/ Kristen M.. Murphy*
Name:	Kristen M. Murphy
Title:	Vice President

THE BANK OF NEW YORK MELLON, as a Lender

By: */s/ Richard G. Shaw*
Name: Richard G. Shaw
Title: Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender

By:	*/s/ Anthony Richter*
Name:	Anthony Richter
Title:	Associate Vice President

MORGAN STANLEY BANK, N.A., as a Lender

By:	*/s/ Michael King*
Name:	Michael King
Title:	Authorized Signatory

SCHEDULE 2.01

COMMITMENTS
AND APPLICABLE PERCENTAGES

Lender	Commitment	Applicable Percentage
Mizuho Corporate Bank, Ltd.	¥8,500,000,000	17.000000000%
Sumitomo Mitsui Banking Corporation	¥8,500,000,000	17.000000000%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥8,500,000,000	17.000000000%
Goldman Sachs Bank USA	¥6,500,000,000	13.000000000%
JPMorgan Chase Bank, N.A.	¥6,500,000,000	13.000000000%
The Bank of New York Mellon	¥4,750,000,000	9.500000000%
Wells Fargo Bank, National Association	¥4,750,000,000	9.500000000%
Morgan Stanley Bank, N.A.	¥2,000,000,000	4.000000000%
Total	¥50,000,000,000	100.000000000%

EXISTING LIENS

Liens Securing Capital Lease Obligations
Balances are as of December 31, 2011

Leased Items	Lessor		Net Lease Obligation Yen		Net Lease Obligation USD[1]
Capital Leases of Aflac Japan					
ULTRA-related equipment	Century Tokyo Leasing Corporation	¥	6,626,088	$	85,234
LAN/WAN for network	CISCO Capital		276,715		3,559
Cisco Telepresence System	CISCO Capital		1,732,671		22,288
Adoption of WAAS for Mitsui Bldg.	CISCO Capital		3,430,776		44,131
EGW Equipment	CISCO Capital		4,174,101		53,693
TCR system (earthquake-proof floor)	DAIICHI LEASE		433,496		5,576
SCANNERfi5530*36SET	DAIICHI LEASE		2,773,218		35,673
ACORDE system inflastructure upgrade	DAIICHI LEASE		2,039,796		26,239
IPCC SERVER - MCS7845I3-K9-CMC2 ISOGO DC	DAIICHI LEASE		82,795,669		1,065,033
IPCC SERVER - MCS7845I3-K9-CMC2 SAPPORO DC	DAIICHI LEASE		20,147,644		259,167
IPCC SERVER - SYSTEMX3850 X5 MODEL PAP ISOGO DC	DAIICHI LEASE		5,856,613		75,336
IPCC SERVER - SYSTEMX3850 X5 MODEL PAP SAPPORO DC	DAIICHI LEASE		5,891,752		75,788
IPCC SERVER - SYSTEMX3850 M3 MODEL PLX SQUARE	DAIICHI LEASE		6,983,197		89,828
IPCC SERVER - SYSTEMX3850 M3 MODEL PLX KINKI	DAIICHI LEASE		4,800,971		61,757
Sheet cutter 1 set(PBA380, multipli382, anglebridge, machine stand)	DAIICHI LEASE		8,192,193		105,379
AVAYA IP-PBX Hardware	HITACHI CAPITAL		1,306,435		16,805
AVAYA IP-PBX Hardware	HITACHI CAPITAL		1,738,501		22,363
IP MEDIA RESOURCE	HITACHI Capital		885,496		11,390
ULTRA / Server	HITACHI CAPITAL		968,441		12,457
ULTRA Platform Server	KOGIN LEASE		340,415		4,379
Adoption of WAAS for Yodoyabashi Bldg.	Mitsubishi UFJ Lease		5,531,165		71,150
Scanner for BPR project (HW)	MITSUI CM LEASING		2,096,660		26,970
Server for IPCC Wallboard System	MITSUI CM LEASING		1,450,346		18,656
XEROX DocuTech 180HLC for Choufu Print Center (H/W)	MITSUI CM LEASING		16,537,509		212,728
XEROX DocuTech 180HLC for Choufu Print Center (S/W)	MITSUI CM LEASING		1,944,394		25,011
BIG-IP LTM 3600 for BPR Project	MITSUI CM LEASING		2,788,349		35,868
Cisco IP-PBX Upgrade	MITSUI CM LEASING		43,875,878		564,393
Cisco IP-PBX Upgrade	MITSUI CM LEASING		4,186,078		53,847
Fresh Voice (Hardware)	MITSUI CM LEASING		12,467,971		160,380
Fresh Voice (Software)	MITSUI CM LEASING		16,018,655		206,054
AVAYA for Contact center version up (HARD WARE)	Nihon IBM		10,611,136		136,495
AVAYA for Contact center version up (SOFT WARE)	Nihon IBM		17,243,232		221,806
BIG-IP LTM 3600 for BPR Project *4 SET	Nihon IBM		10,339,116		132,996
AVAYA PBX CMS Hardware	Nihon IBM		7,377,182		94,896
AVAYA PBX CMS Software	Nihon IBM		10,654,877		137,058
PBX/Server	TOKYO LEASE		2,246,881		28,903
Seismic Isolation Infrastructure	TOKYO LEASE		3,366,340		43,303
PBX Hardware	TOKYO LEASE		2,727,992		35,091
PBX Hardware	TOKYO LEASE		2,613,042		33,613
Automatic Paper Cutter 1 set	TOKYO LEASE		1,282,983		16,504
XEROX Printer DT155 hardware	TOKYO LEASE		1,959,374		25,204
XEROX Printer DT155 software	TOKYO LEASE		248,203		3,193
DPPB	TOKYO LEASE		8,337,513		107,249
Subtotal - Capital Leases of Aflac Japan		¥	347,299,064	$	4,467,444

Capital Leases of Aflac Insurance Services Company, LTD

SV8300	Century Tokyo Leasing Corporation	13,268,183	170,674
PC	Century Tokyo Leasing Corporation	94,196	1,212
Server	Century Tokyo Leasing Corporation	11,615,970	149,421
Server	Century Tokyo Leasing Corporation	2,125,203	27,337
PC	Century Tokyo Leasing Corporation	861,140	11,077
VR-448PRI UNV	Century Tokyo Leasing Corporation	9,600,408	123,494
Server	Century Tokyo Leasing Corporation	18,108,427	232,936
Server	Century Tokyo Leasing Corporation	5,553,290	71,434
Software	Century Tokyo Leasing Corporation	13,976,761	179,789
Converger	Century Tokyo Leasing Corporation	3,893,192	50,080
PC	Century Tokyo Leasing Corporation	1,969,169	25,330
Server	Century Tokyo Leasing Corporation	7,004,126	90,097
HMPServer	Century Tokyo Leasing Corporation	8,726,671	112,255
e-App dynabook SS	Century Tokyo Leasing Corporation	2,015,826	25,930
PC	Century Tokyo Leasing Corporation	2,560,336	32,935
Catalyst 3750/3560	Century Tokyo Leasing Corporation	6,446,363	82,922
enVision upgrade	Century Tokyo Leasing Corporation	8,000,525	102,914
Software	Century Tokyo Leasing Corporation	3,075,888	39,566
e-App dynabook SS	Century Tokyo Leasing Corporation	3,038,122	39,081
Catalyst 3750/3560	Century Tokyo Leasing Corporation	3,481,771	44,787
PC	Century Tokyo Leasing Corporation	3,640,875	46,834
PC	Century Tokyo Leasing Corporation	3,151,803	40,543
PBX/AES/IP	Century Tokyo Leasing Corporation	38,658,600	497,281
PBX/AES/IP	Century Tokyo Leasing Corporation	5,098,878	65,589
e-App dynabook SS	Century Tokyo Leasing Corporation	2,270,747	29,210
PBX/AES/IP	Century Tokyo Leasing Corporation	16,485,628	212,061
Catalyst 3750/3560	Century Tokyo Leasing Corporation	10,869,224	139,815
YUSHIMA-ＤＣ（catalysｔ）	Century Tokyo Leasing Corporation	4,897,715	63,001
e-App dynabook SS	Century Tokyo Leasing Corporation	2,843,076	36,572
DC（APCProactiveContact/APCQuickStartKit）	Century Tokyo Leasing Corporation	30,086,574	387,015
PowerEdgeR710/PowerConnect6224	Century Tokyo Leasing Corporation	11,000,113	141,499
MONORISU26F（PBX/AES/IP）	Century Tokyo Leasing Corporation	6,937,984	89,246
HACHINOHE（PBX/AES/IP）	Century Tokyo Leasing Corporation	28,092,070	361,359
Aruba Wireless System AP	Century Tokyo Leasing Corporation	11,891,738	152,968
MARUNOUCHI-SHOP LAN	Century Tokyo Leasing Corporation	3,548,797	45,650
HACHINOHE-CC LAN	Century Tokyo Leasing Corporation	10,792,813	138,832
HIGOBASHI-SHOP（PBX/AES/IP）	Century Tokyo Leasing Corporation	15,574,234	200,337
HACHINOHE（PBX/AES/IP）	Century Tokyo Leasing Corporation	3,003,225	38,632
OSAKA-OFFISE（PBX/AES/IP）	Century Tokyo Leasing Corporation	4,677,583	60,170
SHINJUKU-OFFICE（PBX/AES/IP）	Century Tokyo Leasing Corporation	40,481,890	520,734
OSAKA-OFFICE System（WirelessLAN）	Century Tokyo Leasing Corporation	5,573,993	71,700
APⅣC2270PFS	HITACHI CAPITAL	3,143,182	40,432
Server	ORIX	1,468,508	18,890
ApeosPortⅡ C540	SHOWA LEASE	1,182,157	15,207
ApeosPort-Ⅲ C4405	SHOWA LEASE	1,784,665	22,957
HI-24C	SHOWA LEASE	2,968,730	38,188
Subtotal - Capital Leases of Aflac Insurance Services		395,540,369	5,087,990
Total Capital Leases December 31, 2011		¥ 742,839,433	$ 9,555,434

1 - USD determined using December 31, 2011 F/X rate of 77.74.

SCHEDULE 7.06

RESTRICTIVE AGREEMENTS

1. Loan Documents

2. Indenture, dated as of May 21, 2009, between Aflac Incorporated, as the Issuer ("***Issuer***"), and The Bank of New York Mellon Trust Company, N.A., as the Trustee ("***Trustee***"), and each supplemental indenture related thereto (*provided* that no such supplemental indenture entered into after the date of this Agreement limits the ability of any Subsidiary (a) to make Restricted Payments to any Loan Party or to otherwise transfer property to any Loan Party or (b) to Guarantee the Indebtedness of any Loan Party, in any case to an extent greater than the limits on such ability contained in such Indenture or in supplements thereto entered into prior to the date of this Agreement), including, without limitation, the following:

   - First Supplemental Indenture, dated as of May 21, 2009 between Issuer and Trustee;
   - Second Supplemental Indenture, dated as of December 17, 2009 between Issuer and Trustee;
   - Third Supplemental Indenture, dated as of August 9, 2010 between Issuer and Trustee;
   - Fourth Supplemental Indenture, dated as of August 9, 2010 between Issuer and Trustee;
   - Fifth Supplemental Indenture, dated as of February 10, 2012 between Issuer and Trustee; and
   - Sixth Supplemental Indenture, dated as of February 10, 2012 between Issuer and Trustee.

SCHEDULE 11.02

ADMINISTRATIVE AGENT'S OFFICE;
CERTAIN ADDRESSES FOR NOTICES

BORROWERS AND GUARANTOR:

Aflac Incorporated
American Family Life Assurance Company of Columbus
1932 Wynnton Road
Columbus, Georgia 31999
Attention: Gary S. Warlop
Telephone: (706) 660-7208
Facsimile: (706) 596-3280
Electronic Mail: gwarlop@aflac.com
Website Address: www.aflac.com
Taxpayer Identification Number: 58-1167100

ADMINISTRATIVE AGENT:

Administrative Agent's Office
(for payments and Requests for Loans):
Mizuho Corporate Bank, Ltd.
Harborside Financial Center
1800 Plaza Ten
Jersey City, NJ 07311
Attention: Lois Swain
Telephone: (201) 626-9404
Facsimile: (201) 626-9935
Electronic Mail: Lau_Agent@Mizuhocbus.com

Wire Instructions (for Yen):
Mizuho Corporate Bank Limited, Tokyo (MHCBJPJT)
Account Name: Mizuho Corporate Bank Limited, NY (MHCBUS33)
Account #: 0802050
Ref: Aflac Incorporated

Wire Instructions (for Dollars):
Mizuho Corporate Bank Limited, NY Branch
ABA#: 026 004 307
A/C #: H79-740-222205
Ref: Aflac Incorporated

Other Notices as Administrative Agent:
Mizuho Corporate Bank, Ltd.
Agency Management
Harborside Financial Center
1800 Plaza Ten
Jersey City, NJ 07311
Attention: Lois Swain
Telephone: (201) 626-9404

Facsimile: (201) 626-9935
Electronic Mail: Lau_Agent@Mizuhocbus.com

EXHIBIT A

FORM OF LOAN NOTICE

Date: ___________, _____

To: Mizuho Corporate Bank, Ltd., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain 364-Day Credit Agreement, dated as of June 28, 2012 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the ***"Agreement;"*** the terms defined therein being used herein as therein defined), among Aflac Incorporated, a Georgia corporation (the **"*Parent*"**) and American Family Life Assurance Company of Columbus, a Nebraska domiciled insurance company (collectively, the ***"Borrowers"***), as Borrowers, the Parent, as Guarantor, the Lenders from time to time party thereto, and Mizuho Corporate Bank, Ltd., as Administrative Agent.

The undersigned hereby requests (select one):

☐ A Borrowing of Loans ☐ A conversion or continuation of Loans

1. On___________(a Business Day).

2. In the amount of_______.

3. Comprised of _________.
[Type of Loan requested]

4. In the following currency: ______

5. For Eurocurrency Rate Loans: with an Interest Period of ___months.

The Borrowing, if any, requested herein complies with the proviso to the first sentence of ***Section 2.01*** of the Agreement.

[NAME OF APPLICABLE BORROWER]

By: ______________________________
Name: ______________________________
Title: ______________________________

EXHIBIT B

FORM OF NOTE

FOR VALUE RECEIVED, the undersigned (the ***"Borrower"***), hereby promises to pay to [______________________] or registered assigns (the ***"Lender"***), in accordance with the provisions of the Agreement (as hereinafter defined), the principal amount of each Loan from time to time made by the Lender to the Borrower under that certain 364-Day Credit Agreement, dated as of June 28 2012 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the ***"Agreement;"*** the terms defined therein being used herein as therein defined), among Aflac Incorporated (the **"*Parent*"**) and American Family Life Assurance Company of Columbus, as Borrowers, the Parent, as Guarantor, the Lenders from time to time party thereto, and Mizuho Corporate Bank, Ltd., as Administrative Agent.

The Borrower promises to pay interest on the unpaid principal amount of each Loan from the date of such Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Agreement. All payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in the currency in which such Loan was dominated and in Same Day Funds at the Administrative Agent's Office for such currency. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Agreement.

This Note is one of the Notes referred to in the Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. Upon the occurrence and continuation of one or more of the Events of Default specified in the Agreement, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable all as provided in the Agreement. Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Note and endorse thereon the date, amount, currency and maturity of its Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

[NAME OF APPLICABLE BORROWER]

By: ______________________________

Name: ______________________________

Title: ______________________________

LOANS AND PAYMENTS WITH RESPECT THERETO

Date	Type of Loan Made	Currency and Amount of Loan Made	End of Interest Period	Amount of Principal or Interest Paid This Date	Outstanding Principal Balance This Date	Notation Made By

EXHIBIT C

FORM OF COMPLIANCE CERTIFICATE

Financial Statement Date: ___, __

To: Mizuho Corporate Bank, Ltd., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain 364-Day Credit Agreement, dated as of June 28, 2012 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the ***"Agreement;"*** the terms defined therein being used herein as therein defined), among Aflac Incorporated, a Georgia corporation (the **"*Parent*"**) and American Family Life Assurance Company of Columbus, a Nebraska domiciled insurance company ("***Aflac***") (collectively, the ***"Borrowers"***), as Borrowers, the Parent, as Guarantor, the Lenders from time to time party thereto, and Mizuho Corporate Bank, Ltd., as Administrative Agent.

The undersigned Responsible Officer hereby certifies as of the date hereof that he/she is the ______________________________of the Parent, and that, as such, he/she is authorized to execute and deliver this Certificate to the Administrative Agent on behalf of the Parent, and that:

[Use following paragraph 1 for fiscal ***year-end*** *financial statements]*

1. The Borrowers have delivered the year-end audited financial statements required by ***Section 6.01(a)*** of the Agreement for the fiscal year of the Parent and its Subsidiaries ended as of the above Financial Statement Date, as reported and opined on by an independent certified public accountant required by such section.

[Use following paragraph 2 if the Statutory Statement required pursuant to ***Section 6.01(c)*** *is delivered at the same time as the* ***year-end*** *financial statements]*

2. The Borrowers have delivered the annual Statutory Statement required by ***Section 6.01(c)*** of the Agreement for the fiscal year of Aflac ended as of the above Financial Statement Date.

[Use following paragraphs 1 and 2 for fiscal ***quarter-end*** *financial statements]*

1. The Borrowers have delivered the unaudited financial statements required by ***Section 6.01(b)*** of the Agreement for the fiscal quarter of the Parent and its Subsidiaries ended as of the above Financial Statement Date. Such financial statements fairly present the financial condition, results of operations, shareholders' equity and cash flows of the Parent and its Subsidiaries in accordance with GAAP as at such date and for such period, subject only to normal year-end audit adjustments and the absence of footnotes.

2. The Borrowers have delivered the quarterly Statutory Statements required by ***Section 6.01(d)*** of the Agreement for the fiscal quarter of Aflac ended as of the above Financial Statement Date. Such Statutory Statement fairly presents in all material respects the financial condition and results of operations of Aflac in accordance with SAP.

[2.][3.] The undersigned has reviewed and is familiar with the terms of the Agreement and has made, or has caused to be made under his/her supervision, a detailed review of the transactions and

condition (financial or otherwise) of each Borrower during the accounting period covered by such financial statements and Statutory Statement.

[3.][4.] A review of the activities of each Borrower during such fiscal period has been made under the supervision of the undersigned with a view to determining whether during such fiscal period each Borrower performed and observed all its Obligations under the Loan Documents, and

[select one:]

[to the best knowledge of the undersigned, during such fiscal period each Borrower in all material respects performed and observed each covenant and condition of the Loan Documents applicable to it, and no Default has occurred and is continuing.]

--or--

[to the best knowledge of the undersigned, during such fiscal period the following covenants or conditions have not been performed or observed and the following is a list of each such Default and its nature and status:]

[5.][6.] The financial covenant analyses and information set forth on ***Schedule 1*** attached hereto are true and accurate in all material respects on and as of the date of this Certificate.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of ____, ____.

____

Name: ______________________________

Title: ______________________________

For the Quarter/Year ended ___________________(*"Financial Statement Date")*

SCHEDULE 1
to the Compliance Certificate

Section 7.08(a)	
(to be completed with respect to Parent and its Subsidiaries)	
Net Worth:	
(a) Consolidated shareholder's equity	
(b) Accumulated other comprehensive income	
(1) Net Worth [(a) - (b)]	
Minimum Net Worth	$ 8,000,000,000
Section 7.08(b)	
(to be completed with respect to Parent and its Subsidiaries)	
Total Funded Debt to Total Capital Ratio:	
(2) Total Funded Debt	
Total Capital:	
(a) Net Worth [(1) above]	
(b) Total Funded Debt [(2) above]	
(3) Total Capital [(a) + (b)]	
Total Funded Debt to Total Capital [(2) / (3)]	
Maximum Total Funded Debt to Total Capital	35%
Section 7.08(c)	
(to be completed with respect to Aflac)	
Statutory Surplus:	
Minimum Statutory Surplus	$5,200,000,000

EXHIBIT D

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (this ***"Assignment and Assumption"***) is dated as of the Effective Date set forth below and is entered into by and between [the][each][1] Assignor identified in item 1 below ([the][each, an] ***"Assignor"***) and [the][each][2] Assignee identified in item 2 below ([the][each, an] ***"Assignee"***).[It is understood and agreed that the rights and obligations of [the Assignors][the Assignees][3] hereunder are several and not joint.][4] Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the ***"Credit Agreement"***), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto in the amount[s] and equal to the percentage interest[s] identified below of all the outstanding rights and obligations under the respective facilities identified below and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to ***clause (i)*** above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to ***clauses (i)*** and ***(ii)*** above being referred to herein collectively as [the][an] ***"Assigned Interest"***). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: ______________________________

____

[Assignor [is] [is not] a Defaulting Lender]

---

[1] For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

[2] For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

[3] Select as appropriate.

[4] Include bracketed language if there are either multiple Assignors or multiple Assignees.

2. Assignee[s]: ______________________________

____

[for each Assignee, indicate [Affiliate][Approved Fund] of [*identify Lender*]]

3. Borrowers: Aflac Incorporated and American Family Life Assurance Company of Columbus

4. Administrative Agent: Mizuho Corporate Bank, Ltd., as the administrative agent under the Credit Agreement

5. Credit Agreement: 364-Day Credit Agreement, dated as of June 28, 2012, among Aflac Incorporated (the "***Parent***") and American Family Life Assurance Company of Columbus, as Borrowers, the Parent, as Guarantor, the Lenders from time to time party thereto, and Mizuho Corporate Bank, Ltd., as Administrative Agent.

6. Assigned Interest[s]:

Assignor[s][5]	Assignee[s][6]	Facility Assigned	Aggregate Amount of Commitment for all Lenders[7]	Amount of Commitment Assigned	Percentage Assigned of Commitment[8]	CUSIP Number
		Revolving Credit Commitment	¥___________	¥_______	________%	
		Revolving Credit Commitment	¥___________	¥_______	________%	
		Revolving Credit Commitment	¥___________	¥_______	________%	

[7. Trade Date:__________________][9]

Effective Date: __________________, 20__ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S][10]
[NAME OF ASSIGNOR]

5 List each Assignor, as appropriate.

6 List each Assignee and, if available, its market entity identifier, as appropriate.

[7] Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
[8] Set forth, to at least 9 decimals, as a percentage of the Commitment of all Lenders thereunder.
[9] To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

By: ______________________________

[NAME OF ASSIGNOR]

By: ______________________________
Title: ______________________________

ASSIGNEE[S][11]

[NAME OF ASSIGNEE]

By: ______________________________
Title: ______________________________

[NAME OF ASSIGNEE]

By: ______________________________
Title: ______________________________

Consented to and Accepted:[12]

MIZUHO CORPORATE BANK, LTD., as Administrative Agent

By: ______________________________
Title: ______________________________

Consented to:[13]

AFLAC INCORPORATED

By: ______________________________
Title: ______________________________

AMERICAN FAMILY LIFE ASSURANCE COMPANY OF COLUMBUS

By: ______________________________

Title: ______________________________

---

[10] Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

[11] Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

[12] No consent and acceptance shall be necessary in the event of an assignment to a Lender, an Affiliate of a Lender, or an Approved Fund.

[13] To be added so long as no Event of Default under the Credit Agreement shall have occurred and be continuing. No consent and acceptance shall be necessary in the event of an assignment to a Lender, an Affiliate of a Lender, or an Approved Fund.

ANNEX 1 TO ASSIGNMENT AND ASSUMPTION

STANDARD TERMS AND CONDITIONS FOR

ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1. **Assignor.** [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][[the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is [not] a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of any Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by any Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. **Assignee.** [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under ***Section 11.06(b)(iii)*** and ***(v)*** of the Credit Agreement (subject to such consents, if any, as may be required under ***Section 11.06(b)(iii)*** of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by [the][such] Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire [the][such] Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to ***Section 6.01(a)***, ***(b)***, ***(c)*** and ***(d)*** thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) if it is a Foreign Lender, attached hereto is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance upon the Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. **Payments.** From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the

Effective Date. Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to [the][the relevant] Assignee.

3. **General Provisions.** This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT E-1

FORM OF

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the 364-Day Credit Agreement dated as of June 28, 2012 (as amended, supplemented or otherwise modified from time to time, the ***"Credit Agreement"***), among Aflac Incorporated (the "***Parent***") and American Family Life Assurance Company of Columbus, as Borrowers, the Parent, as Guarantor, Mizuho Corporate Bank, Ltd., as Administrative Agent, and each lender from time to time party thereto.

Pursuant to the provisions of ***Section 3.01(f)*** of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of *Section 881(c)(3)(A)* of the Code, (iii) it is not a ten percent shareholder of any Borrower within the meaning of *Section 871(h)(3)(B)* of the Code and (iv) it is not a controlled foreign corporation related to any Borrower as described in *Section 881(c)(3)(C)* of the Code.

The undersigned has furnished the Administrative Agent and the Borrowers with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrowers and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrowers and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: ____________________________

Name: ____________________________

Title: ____________________________

Date: ________ __, 20[ ]

EXHIBIT E-2

FORM OF

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the 364-Day Credit Agreement dated as of June 28, 2012 (as amended, supplemented or otherwise modified from time to time, the ***"Credit Agreement"***), among Aflac Incorporated (the "***Parent***") and American Family Life Assurance Company of Columbus, as Borrowers, the Parent, as Guarantor, Mizuho Corporate Bank, Ltd., as Administrative Agent, and each lender from time to time party thereto.

Pursuant to the provisions of ***Section 3.01(f)*** of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of *Section 881(c)(3)(A)* of the Code, (iii) it is not a ten percent shareholder of any Borrower within the meaning of *Section 871(h)(3)(B)* of the Code, and (iv) it is not a controlled foreign corporation related to any Borrower as described in *Section 881(c)(3)(C)* of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: ____________________________

Name: ____________________________

Title: ____________________________

Date: ________ __, 20[ ]

EXHIBIT E-3

FORM OF

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the 364-Day Credit Agreement dated as of June 28, 2012 (as amended, supplemented or otherwise modified from time to time, the ***"Credit Agreement"***), among Aflac Incorporated (the "***Parent***") and American Family Life Assurance Company of Columbus, as Borrowers, the Parent, as Guarantor, Mizuho Corporate Bank, Ltd., as Administrative Agent, and each lender from time to time party thereto.

Pursuant to the provisions of ***Section 3.01(f)*** of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/ members are the sole beneficial owners of such participation, (iii) with respect to such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of *Section 881(c)(3)(A)* of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of any Borrower within the meaning of *Section 871(h)(3)(B)* of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to any Borrower as described in *Section 881(c)(3)(C)* of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: ____________________________

Name: ____________________________

Title: ____________________________

Date: ________ __, 20[ ]

EXHIBIT E-4

FORM OF

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the 364-Day Credit Agreement dated as of June 28, 2012 (as amended, supplemented or otherwise modified from time to time, the ***"Credit Agreement"***), among Aflac Incorporated (the "***Parent***") and American Family Life Assurance Company of Columbus, as Borrowers, the Parent, as Guarantor, Mizuho Corporate Bank, Ltd., as Administrative Agent, and each lender from time to time party thereto.

Pursuant to the provisions of ***Section 3.01(f)*** of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of *Section 881(c)(3)(A)* of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of any Borrower within the meaning of *Section 871(h)(3)(B)* of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to any Borrower as described in *Section 881(c)(3)(C)* of the Code.

The undersigned has furnished the Administrative Agent and the Borrowers with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrowers and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrowers and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: ____________________________

Name: ____________________________

Title: ____________________________

Date: ________ __, 20[ ]

EXHIBIT 11

Aflac Incorporated and Subsidiaries
Computation of Earnings Per Share

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	**2012**	2011
Numerator (In millions):				
Basic and diluted: net earnings applicable to common stock	**$ 483**	$ 274	$ 1,268	$ 663
Denominator (In thousands):				
Weighted-average outstanding shares used in the computation of earnings per share - basic	**466,788**	466,498	466,337	467,317
Dilutive effect of share-based awards	**1,802**	3,254	2,224	3,673
Weighted-average outstanding shares used in the computation of earnings per share - diluted	**468,590**	469,752	468,561	470,990
Earnings per share:				
Basic	**$ 1.04**	$ .59	$ 2.72	$ 1.42
Diluted	**1.03**	.58	2.71	1.41

Prior-year amounts have been adjusted for the adoption of accounting guidance on January 1, 2012 related to deferred policy acquisition costs.

EXHIBIT 12

Aflac Incorporated and Subsidiaries
Ratio of Earnings to Fixed Charges

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	**2012**	2011	**2012**	2011
Fixed charges:				
Interest expense[(1)]	**$ 62,214**	$ 46,318	**$ 118,959**	$ 91,625
Interest on investment-type contracts	**14,163**	12,038	**27,883**	23,614
Rental expense deemed interest	**225**	232	**467**	482
Total fixed charges	**$ 76,602**	$ 58,588	**$ 147,309**	$ 115,721
Earnings before income tax[(1)]	**$ 740,994**	$ 443,789	**$1,942,902**	$1,035,665
Add back:				
Total fixed charges	**76,602**	58,588	**147,309**	115,721
Total earnings before income tax and fixed charges	**$ 817,596**	$ 502,377	**$2,090,211**	$1,151,386
Ratio of earnings to fixed charges	**10.7x**	8.6x	**14.2x**	9.9x

[(1)]Excludes interest expense on income tax liabilities
Prior-year amounts have been adjusted for the adoption of accounting guidance on January 1, 2012 related to deferred policy acquisition costs.

EXHIBIT 15

KPMG LLP
303 Peachtree Street, N.E.
Suite 2000
Atlanta, GA 30308

August 3, 2012

Aflac Incorporated
Columbus, Georgia

Re: Registration Statement No. 333-181089 and 333-176178 on Form S-3; 333-161269, 333-135327, 333-158969, 333-27883, and 333-115105 on Form S-8

With respect to the subject registration statements, we acknowledge our awareness of the use therein of our report dated August 3, 2012, related to our review of interim financial information.

Pursuant to Rule 436 under the Securities Act of 1933 (the Act), such report is not considered part of a registration statement prepared or certified by an independent registered public accounting firm, or a report prepared or certified by an independent registered public accounting firm within the meaning of Sections 7 and 11 of the Act.

KPMG LLP
Atlanta, Georgia

EXHIBIT 31.1

Certification of Chief Executive Officer

I, Daniel P. Amos, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Aflac Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2012

/s/ Daniel P. Amos

Daniel P. Amos

Chairman and Chief Executive Officer

EXHIBIT 31.2

Certification of Chief Financial Officer

I, Kriss Cloninger III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Aflac Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2012

/s/ Kriss Cloninger III

Kriss Cloninger III

President, Chief Financial Officer and Treasurer

EXHIBIT 32

**Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Aflac Incorporated (the "Company") for the quarterly period ended June 30, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Daniel P. Amos, as Chief Executive Officer of the Company, and Kriss Cloninger III, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Daniel P. Amos

Name:	Daniel P. Amos
Title:	Chief Executive Officer
Date:	August 3, 2012

/s/ Kriss Cloninger III

Name:	Kriss Cloninger III
Title:	Chief Financial Officer
Date:	August 3, 2012

INVESTMENTS - Fair Value and Gross Unrealized Losses for Securities That Have Been in Continuous Unrealized Loss Position (Detail) (USD $) In Millions, unless otherwise specified	Jun. 30, 2012	Dec. 31, 2011
Investments, Unrealized Loss Position [Line Items]		
Total Fair Value	$ 26,627	$ 29,310
Total Unrealized Losses	3,057	3,536
Less than 12 months Fair Value	8,343	10,115
Less than 12 months Unrealized Losses	440	523
12 months or longer Fair Value	18,284	19,195
12 months or longer Unrealized Losses	2,617	3,013
Banks/financial Institutions		
Investments, Unrealized Loss Position [Line Items]		
Total Fair Value	11,500	
Total Unrealized Losses	1,900	
Fixed Maturities		
Investments, Unrealized Loss Position [Line Items]		
Total Fair Value	24,142	26,795
Total Unrealized Losses	2,467	2,902
Less than 12 months Fair Value	7,285	9,370
Less than 12 months Unrealized Losses	322	449
12 months or longer Fair Value	16,857	17,425
12 months or longer Unrealized Losses	2,145	2,453
Fixed Maturities | Japan government and agencies | Yen Denominated		
Investments, Unrealized Loss Position [Line Items]		
Total Fair Value	1,397	940
Total Unrealized Losses	6	1
Less than 12 months Fair Value	1,397	859
Less than 12 months Unrealized Losses	6	1
12 months or longer Fair Value	0	81
12 months or longer Unrealized Losses	0	0
Fixed Maturities | Municipalities | Dollar Denominated		
Investments, Unrealized Loss Position [Line Items]		
Total Fair Value	51	54
Total Unrealized Losses	7	8
Less than 12 months Fair Value	19	22
Less than 12 months Unrealized Losses	0	1
12 months or longer Fair Value	32	32
12 months or longer Unrealized Losses	7	7
Fixed Maturities | Municipalities | Yen Denominated		

Investments, Unrealized Loss Position [Line Items]		
Total Fair Value	61	60
Total Unrealized Losses	2	4
Less than 12 months Fair Value	0	0
Less than 12 months Unrealized Losses	0	0
12 months or longer Fair Value	61	60
12 months or longer Unrealized Losses	2	4
Fixed Maturities | Mortgage- and asset-backed Securities | Dollar Denominated		
Investments, Unrealized Loss Position [Line Items]		
Total Fair Value	10	
Total Unrealized Losses	1	
Less than 12 months Fair Value	10	
Less than 12 months Unrealized Losses	1	
12 months or longer Fair Value	0	
12 months or longer Unrealized Losses	0	
Fixed Maturities | Mortgage- and asset-backed Securities | Yen Denominated		
Investments, Unrealized Loss Position [Line Items]		
Total Fair Value	149	151
Total Unrealized Losses	1	1
Less than 12 months Fair Value	0	0
Less than 12 months Unrealized Losses	0	0
12 months or longer Fair Value	149	151
12 months or longer Unrealized Losses	1	1
Fixed Maturities | Public Utilities | Dollar Denominated		
Investments, Unrealized Loss Position [Line Items]		
Total Fair Value	347	295
Total Unrealized Losses	28	27
Less than 12 months Fair Value	210	110
Less than 12 months Unrealized Losses	14	3
12 months or longer Fair Value	137	185
12 months or longer Unrealized Losses	14	24
Fixed Maturities | Public Utilities | Yen Denominated		
Investments, Unrealized Loss Position [Line Items]		
Total Fair Value	4,810	4,995
Total Unrealized Losses	398	392
Less than 12 months Fair Value	1,822	2,404
Less than 12 months Unrealized Losses	141	141
12 months or longer Fair Value	2,988	2,591
12 months or longer Unrealized Losses	257	251
Fixed Maturities | Sovereign and Supranational | Dollar Denominated		
Investments, Unrealized Loss Position [Line Items]		
Total Fair Value	57	66
Total Unrealized Losses	3	5
Less than 12 months Fair Value	6	34

Less than 12 months Unrealized Losses	0	2
12 months or longer Fair Value	51	32
12 months or longer Unrealized Losses	3	3
Fixed Maturities | Sovereign and Supranational | Yen Denominated		
Investments, Unrealized Loss Position [Line Items]		
Total Fair Value	2,355	2,349
Total Unrealized Losses	167	199
Less than 12 months Fair Value	757	749
Less than 12 months Unrealized Losses	63	62
12 months or longer Fair Value	1,598	1,600
12 months or longer Unrealized Losses	104	137
Fixed Maturities | Banks/financial Institutions | Dollar Denominated		
Investments, Unrealized Loss Position [Line Items]		
Total Fair Value	543	770
Total Unrealized Losses	41	121
Less than 12 months Fair Value	230	391
Less than 12 months Unrealized Losses	6	56
12 months or longer Fair Value	313	379
12 months or longer Unrealized Losses	35	65
Fixed Maturities | Banks/financial Institutions | Yen Denominated		
Investments, Unrealized Loss Position [Line Items]		
Total Fair Value	8,450	10,175
Total Unrealized Losses	1,245	1,438
Less than 12 months Fair Value	1,263	1,639
Less than 12 months Unrealized Losses	23	46
12 months or longer Fair Value	7,187	8,536
12 months or longer Unrealized Losses	1,222	1,392
Fixed Maturities | Other Corporate | Dollar Denominated		
Investments, Unrealized Loss Position [Line Items]		
Total Fair Value	680	834
Total Unrealized Losses	39	62
Less than 12 months Fair Value	530	639
Less than 12 months Unrealized Losses	13	27
12 months or longer Fair Value	150	195
12 months or longer Unrealized Losses	26	35
Fixed Maturities | Other Corporate | Yen Denominated		
Investments, Unrealized Loss Position [Line Items]		
Total Fair Value	5,232	6,106
Total Unrealized Losses	529	644
Less than 12 months Fair Value	1,041	2,523
Less than 12 months Unrealized Losses	55	110
12 months or longer Fair Value	4,191	3,583
12 months or longer Unrealized Losses	474	534
Perpetual Securities		

Investments, Unrealized Loss Position [Line Items]		
Total Fair Value	2,475	2,507
Total Unrealized Losses	588	633
Less than 12 months Fair Value	1,050	739
Less than 12 months Unrealized Losses	117	73
12 months or longer Fair Value	1,425	1,768
12 months or longer Unrealized Losses	471	560
Perpetual Securities | Dollar Denominated		
Investments, Unrealized Loss Position [Line Items]		
Total Fair Value	126	217
Total Unrealized Losses	18	29
Less than 12 months Fair Value	111	109
Less than 12 months Unrealized Losses	9	4
12 months or longer Fair Value	15	108
12 months or longer Unrealized Losses	9	25
Perpetual Securities | Yen Denominated		
Investments, Unrealized Loss Position [Line Items]		
Total Fair Value	2,349	2,290
Total Unrealized Losses	570	604
Less than 12 months Fair Value	939	630
Less than 12 months Unrealized Losses	108	69
12 months or longer Fair Value	1,410	1,660
12 months or longer Unrealized Losses	462	535
Equity Securities		
Investments, Unrealized Loss Position [Line Items]		
Total Fair Value	10	8
Total Unrealized Losses	2	1
Less than 12 months Fair Value	8	6
Less than 12 months Unrealized Losses	1	1
12 months or longer Fair Value	2	2
12 months or longer Unrealized Losses	$ 1	$ 0

FAIR VALUE MEASUREMENTS - Fair Value Hierarchy Levels of Assets and Liabilities Carried at Cost or Amortized Cost (Details) (USD $) In Millions, unless otherwise specified	Jun. 30, 2012	Dec. 31, 2011
Liabilities:		
Notes payable (excluding capital leases)	$ 4,138	$ 3,536
Obligation to Japanese policyholder protection corporation	48	71
Liabilities Fair Value Disclosure Financial Instruments Carried At Cost	4,186	3,607
Fixed Maturities		
Assets:		
Held-to-maturity securities	52,540	46,383
Carrying Value		
Liabilities:		
Obligation to Japanese policyholder protection corporation	48	71
Government and Agencies Debt Securities | Fixed Maturities		
Assets:		
Held-to-maturity securities	27,527	19,071
Municipalities | Fixed Maturities		
Assets:		
Held-to-maturity securities	574	584
Mortgage- and asset-backed Securities | Fixed Maturities		
Assets:		
Held-to-maturity securities	120	134
Public Utilities | Fixed Maturities		
Assets:		
Held-to-maturity securities	5,426	5,637
Sovereign and Supranational | Fixed Maturities		
Assets:		
Held-to-maturity securities	3,698	4,165
Banks/financial Institutions | Fixed Maturities		
Assets:		
Held-to-maturity securities	10,332	11,480
Other Corporate | Fixed Maturities		
Assets:		
Held-to-maturity securities	4,863	5,312
Level 1		
Liabilities:		
Notes payable (excluding capital leases)	0	0
Obligation to Japanese policyholder protection corporation	0	0

Liabilities Fair Value Disclosure Financial Instruments Carried At Cost	0	0
Level 1 | Fixed Maturities		
Assets:		
Held-to-maturity securities	27,527	19,071
Level 1 | Government and Agencies Debt Securities | Fixed Maturities		
Assets:		
Held-to-maturity securities	27,527	19,071
Level 1 | Municipalities | Fixed Maturities		
Assets:		
Held-to-maturity securities	0	0
Level 1 | Mortgage- and asset-backed Securities | Fixed Maturities		
Assets:		
Held-to-maturity securities	0	0
Level 1 | Public Utilities | Fixed Maturities		
Assets:		
Held-to-maturity securities	0	0
Level 1 | Sovereign and Supranational | Fixed Maturities		
Assets:		
Held-to-maturity securities	0	0
Level 1 | Banks/financial Institutions | Fixed Maturities		
Assets:		
Held-to-maturity securities	0	0
Level 1 | Other Corporate | Fixed Maturities		
Assets:		
Held-to-maturity securities	0	0
Level 2		
Liabilities:		
Notes payable (excluding capital leases)	0	0
Obligation to Japanese policyholder protection corporation	0	0
Liabilities Fair Value Disclosure Financial Instruments Carried At Cost	0	0
Level 2 | Fixed Maturities		
Assets:		
Held-to-maturity securities	24,928	27,217
Level 2 | Government and Agencies Debt Securities | Fixed Maturities		
Assets:		
Held-to-maturity securities	0	0
Level 2 | Municipalities | Fixed Maturities		
Assets:		
Held-to-maturity securities	574	584
Level 2 | Mortgage- and asset-backed Securities | Fixed Maturities		
Assets:		
Held-to-maturity securities	35	39
Level 2 | Public Utilities | Fixed Maturities		
Assets:		

Held-to-maturity securities	5,426	5,637
Level 2 | Sovereign and Supranational | Fixed Maturities		
Assets:		
Held-to-maturity securities	3,698	4,165
Level 2 | Banks/financial Institutions | Fixed Maturities		
Assets:		
Held-to-maturity securities	10,332	11,480
Level 2 | Other Corporate | Fixed Maturities		
Assets:		
Held-to-maturity securities	4,863	5,312
Level 3		
Liabilities:		
Notes payable (excluding capital leases)	4,138	3,536
Obligation to Japanese policyholder protection corporation	48	71
Liabilities Fair Value Disclosure Financial Instruments Carried At Cost	4,186	3,607
Level 3 | Fixed Maturities		
Assets:		
Held-to-maturity securities	85	95
Level 3 | Government and Agencies Debt Securities | Fixed Maturities		
Assets:		
Held-to-maturity securities	0	0
Level 3 | Municipalities | Fixed Maturities		
Assets:		
Held-to-maturity securities	0	0
Level 3 | Mortgage- and asset-backed Securities | Fixed Maturities		
Assets:		
Held-to-maturity securities	85	95
Level 3 | Public Utilities | Fixed Maturities		
Assets:		
Held-to-maturity securities	0	0
Level 3 | Sovereign and Supranational | Fixed Maturities		
Assets:		
Held-to-maturity securities	0	0
Level 3 | Banks/financial Institutions | Fixed Maturities		
Assets:		
Held-to-maturity securities	0	0
Level 3 | Other Corporate | Fixed Maturities		
Assets:		
Held-to-maturity securities	$ 0	$ 0

DERIVATIVE INSTRUMENTS - Components of Gain or Loss on Derivatives that Qualified as Cash Flow Hedges (Detail) (Cash flow hedges, USD $) In Millions, unless otherwise specified	3 Months Ended		6 Months Ended	
	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011
Derivative Instruments, Gain (Loss) [Line Items]				
Gain (Loss) Recognized in Other Comprehensive Income on Derivative (Effective Portion)	$ 4	$ 17	$ (8)	$ (38)
Net Realized Investment Gains (Losses) Recognized in Income on Derivative (Ineffective Portion)	0	2	0	(2)
Interest rate swaps				
Derivative Instruments, Gain (Loss) [Line Items]				
Gain (Loss) Recognized in Other Comprehensive Income on Derivative (Effective Portion)	0	0	0	1
Net Realized Investment Gains (Losses) Recognized in Income on Derivative (Ineffective Portion)	0	0	0	0
Foreign currency swaps				
Derivative Instruments, Gain (Loss) [Line Items]				
Gain (Loss) Recognized in Other Comprehensive Income on Derivative (Effective Portion)	4	17	(8)	(39)
Net Realized Investment Gains (Losses) Recognized in Income on Derivative (Ineffective Portion)	$ 0	$ 2	$ 0	$ (2)

FAIR VALUE MEASUREMENTS - Changes in Available-For-Sale Investments and Derivatives Classified as Level 3 (Detail) (USD $) In Millions, unless otherwise specified	3 Months Ended		6 Months Ended	
	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011
Fair Value, Assets Measured on Recurring Basis, Unobservable Input Reconciliation, Calculation [Roll Forward]				
Balance, beginning of period	$ 3,507	$ 465	$ 3,803	$ 560
Realized gains or losses included in earnings	(45)	(19)	50	(83)
Unrealized gains or losses included in other comprehensive income	48	3	(25)	(25)
Purchases	0	0	0	0
Issuances	0	0	0	0
Sales	0	0	(290)	0
Settlements	(14)	125	(42)	122
Transfers into Level 3	0	0	0	0
Transfers out of Level 3	0	0	0	0
Balance, end of period	3,496	574	3,496	574
Change in unrealized gains (losses) still held	(45) [1]	17 [2]	(1) [1]	(60) [2]
Fixed Maturities | Mortgage- and asset-backed Securities				
Fair Value, Assets Measured on Recurring Basis, Unobservable Input Reconciliation, Calculation [Roll Forward]				
Balance, beginning of period	367	248	394	267
Realized gains or losses included in earnings	(3)	0	(3)	(6)
Unrealized gains or losses included in other comprehensive income	22	12	(1)	2
Purchases	0	0	0	0
Issuances	0	0	0	0
Sales	0	0	0	0
Settlements	(7)	(3)	(11)	(6)
Transfers into Level 3	0	0	0	0
Transfers out of Level 3	0	0	0	0
Balance, end of period	379	257	379	257
Change in unrealized gains (losses) still held	(3) [1]	0 [2]	(3) [1]	(6) [2]
Fixed Maturities | Public Utilities				
Fair Value, Assets Measured on Recurring Basis, Unobservable Input Reconciliation, Calculation [Roll Forward]				
Balance, beginning of period	409	0	422	0
Realized gains or losses included in earnings	0	0	0	0
Unrealized gains or losses included in other comprehensive income	9	0	(4)	0
Purchases	0	0	0	0
Issuances	0	0	0	0

Sales	0	0	0	0
Settlements	0	0	0	0
Transfers into Level 3	0	0	0	0
Transfers out of Level 3	0	0	0	0
Balance, end of period	418	0	418	0
Change in unrealized gains (losses) still held	0 [1]	0 [2]	0 [1]	0 [2]
Fixed Maturities | Collateralized Debt Obligations				
Fair Value, Assets Measured on Recurring Basis, Unobservable Input Reconciliation, Calculation [Roll Forward]				
Balance, beginning of period		5		5
Realized gains or losses included in earnings		(1)		(1)
Unrealized gains or losses included in other comprehensive income		0		0
Purchases		0		0
Issuances		0		0
Sales		0		0
Settlements		0		0
Transfers into Level 3		0		0
Transfers out of Level 3		0		0
Balance, end of period		4		4
Change in unrealized gains (losses) still held		(1) [2]		(1) [2]
Fixed Maturities | Sovereign and Supranational				
Fair Value, Assets Measured on Recurring Basis, Unobservable Input Reconciliation, Calculation [Roll Forward]				
Balance, beginning of period	418	0	434	0
Realized gains or losses included in earnings	0	0	0	0
Unrealized gains or losses included in other comprehensive income	18	0	2	0
Purchases	0	0	0	0
Issuances	0	0	0	0
Sales	0	0	0	0
Settlements	0	0	0	0
Transfers into Level 3	0	0	0	0
Transfers out of Level 3	0	0	0	0
Balance, end of period	436	0	436	0
Change in unrealized gains (losses) still held	0 [1]	0 [2]	0 [1]	0 [2]
Fixed Maturities | Banks/financial Institutions				
Fair Value, Assets Measured on Recurring Basis, Unobservable Input Reconciliation, Calculation [Roll Forward]				
Balance, beginning of period	1,097	420	1,074	386
Realized gains or losses included in earnings	0	0	0	1
Unrealized gains or losses included in other comprehensive income	17	(22)	40	11
Purchases	0	0	0	0
Issuances	0	0	0	0
Sales	0	0	0	0
Settlements	0	0	0	0

Transfers into Level 3	0	0	0	0
Transfers out of Level 3	0	0	0	0
Balance, end of period	1,114	398	1,114	398
Change in unrealized gains (losses) still held	0 [1]	0 [2]	0 [1]	1 [2]
Fixed Maturities | Other Corporate				
Fair Value, Assets Measured on Recurring Basis, Unobservable Input Reconciliation, Calculation [Roll Forward]				
Balance, beginning of period	1,035	0	1,105	0
Realized gains or losses included in earnings	0	0	2	0
Unrealized gains or losses included in other comprehensive income	(4)	0	(42)	0
Purchases	0	0	0	0
Issuances	0	0	0	0
Sales	0	0	(34)	0
Settlements	0	0	0	0
Transfers into Level 3	0	0	0	0
Transfers out of Level 3	0	0	0	0
Balance, end of period	1,031	0	1,031	0
Change in unrealized gains (losses) still held	0 [1]	0 [2]	0 [1]	0 [2]
Perpetual Securities | Banks/financial Institutions				
Fair Value, Assets Measured on Recurring Basis, Unobservable Input Reconciliation, Calculation [Roll Forward]				
Balance, beginning of period	325	0	526	0
Realized gains or losses included in earnings	0	0	49	0
Unrealized gains or losses included in other comprehensive income	(18)	0	(12)	0
Purchases	0	0	0	0
Issuances	0	0	0	0
Sales	0	0	(256)	0
Settlements	0	0	0	0
Transfers into Level 3	0	0	0	0
Transfers out of Level 3	0	0	0	0
Balance, end of period	307	0	307	0
Change in unrealized gains (losses) still held	0 [1]	0 [2]	0 [1]	0 [2]
Equity Securities				
Fair Value, Assets Measured on Recurring Basis, Unobservable Input Reconciliation, Calculation [Roll Forward]				
Balance, beginning of period	4	4	4	4
Realized gains or losses included in earnings	0	0	0	0
Unrealized gains or losses included in other comprehensive income	0	0	0	0
Purchases	0	0	0	0
Issuances	0	0	0	0
Sales	0	0	0	0
Settlements	0	0	0	0
Transfers into Level 3	0	0	0	0
Transfers out of Level 3	0	0	0	0

Balance, end of period	4	4	4	4
Change in unrealized gains (losses) still held	0 [1]	0 [2]	0 [1]	0 [2]
Derivatives | Interest rate swaps				
Fair Value, Assets Measured on Recurring Basis, Unobservable Input Reconciliation, Calculation [Roll Forward]				
Balance, beginning of period	28		30	
Realized gains or losses included in earnings	(1)		(3)	
Unrealized gains or losses included in other comprehensive income	0		0	
Purchases	0		0	
Issuances	0		0	
Sales	0		0	
Settlements	0		0	
Transfers into Level 3	0		0	
Transfers out of Level 3	0		0	
Balance, end of period	27		27	
Change in unrealized gains (losses) still held	(1) [1]		(3) [1]	
Derivatives | Foreign currency swaps				
Fair Value, Assets Measured on Recurring Basis, Unobservable Input Reconciliation, Calculation [Roll Forward]				
Balance, beginning of period	(79)	126	(56)	241
Realized gains or losses included in earnings	(31)	25	(18)	(39)
Unrealized gains or losses included in other comprehensive income	4	13	(8)	(38)
Purchases	0	0	0	0
Issuances	0	0	0	0
Sales	0	0	0	0
Settlements	(7)	0	(31)	0
Transfers into Level 3	0	0	0	0
Transfers out of Level 3	0	0	0	0
Balance, end of period	(113)	164	(113)	164
Change in unrealized gains (losses) still held	(31) [1]	25 [2]	(18) [1]	(39) [2]
Derivatives | Credit default swaps				
Fair Value, Assets Measured on Recurring Basis, Unobservable Input Reconciliation, Calculation [Roll Forward]				
Balance, beginning of period	(97)	(338)	(130)	(343)
Realized gains or losses included in earnings	(10)	(43)	23	(38)
Unrealized gains or losses included in other comprehensive income	0	0	0	0
Purchases	0	0	0	0
Issuances	0	0	0	0
Sales	0	0	0	0
Settlements	0	128	0	128
Transfers into Level 3	0	0	0	0
Transfers out of Level 3	0	0	0	0
Balance, end of period	(107)	(253)	(107)	(253)
Change in unrealized gains (losses) still held	$ (10) [1]	$ (7) [2]	$ 23 [1]	$ (15) [2]

[1] Represents the amount of total gains or losses for the period, included in earnings, attributable to the change in unrealized gains (losses) relating to assets classified as Level 3 that were still held at June 30, 2012

[2] Represents the amount of total gains or losses for the period, included in earnings, attributable to the change in unrealized gains (losses) relating to assets classified as Level 3 that were still held at June 30, 2011

DERIVATIVE INSTRUMENTS - Summary of Balance Sheet Classification of Derivative Fair Value Amounts, as well as Gross Asset and Liability Fair Value Amounts (Detail) (USD $) In Millions, unless otherwise specified	Jun. 30, 2012	Dec. 31, 2011
Derivatives, Fair Value [Line Items]		
Net Derivatives Notional Amount	$ 6,056	$ 5,491
Net Derivatives Fair Value	(176)	(156)
Asset Derivatives Fair Value	306	375
Liability Derivatives Fair Value	(482)	(531)
Other assets		
Derivatives, Fair Value [Line Items]		
Net Derivatives Notional Amount	2,461	1,794
Net Derivatives Fair Value	306	375
Asset Derivatives Fair Value	306	375
Liability Derivatives Fair Value	0	0
Other liabilities		
Derivatives, Fair Value [Line Items]		
Net Derivatives Notional Amount	3,595	3,697
Net Derivatives Fair Value	(482)	(531)
Asset Derivatives Fair Value	0	0
Liability Derivatives Fair Value	(482)	(531)
Cash flow hedges		
Derivatives, Fair Value [Line Items]		
Net Derivatives Notional Amount	145	146
Net Derivatives Fair Value	28	36
Asset Derivatives Fair Value	28	36
Liability Derivatives Fair Value	0	0
Cash flow hedges | Interest rate swaps		
Derivatives, Fair Value [Line Items]		
Net Derivatives Notional Amount	70	71
Net Derivatives Fair Value	0	0
Asset Derivatives Fair Value	0	0
Liability Derivatives Fair Value	0	0
Cash flow hedges | Foreign currency swaps		
Derivatives, Fair Value [Line Items]		
Net Derivatives Notional Amount	75	75
Net Derivatives Fair Value	28	36
Asset Derivatives Fair Value	28	36

Liability Derivatives Fair Value	0	0
Non-qualifying strategies		
Derivatives, Fair Value [Line Items]		
Net Derivatives Notional Amount	5,911	5,345
Net Derivatives Fair Value	(204)	(192)
Asset Derivatives Fair Value	278	339
Liability Derivatives Fair Value	(482)	(531)
Non-qualifying strategies | Interest rate swaps		
Derivatives, Fair Value [Line Items]		
Net Derivatives Notional Amount	367	381
Net Derivatives Fair Value	27	30
Asset Derivatives Fair Value	31	34
Liability Derivatives Fair Value	(4)	(4)
Non-qualifying strategies | Foreign currency swaps		
Derivatives, Fair Value [Line Items]		
Net Derivatives Notional Amount	5,177	4,583
Net Derivatives Fair Value	(124)	(92)
Asset Derivatives Fair Value	247	305
Liability Derivatives Fair Value	(371)	(397)
Non-qualifying strategies | Credit default swaps		
Derivatives, Fair Value [Line Items]		
Net Derivatives Notional Amount	367	381
Net Derivatives Fair Value	(107)	(130)
Asset Derivatives Fair Value	0	0
Liability Derivatives Fair Value	$ (107)	$ (130)

INVESTMENTS - Contractual Maturities of Investments in Fixed Maturities (Detail) (USD $) In Millions, unless otherwise specified	Jun. 30, 2012
Aflac Japan	
Available for sale:	
Due in one year or less	$ 1,980
Due after one year through five years	2,455
Due after five years through 10 years	4,133
Due after 10 years	28,095
Mortgage- and asset-backed securities	1,104
Total fixed maturities available for sale	37,767
Held to maturity:	
Due in one year or less	412
Due after one year through five years	839
Due after five years through 10 years	3,298
Due after 10 years	47,749
Mortgage- and asset-backed securities	115
Total fixed maturities held to maturity	52,413
Available for sale:	
Due in one year or less	2,012
Due after one year through five years	2,569
Due after five years through 10 years	4,447
Due after 10 years	28,889
Mortgage- and asset-backed securities	1,217
Total fixed maturities available for sale	39,134
Held to maturity:	
Due in one year or less	419
Due after one year through five years	908
Due after five years through 10 years	3,635
Due after 10 years	47,458
Mortgage- and asset-backed securities	120
Total fixed maturities held to maturity	52,540
Aflac U.S.	
Available for sale:	
Due in one year or less	13
Due after one year through five years	352
Due after five years through 10 years	984
Due after 10 years	7,681
Mortgage- and asset-backed securities	44
Total fixed maturities available for sale	9,074
Held to maturity:	

Due in one year or less	0
Due after one year through five years	0
Due after five years through 10 years	0
Due after 10 years	0
Mortgage- and asset-backed securities	0
Total fixed maturities held to maturity	0
Available for sale:	
Due in one year or less	13
Due after one year through five years	379
Due after five years through 10 years	1,138
Due after 10 years	8,919
Mortgage- and asset-backed securities	57
Total fixed maturities available for sale	10,506
Held to maturity:	
Due in one year or less	0
Due after one year through five years	0
Due after five years through 10 years	0
Due after 10 years	0
Mortgage- and asset-backed securities	0
Total fixed maturities held to maturity	$ 0

FAIR VALUE MEASUREMENTS - Significant Unobservable Inputs Used in the Valuation of Available-for-sale Investments and Derivatives (Detail) (USD $) In Millions, except Per Share data, unless otherwise specified	6 Months Ended Jun. 30, 2012
Liabilities:	
Length of Volatility of Japanese Yen to US Dollar Exchange Rate	10 years
Level 3	
Assets:	
Total assets	3,970
Liabilities:	
Total liabilities	474
Level 3 | Consensus Pricing Valuation Technique | Mortgage- and asset-backed Securities	
Assets:	
Available-for-sale Securities	379
Level 3 | Consensus Pricing Valuation Technique | Banks/financial Institutions	
Assets:	
Available-for-sale Securities	534
Level 3 | Consensus Pricing Valuation Technique | Other Corporate	
Assets:	
Available-for-sale Securities	429
Level 3 | Discounted Cash Flow Valuation Technique | Public Utilities	
Assets:	
Available-for-sale Securities	418
Level 3 | Discounted Cash Flow Valuation Technique | Sovereign and Supranational	
Assets:	
Available-for-sale Securities	436
Level 3 | Discounted Cash Flow Valuation Technique | Banks/financial Institutions	
Assets:	
Available-for-sale Securities	580
Level 3 | Discounted Cash Flow Valuation Technique | Banks/financial Institutions | Perpetual Securities	
Assets:	
Available-for-sale Securities	307
Level 3 | Discounted Cash Flow Valuation Technique | Other Corporate	
Assets:	
Available-for-sale Securities	602
Level 3 | Discounted Cash Flow Valuation Technique | Interest rate swaps	

Assets:	
Asset Derivatives	31
Liabilities:	
Swaps	4
Level 3 | Discounted Cash Flow Valuation Technique | Credit default swaps	
Liabilities:	
Swaps	107
Level 3 | Net Asset Value Valuation Technique | Equity Securities	
Assets:	
Available-for-sale Securities	4
Level 3 | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), CDS Spreads and Foreign Exchange Rates [Member] | Discounted Cash Flow Valuation Technique | Foreign currency swaps	
Assets:	
Asset Derivatives	87
Liabilities:	
Swaps	92
Level 3 | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), and CDS Spreads [Member] | Discounted Cash Flow Valuation Technique | Foreign currency swaps	
Assets:	
Asset Derivatives	35
Liabilities:	
Swaps	32
Level 3 | Fair Value, Unobservable Input, Interest Rates (USD), interest rates (JPY), and Foreign Exchange Rates [Member] | Discounted Cash Flow Valuation Technique | Foreign currency swaps	
Assets:	
Asset Derivatives	128
Liabilities:	
Swaps	239
Level 3 | Liability [Member] | Lower Limit | Interest rate swaps	
Unobservable Inputs	
Base correlation	44.00% [1]
CDS spreads	0.84%
Recovery rate	25.00%
Level 3 | Liability [Member] | Lower Limit | Credit default swaps	
Unobservable Inputs	
Base correlation	44.00% [1]
CDS spreads	0.84%
Recovery rate	25.00%
Level 3 | Liability [Member] | Upper Limit | Interest rate swaps	
Unobservable Inputs	
Base correlation	54.00% [1]
CDS spreads	1.92%
Recovery rate	70.00%

Level 3 | Liability [Member] | Upper Limit | Credit default swaps	
Unobservable Inputs	
Base correlation	54.00% [1]
CDS spreads	1.92%
Recovery rate	70.00%
Level 3 | Liability [Member] | Weighted Average | Interest rate swaps	
Unobservable Inputs	
CDS spreads	
Recovery rate	40.00%
Level 3 | Liability [Member] | Weighted Average | Credit default swaps	
Unobservable Inputs	
CDS spreads	
Recovery rate	40.00%
Level 3 | Liability [Member] | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), CDS Spreads and Foreign Exchange Rates [Member] | Lower Limit | Foreign currency swaps	
Unobservable Inputs	
CDS spreads	0.41%
Level 3 | Liability [Member] | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), CDS Spreads and Foreign Exchange Rates [Member] | Upper Limit | Foreign currency swaps	
Unobservable Inputs	
CDS spreads	1.64%
Level 3 | Liability [Member] | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), and CDS Spreads [Member] | Lower Limit | Foreign currency swaps	
Unobservable Inputs	
CDS spreads	0.66%
Level 3 | Liability [Member] | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), and CDS Spreads [Member] | Upper Limit | Foreign currency swaps	
Unobservable Inputs	
CDS spreads	2.94%
Level 3 | Liability [Member] | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), and CDS Spreads [Member] | Weighted Average | Foreign currency swaps	
Unobservable Inputs	
CDS spreads	
Level 3 | Assets [Member] | Public Utilities	
Unobservable Inputs	
Historical Volatility Rate	7.43%
Level 3 | Assets [Member] | Sovereign and Supranational	
Unobservable Inputs	
Historical Volatility Rate	7.43%
Level 3 | Assets [Member] | Banks/financial Institutions	
Unobservable Inputs	
Historical Volatility Rate	7.43%
Level 3 | Assets [Member] | Banks/financial Institutions | Perpetual Securities	
Unobservable Inputs	

Historical Volatility Rate	7.43%
Level 3 | Assets [Member] | Other Corporate	
Unobservable Inputs	
Historical Volatility Rate	7.43%
Level 3 | Assets [Member] | Lower Limit | Equity Securities	
Unobservable Inputs	
Offered quotes (in dollars per share)	0
Level 3 | Assets [Member] | Lower Limit | Interest rate swaps	
Unobservable Inputs	
Base correlation	44.00% [1]
CDS spreads	0.84%
Recovery rate	25.00%
Level 3 | Assets [Member] | Upper Limit | Equity Securities	
Unobservable Inputs	
Offered quotes (in dollars per share)	993
Level 3 | Assets [Member] | Upper Limit | Interest rate swaps	
Unobservable Inputs	
Base correlation	54.00% [1]
CDS spreads	1.92%
Recovery rate	70.00%
Level 3 | Assets [Member] | Weighted Average | Equity Securities	
Unobservable Inputs	
Offered quotes (in dollars per share)	4
Level 3 | Assets [Member] | Weighted Average | Interest rate swaps	
Unobservable Inputs	
Recovery rate	40.00%
Level 3 | Assets [Member] | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), CDS Spreads and Foreign Exchange Rates [Member] | Foreign currency swaps	
Unobservable Inputs	
Foreign exchange rates	20.38% [2]
Level 3 | Assets [Member] | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), CDS Spreads and Foreign Exchange Rates [Member] | Lower Limit | Foreign currency swaps	
Unobservable Inputs	
CDS spreads	0.21%
Level 3 | Assets [Member] | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), CDS Spreads and Foreign Exchange Rates [Member] | Upper Limit | Foreign currency swaps	
Unobservable Inputs	
CDS spreads	1.38%
Level 3 | Assets [Member] | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), and CDS Spreads [Member] | Lower Limit | Foreign currency swaps	
Unobservable Inputs	
CDS spreads	0.30%
Level 3 | Assets [Member] | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), and CDS Spreads [Member] | Upper Limit | Foreign currency swaps	

Unobservable Inputs		
CDS spreads	1.37%	
Level 3 | Assets [Member] | United States of America, Dollars | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), CDS Spreads and Foreign Exchange Rates [Member] | Lower Limit | Foreign currency swaps		
Unobservable Inputs		
Interest rates	1.78%	[3]
Level 3 | Assets [Member] | United States of America, Dollars | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), CDS Spreads and Foreign Exchange Rates [Member] | Upper Limit | Foreign currency swaps		
Unobservable Inputs		
Interest rates	2.52%	[3]
Level 3 | Assets [Member] | United States of America, Dollars | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), and CDS Spreads [Member] | Lower Limit | Foreign currency swaps		
Unobservable Inputs		
Interest rates	1.78%	[3]
Level 3 | Assets [Member] | United States of America, Dollars | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), and CDS Spreads [Member] | Upper Limit | Foreign currency swaps		
Unobservable Inputs		
Interest rates	2.52%	[3]
Level 3 | Assets [Member] | Japan, Yen | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), CDS Spreads and Foreign Exchange Rates [Member] | Lower Limit | Foreign currency swaps		
Unobservable Inputs		
Interest rates	0.84%	[4]
Level 3 | Assets [Member] | Japan, Yen | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), CDS Spreads and Foreign Exchange Rates [Member] | Upper Limit | Foreign currency swaps		
Unobservable Inputs		
Interest rates	1.80%	[4]
Level 3 | Assets [Member] | Japan, Yen | Fair Value, Unobservable Input, Interest Rates (USD), interest rates (JPY), and Foreign Exchange Rates [Member] | Lower Limit | Foreign currency swaps		
Unobservable Inputs		
Interest rates	0.84%	[4]
Level 3 | Level 3 | Liability [Member] | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), CDS Spreads and Foreign Exchange Rates [Member] | Foreign currency swaps		
Unobservable Inputs		
Foreign exchange rates	20.38%	[2]
Level 3 | Level 3 | Liability [Member] | Fair Value, Unobservable Input, Interest Rates (USD), interest rates (JPY), and Foreign Exchange Rates [Member] | Foreign currency swaps		
Unobservable Inputs		
Foreign exchange rates	20.38%	[2]

Level 3 | Level 3 | Liability [Member] | United States of America, Dollars | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), CDS Spreads and Foreign Exchange Rates [Member] | Lower Limit | Foreign currency swaps

Unobservable Inputs

Interest rates	1.78%	[3]

Level 3 | Level 3 | Liability [Member] | United States of America, Dollars | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), CDS Spreads and Foreign Exchange Rates [Member] | Upper Limit | Foreign currency swaps

Unobservable Inputs

Interest rates	2.52%	[3]

Level 3 | Level 3 | Liability [Member] | United States of America, Dollars | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), and CDS Spreads [Member] | Lower Limit | Foreign currency swaps

Unobservable Inputs

Interest rates	1.78%	[3]

Level 3 | Level 3 | Liability [Member] | United States of America, Dollars | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), and CDS Spreads [Member] | Upper Limit | Foreign currency swaps

Unobservable Inputs

Interest rates	2.52%	[3]

Level 3 | Level 3 | Liability [Member] | United States of America, Dollars | Fair Value, Unobservable Input, Interest Rates (USD), interest rates (JPY), and Foreign Exchange Rates [Member] | Lower Limit | Foreign currency swaps

Unobservable Inputs

Interest rates	1.78%	[3]

Level 3 | Level 3 | Liability [Member] | United States of America, Dollars | Fair Value, Unobservable Input, Interest Rates (USD), interest rates (JPY), and Foreign Exchange Rates [Member] | Upper Limit | Foreign currency swaps

Unobservable Inputs

Interest rates	2.52%	[3]

Level 3 | Level 3 | Liability [Member] | Japan, Yen | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), CDS Spreads and Foreign Exchange Rates [Member] | Lower Limit | Foreign currency swaps

Unobservable Inputs

Interest rates	0.84%	[4]

Level 3 | Level 3 | Liability [Member] | Japan, Yen | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), CDS Spreads and Foreign Exchange Rates [Member] | Upper Limit | Foreign currency swaps

Unobservable Inputs

Interest rates	1.80%	[4]

Level 3 | Level 3 | Liability [Member] | Japan, Yen | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), and CDS Spreads [Member] | Lower Limit | Foreign currency swaps

Unobservable Inputs

Interest rates	0.84%	[4]

Level 3 | Level 3 | Liability [Member] | Japan, Yen | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), and CDS Spreads [Member] | Upper Limit | Foreign currency swaps

Unobservable Inputs	
Interest rates	1.80% [4]

Level 3 | Level 3 | Liability [Member] | Japan, Yen | Fair Value, Unobservable Input, Interest Rates (USD), interest rates (JPY), and Foreign Exchange Rates [Member] | Lower Limit | Foreign currency swaps

Unobservable Inputs	
Interest rates	0.84% [4]

Level 3 | Level 3 | Liability [Member] | Japan, Yen | Fair Value, Unobservable Input, Interest Rates (USD), interest rates (JPY), and Foreign Exchange Rates [Member] | Upper Limit | Foreign currency swaps

Unobservable Inputs	
Interest rates	1.80% [4]

Level 3 | Level 3 | Assets [Member] | Fair Value, Unobservable Input, Interest Rates (USD), interest rates (JPY), and Foreign Exchange Rates [Member] | Foreign currency swaps

Unobservable Inputs	
Foreign exchange rates	20.38% [2]

Level 3 | Level 3 | Assets [Member] | United States of America, Dollars | Fair Value, Unobservable Input, Interest Rates (USD), interest rates (JPY), and Foreign Exchange Rates [Member] | Lower Limit | Foreign currency swaps

Unobservable Inputs	
Interest rates	1.78% [3]

Level 3 | Level 3 | Assets [Member] | United States of America, Dollars | Fair Value, Unobservable Input, Interest Rates (USD), interest rates (JPY), and Foreign Exchange Rates [Member] | Upper Limit | Foreign currency swaps

Unobservable Inputs	
Interest rates	2.52% [3]

Level 3 | Level 3 | Assets [Member] | Japan, Yen | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), and CDS Spreads [Member] | Lower Limit | Foreign currency swaps

Unobservable Inputs	
Interest rates	0.84% [4]

Level 3 | Level 3 | Assets [Member] | Japan, Yen | Fair Value, Unobservable Input, Interest Rates (USD), Interest Rates (JPY), and CDS Spreads [Member] | Upper Limit | Foreign currency swaps

Unobservable Inputs	
Interest rates	1.80% [4]

Level 3 | Level 3 | Assets [Member] | Japan, Yen | Fair Value, Unobservable Input, Interest Rates (USD), interest rates (JPY), and Foreign Exchange Rates [Member] | Upper Limit | Foreign currency swaps

Unobservable Inputs	
Interest rates	1.80% [4]

[1] Weighted-average range of base correlations for our bespoke tranches for attachment and detachment points corresponding to market indices

[2] Based on 10 year volatility of JPY/USD exchange rate
[3] Inputs derived from U.S. long-term rates to accommodate long maturity nature of our swaps
[4] Inputs derived from Japan long-term rates to accommodate long maturity nature of our swaps

SHARE-BASED COMPENSATION (Tables)	6 Months Ended Jun. 30, 2012
Disclosure of Compensation Related Costs, Share-based Payments [Abstract]	
Stock Options Outstanding and Exercisable	The following table provides information on stock options outstanding and exercisable at June 30, 2012.

	Stock Option Shares (in thousands)	Weighted-Average Remaining Term (in years)	Aggregate Intrinsic Value (in millions)	Weighted-Average Exercise Price Per Share
Outstanding	14,451	4.8	$50	$43.60
Exercisable	12,056	4.1	48	42.62

DERIVATIVE INSTRUMENTS - Non-Derivative Hedging Instruments in Net Investment Hedging Relationships (Details) (USD $) In Millions, unless otherwise specified	3 Months Ended		6 Months Ended	
	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011
Derivative Instruments, Gain (Loss) [Line Items]				
Unrealized foreign currency translation gains (losses) during period	$ 32	$ (93)	$ (68)	$ (89)
Non-derivative hedging instruments				
Derivative Instruments, Gain (Loss) [Line Items]				
Unrealized foreign currency translation gains (losses) during period	$ (32)	$ (32)	$ 17	$ (10)

INVESTMENTS - Investments in Variable Interest Entities (Detail) (USD $) In Millions, unless otherwise specified	Jun. 30, 2012	Dec. 31, 2011
Variable Interest Entity, Consolidated		
Variable Interest Entity [Line Items]		
Amortized Cost	$ 6,476	$ 6,997
Fair Value	6,822	7,206
Variable Interest Entity, Not Consolidated		
Variable Interest Entity [Line Items]		
Amortized Cost	12,911	13,753
Fair Value	12,927	13,714
Variable Interest Entities		
Variable Interest Entity [Line Items]		
Amortized Cost	19,387	20,750
Fair Value	$ 19,749	$ 20,920

INVESTMENTS - Pretax Other-Than-Temporary Impairment Losses by Investment Category (Detail) (USD $) In Millions, unless otherwise specified	3 Months Ended				6 Months Ended			
	Jun. 30, 2012		Jun. 30, 2011		Jun. 30, 2012		Jun. 30, 2011	
Gain (Loss) on Investments [Line Items]								
Other-than-temporary impairment losses	$ 343	[1]	$ 528	[2]	$ 546	[1]	$ 933	[2]
Change In Intent Impairment								
Gain (Loss) on Investments [Line Items]								
Other-than-temporary impairment losses	76				251			
Credit Related Impairment								
Gain (Loss) on Investments [Line Items]								
Other-than-temporary impairment losses	267				295			
Perpetual Securities								
Gain (Loss) on Investments [Line Items]								
Other-than-temporary impairment losses	76		184		216		184	
Corporate Bonds								
Gain (Loss) on Investments [Line Items]								
Other-than-temporary impairment losses	120		343		183		740	
Mortgage- and asset-backed Securities								
Gain (Loss) on Investments [Line Items]								
Other-than-temporary impairment losses	3		1		3		7	
Municipalities								
Gain (Loss) on Investments [Line Items]								
Other-than-temporary impairment losses	0		0		0		1	
Sovereign and Supranational								
Gain (Loss) on Investments [Line Items]								
Other-than-temporary impairment losses	144		0		144		0	
Equity Securities								
Gain (Loss) on Investments [Line Items]								
Other-than-temporary impairment losses	$ 0		$ 0		$ 0		$ 1	

[1] Includes $267 and $295 for the three- and six-month periods ended June 30, 2012, respectively, for credit-related impairments and $76 and $251 for the three- and six-month periods ended June 30, 2012, respectively, from change in intent to sell securities

[2] Consisted completely of credit-related impairments

FAIR VALUE MEASUREMENTS - Carrying Values and Estimated Fair Values of Financial Instruments (Detail) (USD $) In Millions, unless otherwise specified	Jun. 30, 2012	Dec. 31, 2011
Assets:		
Equity securities	$ 23	$ 25
Liabilities:		
Obligation to Japanese policyholder protection corporation	48	71
Investments Other Than Consolidated Variable Interest Entities		
Assets:		
Perpetual securities	3,966	5,149
Variable Interest Entity, Consolidated		
Assets:		
Perpetual securities	766	1,290
Interest rate, foreign currency, and credit default swaps	281	375
Carrying Value		
Assets:		
Equity securities	23	25
Interest rate, foreign currency, and credit default swaps	306	375
Liabilities:		
Notes payable (excluding capitalized leases)	3,663	3,275
Interest rate, foreign currency, and credit default swaps	482	531
Obligation to Japanese policyholder protection corporation	48	71
Carrying Value | Investments Other Than Consolidated Variable Interest Entities		
Assets:		
Fixed-maturity securities	96,134	88,588
Perpetual securities	3,966	5,149
Carrying Value | Variable Interest Entity, Consolidated		
Assets:		
Fixed-maturity securities	6,060	5,993
Perpetual securities	766	1,290
Fair Value		
Assets:		
Equity securities	23	25
Interest rate, foreign currency, and credit default swaps	306	375
Liabilities:		
Notes payable (excluding capitalized leases)	4,138	3,536
Interest rate, foreign currency, and credit default swaps	482	531
Obligation to Japanese policyholder protection corporation	48	71
Fair Value | Investments Other Than Consolidated Variable Interest Entities		

Assets:		
Fixed-maturity securities	96,265	88,039
Perpetual securities	3,966	5,149
Fair Value | Variable Interest Entity, Consolidated		
Assets:		
Fixed-maturity securities	6,056	5,916
Perpetual securities	$ 766	$ 1,290

BENEFIT PLANS - Net Periodic (Benefit) Cost Included in Acquisition and Operating Expenses (Detail) (USD $) In Millions, unless otherwise specified	3 Months Ended		6 Months Ended	
	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011
Japanese Pension Plan				
Schedule of Net Periodic Benefit Cost and Assumptions for Defined Benefit Postretirement Plans [Line Items]				
Service cost	$ 5	$ 4	$ 9	$ 8
Interest cost	3	2	6	4
Expected return on plan assets	(1)	(1)	(2)	(2)
Amortization of net actuarial loss	1	1	2	2
Net periodic (benefit) cost	8	6	15	12
U.S. Pension Plan				
Schedule of Net Periodic Benefit Cost and Assumptions for Defined Benefit Postretirement Plans [Line Items]				
Service cost	5	3	11	7
Interest cost	7	7	14	14
Expected return on plan assets	(4)	(3)	(8)	(7)
Amortization of net actuarial loss	2	2	4	3
Net periodic (benefit) cost	10	9	21	17
Other Postretirement Benefit Plans, Defined Benefit				
Schedule of Net Periodic Benefit Cost and Assumptions for Defined Benefit Postretirement Plans [Line Items]				
Service cost	2	1	3	2
Interest cost	1	1	2	2
Expected return on plan assets	0	0	0	0
Amortization of net actuarial loss	0	0	0	0
Net periodic (benefit) cost	$ 3	$ 2	$ 5	$ 4

SHAREHOLDERS' EQUITY - Reconciliation of Number of Shares of Common Stock (Detail)	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2011	6 Months Ended			
				Jun. 30, 2012 Common Stock	Jun. 30, 2011 Common Stock	Jun. 30, 2012 Treasury Stock	Jun. 30, 2011 Treasury Stock
Common Stock Issued [Roll Forward]							
Balance, beginning of period	664,532,000	663,639,000		663,639,000	662,660,000		
Exercise of stock options and issuance of restricted shares				893,000	752,000		
Balance, end of period	664,532,000	663,639,000		664,532,000	663,412,000		
Treasury Stock [Roll Forward]							
Balance, beginning of period						197,329,000	192,999,000
Open market						0	4,100,000
Other						205,000	155,000
Shares issued to AFL Stock Plan						(905,000)	(745,000)
Exercise of stock options						(72,000)	(85,000)
Other						(135,000)	(79,000)
Balance, end of period						196,422,000	196,345,000
Shares outstanding, end of period	468,110,000		467,067,000				

DERIVATIVE INSTRUMENTS - Additional Information (Detail)	3 Months Ended		6 Months Ended									
	Jun. 30, 2012 USD ($) currency Y	Jun. 30, 2011 USD ($)	Jun. 30, 2012 USD ($) currency Y	Jun. 30, 2011 USD ($)	Sep. 30, 2011 Cash flow hedges Dedesignated USD ($)	Jun. 30, 2012 Variable interest rate yen-denominated Samurai notes due July 2014 JPY (¥)	Dec. 31, 2011 Variable interest rate yen-denominated Samurai notes due July 2014 JPY (¥)	Jul. 31, 2011 Variable interest rate yen-denominated Samurai notes due July 2014 JPY (¥)	Jun. 30, 2012 2.65% senior notes due February 2017 USD ($)	Jun. 30, 2012 2.65% senior notes due February 2017 JPY (¥)	Jun. 30, 2012 4.00% senior notes due February 2022 USD ($)	Jun. 30, 2012 4.00% senior notes due February 2022 JPY (¥)
Derivative Instruments and Hedging Activities Disclosure [Line Items]												
Number of currencies related to foreign currency swaps	2		2									
Hedging activity, weighted-average period (in years)	14		14									
Notes payable, principal amount						¥ 5,500,000,000	¥ 5,500,000,000	¥ 5,500,000,000	$ 400,000,000		$ 350,000,000	
Notes payable, effective principal amount										30,900,000,000		27,000,000,000
Debt Instrument, Interest Rate, Stated Percentage						1.34%	1.34%		2.65%	2.65%	4.00%	4.00%
Notes payable, effective interest rate								1.475%	1.22%	1.22%	2.07%	2.07%
Foreign currency swaps used in cash flow hedging, notional amount of swaps de-designated					500,000,000							
Gain (loss) reclassified from accumulated other comprehensive income into earnings related to cash flow hedges	0	0	0	0								
Gain (loss) reclassified from accumulated other comprehensive income into earnings related to net investment hedges	$ 0	$ 0	$ 0	$ 0								

BUSINESS SEGMENT INFORMATION	6 Months Ended Jun. 30, 2012
Segment Reporting [Abstract]	
BUSINESS SEGMENT INFORMATION	**BUSINESS SEGMENT INFORMATION** The Company consists of two reportable insurance business segments: Aflac Japan and Aflac U.S., both of which sell supplemental health and life insurance. Operating business segments that are not individually reportable are included in the "Other business segments" category. We do not allocate corporate overhead expenses to business segments. We evaluate and manage our business segments using a financial performance measure called pretax operating earnings. Our definition of operating earnings excludes the following items from net earnings on an after-tax basis: realized investment gains/losses (securities transactions, impairments, and the impact of derivative and hedging activities) and nonrecurring items. We then exclude income taxes related to operations to arrive at pretax operating earnings. Information regarding operations by segment follows:

(In millions)	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Revenues:				
Aflac Japan:				
Earned premiums	**$4,216**	$3,770	**$ 8,364**	$ 7,472
Net investment income	**691**	636	**1,421**	1,285
Other income	**0**	5	**16**	25
Total Aflac Japan	**4,907**	4,411	**9,801**	8,782
Aflac U.S.:				
Earned premiums	**1,251**	1,186	**2,482**	2,356
Net investment income	**153**	148	**304**	291
Other income	**2**	3	**5**	6
Total Aflac U.S.	**1,406**	1,337	**2,791**	2,653
Other business segments	**10**	13	**24**	28
Total business segment revenues	**6,323**	5,761	**12,616**	11,463
Realized investment gains (losses)	**(418)**	(668)	**(463)**	(1,247)
Corporate	**64**	60	**128**	121
Intercompany eliminations	**(67)**	(65)	**(139)**	(133)
Total revenues	**$5,902**	$5,088	**$12,142**	$10,204

(In millions)	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Pretax earnings:				
Aflac Japan	**$ 964**	$ 925	**$2,004**	$1,899

Aflac U.S.	**258**	243	**529**	494
Total business segment pretax operating earnings	**1,222**	1,168	**2,533**	2,393
Interest expense, noninsurance operations	**(45)**	(41)	**(89)**	(82)
Corporate and eliminations	**(18)**	(15)	**(38)**	(28)
Pretax operating earnings	**1,159**	1,112	**2,406**	2,283
Realized investment gains (losses)	**(418)**	(668)	**(463)**	(1,247)
Total earnings before income taxes	**$ 741**	$ 444	**$1,943**	$1,036
Income taxes applicable to pretax operating earnings	**$ 404**	$ 384	**$ 837**	$ 789
Effect of foreign currency translation on operating earnings	**6**	51	**26**	99

Prior-year amounts have been adjusted for the adoption of accounting guidance on January 1, 2012 related to deferred policy acquisition costs.

Assets were as follows:

(In millions)	**June 30, 2012**	December 31, 2011
Assets:		
Aflac Japan	**$ 106,832**	$ 101,692
Aflac U.S.	**14,630**	13,942
Other business segments	**162**	160
Total business segment assets	**121,624**	115,794
Corporate	**17,645**	16,182
Intercompany eliminations	**(17,060)**	(15,739)
Total assets	**$ 122,209**	$ 116,237

Prior-year amounts have been adjusted for the adoption of accounting guidance on January 1, 2012 related to deferred policy acquisition costs.

SHAREHOLDERS' EQUITY - Anti-Dilutive Share-Based Awards Excluded from Calculation of Diluted Earnings Per Share (Detail) In Thousands, unless otherwise specified	3 Months Ended		6 Months Ended	
	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011
Stockholders' Equity Note [Abstract]				
Anti-dilutive share-based awards	8,385	4,246	6,921	3,419

INVESTMENTS - Securities Lending (Detail) (USD $) In Millions, unless otherwise specified	Jun. 30, 2012	Dec. 31, 2011
Investments [Abstract]		
Security loans outstanding, fair value	$ 187	$ 812
Cash collateral on loaned securities	$ 192	$ 838

BUSINESS SEGMENT INFORMATION - Operations by Segment - Assets (Detail) (USD $) In Millions, unless otherwise specified	Jun. 30, 2012	Dec. 31, 2011
Segment Reporting, Asset Reconciling Item [Line Items]		
Assets	$ 122,209	$ 116,237
Aflac Japan		
Segment Reporting, Asset Reconciling Item [Line Items]		
Assets	106,832	101,692
Aflac U.S.		
Segment Reporting, Asset Reconciling Item [Line Items]		
Assets	14,630	13,942
Other business segments		
Segment Reporting, Asset Reconciling Item [Line Items]		
Assets	162	160
Total Business Segments		
Segment Reporting, Asset Reconciling Item [Line Items]		
Assets	121,624	115,794
Corporate		
Segment Reporting, Asset Reconciling Item [Line Items]		
Assets	17,645	16,182
Intercompany eliminations		
Segment Reporting, Asset Reconciling Item [Line Items]		
Assets	$ (17,060)	$ (15,739)

BUSINESS SEGMENT INFORMATION - Operations by Segment - Revenues and Pretax Earnings (Detail) (USD $) In Millions, unless otherwise specified	3 Months Ended		6 Months Ended	
	Jun. 30, 2012 segment	Jun. 30, 2011	Jun. 30, 2012 segment	Jun. 30, 2011
Segment Reporting, Revenue Reconciling Item [Line Items]				
Reportable insurance business segments	2		2	
Earned premiums	$ 5,467	$ 4,956	$ 10,845	$ 9,828
Net investment income	845	784	1,728	1,579
Other income	8	16	32	44
Realized investment gains (losses)	(418)	(668)	(463)	(1,247)
Total revenues	5,902	5,088	12,142	10,204
Pretax operating earnings	1,159	1,112	2,406	2,283
Earnings before income taxes	741	444	1,943	1,036
Income taxes applicable to pretax operating earnings	404	384	837	789
Effect of foreign currency translation on operating earnings	6	51	26	99
Aflac Japan				
Segment Reporting, Revenue Reconciling Item [Line Items]				
Earned premiums	4,216	3,770	8,364	7,472
Net investment income	691	636	1,421	1,285
Other income	0	5	16	25
Total business segment revenues	4,907	4,411	9,801	8,782
Pretax operating earnings	964	925	2,004	1,899
Aflac U.S.				
Segment Reporting, Revenue Reconciling Item [Line Items]				
Earned premiums	1,251	1,186	2,482	2,356
Net investment income	153	148	304	291
Other income	2	3	5	6
Total business segment revenues	1,406	1,337	2,791	2,653
Pretax operating earnings	258	243	529	494
Other business segments				
Segment Reporting, Revenue Reconciling Item [Line Items]				
Total business segment revenues	10	13	24	28
Total Business Segments				
Segment Reporting, Revenue Reconciling Item [Line Items]				
Total business segment revenues	6,323	5,761	12,616	11,463
Pretax operating earnings	1,222	1,168	2,533	2,393

Corporate				
Segment Reporting, Revenue Reconciling Item [Line Items]				
Total revenues	64	60	128	121
Interest expense, noninsurance operations				
Segment Reporting, Revenue Reconciling Item [Line Items]				
Pretax operating earnings	(45)	(41)	(89)	(82)
Corporate and eliminations				
Segment Reporting, Revenue Reconciling Item [Line Items]				
Pretax operating earnings	(18)	(15)	(38)	(28)
Intercompany eliminations				
Segment Reporting, Revenue Reconciling Item [Line Items]				
Total revenues	$ (67)	$ (65)	$ (139)	$ (133)

FAIR VALUE MEASUREMENTS - Estimated Effect of Potential Changes in Interest Rates, Credit Spreads and Interest Rate Volatility on Fair Values of Securities Priced by Discounted Cash Flow Pricing Model (Detail) (USD $) In Millions, unless otherwise specified	Jun. 30, 2012
Interest Rates	
Discounted Cash Flow Pricing Model, by Assumption [Line Items]	
Factor Change	0.50%
Credit Spreads	
Discounted Cash Flow Pricing Model, by Assumption [Line Items]	
Factor Change	0.50%
Interest Rate Volatility	
Discounted Cash Flow Pricing Model, by Assumption [Line Items]	
Factor Change	50.00%
Available-for-Sale Fixed Maturity and Perpetual Securities | Interest Rates | Upward Movements	
Discounted Cash Flow Pricing Model, by Assumption [Line Items]	
Factor Change	0.50%
Change in fair value	(983)
Available-for-Sale Fixed Maturity and Perpetual Securities | Interest Rates | Downward Movements	
Discounted Cash Flow Pricing Model, by Assumption [Line Items]	
Factor Change	(0.50%)
Change in fair value	1,035
Available-for-Sale Fixed Maturity and Perpetual Securities | Credit Spreads | Upward Movements	
Discounted Cash Flow Pricing Model, by Assumption [Line Items]	
Factor Change	0.50%
Change in fair value	(972)
Available-for-Sale Fixed Maturity and Perpetual Securities | Credit Spreads | Downward Movements	
Discounted Cash Flow Pricing Model, by Assumption [Line Items]	
Factor Change	(0.50%)
Change in fair value	1,034
Available-for-Sale Fixed Maturity and Perpetual Securities | Interest Rate Volatility | Upward Movements	
Discounted Cash Flow Pricing Model, by Assumption [Line Items]	
Factor Change	50.00%
Change in fair value	(8)
Available-for-Sale Fixed Maturity and Perpetual Securities | Interest Rate Volatility | Downward Movements	

Discounted Cash Flow Pricing Model, by Assumption [Line Items]	
Factor Change	(50.00%)
Change in fair value	24
Held-to-maturity Securities | Interest Rates | Upward Movements	
Discounted Cash Flow Pricing Model, by Assumption [Line Items]	
Factor Change	0.50%
Change in fair value	(1,452)
Held-to-maturity Securities | Interest Rates | Downward Movements	
Discounted Cash Flow Pricing Model, by Assumption [Line Items]	
Factor Change	(0.50%)
Change in fair value	1,459
Held-to-maturity Securities | Credit Spreads | Upward Movements	
Discounted Cash Flow Pricing Model, by Assumption [Line Items]	
Factor Change	0.50%
Change in fair value	(1,354)
Held-to-maturity Securities | Credit Spreads | Downward Movements	
Discounted Cash Flow Pricing Model, by Assumption [Line Items]	
Factor Change	(0.50%)
Change in fair value	1,334
Held-to-maturity Securities | Interest Rate Volatility | Upward Movements	
Discounted Cash Flow Pricing Model, by Assumption [Line Items]	
Factor Change	50.00%
Change in fair value	(119)
Held-to-maturity Securities | Interest Rate Volatility | Downward Movements	
Discounted Cash Flow Pricing Model, by Assumption [Line Items]	
Factor Change	(50.00%)
Change in fair value	139

DERIVATIVE INSTRUMENTS - Fair Value and Notional Amounts of Derivatives With Counterparty Credit Risk (Details) (USD $) In Millions, unless otherwise specified	Jun. 30, 2012	Dec. 31, 2011
Derivative [Line Items]		
Fair Value of Swaps	$ (176)	$ (156)
Notional Amount of Swaps	6,056	5,491
AA		
Derivative [Line Items]		
Fair Value of Swaps	0	0
Notional Amount of Swaps	0	0
A		
Derivative [Line Items]		
Fair Value of Swaps	(176)	(156)
Notional Amount of Swaps	$ 6,056	$ 5,491

INVESTMENTS - Available-For-Sale Investments in Debt Securities, Perpetual Securities and Equity Securities (Details) (USD $) In Millions, unless otherwise specified	Jun. 30, 2012	Dec. 31, 2011
Schedule of Available-for-sale Securities [Line Items]		
Fair Value	$ 54,536	$ 54,036
Cost or Amortized Cost	52,264	52,275
Gross Unrealized Gains	4,084	3,679
Gross Unrealized Losses	1,812	1,918
Fixed Maturities		
Schedule of Available-for-sale Securities [Line Items]		
Fair Value	49,781	47,572
Cost or Amortized Cost	46,961	45,356
Gross Unrealized Gains	4,042	3,500
Gross Unrealized Losses	1,222	1,284
Perpetual Securities		
Schedule of Available-for-sale Securities [Line Items]		
Fair Value	4,732	6,439
Cost or Amortized Cost	5,282	6,897
Gross Unrealized Gains	38	175
Gross Unrealized Losses	588	633
Equity Securities		
Schedule of Available-for-sale Securities [Line Items]		
Fair Value	23	25
Cost or Amortized Cost	21	22
Gross Unrealized Gains	4	4
Gross Unrealized Losses	2	1
Yen Denominated | Fixed Maturities		
Schedule of Available-for-sale Securities [Line Items]		
Fair Value	29,040	28,091
Cost or Amortized Cost	28,918	28,099
Gross Unrealized Gains	1,225	1,053
Gross Unrealized Losses	1,103	1,061
Dollar Denominated | Fixed Maturities		
Schedule of Available-for-sale Securities [Line Items]		
Fair Value	20,741	19,481
Cost or Amortized Cost	18,043	17,257
Gross Unrealized Gains	2,817	2,447
Gross Unrealized Losses	119	223
Japan government and agencies | Yen Denominated | Fixed Maturities		
Schedule of Available-for-sale Securities [Line Items]		

Fair Value	12,418	11,778
Cost or Amortized Cost	11,678	11,108
Gross Unrealized Gains	741	670
Gross Unrealized Losses	1	0
Mortgage- and asset-backed Securities | Yen Denominated | Fixed Maturities		
Schedule of Available-for-sale Securities [Line Items]		
Fair Value	898	954
Cost or Amortized Cost	852	912
Gross Unrealized Gains	47	43
Gross Unrealized Losses	1	1
Mortgage- and asset-backed Securities | Dollar Denominated | Fixed Maturities		
Schedule of Available-for-sale Securities [Line Items]		
Fair Value	375	384
Cost or Amortized Cost	296	310
Gross Unrealized Gains	80	74
Gross Unrealized Losses	1	0
Public Utilities | Yen Denominated | Fixed Maturities		
Schedule of Available-for-sale Securities [Line Items]		
Fair Value	3,779	3,683
Cost or Amortized Cost	3,939	3,850
Gross Unrealized Gains	73	59
Gross Unrealized Losses	233	226
Public Utilities | Dollar Denominated | Fixed Maturities		
Schedule of Available-for-sale Securities [Line Items]		
Fair Value	3,795	3,542
Cost or Amortized Cost	3,251	3,052
Gross Unrealized Gains	572	517
Gross Unrealized Losses	28	27
Sovereign and Supranational | Yen Denominated | Fixed Maturities		
Schedule of Available-for-sale Securities [Line Items]		
Fair Value	1,987	1,775
Cost or Amortized Cost	2,006	1,704
Gross Unrealized Gains	46	87
Gross Unrealized Losses	65	16
Sovereign and Supranational | Dollar Denominated | Fixed Maturities		
Schedule of Available-for-sale Securities [Line Items]		
Fair Value	573	533
Cost or Amortized Cost	473	449
Gross Unrealized Gains	103	89
Gross Unrealized Losses	3	5
Banks/financial Institutions | Yen Denominated | Fixed Maturities		
Schedule of Available-for-sale Securities [Line Items]		
Fair Value	3,967	4,027
Cost or Amortized Cost	4,226	4,312

Gross Unrealized Gains	177	74
Gross Unrealized Losses	436	359
Banks/financial Institutions | Yen Denominated | Perpetual Securities		
Schedule of Available-for-sale Securities [Line Items]		
Fair Value	4,091	5,768
Cost or Amortized Cost	4,634	6,217
Gross Unrealized Gains	27	155
Gross Unrealized Losses	570	604
Banks/financial Institutions | Dollar Denominated | Fixed Maturities		
Schedule of Available-for-sale Securities [Line Items]		
Fair Value	3,749	3,426
Cost or Amortized Cost	3,449	3,324
Gross Unrealized Gains	341	223
Gross Unrealized Losses	41	121
Banks/financial Institutions | Dollar Denominated | Perpetual Securities		
Schedule of Available-for-sale Securities [Line Items]		
Fair Value	299	310
Cost or Amortized Cost	310	336
Gross Unrealized Gains	7	3
Gross Unrealized Losses	18	29
Other Corporate | Yen Denominated | Fixed Maturities		
Schedule of Available-for-sale Securities [Line Items]		
Fair Value	5,991	5,874
Cost or Amortized Cost	6,217	6,213
Gross Unrealized Gains	141	120
Gross Unrealized Losses	367	459
Other Corporate | Yen Denominated | Perpetual Securities		
Schedule of Available-for-sale Securities [Line Items]		
Fair Value	342	361
Cost or Amortized Cost	338	344
Gross Unrealized Gains	4	17
Gross Unrealized Losses	0	0
Other Corporate | Dollar Denominated | Fixed Maturities		
Schedule of Available-for-sale Securities [Line Items]		
Fair Value	10,944	10,402
Cost or Amortized Cost	9,428	9,031
Gross Unrealized Gains	1,555	1,433
Gross Unrealized Losses	39	62
U.S. Government and Agencies | Dollar Denominated | Fixed Maturities		
Schedule of Available-for-sale Securities [Line Items]		
Fair Value	116	35
Cost or Amortized Cost	94	31
Gross Unrealized Gains	22	4
Gross Unrealized Losses	0	0

Municipalities | Dollar Denominated | Fixed Maturities

Schedule of Available-for-sale Securities [Line Items]

Fair Value	1,189	1,159
Cost or Amortized Cost	1,052	1,060
Gross Unrealized Gains	144	107
Gross Unrealized Losses	$ 7	$ 8

INVESTMENTS - Held-to-Maturity Investments in Debt Securities (Details) (USD $) In Millions, unless otherwise specified	Jun. 30, 2012	Dec. 31, 2011
Schedule of Held-to-maturity Securities [Line Items]		
Fair Value	$ 52,540	$ 46,383
Cost or Amortized Cost	52,413	47,009
Gross Unrealized Gains	1,372	992
Gross Unrealized Losses	1,245	1,618
Yen Denominated | Fixed Maturities		
Schedule of Held-to-maturity Securities [Line Items]		
Fair Value	52,540	46,383
Cost or Amortized Cost	52,413	47,009
Gross Unrealized Gains	1,372	992
Gross Unrealized Losses	1,245	1,618
Japan government and agencies | Yen Denominated | Fixed Maturities		
Schedule of Held-to-maturity Securities [Line Items]		
Fair Value	27,527	19,071
Cost or Amortized Cost	26,927	18,775
Gross Unrealized Gains	605	297
Gross Unrealized Losses	5	1
Municipalities | Yen Denominated | Fixed Maturities		
Schedule of Held-to-maturity Securities [Line Items]		
Fair Value	574	584
Cost or Amortized Cost	539	553
Gross Unrealized Gains	37	35
Gross Unrealized Losses	2	4
Mortgage- and asset-backed Securities | Yen Denominated | Fixed Maturities		
Schedule of Held-to-maturity Securities [Line Items]		
Fair Value	120	134
Cost or Amortized Cost	115	129
Gross Unrealized Gains	5	5
Gross Unrealized Losses	0	0
Public Utilities | Yen Denominated | Fixed Maturities		
Schedule of Held-to-maturity Securities [Line Items]		
Fair Value	5,426	5,637
Cost or Amortized Cost	5,377	5,615
Gross Unrealized Gains	214	188
Gross Unrealized Losses	165	166
Sovereign and Supranational | Yen Denominated | Fixed Maturities		
Schedule of Held-to-maturity Securities [Line Items]		
Fair Value	3,698	4,165

Cost or Amortized Cost	3,633	4,200
Gross Unrealized Gains	167	148
Gross Unrealized Losses	102	183
Banks/financial Institutions | Yen Denominated | Fixed Maturities		
Schedule of Held-to-maturity Securities [Line Items]		
Fair Value	10,332	11,480
Cost or Amortized Cost	10,957	12,389
Gross Unrealized Gains	184	170
Gross Unrealized Losses	809	1,079
Other Corporate | Yen Denominated | Fixed Maturities		
Schedule of Held-to-maturity Securities [Line Items]		
Fair Value	4,863	5,312
Cost or Amortized Cost	4,865	5,348
Gross Unrealized Gains	160	149
Gross Unrealized Losses	$ 162	$ 185

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	6 Months Ended
	Jun. 30, 2012
Accounting Policies [Abstract]	
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

Aflac Incorporated (the Parent Company) and its subsidiaries (collectively, the Company) primarily sell supplemental health and life insurance in the United States and Japan. The Company's insurance business is marketed and administered through American Family Life Assurance Company of Columbus (Aflac), which operates in the United States (Aflac U.S.) and as a branch in Japan (Aflac Japan). Most of Aflac's policies are individually underwritten and marketed through independent agents. Additionally, Aflac U.S. markets and administers group products through Continental American Insurance Company (CAIC), branded as Aflac Group Insurance. Our insurance operations in the United States and our branch in Japan service the two markets for our insurance business. Aflac Japan's revenues, including realized gains and losses on its investment portfolio, accounted for 77% and 73% of the Company's total revenues in the six-month periods ended June 30, 2012, and 2011, respectively. The percentage of the Company's total assets attributable to Aflac Japan was 87% at June 30, 2012, and December 31, 2011.

Basis of Presentation

We prepare our financial statements in accordance with U.S. generally accepted accounting principles (GAAP). These principles are established primarily by the Financial Accounting Standards Board (FASB). In these Notes to the Consolidated Financial Statements, references to GAAP issued by the FASB are derived from the FASB Accounting Standards Codification™ (ASC). The preparation of financial statements in conformity with GAAP requires us to make estimates when recording transactions resulting from business operations based on currently available information. The most significant items on our balance sheet that involve a greater degree of accounting estimates and actuarial determinations subject to changes in the future are the valuation of investments, deferred policy acquisition costs, liabilities for future policy benefits and unpaid policy claims, and income taxes. These accounting estimates and actuarial determinations are sensitive to market conditions, investment yields, mortality, morbidity, commission and other acquisition expenses, and terminations by policyholders. As additional information becomes available, or actual amounts are determinable, the recorded estimates will be revised and reflected in operating results. Although some variability is inherent in these estimates, we believe the amounts provided are adequate.

The unaudited consolidated financial statements include the accounts of the Parent Company, its subsidiaries and those entities required to be consolidated under applicable accounting standards. All material intercompany accounts and transactions have been eliminated.

In the opinion of management, the accompanying unaudited consolidated financial statements of the Company contain all adjustments, consisting of normal recurring accruals, which are necessary to fairly present the consolidated balance sheets as of June 30, 2012, and December 31, 2011, the consolidated statements of earnings and comprehensive income (loss) for the three- and six-month periods ended June 30, 2012, and 2011, and the consolidated statements of shareholders' equity and cash flows for the six-month periods ended June 30, 2012, and 2011. Results of operations for interim periods are not necessarily indicative of results for the entire year. As a result, these financial statements should be read in conjunction with the financial statements and notes thereto included in our annual report to shareholders for the year ended December 31, 2011.

Significant Accounting Policies

We have revised the accounting policy for deferred policy acquisition costs as a result of the adoption of amended accounting guidance effective January 1, 2012, and we have updated the disclosure in the accounting policy for income taxes. All other categories of significant accounting policies remain unchanged from our annual report to shareholders for the year ended December 31, 2011.

Deferred Policy Acquisition Costs: Certain direct and incremental costs of acquiring new business are deferred and amortized with interest over the premium payment periods in proportion to the ratio of annual premium income to total anticipated premium income. Anticipated premium income is estimated by using the same mortality, persistency and interest assumptions used in computing liabilities for future policy benefits. In this manner, the related acquisition expenses are matched with revenues. Deferred costs include the excess of current-year commissions over ultimate renewal-year commissions and certain incremental direct policy issue, underwriting and sales expenses. All of these incremental costs are directly related to successful policy acquisition.

For some products, policyholders can elect to modify product benefits, features, rights or coverages by exchanging a contract for a new contract or by amendment, endorsement, or rider to a contract, or by the election of a feature or coverage within a contract. These transactions are known as internal replacements. For internal replacement transactions where the resulting contract is substantially unchanged, the policy is accounted for as a continuation of the replaced contract. Unamortized deferred acquisition costs from the original policy continue to be amortized over the expected life of the new policy, and the costs of replacing the policy are accounted for as policy maintenance costs and expensed as incurred. Internal replacement transactions that result in a policy that is not substantially unchanged are accounted for as an extinguishment of the original policy and the issuance of a new policy. Unamortized deferred acquisition costs on the original policy that was replaced are immediately expensed, and the costs of acquiring the new policy are capitalized and amortized in accordance with our accounting policies for deferred acquisition costs.

Income Taxes: Income tax provisions are generally based on pretax earnings reported for financial statement purposes, which differ from those amounts used in preparing our income tax returns. Deferred income taxes are recognized for temporary differences between the financial reporting basis and income tax basis of assets and liabilities, based on enacted tax laws and statutory tax rates applicable to the periods in which we expect the temporary differences to reverse. We record deferred tax assets for tax positions taken based on our assessment of whether the tax position is more likely than not to be sustained upon examination by taxing authorities. A valuation allowance is established for deferred tax assets when it is more likely than not that an amount will not be realized.

As discussed in the Translation of Foreign Currencies section in Note 1 of the Notes to the Consolidated Financial Statements in our annual report to shareholders for the year ended December 31, 2011, Aflac Japan maintains a dollar-denominated investment portfolio on behalf of Aflac U.S. While there are no translation effects to record in other comprehensive income, the deferred tax expense or benefit associated with foreign exchange gains or losses on the portfolio is recognized in other comprehensive income until the securities mature or are sold. Total income tax expense (benefit) related to items of other comprehensive income (loss) included a tax benefit of $96 million during the three-month period ended June 30, 2012, and a tax benefit of $112 million during the three-month period ended June 30, 2011, for this dollar-denominated portfolio. Excluding these amounts from total taxes on other comprehensive income would result in an effective income tax rate on pretax other comprehensive income (loss) of 8.3% and 36.4% in the three-month periods ended June 30, 2012 and 2011, respectively. Total income tax expense (benefit) related to items of other comprehensive income (loss) included tax expense of $61 million during the six-month period ended June 30, 2012, and a tax benefit of $50 million during the six-month period ended June 30, 2011, for this dollar-denominated portfolio. Excluding these amounts from total taxes on other comprehensive income would result in an effective income tax rate on pretax other comprehensive income (loss) of 37.5% and 35.8% in the six-month periods ended June 30, 2012 and 2011, respectively.

On August 2, 2012, the Internal Revenue Service notified us of the final settlement of our tax returns for the years ended December 31, 2008 and 2009. As a result, we estimate that will recognize an income tax benefit ranging from $20 to $25 million, excluding interest, as a result of this final settlement.

New Accounting Pronouncements

Recently Adopted Accounting Pronouncements

Presentation of comprehensive income: In June 2011, the FASB issued guidance to amend the presentation of comprehensive income. The amendment requires that all non-owner changes in stockholders' equity be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. We adopted this guidance as of January 1, 2012 and elected the option to report comprehensive income in two separate but consecutive statements. The adoption of this guidance did not have an impact on our financial position or results of operations. The amendment also requires reclassification adjustments for items that are reclassified from other comprehensive income to net income to be presented in the statements where the components of net income and the components of other comprehensive income are presented; however, in December 2011, the FASB issued guidance to temporarily defer the effective date of this additional requirement.

Fair value measurements and disclosures: In May 2011, the FASB issued guidance to amend the fair value measurement and disclosure requirements. Most of the amendments are clarifications of the FASB's intent about the application of existing fair value measurement and disclosure requirements. Other amendments change a particular principle or requirement for measuring fair value or disclosing information about fair value measurements. The new fair value measurement disclosures include additional quantitative and qualitative disclosures for Level 3 measurements, including a qualitative sensitivity analysis of fair value to changes in unobservable inputs, and categorization by fair value hierarchy level for items for which the fair value is only disclosed. We adopted this guidance as of January 1, 2012. The adoption of this guidance impacted our financial statement disclosures, but it did not affect our financial position or results of operations.

Accounting for costs associated with acquiring or renewing insurance contracts: In October 2010, the FASB issued amended accounting guidance on accounting for costs associated with acquiring or renewing insurance contracts. Under the previous guidance, costs that varied with and were primarily related to the acquisition of a policy were deferrable. Under the amended guidance, only incremental direct costs associated with the successful acquisition of a new or renewal contract may be capitalized, and direct-response advertising costs may be capitalized only if they meet certain criteria. This guidance is effective on a prospective or retrospective basis for interim and annual periods beginning after December 15, 2011. We retrospectively adopted this guidance as of January 1, 2012. The retrospective adoption of this accounting standard resulted in an after-tax cumulative reduction to retained earnings of $408 million and an after-tax cumulative reduction to unrealized foreign currency translation gains in accumulated other comprehensive income of $108 million, resulting in a total reduction to shareholders' equity of $516 million as of December 31, 2010. The adoption of this accounting standard had an immaterial impact on net income in 2011 and for all preceding years.

Recent accounting guidance not discussed above is not applicable or did not have an impact to our business.

For additional information on new accounting pronouncements and recent accounting guidance and their impact, if any, on our financial position or results of operations, see Note 1 of the Notes to the Consolidated Financial Statements in our annual report to shareholders for the year ended December 31, 2011.

INVESTMENTS - Additional Information (Detail) (USD $) In Millions, unless otherwise specified	3 Months Ended Jun. 30, 2012 investment	3 Months Ended Mar. 31, 2012 investment	3 Months Ended Jun. 30, 2011 investment	3 Months Ended Mar. 31, 2011 investment	6 Months Ended Jun. 30, 2012 investment	6 Months Ended Jun. 30, 2011	Dec. 31, 2011	6 Months Ended Jun. 30, 2012 Banks/ financial Institutions	6 Months Ended Jun. 30, 2012 Banks/ financial Institutions Europe, excluding the United Kingdom	6 Months Ended Jun. 30, 2012 Banks/ financial Institutions United States	6 Months Ended Jun. 30, 2012 Banks/ financial Institutions United Kingdom	6 Months Ended Jun. 30, 2012 Banks/ financial Institutions Japan	6 Months Ended Jun. 30, 2012 Banks/ financial Institutions Other Countries	6 Months Ended Jun. 30, 2012 Variable Interest Entity, Not Consolidated issuer
Schedule of Investments [Line Items]														
Other than Temporary Impairment Losses, Investments, Portion Recognized in Earnings, Net	$ 343 [1]		$ 528 [2]		$ 546 [1]	$ 933 [2]								
Reclassified investments from the held-to-maturity portfolio to the available-for-sale portfolio, number of investments	5	1	0	8										
Reclassified investments from the held-to-maturity portfolio to the available-for-sale portfolio, amortized cost	842	122		1,600	842									
Reclassified investments from the held-to-maturity portfolio to the available-for-sale portfolio, aggregate unrealized gain (loss)	(268)	(23)		(270)										
Available-for-sale fixed-maturity securities, amortized cost														
Available-for-sale fixed maturity securities, fair value														
Perpetual securities, interest coupons that were fixed at issuance subsequently change to a floating short-term interest rate														
Maturity date (in years)														
Perpetual securities, floating short-term interest rate basis point above market index														
Geographic concentration of credit risk for issuer of investments owned									34.00%	24.00%	8.00%	8.00%	26.00%	
Number of impaired Tier I securities (in investments)					2									
Valuation Allowance, Deferred Tax Asset, Change in Amount			19											
Percentage of unrealized losses attributable to securities that were investment grade														
Fair value of investments in an unrealized loss position	26,627				26,627		29,310	11,500						
Total Unrealized Losses	3,057				3,057		3,536	1,900						
Number of Issuers														
Percentage of unrealized losses attributable to a certain number of securities														
Amortized Cost	52,264				52,264		52,275							
Unrealized gains (losses) on securities available for sale	2,272				2,272		1,761							
Realized investment gains (losses) on sales and redemptions	$ (8)		$ (182)		$ 70	$ (326)								
Number of issuers of VIEs not-consolidated														159
Percentage that the lending policy requires that the fair value of the securities and/or unrestricted cash received as collateral be of the fair value of the loaned securities	102.00%				102.00%									

INVESTMENTS - Additional Information (Detail) (USD $) In Millions, unless otherwise specified	Jun. 30, 2012 Investment grade Banks/ financial Institutions	Dec. 31, 2011 Investment grade Banks/ financial Institutions	Jun. 30, 2012 Investment grade Public Utilities	Dec. 31, 2011 Investment grade Public Utilities	Jun. 30, 2012 Investment grade Sovereign and Supranational	Dec. 31, 2011 Investment grade Sovereign and Supranational	Jun. 30, 2012 Investment grade Other Corporate	Dec. 31, 2011 Investment grade Other Corporate	Jun. 30, 2012 Investment grade Parent Company	6 Months Ended Jun. 30, 2012 Below Investment Grade Banks/ financial Institutions issuer	3 Months Ended Jun. 30, 2012 Perpetual Securities	3 Months Ended Jun. 30, 2011 Perpetual Securities	6 Months Ended Jun. 30, 2012 Perpetual Securities	6 Months Ended Jun. 30, 2011 Perpetual Securities	Dec. 31, 2011 Perpetual Securities
Schedule of Investments [Line Items]															
Other than Temporary Impairment Losses, Investments, Portion Recognized in Earnings, Net											$ 76	$ 184	$ 216	$ 184	
Reclassified investments from the held-to-maturity portfolio to the available-for-sale portfolio, number of investments															
Reclassified investments from the held-to-maturity portfolio to the available-for-sale portfolio, amortized cost															
Reclassified investments from the held-to-maturity portfolio to the available-for-sale portfolio, aggregate unrealized gain (loss)															
Available-for-sale fixed-maturity securities, amortized cost									120						
Available-for-sale fixed maturity securities, fair value									141						
Perpetual securities, interest coupons that were fixed at issuance subsequently change to a floating short-term interest rate													floating short-term interest rate of 125 to more than 300 basis points above an appropriate market index		
Maturity date (in years)													25 years		
Perpetual securities, floating short-term interest rate basis point above market index															
Geographic concentration of credit risk for issuer of investments owned															
Number of impaired Tier I securities (in investments)															
Valuation Allowance, Deferred Tax Asset, Change in Amount															
Percentage of unrealized losses attributable to securities that were investment grade	79.00%	80.00%	68.00%	77.00%	65.00%	100.00%	74.00%	73.00%							
Fair value of investments in an unrealized loss position										960	2,475		2,475		2,507
Total Unrealized Losses										389	588		588		633
Number of Issuers										4					
Percentage of unrealized losses attributable to a certain number of securities										98.00%					
Amortized Cost											5,282		5,282		6,897
Unrealized gains (losses) on securities available for sale															
Realized investment gains (losses) on sales and redemptions															
Number of issuers of VIEs not-consolidated															
Percentage that the lending policy requires that the fair value of the securities and/or unrestricted cash received as collateral be of the fair value of the loaned securities															

INVESTMENTS - Additional Information (Detail) (USD $) In Millions, unless otherwise specified	6 Months Ended Jun. 30, 2012 Perpetual Securities Lower Limit	6 Months Ended Jun. 30, 2012 Perpetual Securities Minimum Upper Limit	6 Months Ended Jun. 30, 2012 Perpetual Securities Europe, excluding the United Kingdom	6 Months Ended Jun. 30, 2012 Perpetual Securities United Kingdom	6 Months Ended Jun. 30, 2012 Perpetual Securities Japan	6 Months Ended Jun. 30, 2012 Perpetual Securities Other Countries	6 Months Ended Jun. 30, 2012 Perpetual Securities Investment grade	6 Months Ended Dec. 31, 2011 Perpetual Securities Investment grade	3 Months Ended Jun. 30, 2012 Change In Intent Impairment	6 Months Ended Jun. 30, 2012 Change In Intent Impairment	3 Months Ended Jun. 30, 2012 Credit Related Impairment	6 Months Ended Jun. 30, 2012 Credit Related Impairment
Schedule of Investments [Line Items]												
Other than Temporary Impairment Losses, Investments, Portion Recognized in Earnings, Net									$ 76	$ 251	$ 267	$ 295
Reclassified investments from the held-to-maturity portfolio to the available-for-sale portfolio, number of investments												
Reclassified investments from the held-to-maturity portfolio to the available-for-sale portfolio, amortized cost												
Reclassified investments from the held-to-maturity portfolio to the available-for-sale portfolio, aggregate unrealized gain (loss)												
Available-for-sale fixed-maturity securities, amortized cost												
Available-for-sale fixed maturity securities, fair value												
Perpetual securities, interest coupons that were fixed at issuance subsequently change to a floating short-term interest rate												
Maturity date (in years)												
Perpetual securities, floating short-term interest rate basis point above market index	1.25%	3.00%										
Geographic concentration of credit risk for issuer of investments owned			67.00%	11.00%	14.00%	8.00%						
Number of impaired Tier I securities (in investments)												
Valuation Allowance, Deferred Tax Asset, Change in Amount												
Percentage of unrealized losses attributable to securities that were investment grade							93.00%	73.00%				
Fair value of investments in an unrealized loss position												
Total Unrealized Losses												
Number of Issuers												
Percentage of unrealized losses attributable to a certain number of securities												
Amortized Cost												
Unrealized gains (losses) on securities available for sale												
Realized investment gains (losses) on sales and redemptions												
Number of issuers of VIEs not-consolidated												
Percentage that the lending policy requires that the fair value of the securities and/or unrestricted cash received as collateral be of the fair value of the loaned securities												

INVESTMENTS - Additional Information (Detail) (USD $) In Millions, unless otherwise specified	Jun. 30, 2012 Tier I Perpetual Securities	Dec. 31, 2011 Tier I Perpetual Securities	Jun. 30, 2012 Tier I Perpetual Securities A	Dec. 31, 2011 Tier I Perpetual Securities A	Jun. 30, 2012 Upper Tier II Perpetual Securities	Dec. 31, 2011 Upper Tier II Perpetual Securities	Jun. 30, 2012 Upper Tier II Perpetual Securities A	Dec. 31, 2011 Upper Tier II Perpetual Securities A	Jun. 30, 2012 Credit Suisse Perpetual Securities	1 Months Ended Jul. 31, 2012 Credit Suisse Subsequent Event Perpetual Securities	Jun. 30, 2012 Credit Suisse Tier I Perpetual Securities	Jun. 30, 2012 Credit Suisse Upper Tier II Perpetual Securities
Schedule of Investments [Line Items]												
Other than Temporary Impairment Losses, Investments, Portion Recognized in Earnings, Net												
Reclassified investments from the held-to-maturity portfolio to the available-for-sale portfolio, number of investments												
Reclassified investments from the held-to-maturity portfolio to the available-for-sale portfolio, amortized cost												
Reclassified investments from the held-to-maturity portfolio to the available-for-sale portfolio, aggregate unrealized gain (loss)												
Available-for-sale fixed-maturity securities, amortized cost												
Available-for-sale fixed maturity securities, fair value												
Perpetual securities, interest coupons that were fixed at issuance subsequently change to a floating short-term interest rate												
Maturity date (in years)												
Perpetual securities, floating short-term interest rate basis point above market index												
Geographic concentration of credit risk for issuer of investments owned												
Number of impaired Tier I securities (in investments)												
Valuation Allowance, Deferred Tax Asset, Change in Amount												
Percentage of unrealized losses attributable to securities that were investment grade												
Fair value of investments in an unrealized loss position												
Total Unrealized Losses												
Number of Issuers												
Percentage of unrealized losses attributable to a certain number of securities												
Amortized Cost	1,634	2,268	60	0	3,310	4,285	495	2,108			296	189
Unrealized gains (losses) on securities available for sale									(92)			
Realized investment gains (losses) on sales and redemptions										$ (25)		
Number of issuers of VIEs not-consolidated												
Percentage that the lending policy requires that the fair value of the securities and/or unrestricted cash received as collateral be of the fair value of the loaned securities												

[1] Includes $267 and $295 for the three- and six-month periods ended June 30, 2012, respectively, for credit-related impairments and $76 and $251 for the three- and six-month periods ended June 30, 2012, respectively, from change in intent to sell securities
[2] Consisted completely of credit-related impairments

INVESTMENTS - Composition of Investments in Unrealized Loss Position in Bank and Financial Institution Sector (Detail) (Banks/financial Institutions)	Jun. 30, 2012	Dec. 31, 2011
Investments, Unrealized Loss Position [Line Items]		
Percentage of Total Investments in an Unrealized Loss Position	44.00%	46.00%
Percentage of Total Unrealized Losses	62.00%	62.00%
Fixed Maturities		
Investments, Unrealized Loss Position [Line Items]		
Percentage of Total Investments in an Unrealized Loss Position	34.00%	37.00%
Percentage of Total Unrealized Losses	42.00%	44.00%
Perpetual Securities		
Investments, Unrealized Loss Position [Line Items]		
Percentage of Total Investments in an Unrealized Loss Position	10.00%	9.00%
Percentage of Total Unrealized Losses	20.00%	18.00%
Perpetual Securities | Upper Tier II		
Investments, Unrealized Loss Position [Line Items]		
Percentage of Total Investments in an Unrealized Loss Position	6.00%	4.00%
Percentage of Total Unrealized Losses	10.00%	6.00%
Perpetual Securities | Tier I		
Investments, Unrealized Loss Position [Line Items]		
Percentage of Total Investments in an Unrealized Loss Position	4.00%	5.00%
Percentage of Total Unrealized Losses	10.00%	12.00%

FAIR VALUE MEASUREMENTS - Fair Value Hierarchy Levels of Assets and Liabilities Measured at Fair Value on Recurring Basis (Detail) (USD $) In Millions, unless otherwise specified	Jun. 30, 2012	Dec. 31, 2011
Level 3		
Assets:		
Total assets	$ 3,970	
Liabilities:		
Total liabilities	474	
Fair Value, Measurements, Recurring		
Assets:		
Swaps	306	375
Cash and cash equivalents	2,130	2,249
Total assets	56,972	56,660
Liabilities:		
Total liabilities	482	531
Fair Value, Measurements, Recurring | Interest rate swaps		
Assets:		
Swaps	31	34
Liabilities:		
Swaps	4	4
Fair Value, Measurements, Recurring | Foreign currency swaps		
Assets:		
Swaps	275	341
Liabilities:		
Swaps	371	397
Fair Value, Measurements, Recurring | Credit default swaps		
Liabilities:		
Swaps	107	130
Fair Value, Measurements, Recurring | Fixed Maturities		
Assets:		
Available-for-sale Securities	49,781	47,572
Fair Value, Measurements, Recurring | Fixed Maturities | Government and Agencies Debt Securities		
Assets:		
Available-for-sale Securities	12,534	11,813
Fair Value, Measurements, Recurring | Fixed Maturities | Municipalities		
Assets:		
Available-for-sale Securities	1,189	1,159

Fair Value, Measurements, Recurring | Fixed Maturities | Mortgage- and asset-backed Securities		
Assets:		
Available-for-sale Securities	1,273	1,338
Fair Value, Measurements, Recurring | Fixed Maturities | Public Utilities		
Assets:		
Available-for-sale Securities	7,574	7,225
Fair Value, Measurements, Recurring | Fixed Maturities | Sovereign and Supranational		
Assets:		
Available-for-sale Securities	2,560	2,308
Fair Value, Measurements, Recurring | Fixed Maturities | Banks/financial Institutions		
Assets:		
Available-for-sale Securities	7,716	7,453
Fair Value, Measurements, Recurring | Fixed Maturities | Other Corporate		
Assets:		
Available-for-sale Securities	16,935	16,276
Fair Value, Measurements, Recurring | Perpetual Securities		
Assets:		
Available-for-sale Securities	4,732	6,439
Fair Value, Measurements, Recurring | Perpetual Securities | Banks/financial Institutions		
Assets:		
Available-for-sale Securities	4,390	6,078
Fair Value, Measurements, Recurring | Perpetual Securities | Other Corporate		
Assets:		
Available-for-sale Securities	342	361
Fair Value, Measurements, Recurring | Equity Securities		
Assets:		
Available-for-sale Securities	23	25
Fair Value, Measurements, Recurring | Level 1		
Assets:		
Swaps	0	0
Cash and cash equivalents	2,130	2,249
Total assets	13,884	13,356
Liabilities:		
Total liabilities	0	0
Fair Value, Measurements, Recurring | Level 1 | Interest rate swaps		
Assets:		
Swaps	0	0
Liabilities:		
Swaps	0	0
Fair Value, Measurements, Recurring | Level 1 | Foreign currency swaps		
Assets:		
Swaps	0	0
Liabilities:		

Swaps	0	0
Fair Value, Measurements, Recurring | Level 1 | Credit default swaps		
Liabilities:		
Swaps	0	0
Fair Value, Measurements, Recurring | Level 1 | Fixed Maturities		
Assets:		
Available-for-sale Securities	11,741	11,092
Fair Value, Measurements, Recurring | Level 1 | Fixed Maturities | Government and Agencies Debt Securities		
Assets:		
Available-for-sale Securities	11,741	11,092
Fair Value, Measurements, Recurring | Level 1 | Fixed Maturities | Municipalities		
Assets:		
Available-for-sale Securities	0	0
Fair Value, Measurements, Recurring | Level 1 | Fixed Maturities | Mortgage- and asset-backed Securities		
Assets:		
Available-for-sale Securities	0	0
Fair Value, Measurements, Recurring | Level 1 | Fixed Maturities | Public Utilities		
Assets:		
Available-for-sale Securities	0	0
Fair Value, Measurements, Recurring | Level 1 | Fixed Maturities | Sovereign and Supranational		
Assets:		
Available-for-sale Securities	0	0
Fair Value, Measurements, Recurring | Level 1 | Fixed Maturities | Banks/financial Institutions		
Assets:		
Available-for-sale Securities	0	0
Fair Value, Measurements, Recurring | Level 1 | Fixed Maturities | Other Corporate		
Assets:		
Available-for-sale Securities	0	0
Fair Value, Measurements, Recurring | Level 1 | Perpetual Securities		
Assets:		
Available-for-sale Securities	0	0
Fair Value, Measurements, Recurring | Level 1 | Perpetual Securities | Banks/financial Institutions		
Assets:		
Available-for-sale Securities	0	0
Fair Value, Measurements, Recurring | Level 1 | Perpetual Securities | Other Corporate		
Assets:		
Available-for-sale Securities	0	0
Fair Value, Measurements, Recurring | Level 1 | Equity Securities		
Assets:		
Available-for-sale Securities	13	15

Fair Value, Measurements, Recurring | Level 2		
Assets:		
Swaps	25	0
Cash and cash equivalents	0	0
Total assets	39,118	38,970
Liabilities:		
Total liabilities	8	0
Fair Value, Measurements, Recurring | Level 2 | Interest rate swaps		
Assets:		
Swaps	0	0
Liabilities:		
Swaps	0	0
Fair Value, Measurements, Recurring | Level 2 | Foreign currency swaps		
Assets:		
Swaps	25	0
Liabilities:		
Swaps	8	0
Fair Value, Measurements, Recurring | Level 2 | Credit default swaps		
Liabilities:		
Swaps	0	0
Fair Value, Measurements, Recurring | Level 2 | Fixed Maturities		
Assets:		
Available-for-sale Securities	34,662	33,051
Fair Value, Measurements, Recurring | Level 2 | Fixed Maturities | Government and Agencies Debt Securities		
Assets:		
Available-for-sale Securities	793	721
Fair Value, Measurements, Recurring | Level 2 | Fixed Maturities | Municipalities		
Assets:		
Available-for-sale Securities	1,189	1,159
Fair Value, Measurements, Recurring | Level 2 | Fixed Maturities | Mortgage- and asset-backed Securities		
Assets:		
Available-for-sale Securities	894	944
Fair Value, Measurements, Recurring | Level 2 | Fixed Maturities | Public Utilities		
Assets:		
Available-for-sale Securities	7,156	6,803
Fair Value, Measurements, Recurring | Level 2 | Fixed Maturities | Sovereign and Supranational		
Assets:		
Available-for-sale Securities	2,124	1,874
Fair Value, Measurements, Recurring | Level 2 | Fixed Maturities | Banks/financial Institutions		
Assets:		
Available-for-sale Securities	6,602	6,379

Fair Value, Measurements, Recurring | Level 2 | Fixed Maturities | Other Corporate		
Assets:		
Available-for-sale Securities	15,904	15,171
Fair Value, Measurements, Recurring | Level 2 | Perpetual Securities		
Assets:		
Available-for-sale Securities	4,425	5,913
Fair Value, Measurements, Recurring | Level 2 | Perpetual Securities | Banks/financial Institutions		
Assets:		
Available-for-sale Securities	4,083	5,552
Fair Value, Measurements, Recurring | Level 2 | Perpetual Securities | Other Corporate		
Assets:		
Available-for-sale Securities	342	361
Fair Value, Measurements, Recurring | Level 2 | Equity Securities		
Assets:		
Available-for-sale Securities	6	6
Fair Value, Measurements, Recurring | Level 3		
Assets:		
Swaps	281	375
Cash and cash equivalents	0	0
Total assets	3,970	4,334
Liabilities:		
Total liabilities	474	531
Fair Value, Measurements, Recurring | Level 3 | Interest rate swaps		
Assets:		
Swaps	31	34
Liabilities:		
Swaps	4	4
Fair Value, Measurements, Recurring | Level 3 | Foreign currency swaps		
Assets:		
Swaps	250	341
Liabilities:		
Swaps	363	397
Fair Value, Measurements, Recurring | Level 3 | Credit default swaps		
Liabilities:		
Swaps	107	130
Fair Value, Measurements, Recurring | Level 3 | Fixed Maturities		
Assets:		
Available-for-sale Securities	3,378	3,429
Fair Value, Measurements, Recurring | Level 3 | Fixed Maturities | Government and Agencies Debt Securities		
Assets:		
Available-for-sale Securities	0	0
Fair Value, Measurements, Recurring | Level 3 | Fixed Maturities | Municipalities		

Assets:		
Available-for-sale Securities	0	0
Fair Value, Measurements, Recurring | Level 3 | Fixed Maturities | Mortgage- and asset-backed Securities		
Assets:		
Available-for-sale Securities	379	394
Fair Value, Measurements, Recurring | Level 3 | Fixed Maturities | Public Utilities		
Assets:		
Available-for-sale Securities	418	422
Fair Value, Measurements, Recurring | Level 3 | Fixed Maturities | Sovereign and Supranational		
Assets:		
Available-for-sale Securities	436	434
Fair Value, Measurements, Recurring | Level 3 | Fixed Maturities | Banks/financial Institutions		
Assets:		
Available-for-sale Securities	1,114	1,074
Fair Value, Measurements, Recurring | Level 3 | Fixed Maturities | Other Corporate		
Assets:		
Available-for-sale Securities	1,031	1,105
Fair Value, Measurements, Recurring | Level 3 | Perpetual Securities		
Assets:		
Available-for-sale Securities	307	526
Fair Value, Measurements, Recurring | Level 3 | Perpetual Securities | Banks/financial Institutions		
Assets:		
Available-for-sale Securities	307	526
Fair Value, Measurements, Recurring | Level 3 | Perpetual Securities | Other Corporate		
Assets:		
Available-for-sale Securities	0	0
Fair Value, Measurements, Recurring | Level 3 | Equity Securities		
Assets:		
Available-for-sale Securities	4	4
Carrying Value		
Assets:		
Swaps	306	375
Liabilities:		
Swaps	$ 482	$ 531

Consolidated Statements of Earnings (USD $) In Millions, except Share data in Thousands, unless otherwise specified	3 Months Ended		6 Months Ended	
	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011
Revenues:				
Premiums, principally supplemental health insurance	$ 5,467	$ 4,956	$ 10,845	$ 9,828
Net investment income	845	784	1,728	1,579
Realized investment gains (losses):				
Other-than-temporary impairment losses realized	(343) [1]	(528) [2]	(546) [1]	(933) [2]
Sales and redemptions	(8)	(182)	70	(326)
Derivative and other gains (losses)	(67)	42	13	12
Total realized investment gains (losses)	(418)	(668)	(463)	(1,247)
Other income	8	16	32	44
Total revenues	5,902	5,088	12,142	10,204
Benefits and expenses:				
Benefits and claims	3,763	3,310	7,409	6,532
Acquisition and operating expenses:				
Amortization of deferred policy acquisition costs	269	251	557	511
Insurance commissions	432	427	867	849
Insurance expenses	587	565	1,150	1,098
Interest expense	62	46	119	92
Other operating expenses	48	45	97	86
Total acquisition and operating expenses	1,398	1,334	2,790	2,636
Total benefits and expenses	5,161	4,644	10,199	9,168
Earnings before income taxes	741	444	1,943	1,036
Income taxes	258	170	675	373
Net earnings	$ 483	$ 274	$ 1,268	$ 663
Net earnings per share:				
Basic	$ 1.04	$ 0.59	$ 2.72	$ 1.42
Diluted	$ 1.03	$ 0.58	$ 2.71	$ 1.41
Weighted-average outstanding common shares used in computing earnings per share (In thousands):				
Basic	466,788	466,498	466,337	467,317
Diluted	468,590	469,752	468,561	470,990
Cash dividends per share	$ 0.33	$ 0.30	$ 0.66	$ 0.60

[1] Includes $267 and $295 for the three- and six-month periods ended June 30, 2012, respectively, for credit-related impairments and $76 and $251 for the three- and six-month periods ended June 30, 2012, respectively, from change in intent to sell securities

[2] Consisted completely of credit-related impairments

DERIVATIVE INSTRUMENTS - Maximum Potential Risk, Fair Value, Weighted-Average Years to Maturity, and Underlying Referenced Credit Obligation Type for Credit Default Swaps (Detail) (Corporate Bonds, USD $) In Millions, unless otherwise specified	6 Months Ended Jun. 30, 2012	12 Months Ended Dec. 31, 2011
Credit Derivatives [Line Items]		
Maximum potential risk	$ (367)	$ (381)
Estimated fair value	(107)	(130)
Less than one year		
Credit Derivatives [Line Items]		
Maximum potential risk	0	0
Estimated fair value	0	0
One to three years		
Credit Derivatives [Line Items]		
Maximum potential risk	0	0
Estimated fair value	0	0
Three to five years		
Credit Derivatives [Line Items]		
Maximum potential risk	(139)	(146)
Estimated fair value	(5)	(17)
Five to ten years		
Credit Derivatives [Line Items]		
Maximum potential risk	(228)	(235)
Estimated fair value	(102)	(113)
A		
Credit Derivatives [Line Items]		
Credit Rating	A	A
Maximum potential risk	(139)	(146)
Estimated fair value	(5)	(17)
A | Less than one year		
Credit Derivatives [Line Items]		
Maximum potential risk	0	0
Estimated fair value	0	0
A | One to three years		
Credit Derivatives [Line Items]		
Maximum potential risk	0	0
Estimated fair value	0	0

A | Three to five years		
Credit Derivatives [Line Items]		
Maximum potential risk	(139)	(146)
Estimated fair value	(5)	(17)
A | Five to ten years		
Credit Derivatives [Line Items]		
Maximum potential risk	0	0
Estimated fair value	0	0
BB or Lower		
Credit Derivatives [Line Items]		
Credit Rating	BB or lower	BB or lower
Maximum potential risk	(228)	(235)
Estimated fair value	(102)	(113)
BB or Lower | Less than one year		
Credit Derivatives [Line Items]		
Maximum potential risk	0	0
Estimated fair value	0	0
BB or Lower | One to three years		
Credit Derivatives [Line Items]		
Maximum potential risk	0	0
Estimated fair value	0	0
BB or Lower | Three to five years		
Credit Derivatives [Line Items]		
Maximum potential risk	0	0
Estimated fair value	0	0
BB or Lower | Five to ten years		
Credit Derivatives [Line Items]		
Maximum potential risk	(228)	(235)
Estimated fair value	$ (102)	$ (113)

Consolidated Statements of Shareholders' Equity (USD $) In Millions, unless otherwise specified	Total	Common stock:	Additional paid-in capital:	Retained earnings:	Accumulated other comprehensive income (loss):	Treasury stock:
Balance, beginning of period at Dec. 31, 2010		$ 66	$ 1,320	$ 13,787	$ 753	$ (5,386)
Increase (Decrease) in Stockholders' Equity [Roll Forward]						
Exercise of stock options			15			
Share-based compensation			18			
Net earnings	663			663		
Dividends to shareholders				(281)		
Unrealized foreign currency translation gains (losses) during period, net of income taxes:						
Change in unrealized foreign currency translation gains (losses) during period, net of income taxes					(14)	
Unrealized gains (losses) on investment securities during period, net of income taxes and reclassification adjustments:						
Change in unrealized gains (losses) on investment securities not other-than-temporarily impaired, net of income taxes					716	
Change in unrealized gains (losses) on other-than-temporarily impaired investment securities, net of income taxes					3	
Unrealized gains (losses) on derivatives during period, net of income taxes					(25)	
Pension liability adjustment during period, net of income taxes					3	
Purchases of treasury stock						(231)
Treasury stock reissued			19			26
Balance, end of period at Jun. 30, 2011	11,452	66	1,372	14,169	1,436	(5,591)
Balance, beginning of period at Dec. 31, 2011	12,946	66	1,408	15,148	1,965	(5,641)
Increase (Decrease) in Stockholders' Equity [Roll Forward]						
Exercise of stock options			15			
Share-based compensation			16			
Net earnings	1,268			1,268		
Dividends to shareholders				(308)		

Unrealized foreign currency translation gains (losses) during period, net of income taxes:						
Change in unrealized foreign currency translation gains (losses) during period, net of income taxes					(119)	
Unrealized gains (losses) on investment securities during period, net of income taxes and reclassification adjustments:						
Change in unrealized gains (losses) on investment securities not other-than-temporarily impaired, net of income taxes					327	
Change in unrealized gains (losses) on other-than-temporarily impaired investment securities, net of income taxes					0	
Unrealized gains (losses) on derivatives during period, net of income taxes					(5)	
Pension liability adjustment during period, net of income taxes					3	
Purchases of treasury stock						(10)
Treasury stock reissued			14			32
Balance, end of period at Jun. 30, 2012	$ 14,179	$ 66	$ 1,453	$ 16,108	$ 2,171	$ (5,619)

NOTES PAYABLE - Summary of Notes Payable (Detail) In Millions, unless otherwise specified	Jun. 30, 2012 USD ($)	Dec. 31, 2011 USD ($)	Jun. 30, 2012 8.50% senior notes due May 2019 USD ($)	Dec. 31, 2011 8.50% senior notes due May 2019 USD ($)	Jun. 30, 2012 6.45% senior notes due August 2040 USD ($)	Dec. 31, 2011 6.45% senior notes due August 2040 USD ($)	Jun. 30, 2012 6.90% senior notes due December 2039 USD ($)	Dec. 31, 2011 6.90% senior notes due December 2039 USD ($)	Jun. 30, 2012 3.45% senior notes due August 2015 USD ($)	Dec. 31, 2011 3.45% senior notes due August 2015 USD ($)	Jun. 30, 2012 2.65% senior notes due February 2017 USD ($)	Dec. 31, 2011 2.65% senior notes due February 2017 USD ($)	Jun. 30, 2012 4.00% senior notes due February 2022 USD ($)	Dec. 31, 2011 4.00% senior notes due February 2022 USD ($)
Debt Instrument [Line Items]														
Notes payable	$ 3,672	$ 3,285	$ 850	$ 850	$ 448 [1]	$ 448 [1]	$ 396 [2]	$ 396 [2]	$ 300	$ 300	$ 400	$ 0	$ 349 [3]	$ 0
Notes payable, principal amount					450	450	400	400			400		350	
Notes payable, underwriting discount					$ 2	$ 2	$ 4	$ 4					$ 1	

NOTES PAYABLE - Summary of Notes Payable (Detail) In Millions, unless otherwise specified	Jun. 30, 2012 2.26% yen-denominated Uridashi notes due September 2016 USD ($)	Jun. 30, 2012 2.26% yen-denominated Uridashi notes due September 2016 JPY (¥)	Dec. 31, 2011 2.26% yen-denominated Uridashi notes due September 2016 USD ($)	Dec. 31, 2011 2.26% yen-denominated Uridashi notes due September 2016 JPY (¥)	Jun. 30, 2012 1.47% yen-denominated Samurai notes due July 2014 USD ($)	Jun. 30, 2012 1.47% yen-denominated Samurai notes due July 2014 JPY (¥)	Dec. 31, 2011 1.47% yen-denominated Samurai notes due July 2014 USD ($)	Dec. 31, 2011 1.47% yen-denominated Samurai notes due July 2014 JPY (¥)	Jun. 30, 2012 1.87% yen-denominated Samurai notes paid June 2012 USD ($)	Jun. 30, 2012 1.87% yen-denominated Samurai notes paid June 2012 JPY (¥)	Dec. 31, 2011 1.87% yen-denominated Samurai notes paid June 2012 USD ($)	Dec. 31, 2011 1.87% yen-denominated Samurai notes paid June 2012 JPY (¥)	Jun. 30, 2012 1.84% yen-denominated Samurai notes due July 2016 USD ($)	Jun. 30, 2012 1.84% yen-denominated Samurai notes due July 2016 JPY (¥)	Dec. 31, 2011 1.84% yen-denominated Samurai notes due July 2016 USD ($)	Dec. 31, 2011 1.84% yen-denominated Samurai notes due July 2016 JPY (¥)
Debt Instrument [Line Items]																
Notes payable	$ 101		$ 103		$ 362		$ 369		$ 0		$ 342		$ 199		$ 203	
Notes payable, principal amount		8,000		8,000		28,700		28,700		0		26,600		15,800		15,800
Notes payable, underwriting discount																

NOTES PAYABLE - Summary of Notes Payable (Detail) In Millions, unless otherwise specified	Jun. 30, 2012 Variable interest rate yen-denominated Samurai notes due July 2014 USD ($)	Jun. 30, 2012 Variable interest rate yen-denominated Samurai notes due July 2014 JPY (¥)	Dec. 31, 2011 Variable interest rate yen-denominated Samurai notes due July 2014 USD ($)	Dec. 31, 2011 Variable interest rate yen-denominated Samurai notes due July 2014 JPY (¥)	Jul. 31, 2011 Variable interest rate yen-denominated Samurai notes due July 2014 JPY (¥)	Jun. 30, 2012 3.60% yen-denominated loan due July 2015 USD ($)	Jun. 30, 2012 3.60% yen-denominated loan due July 2015 JPY (¥)	Dec. 31, 2011 3.60% yen-denominated loan due July 2015 USD ($)	Dec. 31, 2011 3.60% yen-denominated loan due July 2015 JPY (¥)	Jun. 30, 2012 3.00% yen-denominated loan due August 2015 USD ($)	Jun. 30, 2012 3.00% yen-denominated loan due August 2015 JPY (¥)	Dec. 31, 2011 3.00% yen-denominated loan due August 2015 USD ($)	Dec. 31, 2011 3.00% yen-denominated loan due August 2015 JPY (¥)	Jun. 30, 2012 Capitalized Lease Obligations USD ($)	Dec. 31, 2011 Capitalized Lease Obligations USD ($)
Debt Instrument [Line Items]															
Notes payable	$ 69		$ 71			$ 126		$ 129		$ 63		$ 64		$ 9	$ 10
Notes payable, principal amount		5,500		5,500	5,500		10,000		10,000		5,000		5,000		
Notes payable, underwriting discount															

[1] $450 issuance net of a $2 underwriting discount that is being amortized over the life of the notes
[2] $400 issuance net of a $4 underwriting discount that is being amortized over the life of the notes
[3] $350 issuance net of a $1 underwriting discount that is being amortized over the life of the notes

INVESTMENTS - Total Investments in Bank and Financial Institution Sector, Including those Classified as Perpetual Securities (Detail) (Banks/financial Institutions, USD $) In Millions, unless otherwise specified	Jun. 30, 2012	Dec. 31, 2011
Summary of Investment Holdings [Line Items]		
Amortized Cost	$ 23,576	$ 26,578
Fair Value	22,438	25,011
Percentage of Total Investment Portfolio, Amortized Cost	23.00%	27.00%
Percentage of Total Investment Portfolio, Fair Value	21.00%	25.00%
Debt Securities		
Summary of Investment Holdings [Line Items]		
Amortized Cost	18,632	20,025
Fair Value	18,048	18,933
Percentage of Total Investment Portfolio, Amortized Cost	18.00%	20.00%
Percentage of Total Investment Portfolio, Fair Value	17.00%	19.00%
Perpetual Securities | Upper Tier II		
Summary of Investment Holdings [Line Items]		
Amortized Cost	3,311	4,285
Fair Value	3,052	4,244
Percentage of Total Investment Portfolio, Amortized Cost	3.00%	5.00%
Percentage of Total Investment Portfolio, Fair Value	3.00%	4.00%
Perpetual Securities | Tier I		
Summary of Investment Holdings [Line Items]		
Amortized Cost	1,633	2,268
Fair Value	$ 1,338	$ 1,834
Percentage of Total Investment Portfolio, Amortized Cost	2.00%	2.00%
Percentage of Total Investment Portfolio, Fair Value	1.00%	2.00%

SHARE-BASED COMPENSATION - Additional Information (Detail) (USD $) In Millions, except Share data, unless otherwise specified	6 Months Ended	
	Jun. 30, 2012 plan Y	Jun. 30, 2011
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]		
Number of long-term incentive compensation plans	2	
Shares available for future grants under the long-term incentive plan	14,000,000	
Proceeds from Stock Options Exercised	$ 9	$ 13
Tax Benefit from Stock Options Exercised	13	12
Total compensation cost not yet recognized, restricted stock awards	43	
Total compensation cost not yet recognized, restricted stock awards, weighted-average period (in years)	1.9	
Stock Option Plan Effective until February 2007		
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]		
Stock option plan, terms (in years)	10	
Stock option plan, vesting period	3 years	
Performance based Vesting Condition		
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]		
Total compensation cost not yet recognized, restricted stock awards	$ 22	
Total compensation cost not yet recognized, restricted stock awards, shares	748,000	

FAIR VALUE MEASUREMENTS (Tables)	6 Months Ended Jun. 30, 2012

Fair Value Disclosures [Abstract]

Carrying Value and Fair Value of Financial Instruments Disclosure

The carrying values and estimated fair values of the Company's financial instruments were as follows:

	June 30, 2012		December 31, 2011	
(In millions)	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets:				
Fixed-maturity securities	$ 96,134	$ 96,265	$ 88,588	$ 88,039
Fixed-maturity securities - consolidated variable interest entities	6,060	6,056	5,993	5,916
Perpetual securities	3,966	3,966	5,149	5,149
Perpetual securities - consolidated variable interest entities	766	766	1,290	1,290
Equity securities	23	23	25	25
Interest rate, foreign currency, and credit default swaps	306	306	375	375
Liabilities:				
Notes payable (excluding capitalized leases)	3,663	4,138	3,275	3,536
Interest rate, foreign currency, and credit default swaps	482	482	531	531
Obligation to Japanese policyholder protection corporation	48	48	71	71

Fair Value Hierarchy, Assets and Liabilities Measured on Recurring Basis

The following tables present the fair value hierarchy levels of the Company's assets and liabilities that are measured and carried at fair value on a recurring basis.

	June 30, 2012			
(In millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets:				
Securities available for sale, carried at fair value:				
Fixed maturities:				
Government and agencies	$ 11,741	$ 793	$ 0	$ 12,534
Municipalities	0	1,189	0	1,189
Mortgage- and asset-backed securities	0	894	379	1,273
Public utilities	0	7,156	418	7,574
Sovereign and supranational	0	2,124	436	2,560
Banks/financial institutions	0	6,602	1,114	7,716
Other corporate	0	15,904	1,031	16,935
Total fixed maturities	11,741	34,662	3,378	49,781
Perpetual securities:				
Banks/financial institutions	0	4,083	307	4,390
Other corporate	0	342	0	342
Total perpetual securities	0	4,425	307	4,732
Equity securities	13	6	4	23
Other assets:				
Interest rate swaps	0	0	31	31
Foreign currency swaps	0	25	250	275
Total other assets	0	25	281	306
Cash and cash equivalents	2,130	0	0	2,130
Total assets	$ 13,884	$ 39,118	$ 3,970	$ 56,972
Liabilities:				
Interest rate swaps	$ 0	$ 0	$ 4	$ 4
Foreign currency swaps	0	8	363	371
Credit default swaps	0	0	107	107
Total liabilities	$ 0	$ 8	$ 474	$ 482

(In millions)	December 31, 2011 Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets:				
Securities available for sale, carried at fair value:				
Fixed maturities:				
Government and agencies	$ 11,092	$ 721	$ 0	$ 11,813
Municipalities	0	1,159	0	1,159
Mortgage- and asset-backed securities	0	944	394	1,338
Public utilities	0	6,803	422	7,225
Sovereign and supranational	0	1,874	434	2,308
Banks/financial institutions	0	6,379	1,074	7,453
Other corporate	0	15,171	1,105	16,276
Total fixed maturities	11,092	33,051	3,429	47,572
Perpetual securities:				
Banks/financial institutions	0	5,552	526	6,078
Other corporate	0	361	0	361
Total perpetual securities	0	5,913	526	6,439
Equity securities	15	6	4	25
Other assets:				
Interest rate swaps	0	0	34	34
Foreign currency swaps	0	0	341	341
Total other assets	0	0	375	375
Cash and cash equivalents	2,249	0	0	2,249
Total assets	$ 13,356	$ 38,970	$ 4,334	$ 56,660
Liabilities:				
Interest rate swaps	$ 0	$ 0	$ 4	$ 4
Foreign currency swaps	0	0	397	397
Credit default swaps	0	0	130	130
Total liabilities	$ 0	$ 0	$ 531	$ 531

Fair Value Hierarchy Levels of Assets and Liabilities Carried at Cost or Amortized Cost

The following tables present the fair values categorized by hierarchy levels for the Company's assets and liabilities that are carried at cost or amortized cost and for which fair value is disclosed.

(In millions)	**June 30, 2012** **Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total Fair Value**
Assets:				
Securities held to maturity, carried at amortized cost:				
Fixed maturities:				
Government and agencies	**$ 27,527**	**$ 0**	**$ 0**	**$ 27,527**
Municipalities	**0**	**574**	**0**	**574**
Mortgage- and asset-backed securities	**0**	**35**	**85**	**120**
Public utilities	**0**	**5,426**	**0**	**5,426**
Sovereign and supranational	**0**	**3,698**	**0**	**3,698**
Banks/financial institutions	**0**	**10,332**	**0**	**10,332**
Other corporate	**0**	**4,863**	**0**	**4,863**
Total assets	**$ 27,527**	**$ 24,928**	**$ 85**	**$ 52,540**
Liabilities:				
Notes payable (excluding capital leases)	**$ 0**	**$ 0**	**$ 4,138**	**$ 4,138**
Obligation to Japanese policyholder protection corporation	**0**	**0**	**48**	**48**
Total liabilities	**$ 0**	**$ 0**	**$ 4,186**	**$ 4,186**

(In millions)	December 31, 2011 Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets:				
Securities held to maturity, carried at amortized cost:				
Fixed maturities:				
Government and agencies	$ 19,071	$ 0	$ 0	$ 19,071
Municipalities	0	584	0	584
Mortgage- and asset-backed securities	0	39	95	134
Public utilities	0	5,637	0	5,637
Sovereign and supranational	0	4,165	0	4,165
Banks/financial institutions	0	11,480	0	11,480
Other corporate	0	5,312	0	5,312
Total assets	$ 19,071	$ 27,217	$ 95	$ 46,383
Liabilities:				
Notes payable (excluding capital leases)	$ 0	$ 0	$ 3,536	$ 3,536
Obligation to Japanese policyholder protection corporation	0	0	71	71
Total liabilities	$ 0	$ 0	$ 3,607	$ 3,607

Fair Value, Assets Measured on Recurring Basis, Unobservable Input Reconciliation

The following tables present the changes in our available-for-sale investments and derivatives classified as Level 3.

Three Months Ended June 30, 2012

	Fixed Maturities					**Perpetual Securities**	**Equity Securities**	**Derivatives**			
(In millions)	Mortgage- and Asset-Backed Securities	Public Utilities	Sovereign and Supranational	Banks/ Financial Institutions	Other Corporate	Banks/ Financial Institutions		Interest Rate Swaps	Foreign Currency Swaps	Credit Default Swaps	**Total**
Balance, beginning of period	$ 367	$ 409	$ 418	$ 1,097	$ 1,035	$ 325	$ 4	$ 28	$ (79)	$ (97)	$3,507
Realized gains or losses included in earnings	(3)	0	0	0	0	0	0	(1)	(31)	(10)	(45)
Unrealized gains or losses included in other comprehensive income	22	9	18	17	(4)	(18)	0	0	4	0	48
Purchases, issuances, sales and settlements:											
Purchases	0	0	0	0	0	0	0	0	0	0	0
Issuances	0	0	0	0	0	0	0	0	0	0	0
Sales	0	0	0	0	0	0	0	0	0	0	0
Settlements	(7)	0	0	0	0	0	0	0	(7)	0	(14)
Transfers into Level 3	0	0	0	0	0	0	0	0	0	0	0
Transfers out of Level 3	0	0	0	0	0	0	0	0	0	0	0
Balance, end of period	$ 379	$ 418	$ 436	$ 1,114	$ 1,031	$ 307	$ 4	$ 27	$ (113)	$ (107)	$3,496
Change in unrealized gains (losses) still held[(1)]	$ (3)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (1)	$ (31)	$ (10)	$ (45)

[(1)]Represents the amount of total gains or losses for the period, included in earnings, attributable to the change in unrealized gains (losses) relating to assets classified as
Level 3 that were still held at June 30, 2012

Three Months Ended June 30, 2011

	Fixed Maturities						**Perpetual Securities**	**Equity Securities**	**Derivatives**		
(In millions)	Mortgage- and Asset-	Public Utilities	Collateralized Debt Obligations	Sovereign and Supranational	Banks/ Financial Institutions	Other Corporate	Banks/ Financial Institutions		Foreign Currency Swaps	Credit Default Swaps	**Total**

	Backed Securities										
Balance, beginning of period	$ 248	$ 0	$ 5	$ 0	$ 420	$ 0	$ 0	$ 4	$ 126	$ (338)	$ 465
Realized gains or losses included in earnings	0	0	(1)	0	0	0	0	0	25	(43)	(19)
Unrealized gains or losses included in other comprehensive income	12	0	0	0	(22)	0	0	0	13	0	3
Purchases, issuances, sales and settlements:											
Purchases	0	0	0	0	0	0	0	0	0	0	0
Issuances	0	0	0	0	0	0	0	0	0	0	0
Sales	0	0	0	0	0	0	0	0	0	0	0
Settlements	(3)	0	0	0	0	0	0	0	0	128	125
Transfers into Level 3	0	0	0	0	0	0	0	0	0	0	0
Transfers out of Level 3	0	0	0	0	0	0	0	0	0	0	0
Balance, end of period	$ 257	$ 0	$ 4	$ 0	$ 398	$ 0	$ 0	$ 4	$ 164	$ (253)	$ 574
Change in unrealized gains (losses) still held[(1)]	$ 0	$ 0	$ (1)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 25	$ (7)	$ 17

[(1)] *Represents the amount of total gains or losses for the period, included in earnings, attributable to the change in unrealized gains (losses) relating to assets classified as*
Level 3 that were still held at June 30, 2011

Six Months Ended June 30, 2012

	Fixed Maturities					Perpetual Securities	Equity Securities	Derivatives			
(In millions)	Mortgage- and Asset-Backed Securities	Public Utilities	Sovereign and Supranational	Banks/ Financial Institutions	Other Corporate	Banks/ Financial Institutions		Interest Rate Swaps	Foreign Currency Swaps	Credit Default Swaps	**Total**
Balance, beginning of period	$ 394	$ 422	$ 434	$ 1,074	$ 1,105	$ 526	$ 4	$ 30	$ (56)	$ (130)	$3,803
Realized gains or losses included in earnings	(3)	0	0	0	2	49	0	(3)	(18)	23	50
Unrealized gains or losses included in other comprehensive income	(1)	(4)	2	40	(42)	(12)	0	0	(8)	0	(25)
Purchases, issuances, sales and settlements:											
Purchases	0	0	0	0	0	0	0	0	0	0	0
Issuances	0	0	0	0	0	0	0	0	0	0	0
Sales	0	0	0	0	(34)	(256)	0	0	0	0	(290)
Settlements	(11)	0	0	0	0	0	0	0	(31)	0	(42)
Transfers into Level 3	0	0	0	0	0	0	0	0	0	0	0
Transfers out of Level 3	0	0	0	0	0	0	0	0	0	0	0
Balance, end of period	$ 379	$ 418	$ 436	$ 1,114	$ 1,031	$ 307	$ 4	$ 27	$ (113)	$ (107)	$3,496
Change in unrealized gains (losses) still held[(1)]	$ (3)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (3)	$ (18)	$ 23	$ (1)

[(1)] *Represents the amount of total gains or losses for the period, included in earnings, attributable to the change in unrealized gains (losses) relating to assets classified as*
Level 3 that were still held at June 30, 2012

(In millions)	Fixed Maturities: Mortgage- and Asset-Backed Securities		Fixed Maturities: Public Utilities		Fixed Maturities: Collateralized Debt Obligations		Fixed Maturities: Sovereign and Supranational		Fixed Maturities: Banks/ Financial Institutions		Fixed Maturities: Other Corporate		Perpetual Securities: Banks/ Financial Institutions		Equity Securities		Derivatives: Foreign Currency Swaps		Derivatives: Credit Default Swaps	**Total**
Six Months Ended June 30, 2011																				
Balance, beginning of period	$	267	$	0	$	5	$	0	$	386	$	0	$	0	$	4	$	241	$ (343)	$ 560
Realized gains or losses included in earnings		(6)		0		(1)		0		1		0		0		0		(39)	(38)	(83)
Unrealized gains or losses included in other comprehensive income		2		0		0		0		11		0		0		0		(38)	0	(25)
Purchases, issuances, sales and settlements:																				
Purchases		0		0		0		0		0		0		0		0		0	0	0
Issuances		0		0		0		0		0		0		0		0		0	0	0
Sales		0		0		0		0		0		0		0		0		0	0	0
Settlements		(6)		0		0		0		0		0		0		0		0	128	122
Transfers into Level 3		0		0		0		0		0		0		0		0		0	0	0
Transfers out of Level 3		0		0		0		0		0		0		0		0		0	0	0
Balance, end of period	$	257	$	0	$	4	$	0	$	398	$	0	$	0	$	4	$	164	$ (253)	$ 574
Change in unrealized gains (losses) still held(1)	$	(6)	$	0	$	(1)	$	0	$	1	$	0	$	0	$	0	$	(39)	$ (15)	$ (60)

(1)Represents the amount of total gains or losses for the period, included in earnings, attributable to the change in unrealized gains (losses) relating to assets classified as Level 3 that were still held at June 30, 2011

Discounted Cash Flow Pricing Model Sensitivity Analysis

The estimated effect of potential changes in interest rates, credit spreads and interest rate volatility on these fair values as of such date is as follows:

Interest Rates: Factor Change	Interest Rates: Change in fair value (in millions)	Credit Spreads: Factor change	Credit Spreads: Change in fair value (in millions)	Interest Rate Volatility: Factor change	Interest Rate Volatility: Change in fair value (in millions)
+50 bps	$ (983)	+50 bps	$ (972)	+50 %	$ (8)
-50 bps	1,035	-50 bps	1,034	-50 %	24

The fair values of our held-to-maturity fixed-maturity securities valued by our DCF pricing model totaled $23.5 billion at June 30, 2012. The estimated effect of potential changes in interest rates, credit spreads and interest rate volatility on these fair values as of such date is as follows:

Interest Rates: Factor Change	Interest Rates: Change in fair value (in millions)	Credit Spreads: Factor change	Credit Spreads: Change in fair value (in millions)	Interest Rate Volatility: Factor change	Interest Rate Volatility: Change in fair value (in millions)
+50 bps	$ (1,452)	+50 bps	$ (1,354)	+50 %	$ (119)
-50 bps	1,459	-50 bps	1,334	-50 %	139

Fair Value Inputs Assets Quantitative Information

The following tables summarize the significant unobservable inputs used in the valuation of our Level 3 available-for-sale investments and derivatives. Included in the tables are the inputs or range of possible inputs that have an effect on the overall valuation of the financial instruments.

June 30, 2012					
(In millions)	Fair Value	Valuation Technique(s)	Unobservable Input	Range (Weighted Average)	
Assets:					
Securities available for sale, carried at fair value:					
Fixed maturities:					
Mortgage- and asset-backed securities	**$ 379**	Consensus pricing	Offered quotes	N/A	(e)
Public utilities	**418**	Discounted cash flow	Historical volatility	7.43%	
Sovereign and supranational	**436**	Discounted cash flow	Historical volatility	7.43%	
Banks/financial institutions	**580**	Discounted cash flow	Historical volatility	7.43%	
	534	Consensus pricing	Offered quotes	N/A	(e)
Other corporate	**602**	Discounted cash flow	Historical volatility	7.43%	
	429	Consensus pricing	Offered quotes	N/A	(e)
Perpetual securities:					
Banks/financial institutions	**307**	Discounted cash flow	Historical volatility	7.43%	
Equity securities	**4**	Net asset value	Offered quotes	$0-$993 ($4)	
Other assets:					
Interest rate swaps	**31**	Discounted cash flow	Base correlation	44% - 54%	(a)
			CDS spreads	84 - 192 bps	
			Recovery rate	25% - 70% (40%)	
Foreign currency swaps	**87**	Discounted cash flow	Interest rates (USD)	1.78% - 2.52%	(c)
			Interest rates (JPY)	.84% - 1.80%	(d)
			CDS spreads	21 - 138 bps	
			Foreign exchange rates	20.38%	(b)
	35	Discounted cash flow	Interest rates (USD)	1.78% - 2.52%	(c)
			Interest rates (JPY)	.84% - 1.80%	(d)
			CDS spreads	30 - 137 bps	
	128	Discounted cash flow	Interest rates (USD)	1.78% - 2.52%	(c)
			Interest rates (JPY)	.84% - 1.80%	(d)
			Foreign exchange rates	20.38%	(b)
Total assets	**$ 3,970**				

Fair Value Inputs Liabilities Quantitative Information

June 30, 2012					
(In millions)	Fair Value	Valuation Technique(s)	Unobservable Input	Range (Weighted Average)	
Liabilities:					
Interest rate swaps	**$ 4**	Discounted cash flow	Base correlation	44% - 54%	(a)
			CDS spreads	84 - 192 bps	
			Recovery rate	25% - 70% (40%)	
Foreign currency swaps	**92**	Discounted cash flow	Interest rates (USD)	1.78% - 2.52%	(c)
			Interest rates (JPY)	.84% - 1.80%	(d)
			CDS spreads	41 - 164 bps	
			Foreign exchange rates	20.38%	(b)

	32	Discounted cash flow	Interest rates (USD)	1.78% - 2.52%	(c)
			Interest rates (JPY)	.84% - 1.80%	(d)
			CDS spreads	66 - 294 bps	
	239	Discounted cash flow	Interest rates (USD)	1.78% - 2.52%	(c)
			Interest rates (JPY)	.84% - 1.80%	(d)
			Foreign exchange rates	20.38%	(b)
Credit default swaps	107	Discounted cash flow	Base correlations	44% - 54%	(a)
			CDS spreads	84 - 192 bps	
			Recovery rate	25% - 70% (40%)	
Total liabilities	$ 474				

INVESTMENTS - Information Regarding Pretax Realized Gains and Losses From Investments (Detail) (USD $) In Millions, unless otherwise specified	3 Months Ended				6 Months Ended			
	Jun. 30, 2012		Jun. 30, 2011		Jun. 30, 2012		Jun. 30, 2011	
Gain (Loss) on Investments [Line Items]								
Other-than-temporary impairment losses realized	$ (343)	[1]	$ (528)	[2]	$ (546)	[1]	$ (933)	[2]
Derivative gains (losses)	(67)		42		13		12	
Total realized investment gains (losses)	(418)		(668)		(463)		(1,247)	
Debt Securities | Available-for-sale Securities								
Gain (Loss) on Investments [Line Items]								
Gross gains from sales	19		10		33		36	
Gross losses from sales	(35)		(132)		(36)		(319)	
Net gains (losses) from redemptions	2		(1)		2		6	
Other-than-temporary impairment losses realized	(267)		(344)		(330)		(748)	
Total realized investment gains (losses)	(278)		(467)		(328)		(1,025)	
Debt Securities | Held-to-maturity Securities								
Gain (Loss) on Investments [Line Items]								
Net gains (losses) from redemptions	3		0		3		0	
Perpetual Securities								
Gain (Loss) on Investments [Line Items]								
Gross gains from sales	0		48		70		54	
Gross losses from sales	3		(107)		(62)		(109)	
Net gains (losses) from redemptions	0		0		60		0	
Other-than-temporary impairment losses realized	(76)		(184)		(216)		(184)	
Total realized investment gains (losses)	(73)		(243)		(148)		(239)	
Equity Securities								
Gain (Loss) on Investments [Line Items]								
Other-than-temporary impairment losses realized	0		0		0		(1)	
Total realized investment gains (losses)	0		0		0		(1)	
Other assets								
Gain (Loss) on Investments [Line Items]								
Derivative gains (losses)	(67)		(25)		13		(55)	
Other	0		67		0		73	
Total realized investment gains (losses)	$ (67)		$ 42		$ 13		$ 18	

[1] Includes $267 and $295 for the three- and six-month periods ended June 30, 2012, respectively, for credit-related impairments and $76 and $251 for the three- and six-month periods ended June 30, 2012, respectively, from change in intent to sell securities

[2] Consisted completely of credit-related impairments

SHAREHOLDERS' EQUITY (Tables)	6 Months Ended Jun. 30, 2012
Stockholders' Equity Note [Abstract]	
Schedule of Common Stock Outstanding Roll Forward	The following table is a reconciliation of the number of shares of the Company's common stock for the six-month periods ended June 30.

(In thousands of shares)	**2012**	2011
Common stock - issued:		
Balance, beginning of period	**663,639**	662,660
Exercise of stock options and issuance of restricted shares	**893**	752
Balance, end of period	**664,532**	663,412
Treasury stock:		
Balance, beginning of period	**197,329**	192,999
Purchases of treasury stock:		
Open market	**0**	4,100
Other	**205**	155
Dispositions of treasury stock:		
Shares issued to AFL Stock Plan	**(905)**	(745)
Exercise of stock options	**(72)**	(85)
Other	**(135)**	(79)
Balance, end of period	**196,422**	196,345
Shares outstanding, end of period	**468,110**	467,067

Schedule of Antidilutive Securities Excluded from Computation of Earnings Per Share

The following table presents the approximate number of share-based awards to purchase shares, on a weighted-average basis, that were considered to be anti-dilutive and were excluded from the calculation of diluted earnings per share for the following periods.

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	**2012**	2011	**2012**	2011
Anti-dilutive share-based awards	**8,385**	4,246	**6,921**	3,419

Consolidated Statements of Cash Flows (USD $) In Millions, unless otherwise specified	6 Months Ended	
	Jun. 30, 2012	Jun. 30, 2011
Cash flows from operating activities:		
Net earnings	$ 1,268	$ 663
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Change in receivables and advance premiums	3,135	926
Increase in deferred policy acquisition costs	(311)	(204)
Increase in policy liabilities	2,679	1,922
Change in income tax liabilities	105	(89)
Realized investment (gains) losses	463	1,247
Other, net	(94)	(87)
Net cash provided (used) by operating activities	7,245	4,378
Securities available for sale:		
Fixed maturities sold	982	1,767
Fixed maturities matured or called	938	775
Perpetual securities sold	897	226
Perpetual securities matured or called	376	61
Securities held to maturity:		
Fixed maturities matured or called	1,058	325
Securities available for sale:		
Fixed maturities acquired	(3,265)	(4,822)
Securities held to maturity:		
Fixed maturities acquired	(8,418)	(3,484)
Cash received as collateral on loaned securities, net	(646)	147
Other, net	20	(29)
Net cash provided (used) by investing activities	(8,058)	(5,034)
Cash flows from financing activities:		
Purchases of treasury stock	(10)	(222)
Proceeds from borrowings	749	0
Principal payments under debt obligations	(339)	(1)
Dividends paid to shareholders	(296)	(260)
Change in investment-type contracts, net	601	275
Treasury stock reissued	11	26
Other, net	9	7
Net cash provided (used) by financing activities	725	(175)
Effect of exchange rate changes on cash and cash equivalents	(31)	1
Net change in cash and cash equivalents	(119)	(830)
Cash and cash equivalents, beginning of period	2,249	2,121
Cash and cash equivalents, end of period	2,130	1,291
Supplemental disclosures of cash flow information:		
Income taxes paid	355	460

Interest paid	113	72
Impairment losses included in realized investment losses	546 [1]	933 [2]
Noncash financing activities:		
Capitalized lease obligations	2	1
Associate stock bonus		
Treasury stock issued for:		
Treasury stock issued	19	0
Shareholder dividend reinvestment		
Treasury stock issued for:		
Treasury stock issued	12	21
Share-based compensation grants		
Treasury stock issued for:		
Treasury stock issued	$ 4	$ 2

[1] Includes $267 and $295 for the three- and six-month periods ended June 30, 2012, respectively, for credit-related impairments and $76 and $251 for the three- and six-month periods ended June 30, 2012, respectively, from change in intent to sell securities

[2] Consisted completely of credit-related impairments

Consolidated Statements of Comprehensive Income (Loss) (USD $) In Millions, unless otherwise specified	3 Months Ended		6 Months Ended	
	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011
Statement of Other Comprehensive Income [Abstract]				
Net earnings	$ 483	$ 274	$ 1,268	$ 663
Other comprehensive income (loss) before income taxes:				
Unrealized foreign currency translation gains (losses) during period	32	(93)	(68)	(89)
Unrealized gains (losses) on investment securities:				
Unrealized holding gains (losses) on investment securities during period	(319)	473	5	(136)
Reclassification adjustment for realized (gains) losses on investment securities included in net earnings	(368)	(716)	(497)	(1,243)
Unrealized gains (losses) on derivatives during period	4	17	(8)	(38)
Pension liability adjustment during period	(2)	0	3	4
Total other comprehensive income (loss) before income taxes	83	1,113	429	984
Income tax expense (benefit) related to items of other comprehensive income (loss)	(89)	293	222	300
Other comprehensive income (loss), net of income taxes	172	820	207	684
Total comprehensive income (loss)	$ 655	$ 1,094	$ 1,475	$ 1,347

COMMITMENTS AND CONTINGENT LIABILITIES	6 Months Ended Jun. 30, 2012
Commitments and Contingencies Disclosure [Abstract]	
COMMITMENTS AND CONTINGENT LIABILITIES	**COMMITMENTS AND CONTINGENT LIABILITIES** We are a defendant in various lawsuits considered to be in the normal course of business. Members of our senior legal and financial management teams review litigation on a quarterly and annual basis. The final results of any litigation cannot be predicted with certainty. Although some of this litigation is pending in states where large punitive damages, bearing little relation to the actual damages sustained by plaintiffs, have been awarded in recent years, we believe the outcome of pending litigation will not have a material adverse effect on our financial position, results of operations, or cash flows.

Document and Entity Information	6 Months Ended Jun. 30, 2012	Jul. 27, 2012
Document Type	10-Q	
Amendment Flag	false	
Document Period End Date	Jun. 30, 2012	
Document Fiscal Year Focus	2012	
Document Fiscal Period Focus	Q2	
Trading Symbol	AFL	
Entity Registrant Name	AFLAC INC	
Entity Central Index Key	0000004977	
Current Fiscal Year End Date	--12-31	
Entity Filer Category	Large Accelerated Filer	
Entity Common Stock, Shares Outstanding		468,271,629

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Policies)	6 Months Ended
	Jun. 30, 2012
Accounting Policies [Abstract]	
Description of Business and Basis of Presentation	**Description of Business** Aflac Incorporated (the Parent Company) and its subsidiaries (collectively, the Company) primarily sell supplemental health and life insurance in the United States and Japan. The Company's insurance business is marketed and administered through American Family Life Assurance Company of Columbus (Aflac), which operates in the United States (Aflac U.S.) and as a branch in Japan (Aflac Japan). Most of Aflac's policies are individually underwritten and marketed through independent agents. Additionally, Aflac U.S. markets and administers group products through Continental American Insurance Company (CAIC), branded as Aflac Group Insurance. Our insurance operations in the United States and our branch in Japan service the two markets for our insurance business. Aflac Japan's revenues, including realized gains and losses on its investment portfolio, accounted for 77% and 73% of the Company's total revenues in the six-month periods ended June 30, 2012, and 2011, respectively. The percentage of the Company's total assets attributable to Aflac Japan was 87% at June 30, 2012, and December 31, 2011. **Basis of Presentation** We prepare our financial statements in accordance with U.S. generally accepted accounting principles (GAAP). These principles are established primarily by the Financial Accounting Standards Board (FASB). In these Notes to the Consolidated Financial Statements, references to GAAP issued by the FASB are derived from the FASB Accounting Standards Codification^{TM} (ASC). The preparation of financial statements in conformity with GAAP requires us to make estimates when recording transactions resulting from business operations based on currently available information. The most significant items on our balance sheet that involve a greater degree of accounting estimates and actuarial determinations subject to changes in the future are the valuation of investments, deferred policy acquisition costs, liabilities for future policy benefits and unpaid policy claims, and income taxes. These accounting estimates and actuarial determinations are sensitive to market conditions, investment yields, mortality, morbidity, commission and other acquisition expenses, and terminations by policyholders. As additional information becomes available, or actual amounts are determinable, the recorded estimates will be revised and reflected in operating results. Although some variability is inherent in these estimates, we believe the amounts provided are adequate. The unaudited consolidated financial statements include the accounts of the Parent Company, its subsidiaries and those entities required to be consolidated under applicable accounting standards. All material intercompany accounts and transactions have been eliminated. In the opinion of management, the accompanying unaudited consolidated financial statements of the Company contain all adjustments, consisting of normal recurring accruals, which are necessary to fairly present the consolidated balance sheets as of June 30, 2012, and December 31, 2011, the consolidated statements of earnings and comprehensive income (loss) for the three- and six-month periods ended June 30, 2012, and 2011, and the consolidated statements of shareholders' equity and cash flows for the six-month periods ended June 30, 2012, and 2011. Results of operations for interim periods are not necessarily indicative of results for the entire year. As a result, these

financial statements should be read in conjunction with the financial statements and notes thereto included in our annual report to shareholders for the year ended December 31, 2011.

Deferred Policy Acquisition Costs

Deferred Policy Acquisition Costs: Certain direct and incremental costs of acquiring new business are deferred and amortized with interest over the premium payment periods in proportion to the ratio of annual premium income to total anticipated premium income. Anticipated premium income is estimated by using the same mortality, persistency and interest assumptions used in computing liabilities for future policy benefits. In this manner, the related acquisition expenses are matched with revenues. Deferred costs include the excess of current-year commissions over ultimate renewal-year commissions and certain incremental direct policy issue, underwriting and sales expenses. All of these incremental costs are directly related to successful policy acquisition.

For some products, policyholders can elect to modify product benefits, features, rights or coverages by exchanging a contract for a new contract or by amendment, endorsement, or rider to a contract, or by the election of a feature or coverage within a contract. These transactions are known as internal replacements. For internal replacement transactions where the resulting contract is substantially unchanged, the policy is accounted for as a continuation of the replaced contract. Unamortized deferred acquisition costs from the original policy continue to be amortized over the expected life of the new policy, and the costs of replacing the policy are accounted for as policy maintenance costs and expensed as incurred. Internal replacement transactions that result in a policy that is not substantially unchanged are accounted for as an extinguishment of the original policy and the issuance of a new policy. Unamortized deferred acquisition costs on the original policy that was replaced are immediately expensed, and the costs of acquiring the new policy are capitalized and amortized in accordance with our accounting policies for deferred acquisition costs.

Income Taxes

Income Taxes: Income tax provisions are generally based on pretax earnings reported for financial statement purposes, which differ from those amounts used in preparing our income tax returns. Deferred income taxes are recognized for temporary differences between the financial reporting basis and income tax basis of assets and liabilities, based on enacted tax laws and statutory tax rates applicable to the periods in which we expect the temporary differences to reverse. We record deferred tax assets for tax positions taken based on our assessment of whether the tax position is more likely than not to be sustained upon examination by taxing authorities. A valuation allowance is established for deferred tax assets when it is more likely than not that an amount will not be realized.

As discussed in the Translation of Foreign Currencies section in Note 1 of the Notes to the Consolidated Financial Statements in our annual report to shareholders for the year ended December 31, 2011, Aflac Japan maintains a dollar-denominated investment portfolio on behalf of Aflac U.S. While there are no translation effects to record in other comprehensive income, the deferred tax expense or benefit associated with foreign exchange gains or losses on the portfolio is recognized in other comprehensive income until the securities mature or are sold. Total income tax expense (benefit) related to items of other comprehensive income (loss) included a tax benefit of $96 million during the three-month period ended June 30, 2012, and a tax benefit of $112 million during the three-month period ended June 30, 2011, for this dollar-denominated portfolio. Excluding these amounts from total taxes on other comprehensive income would result in an effective income tax rate on pretax other comprehensive income (loss) of 8.3% and 36.4% in the three-month periods ended June 30, 2012 and 2011, respectively. Total income tax expense (benefit) related to items of other comprehensive income (loss) included tax expense of $61 million during the six-month period ended June 30, 2012, and a tax benefit of $50 million during the six-month period ended June 30, 2011, for this dollar-denominated portfolio. Excluding these amounts from total taxes on other comprehensive income would result in an effective income tax rate on pretax other comprehensive income (loss) of 37.5% and 35.8% in the six-month periods ended June 30, 2012 and 2011, respectively.

On August 2, 2012, the Internal Revenue Service notified us of the final settlement of our tax returns for the years ended December 31, 2008 and 2009. As a result, we estimate that will recognize an income tax benefit ranging from $20 to $25 million, excluding interest, as a result of this final settlement.

Recently Adopted Accounting Pronouncements

New Accounting Pronouncements

Recently Adopted Accounting Pronouncements

Presentation of comprehensive income: In June 2011, the FASB issued guidance to amend the presentation of comprehensive income. The amendment requires that all non-owner changes in stockholders' equity be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. We adopted this guidance as of January 1, 2012 and elected the option to report comprehensive income in two separate but consecutive statements. The adoption of this guidance did not have an impact on our financial position or results of operations. The amendment also requires reclassification adjustments for items that are reclassified from other comprehensive income to net income to be presented in the statements where the components of net income and the components of other comprehensive income are presented; however, in December 2011, the FASB issued guidance to temporarily defer the effective date of this additional requirement.

Fair value measurements and disclosures: In May 2011, the FASB issued guidance to amend the fair value measurement and disclosure requirements. Most of the amendments are clarifications of the FASB's intent about the application of existing fair value measurement and disclosure requirements. Other amendments change a particular principle or requirement for measuring fair value or disclosing information about fair value measurements. The new fair value measurement disclosures include additional quantitative and qualitative disclosures for Level 3 measurements, including a qualitative sensitivity analysis of fair value to changes in unobservable inputs, and categorization by fair value hierarchy level for items for which the fair value is only disclosed. We adopted this guidance as of January 1, 2012. The adoption of this guidance impacted our financial statement disclosures, but it did not affect our financial position or results of operations.

Accounting for costs associated with acquiring or renewing insurance contracts: In October 2010, the FASB issued amended accounting guidance on accounting for costs associated with acquiring or renewing insurance contracts. Under the previous guidance, costs that varied with and were primarily related to the acquisition of a policy were deferrable. Under the amended guidance, only incremental direct costs associated with the successful acquisition of a new or renewal contract may be capitalized, and direct-response advertising costs may be capitalized only if they meet certain criteria. This guidance is effective on a prospective or retrospective basis for interim and annual periods beginning after December 15, 2011. We retrospectively adopted this guidance as of January 1, 2012. The retrospective adoption of this accounting standard resulted in an after-tax cumulative reduction to retained earnings of $408 million and an after-tax cumulative reduction to unrealized foreign currency translation gains in accumulated other comprehensive income of $108 million, resulting in a total reduction to shareholders' equity of $516 million as of December 31, 2010. The adoption of this accounting standard had an immaterial impact on net income in 2011 and for all preceding years.

Recent accounting guidance not discussed above is not applicable or did not have an impact to our business.

Consolidated Balance Sheets (USD $) In Millions, unless otherwise specified	Jun. 30, 2012	Dec. 31, 2011
Securities available for sale, at fair value:		
Equity securities (cost $21 in 2012 and $22 in 2011)	$ 23	$ 25
Securities held to maturity, at amortized cost:		
Fixed maturities	52,413	47,009
Other investments	176	168
Cash and cash equivalents	2,130	2,249
Total investments and cash	109,255	103,462
Receivables	747	680
Accrued investment income	813	802
Deferred policy acquisition costs	9,961	9,789
Property and equipment, at cost less accumulated depreciation	603	617
Other	830 [1]	887 [1]
Total assets	122,209	116,237
Policy liabilities:		
Future policy benefits	80,078	79,278
Unpaid policy claims	4,057	3,981
Unearned premiums	2,068	1,704
Other policyholders' funds	13,210	9,630
Total policy liabilities	99,413	94,593
Notes payable	3,672	3,285
Income taxes	2,635	2,308
Payables for return of cash collateral on loaned securities	192	838
Other	2,118 [2]	2,267 [2]
Commitments and contingent liabilities (Note 10)		
Total liabilities	108,030	103,291
Shareholders' equity:		
Common stock of $.10 par value. In thousands: authorized 1,900,000 shares in 2012 and 2011; issued 664,532 shares in 2012 and 663,639 shares in 2011	66	66
Additional paid-in capital	1,453	1,408
Retained earnings	16,108	15,148
Accumulated other comprehensive income (loss):		
Unrealized foreign currency translation gains	865	984
Unrealized gains (losses) on investment securities:		
Unrealized gains (losses) on securities not other-than-temporarily impaired	1,470	1,143
Unrealized gains (losses) on derivatives	4	9
Pension liability adjustment	(168)	(171)
Treasury stock, at average cost	(5,619)	(5,641)
Total shareholders' equity	14,179	12,946
Total liabilities and shareholders' equity	122,209	116,237

Investments Other Than Consolidated Variable Interest Entities		
Securities available for sale, at fair value:		
Fixed maturities	44,036	42,222
Perpetual securities	3,966	5,149
Securities held to maturity, at amortized cost:		
Fixed maturities	52,098	46,366
Variable Interest Entity, Consolidated		
Securities available for sale, at fair value:		
Fixed maturities	5,745	5,350
Perpetual securities	766	1,290
Securities held to maturity, at amortized cost:		
Fixed maturities	$ 315	$ 643

[1] Includes $281 in 2012 and $375 in 2011 of derivatives from consolidated variable interest entities

[2] Includes $474 in 2012 and $531 in 2011 of derivatives from consolidated variable interest entities

FAIR VALUE MEASUREMENTS	6 Months Ended Jun. 30, 2012
Fair Value Disclosures [Abstract]	
FAIR VALUE MEASUREMENTS	

FAIR VALUE MEASUREMENTS

Fair Value of Financial Instruments

The carrying values and estimated fair values of the Company's financial instruments were as follows:

	June 30, 2012		December 31, 2011	
(In millions)	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets:				
Fixed-maturity securities	$ 96,134	$ 96,265	$ 88,588	$ 88,039
Fixed-maturity securities - consolidated variable interest entities	6,060	6,056	5,993	5,916
Perpetual securities	3,966	3,966	5,149	5,149
Perpetual securities - consolidated variable interest entities	766	766	1,290	1,290
Equity securities	23	23	25	25
Interest rate, foreign currency, and credit default swaps	306	306	375	375
Liabilities:				
Notes payable (excluding capitalized leases)	3,663	4,138	3,275	3,536
Interest rate, foreign currency, and credit default swaps	482	482	531	531
Obligation to Japanese policyholder protection corporation	48	48	71	71

We determine the fair values of our fixed maturity securities, perpetual securities, privately issued equity securities and our derivatives using four basic pricing approaches or techniques: quoted market prices readily available from public exchange markets, price quotes and valuations from third party pricing vendors, a discounted cash flow (DCF) pricing model, and non-binding price quotes we obtain from outside brokers.

Our DCF pricing model incorporates an option adjusted spread and utilizes various market inputs we obtain from both active and inactive markets. The estimated fair values developed by the DCF pricing model is most sensitive to prevailing credit spreads, the level of interest rates (yields) and interest rate volatility. Credit spreads are derived using a bond index to create a credit spread matrix which takes into account the current credit spread, ratings and remaining time to maturity, and subordination levels for securities that are included in the bond index. Our DCF pricing model is based on a widely used global bond index that is comprised of investments in active markets. The index provides a broad-based measure of the global fixed-income bond market. This index covers bonds issued by European and American issuers, which account for the majority of bonds that we hold. We validate the reliability of the DCF pricing model periodically by using the model to price investments for which there are quoted market prices from active and inactive markets or, in the alternative, are quoted by our custodian for the same or similar securities.

The pricing data and market quotes we obtain from outside sources are reviewed internally for reasonableness. If a fair value appears unreasonable, we will re-examine the inputs and assess the reasonableness of the pricing data with the vendor. Additionally, we may compare the inputs to relevant market indices and other performance measurements. Based on that analysis, the valuation is confirmed or revised.

The fair values of our publicly issued notes payable were obtained from a limited number of independent brokers, and the fair values of our yen-denominated loans approximate their carrying values. The fair value of the obligation to the Japanese policyholder protection corporation is our estimated share of the industry's obligation calculated on a pro rata basis by projecting our percentage of the industry's premiums and reserves and applying that percentage to the total industry obligation payable in future years.

The carrying amounts for cash and cash equivalents, receivables, accrued investment income, accounts payable, cash collateral and payables for security transactions approximated their fair values due to the short-term nature of these instruments. Consequently, such instruments are not included in the above table. The preceding table also excludes liabilities for future policy benefits and unpaid policy claims as these liabilities are not financial instruments as defined by GAAP.

Fair Value Hierarchy

GAAP specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. These two types of inputs create three valuation hierarchy levels. Level 1 valuations reflect quoted market prices for identical assets or liabilities in active markets. Level 2 valuations reflect quoted market prices for similar assets or liabilities in an active market, quoted market prices for identical or similar assets or liabilities in non-active markets or model-derived valuations in which all significant valuation inputs are observable in active markets. Level 3 valuations reflect valuations in which one or more of the significant inputs are not observable in an active market.

The following tables present the fair value hierarchy levels of the Company's assets and liabilities that are measured and carried at fair value on a recurring basis.

	June 30, 2012			
(In millions)	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total Fair Value**
Assets:				
Securities available for sale, carried at fair value:				
Fixed maturities:				
Government and agencies	**$ 11,741**	**$ 793**	**$ 0**	**$ 12,534**
Municipalities	**0**	**1,189**	**0**	**1,189**
Mortgage- and asset-backed securities	**0**	**894**	**379**	**1,273**
Public utilities	**0**	**7,156**	**418**	**7,574**
Sovereign and supranational	**0**	**2,124**	**436**	**2,560**
Banks/financial institutions	**0**	**6,602**	**1,114**	**7,716**
Other corporate	**0**	**15,904**	**1,031**	**16,935**
Total fixed maturities	**11,741**	**34,662**	**3,378**	**49,781**
Perpetual securities:				
Banks/financial institutions	**0**	**4,083**	**307**	**4,390**
Other corporate	**0**	**342**	**0**	**342**
Total perpetual securities	**0**	**4,425**	**307**	**4,732**
Equity securities	**13**	**6**	**4**	**23**
Other assets:				
Interest rate swaps	**0**	**0**	**31**	**31**
Foreign currency swaps	**0**	**25**	**250**	**275**
Total other assets	**0**	**25**	**281**	**306**
Cash and cash equivalents	**2,130**	**0**	**0**	**2,130**
Total assets	**$ 13,884**	**$ 39,118**	**$ 3,970**	**$ 56,972**
Liabilities:				
Interest rate swaps	**$ 0**	**$ 0**	**$ 4**	**$ 4**
Foreign currency swaps	**0**	**8**	**363**	**371**
Credit default swaps	**0**	**0**	**107**	**107**
Total liabilities	**$ 0**	**$ 8**	**$ 474**	**$ 482**

	December 31, 2011			
(In millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets:				
Securities available for sale, carried at fair value:				
Fixed maturities:				
Government and agencies	$ 11,092	$ 721	$ 0	$ 11,813
Municipalities	0	1,159	0	1,159
Mortgage- and asset-backed securities	0	944	394	1,338
Public utilities	0	6,803	422	7,225
Sovereign and supranational	0	1,874	434	2,308
Banks/financial institutions	0	6,379	1,074	7,453
Other corporate	0	15,171	1,105	16,276
Total fixed maturities	11,092	33,051	3,429	47,572
Perpetual securities:				
Banks/financial institutions	0	5,552	526	6,078
Other corporate	0	361	0	361
Total perpetual securities	0	5,913	526	6,439

Equity securities		15		6		4		25
Other assets:								
Interest rate swaps		0		0		34		34
Foreign currency swaps		0		0		341		341
Total other assets		0		0		375		375
Cash and cash equivalents		2,249		0		0		2,249
Total assets	$	13,356	$	38,970	$	4,334	$	56,660
Liabilities:								
Interest rate swaps	$	0	$	0	$	4	$	4
Foreign currency swaps		0		0		397		397
Credit default swaps		0		0		130		130
Total liabilities	$	0	$	0	$	531	$	531

The following tables present the fair values categorized by hierarchy levels for the Company's assets and liabilities that are carried at cost or amortized cost and for which fair value is disclosed.

	June 30, 2012							
(In millions)	**Quoted Prices in Active Markets for Identical Assets (Level 1)**		**Significant Observable Inputs (Level 2)**		**Significant Unobservable Inputs (Level 3)**		**Total Fair Value**	
Assets:								
Securities held to maturity, carried at amortized cost:								
Fixed maturities:								
Government and agencies	$	**27,527**	$	**0**	$	**0**	$	**27,527**
Municipalities		**0**		**574**		**0**		**574**
Mortgage- and asset-backed securities		**0**		**35**		**85**		**120**
Public utilities		**0**		**5,426**		**0**		**5,426**
Sovereign and supranational		**0**		**3,698**		**0**		**3,698**
Banks/financial institutions		**0**		**10,332**		**0**		**10,332**
Other corporate		**0**		**4,863**		**0**		**4,863**
Total assets	$	**27,527**	$	**24,928**	$	**85**	$	**52,540**
Liabilities:								
Notes payable (excluding capital leases)	$	**0**	$	**0**	$	**4,138**	$	**4,138**
Obligation to Japanese policyholder protection corporation		**0**		**0**		**48**		**48**
Total liabilities	$	**0**	$	**0**	$	**4,186**	$	**4,186**

	December 31, 2011							
(In millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)		Total Fair Value	
Assets:								
Securities held to maturity, carried at amortized cost:								
Fixed maturities:								
Government and agencies	$	19,071	$	0	$	0	$	19,071
Municipalities		0		584		0		584
Mortgage- and asset-backed securities		0		39		95		134
Public utilities		0		5,637		0		5,637
Sovereign and supranational		0		4,165		0		4,165
Banks/financial institutions		0		11,480		0		11,480
Other corporate		0		5,312		0		5,312
Total assets	$	19,071	$	27,217	$	95	$	46,383
Liabilities:								
Notes payable (excluding capital leases)	$	0	$	0	$	3,536	$	3,536

Obligation to Japanese policyholder protection corporation	0	0	71	71
Total liabilities	$ 0	$ 0	$ 3,607	$ 3,607

As of June 30, 2012, approximately 52% of the fair value, or 76% of the number of holdings, of our available-for-sale fixed income and perpetual investments classified as Level 2 and 3% of the fair value, or 7% of the number of holdings, of our held-to-maturity fixed income investments classified as Level 2 were valued by obtaining quoted market prices from our investment custodian. The custodian obtains price quotes from various third party pricing services that estimate fair values based on observable market transactions for similar investments in active markets, market transactions for the same investments in inactive markets, or other observable market data where available. The fair value of approximately 42% of our Level 2 available-for-sale fixed income and perpetual investments, or 10% of the number of Level 2 available-for-sale holdings, and 94% of our Level 2 held-to-maturity fixed income investments, or 84% of the number of Level 2 held-to-maturity holdings, were determined using our DCF pricing model. The significant valuation inputs to the DCF model are obtained from, or corroborated by, observable market sources from both active and inactive markets. For the remaining 6% of Level 2 available-for-sale investment valuations, or 14% of the number of Level 2 available-for-sale holdings, and the remaining 3% of Level 2 held-to-maturity investment valuations, or 9% of the number of Level 2 held-to-maturity holdings, that were not provided by our custodian and were not priced using the DCF pricing model, we obtain quotes from other pricing services that estimate fair values based on observable market transactions for similar investments in active markets, market transactions for the same investment in inactive markets, or other observable market data where available.

Due to our reliance on third-party pricing services to provide valuations on 52% of our Level 2 available-for-sale portfolio and 3% of our Level 2 held-to-maturity portfolio, we regularly discuss and review pricing methodologies with the investment custodian. We also review the custodians' Service Organization Control (SOC 1) reports for the period covering the current year to gain satisfaction with the controls and control environment of the custodian.

For securities in Level 2 that are below investment grade or have split ratings where the valuation calculated by our DCF model does not conform to current market conditions, a CDS spread is used in lieu of the index spread discussed above. The CDS is chosen based on an average of spreads of issues with the same issuer, rating and subordination, or comparable issues in that particular sector.

We use derivative instruments to manage the risk associated with certain assets. However, the derivative instrument may not be classified in the same fair value hierarchy level as the associated asset. Inputs used to value derivatives include, but are not limited to, interest rates, credit spreads, foreign currency forward and spot rates, and interest volatility.

The fair value of the foreign currency swaps associated with our senior notes is based on the amount we would expect to receive or pay to terminate the swaps. The determination of the fair value of the swaps is based on observable market inputs, therefore they are classified as Level 2.

For derivatives associated with VIEs where we are the primary beneficiary, we are not the direct counterparty to the swap contracts. As a result, the fair value measurements incorporate the credit risk of the collateral associated with the VIE. Prior to the third quarter of 2011, these derivative instruments were reported in Level 2 of the fair value hierarchy, except CDSs and certain foreign currency swaps which were classified as Level 3. The interest rate and certain foreign currency derivative instruments previously classified as Level 2 were priced by broker quotations. In the third quarter of 2011, we changed from receiving valuations from brokers to receiving valuations from a third party pricing vendor for our derivatives. Based on an analysis of these derivatives and a review of the methodology employed by the pricing vendor, we determined that due to the long duration of these swaps and the need to extrapolate from short-term observable data to derive and measure long-term inputs, certain inputs, assumptions and judgments are required to value future cash flows that cannot be corroborated by current inputs or current observable market data. As a result, the derivatives associated with our consolidated VIEs have been classified as Level 3 of the fair value hierarchy as of September 30, 2011 and thereafter.

The fixed maturities classified as Level 3 consist of securities for which there are limited or no observable valuation inputs. We estimate the fair value of these securities by obtaining non-binding broker quotes from a limited number of brokers. These brokers base their quotes on a combination of their knowledge of the current pricing environment and market conditions. We consider these inputs to be unobservable. The significant valuation inputs that are used in the valuation process for the below-investment-grade and private placement investments classified as Level 3 include forward exchange rates, yen swap rates, dollar swap rates, interest rate volatilities, credit spread data on specific issuers, assumed default and default recovery rates, and certain probability assumptions. In obtaining these valuation inputs, we have determined that certain pricing assumptions and data used by our pricing sources are difficult to validate or corroborate by the market and/or appear to be internally developed rather than observed in or corroborated by the market. The use of these unobservable valuation inputs causes more subjectivity in the valuation process for these securities.

The equity securities classified in Level 3 are related to investments in Japanese businesses, each of which are insignificant and in the aggregate are immaterial. Because fair values for these investments are not readily available, we carry them at their original cost. We review each of these investments periodically and, in the event we determine that any are other-than-temporarily impaired, we write them down to their estimated fair value at that time.

The fair values of our publicly issued notes payable classified as Level 3 were obtained from a limited number of independent brokers. These brokers base their quotes on a combination of their knowledge of the current pricing environment and market conditions. We consider these inputs to be unobservable. The fair value of the obligation to the

Japanese policyholder protection corporation classified as Level 3 is our estimated share of the industry's obligation calculated on a pro rata basis by projecting our percentage of the industry's premiums and reserves and applying that percentage to the total industry obligation payable in future years. We consider our inputs for this valuation to be unobservable.

Historically, we have not adjusted the quotes or prices we obtain from the brokers and pricing services we use.

Level 3 Rollforward and Transfers between Hierarchy Levels

The following tables present the changes in our available-for-sale investments and derivatives classified as Level 3.

Three Months Ended June 30, 2012

	Fixed Maturities					**Perpetual Securities**	**Equity Securities**	**Derivatives**			
(In millions)	Mortgage- and Asset-Backed Securities	Public Utilities	Sovereign and Supranational	Banks/ Financial Institutions	Other Corporate	Banks/ Financial Institutions		Interest Rate Swaps	Foreign Currency Swaps	Credit Default Swaps	**Total**
Balance, beginning of period	$ 367	$ 409	$ 418	$ 1,097	$ 1,035	$ 325	$ 4	$ 28	$ (79)	$ (97)	$3,507
Realized gains or losses included in earnings	(3)	0	0	0	0	0	0	(1)	(31)	(10)	(45)
Unrealized gains or losses included in other comprehensive income	22	9	18	17	(4)	(18)	0	0	4	0	48
Purchases, issuances, sales and settlements:											
Purchases	0	0	0	0	0	0	0	0	0	0	0
Issuances	0	0	0	0	0	0	0	0	0	0	0
Sales	0	0	0	0	0	0	0	0	0	0	0
Settlements	(7)	0	0	0	0	0	0	0	(7)	0	(14)
Transfers into Level 3	0	0	0	0	0	0	0	0	0	0	0
Transfers out of Level 3	0	0	0	0	0	0	0	0	0	0	0
Balance, end of period	$ 379	$ 418	$ 436	$ 1,114	$ 1,031	$ 307	$ 4	$ 27	$ (113)	$ (107)	$3,496
Change in unrealized gains (losses) still held[(1)]	$ (3)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (1)	$ (31)	$ (10)	$ (45)

[(1)] *Represents the amount of total gains or losses for the period, included in earnings, attributable to the change in unrealized gains (losses) relating to assets classified as Level 3 that were still held at June 30, 2012*

Three Months Ended June 30, 2011

	Fixed Maturities						**Perpetual Securities**	**Equity Securities**	**Derivatives**		
(In millions)	Mortgage- and Asset-Backed Securities	Public Utilities	Collateralized Debt Obligations	Sovereign and Supranational	Banks/ Financial Institutions	Other Corporate	Banks/ Financial Institutions		Foreign Currency Swaps	Credit Default Swaps	**Total**
Balance, beginning of period	$ 248	$ 0	$ 5	$ 0	$ 420	$ 0	$ 0	$ 4	$ 126	$ (338)	$465
Realized gains or losses included in earnings	0	0	(1)	0	0	0	0	0	25	(43)	(19)
Unrealized gains or losses included in other comprehensive income	12	0	0	0	(22)	0	0	0	13	0	3
Purchases, issuances, sales and settlements:											
Purchases	0	0	0	0	0	0	0	0	0	0	0
Issuances	0	0	0	0	0	0	0	0	0	0	0
Sales	0	0	0	0	0	0	0	0	0	0	0

Settlements	(3)	0	0	0	0	0	0	0	0	128	125
Transfers into Level 3	0	0	0	0	0	0	0	0	0	0	0
Transfers out of Level 3	0	0	0	0	0	0	0	0	0	0	0
Balance, end of period	$ 257	$ 0	$ 4	$ 0	$ 398	$ 0	$ 0	$ 4	$ 164	$ (253)	$ 574
Change in unrealized gains (losses) still held[(1)]	$ 0	$ 0	$ (1)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 25	$ (7)	$ 17

[(1)]Represents the amount of total gains or losses for the period, included in earnings, attributable to the change in unrealized gains (losses) relating to assets classified as Level 3 that were still held at June 30, 2011

	Six Months Ended June 30, 2012										
	Fixed Maturities					**Perpetual Securities**	**Equity Securities**	**Derivatives**			
(In millions)	Mortgage- and Asset-Backed Securities	Public Utilities	Sovereign and Supranational	Banks/ Financial Institutions	Other Corporate	Banks/ Financial Institutions		Interest Rate Swaps	Foreign Currency Swaps	Credit Default Swaps	**Total**
Balance, beginning of period	$ 394	$ 422	$ 434	$ 1,074	$ 1,105	$ 526	$ 4	$ 30	$ (56)	$ (130)	$3,803
Realized gains or losses included in earnings	(3)	0	0	0	2	49	0	(3)	(18)	23	50
Unrealized gains or losses included in other comprehensive income	(1)	(4)	2	40	(42)	(12)	0	0	(8)	0	(25)
Purchases, issuances, sales and settlements:											
Purchases	0	0	0	0	0	0	0	0	0	0	0
Issuances	0	0	0	0	0	0	0	0	0	0	0
Sales	0	0	0	0	(34)	(256)	0	0	0	0	(290)
Settlements	(11)	0	0	0	0	0	0	0	(31)	0	(42)
Transfers into Level 3	0	0	0	0	0	0	0	0	0	0	0
Transfers out of Level 3	0	0	0	0	0	0	0	0	0	0	0
Balance, end of period	$ 379	$ 418	$ 436	$ 1,114	$ 1,031	$ 307	$ 4	$ 27	$ (113)	$ (107)	$3,496
Change in unrealized gains (losses) still held[(1)]	$ (3)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (3)	$ (18)	$ 23	$ (1)

[(1)]Represents the amount of total gains or losses for the period, included in earnings, attributable to the change in unrealized gains (losses) relating to assets classified as Level 3 that were still held at June 30, 2012

	Six Months Ended June 30, 2011										
	Fixed Maturities						**Perpetual Securities**	**Equity Securities**	**Derivatives**		
(In millions)	Mortgage- and Asset-Backed Securities	Public Utilities	Collateralized Debt Obligations	Sovereign and Supranational	Banks/ Financial Institutions	Other Corporate	Banks/ Financial Institutions		Foreign Currency Swaps	Credit Default Swaps	**Total**
Balance, beginning of period	$ 267	$ 0	$ 5	$ 0	$ 386	$ 0	$ 0	$ 4	$ 241	$ (343)	$ 560
Realized gains or losses included in earnings	(6)	0	(1)	0	1	0	0	0	(39)	(38)	(83)
Unrealized gains or losses included in other comprehensive income	2	0	0	0	11	0	0	0	(38)	0	(25)

Purchases, issuances, sales and settlements:											
Purchases	0	0	0	0	0	0	0	0	0	0	0
Issuances	0	0	0	0	0	0	0	0	0	0	0
Sales	0	0	0	0	0	0	0	0	0	0	0
Settlements	(6)	0	0	0	0	0	0	0	0	128	122
Transfers into Level 3	0	0	0	0	0	0	0	0	0	0	0
Transfers out of Level 3	0	0	0	0	0	0	0	0	0	0	0
Balance, end of period	$ 257	$ 0	$ 4	$ 0	$ 398	$ 0	$ 0	$ 4	$ 164	$ (253)	$ 574
Change in unrealized gains (losses) still held[(1)]	$ (6)	$ 0	$ (1)	$ 0	$ 1	$ 0	$ 0	$ 0	$ (39)	$ (15)	$ (60)

[(1)]Represents the amount of total gains or losses for the period, included in earnings, attributable to the change in unrealized gains (losses) relating to assets classified as
Level 3 that were still held at June 30, 2011

Transfers into and/or out of Level 3 are attributable to a change in the observability of inputs. Transfers into and/or out of any fair value hierarchy level are assumed to occur at the balance sheet date. There were no transfers between Level 1 and 2 for the three- and six-month periods ended June 30, 2012 and 2011.

Fair Value Sensitivity

DCF Sensitivity

Our DCF pricing model utilizes various market inputs we obtain from both active and inactive markets. The estimated fair values developed by the DCF pricing models are most sensitive to prevailing credit spreads, the level of interest rates (yields), and, for our callable securities, interest rate volatility. Management believes that under normal market conditions, a movement of 50 basis points (bps) in interest rates and credit spreads and 50 percent in interest rate volatility would be sufficiently reasonable stresses to illustrate the sensitivity of valuations to these risk factors. Therefore, we selected these magnitudes of movement and provided both upward and downward movements in these key assumptions used to estimate fair value. Since the changes in fair value are relatively linear, readers of these financial statements can make their own judgments as to the movement in interest rates and the change in fair value based upon this data. The following scenarios provide a view of the sensitivity of our securities priced by our DCF pricing model.

The fair values of our available-for-sale fixed-maturity and perpetual securities valued by our DCF pricing model totaled $18.6 billion at June 30, 2012. The estimated effect of potential changes in interest rates, credit spreads and interest rate volatility on these fair values as of such date is as follows:

Interest Rates		Credit Spreads		Interest Rate Volatility	
Factor Change	Change in fair value (in millions)	Factor change	Change in fair value (in millions)	Factor change	Change in fair value (in millions)
+50 bps	$ (983)	+50 bps	$ (972)	+50 %	$ (8)
-50 bps	1,035	-50 bps	1,034	-50 %	24

The fair values of our held-to-maturity fixed-maturity securities valued by our DCF pricing model totaled $23.5 billion at June 30, 2012. The estimated effect of potential changes in interest rates, credit spreads and interest rate volatility on these fair values as of such date is as follows:

Interest Rates		Credit Spreads		Interest Rate Volatility	
Factor Change	Change in fair value (in millions)	Factor change	Change in fair value (in millions)	Factor change	Change in fair value (in millions)
+50 bps	$ (1,452)	+50 bps	$ (1,354)	+50 %	$ (119)
-50 bps	1,459	-50 bps	1,334	-50 %	139

Level 3 Significant Unobservable Input Sensitivity

The following tables summarize the significant unobservable inputs used in the valuation of our Level 3 available-for-sale investments and derivatives. Included in the tables are the inputs or range of possible inputs that have an effect on the overall valuation of the financial instruments.

June 30, 2012					
(In millions)	Fair Value	Valuation Technique(s)	Unobservable Input	Range (Weighted Average)	
Assets:					
Securities available for sale, carried at fair value:					
Fixed maturities:					
Mortgage- and asset-backed securities	$ 379	Consensus pricing	Offered quotes	N/A	(e)
Public utilities	418	Discounted cash flow	Historical volatility	7.43%	
Sovereign and supranational	436	Discounted cash flow	Historical volatility	7.43%	
Banks/financial institutions	580	Discounted cash flow	Historical volatility	7.43%	
	534	Consensus pricing	Offered quotes	N/A	(e)
Other corporate	602	Discounted cash flow	Historical volatility	7.43%	
	429	Consensus pricing	Offered quotes	N/A	(e)
Perpetual securities:					
Banks/financial institutions	307	Discounted cash flow	Historical volatility	7.43%	
Equity securities	4	Net asset value	Offered quotes	$0-$993 ($4)	
Other assets:					
Interest rate swaps	31	Discounted cash flow	Base correlation	44% - 54%	(a)
			CDS spreads	84 - 192 bps	
			Recovery rate	25% - 70% (40%)	
Foreign currency swaps	87	Discounted cash flow	Interest rates (USD)	1.78% - 2.52%	(c)
			Interest rates (JPY)	.84% - 1.80%	(d)
			CDS spreads	21 - 138 bps	
			Foreign exchange rates	20.38%	(b)
	35	Discounted cash flow	Interest rates (USD)	1.78% - 2.52%	(c)
			Interest rates (JPY)	.84% - 1.80%	(d)
			CDS spreads	30 - 137 bps	
	128	Discounted cash flow	Interest rates (USD)	1.78% - 2.52%	(c)
			Interest rates (JPY)	.84% - 1.80%	(d)
			Foreign exchange rates	20.38%	(b)
Total assets	$ 3,970				

(a) Weighted-average range of base correlations for our bespoke tranches for attachment and detachment points corresponding to market indices
(b) Based on 10 year volatility of JPY/USD exchange rate
(c) Inputs derived from U.S. long-term rates to accommodate long maturity nature of our swaps
(d) Inputs derived from Japan long-term rates to accommodate long maturity nature of our swaps
(e) N/A represents securities where we receive unadjusted broker quotes and for which there is no transparency into the providers' valuation techniques or unobservable inputs.

June 30, 2012					
(In millions)	Fair Value	Valuation Technique(s)	Unobservable Input	Range (Weighted Average)	
Liabilities:					
Interest rate swaps	$ 4	Discounted cash flow	Base correlation	44% - 54%	(a)
			CDS spreads	84 - 192 bps	
			Recovery rate	25% - 70% (40%)	

Foreign currency swaps	92	Discounted cash flow	Interest rates (USD)	1.78% - 2.52%	(c)
			Interest rates (JPY)	.84% - 1.80%	(d)
			CDS spreads	41 - 164 bps	
			Foreign exchange rates	20.38%	(b)
	32	Discounted cash flow	Interest rates (USD)	1.78% - 2.52%	(c)
			Interest rates (JPY)	.84% - 1.80%	(d)
			CDS spreads	66 - 294 bps	
	239	Discounted cash flow	Interest rates (USD)	1.78% - 2.52%	(c)
			Interest rates (JPY)	.84% - 1.80%	(d)
			Foreign exchange rates	20.38%	(b)
Credit default swaps	107	Discounted cash flow	Base correlations	44% - 54%	(a)
			CDS spreads	84 - 192 bps	
			Recovery rate	25% - 70% (40%)	
Total liabilities	$ 474				

The following is a discussion of the significant unobservable inputs or valuation technique used in determining the fair value of securities and derivatives classified as Level 3. Listed below each discussion are the asset and derivative categories impacted by the respective input or valuation technique.

Annualized Historical Foreign Exchange Volatility

We own a portfolio of callable reverse dual-currency bonds (RDCs). RDCs are securities that have principal denominated in yen while paying U.S. dollar (USD) coupons. The significant unobservable input used for valuation is the historical foreign exchange volatility. The market standard approach is to use implied volatility to value options or instruments with optionality because historical volatility may not represent current market participants' expectations about future volatility. Given the importance of this input to the overall valuation, use of historical volatility could result in a significant increase or decrease in fair value measurement.

- *Public utilities, Other corporate, Sovereign and supranational, Banks/financial institutions*

Net Asset Value

We hold certain unlisted equity securities whose fair value is derived based on the financial statements published by the investee. These securities do not trade on an active market and the valuations derived are dependent on the availability of timely financial reporting of the investee.

- *Equity securities*

Offered Quotes

In circumstances where our valuation model price is overridden because it implies a value that is not consistent with current market conditions, we will solicit bids from a limited number of brokers. We also receive unadjusted prices from brokers for our mortgage and asset-backed securities. These quotes are non-binding and are best estimates of value at that particular point in time.

- *Mortgage- and asset-backed securities, Banks/financial institutions, Other corporate, Equity securities*

Interest Rates, CDS Spreads, Foreign Exchange Rates

The significant drivers of the valuation of the interest and foreign exchange swaps are interest rates, foreign exchange rates and CDS spreads. Our swaps have long maturities that increase the sensitivity of the swaps to interest rate fluctuations. Since most of our yen-denominated cross currency swaps are in a net liability position, an increase in interest rates will decrease the liabilities and increase the value of the swap.

Foreign exchange swaps also have a lump-sum final settlement of foreign exchange principal receivables at the termination of the swap. An increase in yen interest rates will decrease the value of the final settlement foreign exchange receivables and decrease the value of the swap, and an increase in USD interest rates increase the swap value.

A similar sensitivity pattern is observed for the foreign exchange rates. When the spot U.S. dollar/Japanese yen (USD/JPY) foreign exchange rate decreases and the swap is receiving a final exchange payment in JPY, the swap value will increase due to the appreciation of the JPY. Most of our swaps are designed to receive payments in JPY at the termination and will thus be impacted by USD/JPY foreign exchange rate in this way. In cases where there is no final foreign exchange receivable in JPY and we are paying JPY as interest payments and receiving USD, a decrease in the foreign exchange rate will lead to a decrease in the swap value.

The extinguisher feature in most of our swaps results in a cessation of cash flows and no further payments between the parties to the swap in the event of a default on the referenced or underlying collateral. To price this feature, we apply the survival probability of the referenced entity to the projected cash flows. The survival probability uses the CDS spreads and recovery rates to adjust the present value of the cash flows. For extinguisher swaps with positive values, an increase in CDS spreads decreases the likelihood of receiving the final exchange payments and reduces the value of the swap.

Due to the long duration of these swaps and the need to extrapolate from short-term observable data to derive and measure long-term inputs, certain inputs, assumptions and judgments are required to value future cash flows that cannot be corroborated by current inputs or current observable market data.

- *Foreign currency swaps*

Base Correlations, CDS Spreads, Recovery Rate

Our CDOs are tranches on baskets of single-name credit default swaps. The risks in these types of synthetic CDOs come from the single-name CDS risk and the correlations between the single names. The valuation of synthetic CDOs is dependent on the calibration of market prices for interest rates, single name CDS default probabilities and base correlation using financial modeling tools. Since there is limited or no observable data available for these tranches, these base correlations must be obtained from commonly traded market tranches such as the CDX and iTraxx indices. From the historical prices of these indices, base correlations can be obtained to develop a pricing curve of CDOs with different seniorities. Since the reference entities of the market indices do not match those in our portfolio underlying the synthetic CDO to be valued, several processing steps are taken to map the names in our portfolio to the indices. With the base correlation determined and the appropriate spreads selected, a valuation is calculated. An increase in the CDS spreads in the underlying portfolio leads to a decrease in the value due to higher probability of defaults and losses. The impact on the valuation due to base correlation depends on a number of factors, including the riskiness between market tranches and the modeled tranche based on our portfolio and the equivalence between detachment points in these tranches. Generally speaking, an increase in base correlation will decrease the value of the senior tranches while increasing the value of junior tranches. This may result in a positive or negative value change.

The CDO tranches in our portfolio are junior tranches and, due to the low level of credit support for these tranches, exhibit equity-like behavior. As a result, an increase in recovery rates tends to cause their values to decrease.

Our interest rate swaps are linked to the underlying synthetic CDOs. The valuation of these swaps is performed using a similar approach to that of the synthetic CDOs themselves; that is, the base correlation model is used to ensure consistency between the synthetic CDOs and the swaps.

- *Credit default swaps, Interest rate swaps*

For additional information on our investments and financial instruments, see the accompanying Notes 1, 3 and 4 and Notes 1, 3 and 4 of the Notes to the Consolidated Financial Statements in our annual report to shareholders for the year ended December 31, 2011.

DERIVATIVE INSTRUMENTS	6 Months Ended Jun. 30, 2012
Derivative Instruments and Hedging Activities Disclosure [Abstract]	
DERIVATIVE INSTRUMENTS	

DERIVATIVE INSTRUMENTS

We do not use derivative financial instruments for trading purposes, nor do we engage in leveraged derivative transactions. The majority of our freestanding derivatives are interest rate, foreign currency and credit default swaps that are associated with investments in special-purpose entities, including VIEs where we are the primary beneficiary. The remaining derivatives are the interest rate swap associated with our variable interest rate yen-denominated debt and cross-currency interest rate swaps associated with our senior notes due in February 2017 and February 2022.

Derivative Types

Interest rate and credit default swaps involve the periodic exchange of cash flows with other parties, at specified intervals, calculated using agreed upon rates or other financial variables and notional principal amounts. Generally, no cash or principal payments are exchanged at the inception of the contract. Typically, at the time a swap is entered into, the cash flow streams exchanged by the counterparties are equal in value. Interest rate swaps are primarily used to convert interest receipts on floating-rate fixed-maturity securities contracts to fixed rates. These derivatives are predominantly used to better match cash receipts from assets with cash disbursements required to fund liabilities.

Credit default swaps are used to assume credit risk related to an individual security or an index. These contracts entitle the consolidated VIE to receive a periodic fee in exchange for an obligation to compensate the derivative counterparty should the referenced security issuers experience a credit event, as defined in the contract. The consolidated VIE is also exposed to credit risk due to embedded derivatives associated with credit-linked notes.

Foreign currency swaps exchange an initial principal amount in two currencies, agreeing to re-exchange the currencies at a future date, at an agreed upon exchange rate. There may also be periodic exchanges of payments at specified intervals based on the agreed upon rates and notional amounts. Foreign currency swaps are used primarily in the consolidated VIEs in our Aflac Japan portfolio to convert foreign-denominated cash flows to yen, the functional currency of Aflac Japan, in order to minimize cash flow fluctuations. We also use foreign currency swaps to convert certain of our dollar-denominated principal and interest senior note obligations into yen-denominated obligations.

Credit Risk Assumed through Derivatives

For the interest rate, foreign currency, and credit default swaps associated with our VIE investments for which we are the primary beneficiary, we bear the risk of foreign exchange or interest rate loss due to counterparty default even though we are not a direct counterparty to those contracts. We are exposed to credit risk in the event of nonperformance by counterparties to the cross-currency swaps related to our senior notes due in February 2017 and 2022 and the interest rate swap on our variable interest rate yen-denominated Samurai notes. The risk of counterparty default for both the VIE and senior note swaps is mitigated by collateral posting requirements the counterparty must meet. The counterparties to these swap agreements are financial institutions with the following credit ratings.

	June 30, 2012		December 31, 2011	
(In millions)	**Fair Value of Swaps**	**Notional Amount of Swaps**	Fair Value of Swaps	Notional Amount of Swaps
Counterparty credit rating:				
AA	**$ 0**	**$ 0**	$ 0	$ 0
A	**(176)**	**6,056**	(156)	5,491
Total	**$ (176)**	**$ 6,056**	$ (156)	$ 5,491

Certain of our consolidated VIEs have credit default swap contracts that require them to assume credit risk from an asset pool. Those consolidated VIEs will receive periodic payments based on an agreed upon rate and notional amount and will only make a payment by delivery of associated collateral, which consists of highly rated asset-backed securities, if there is a credit event. A credit event payment will typically be equal to the notional value of the swap contract less the value of the referenced obligations. A credit event is generally defined as a default on contractually obligated interest or principal payments or bankruptcy of the referenced entity. The diversified portfolios of corporate issuers are established within sector concentration limits.

The following tables present the maximum potential risk, fair value, weighted-average years to maturity, and underlying referenced credit obligation type for credit default swaps within consolidated VIE structures.

		June 30, 2012									
		Less than one year		One to three years		Three to five years		Five to ten years		Total	
(In millions)	Credit Rating	Maximum potential risk	Estimated fair value	Maximum potential risk	Estimated fair value	Maximum potential risk	Estimated fair value	Maximum potential risk	Estimated fair value	Maximum potential risk	Estimated fair value
Index exposure:											
Corporate bonds:											
	A	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ (139)**	**$ (5)**	**$ 0**	**$ 0**	**$ (139)**	**$ (5)**
	BB or lower	**0**	**0**	**0**	**0**	**0**	**0**	**(228)**	**(102)**	**(228)**	**(102)**
Total		**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ (139)**	**$ (5)**	**$ (228)**	**$ (102)**	**$ (367)**	**$ (107)**

		December 31, 2011									
		Less than one year		One to three years		Three to five years		Five to ten years		Total	
(In millions)	Credit Rating	Maximum potential risk	Estimated fair value	Maximum potential risk	Estimated fair value	Maximum potential risk	Estimated fair value	Maximum potential risk	Estimated fair value	Maximum potential risk	Estimated fair value
Index exposure:											
Corporate bonds:											
	A	$ 0	$ 0	$ 0	$ 0	$ (146)	$ (17)	$ 0	$ 0	$ (146)	$ (17)
	BB or lower	0	0	0	0	0	0	(235)	(113)	(235)	(113)
Total		$ 0	$ 0	$ 0	$ 0	$ (146)	$ (17)	$ (235)	$ (113)	$ (381)	$ (130)

<u>Derivative Balance Sheet Classification</u>

The tables below summarize the balance sheet classification of our derivative fair value amounts, as well as the gross asset and liability fair value amounts. The fair value amounts presented do not include income accruals. The notional amount of derivative contracts represents the basis upon which pay or receive amounts are calculated. Notional amounts are not reflective of credit risk.

	June 30, 2012			
(In millions)	**Net Derivatives**		**Asset Derivatives**	**Liability Derivatives**
Hedge Designation/ Derivative Type	**Notional Amount**	**Fair Value**	**Fair Value**	**Fair Value**
Cash flow hedges:				
Interest rate swaps	**$ 70**	**$ 0**	**$ 0**	**$ 0**
Foreign currency swaps	**75**	**28**	**28**	**0**
Total cash flow hedges	**145**	**28**	**28**	**0**
Non-qualifying strategies:				
Interest rate swaps	**367**	**27**	**31**	**(4)**
Foreign currency swaps	**5,177**	**(124)**	**247**	**(371)**
Credit default swaps	**367**	**(107)**	**0**	**(107)**
Total non-qualifying strategies	**5,911**	**(204)**	**278**	**(482)**

Total cash flow hedges and non-qualifying strategies	**$ 6,056**	**$ (176)**	**$ 306**	**$ (482)**
Balance Sheet Location				
Other assets	**$ 2,461**	**$ 306**	**$ 306**	**$ 0**
Other liabilities	**3,595**	**(482)**	**0**	**(482)**
Total derivatives	**$ 6,056**	**$ (176)**	**$ 306**	**$ (482)**

	December 31, 2011			
(In millions)	Net Derivatives		Asset Derivatives	Liability Derivatives
Hedge Designation/ Derivative Type	Notional Amount	Fair Value	Fair Value	Fair Value
Cash flow hedges:				
Interest rate swaps	$ 71	$ 0	$ 0	$ 0
Foreign currency swaps	75	36	36	0
Total cash flow hedges	146	36	36	0
Non-qualifying strategies:				
Interest rate swaps	381	30	34	(4)
Foreign currency swaps	4,583	(92)	305	(397)
Credit default swaps	381	(130)	0	(130)
Total non-qualifying strategies	5,345	(192)	339	(531)
Total cash flow hedges and non-qualifying strategies	$ 5,491	$ (156)	$ 375	$ (531)
Balance Sheet Location				
Other assets	$ 1,794	$ 375	$ 375	$ 0
Other liabilities	3,697	(531)	0	(531)
Total derivatives	$ 5,491	$ (156)	$ 375	$ (531)

Hedging

Derivative Hedges

Certain of our consolidated VIEs have interest rate and/or foreign currency swaps that qualify for hedge accounting treatment. For those that have qualified, we have designated the derivative as a hedge of the variability in cash flows of a forecasted transaction or of amounts to be received or paid related to a recognized asset (“cash flow” hedge). We expect to continue this hedging activity for a weighted-average period of approximately 14 years. The remaining derivatives in our consolidated VIEs that have not qualified for hedge accounting have been designated as held for other investment purposes (“non-qualifying strategies”).

We have an interest rate swap agreement related to 5.5 billion yen variable interest rate Samurai notes that we issued in July 2011 (see Note 6). By entering into this contract, we swapped the variable interest rate to a fixed interest rate of 1.475%. We have designated this interest rate swap as a hedge of the variability in our interest cash flows associated with the variable interest rate Samurai notes. The notional amount and terms of the swap match the principal amount and terms of the variable interest rate Samurai notes, and the swap had no value at inception. Changes in the fair value of the swap contract are recorded in other comprehensive income so long as the hedge is deemed effective. Should any portion of the hedge be deemed ineffective, that ineffective portion would be reported in net earnings.

Hedge Documentation and Effectiveness Testing

To qualify for hedge accounting treatment, a derivative must be highly effective in mitigating the designated changes in cash flow of the hedged item. At hedge inception, we formally document all relationships between hedging instruments and hedged items, as well as our risk-management objective and strategy for undertaking each hedge transaction. The documentation process includes linking derivatives that are designated as cash flow hedges to specific assets or liabilities on the statement of financial position or to specific forecasted transactions and defining the effectiveness and ineffectiveness testing methods to be used. At the hedge's inception and on an ongoing quarterly basis, we also formally assess whether the derivatives that are used in hedging transactions have been, and are expected to continue to be, highly effective in offsetting changes in cash flows of hedged items. Hedge effectiveness is assessed using qualitative and quantitative methods. Qualitative methods may include the comparison of critical terms of the derivative to the hedged item. Quantitative methods include regression or other statistical analysis of changes in cash flows associated with the hedge relationship. Hedge ineffectiveness of the hedge relationships is measured each reporting period using the “Hypothetical Derivative Method.”

For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive income and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. Gains and losses on the derivative representing hedge ineffectiveness are recognized in current earnings as a component of realized investment gains (losses). All components of each derivative's gain or loss were included in the assessment of hedge effectiveness.

Discontinuance of Hedge Accounting

We discontinue hedge accounting prospectively when (1) it is determined that the derivative is no longer highly effective in offsetting changes in the cash flows of a hedged item; (2) the derivative is de-designated as a hedging instrument; or (3) the derivative expires or is sold, terminated or exercised.

When hedge accounting is discontinued on a cash-flow hedge, including those where the derivative is sold, terminated or exercised, amounts previously deferred in other comprehensive income are reclassified into earnings when earnings are impacted by the cash flow of the hedged item.

Cash Flow Hedges

The following table presents the components of the gain or loss on derivatives that qualified as cash flow hedges.

Derivatives in Cash Flow Hedging Relationships

(In millions)	Gain (Loss) Recognized in Other Comprehensive Income on Derivative (Effective Portion)	Realized Investment Gains (Losses) Recognized in Income on Derivative (Ineffective Portion)
Three Months Ended June 30, 2012:		
Interest rate swaps	**$ 0**	**$ 0**
Foreign currency swaps	**4**	**0**
Total	**$ 4**	**$ 0**
Six Months Ended June 30, 2012:		
Interest rate swaps	**$ 0**	**$ 0**
Foreign currency swaps	**(8)**	**0**
Total	**$ (8)**	**$ 0**
Three Months Ended June 30, 2011:		
Interest rate swaps	$ 0	$ 0
Foreign currency swaps	17	2
Total	$ 17	$ 2
Six Months Ended June 30, 2011:		
Interest rate swaps	$ 1	$ 0
Foreign currency swaps	(39)	(2)
Total	$ (38)	$ (2)

In the third quarter of 2011, we de-designated certain of the foreign currency swaps with notional values totaling $500 million used in cash flow hedging strategies as a result of determining that these swaps would no longer be highly effective in offsetting the cash flows of the hedged item. As a result, the net gain recorded in accumulated other comprehensive income for these swaps that are no longer eligible for hedge accounting is being amortized into earnings over the expected life of the respective hedged item. The amount amortized from accumulated other comprehensive income into earnings related to these swaps was immaterial in the three- and six-month periods ended June 30, 2012. There was no gain or loss reclassified from accumulated other comprehensive income into earnings related to our designated cash flow hedges for the three- and six-month periods ended June 30, 2012 and 2011. As of June 30, 2012, deferred gains and losses on derivative instruments recorded in accumulated other comprehensive income that are expected to be reclassified to earnings during the next twelve months are immaterial.

Non-qualifying Strategies

For our derivative instruments in consolidated VIEs that do not qualify for hedge accounting treatment, all changes in their fair value are reported in current period earnings as realized investment gains (losses).

We have cross-currency swap agreements related to our $400 million senior notes due February 2017 and our $350 million senior notes due February 2022 (see Note 6). The notional amounts and terms of the swaps match the principal amount and terms of the senior notes. We entered into these cross-currency swaps to reduce interest expense by converting the dollar-denominated principal and interest on the senior notes we issued into yen-denominated obligations. By entering into these cross-currency swaps, we economically converted our $400 million liability into a 30.9 billion yen liability and reduced the interest rate on this debt from 2.65% in dollars to 1.22% in yen. We also economically converted our $350 million liability into a 27.0 billion yen liability and reduced the interest rate on this debt from 4.00% in dollars to 2.07% in yen.

The following table presents the gain or loss recognized in income on non-qualifying strategies.

Non-qualifying Strategies
Gain (Loss) Recognized within Realized Investment Gains (Losses)

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	**2012**	2011	**2012**	2011
Interest rate swaps	**$ (1)**	$ 4	**$ (4)**	$ (1)
Foreign currency swaps	**(57)**	3	**(7)**	(26)
Credit default swaps	**(9)**	(43)	**24**	(38)
Other	**0**	9	**0**	12
Total	**$ (67)**	$ (27)	**$ 13**	$ (53)

The amount of gain or loss recognized in earnings for our VIEs is attributable to the derivatives in those investment structures. While the change in value of the swaps is recorded through current period earnings, the change in value of the available-for-sale fixed income or perpetual securities associated with these swaps is recorded through other comprehensive income.

Net Investment Hedge

Our primary exposure to be hedged is our net investment in Aflac Japan, which is affected by changes in the yen/dollar exchange rate. To mitigate this exposure, we have taken the following courses of action. First, Aflac Japan maintains an investment portfolio of dollar-denominated securities on behalf of Aflac U.S., which serves as an economic currency hedge of a portion of our investment in Aflac Japan. The functional currency for these investments is the U.S. dollar. The related investment income and realized/unrealized investment gains and losses are also denominated in U.S. dollars. The foreign exchange gains and losses related to this portfolio are taxable in Japan and the U.S. when the securities mature or are sold. Until maturity or sale, deferred tax expense or benefit associated with the foreign exchange gains or losses are recognized in other comprehensive income.

Second, we have designated a majority of the Parent Company's yen-denominated liabilities (Samurai and Uridashi notes and yen-denominated loans - see Note 6) as nonderivative hedges of the foreign currency exposure of our investment in Aflac Japan. Our net investment hedge was effective during the three- and six-month periods ended June 30, 2012, and 2011, respectively.

Non-Derivative Hedging Instruments in Net Investment Hedging Relationships

	Gain (Loss) Recognized in Other Comprehensive Income (Effective Portion)			
	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	**2012**	2011	**2012**	2011
Non-derivative hedging instruments	**$(32)**	$(32)	**$ 17**	$ (10)

There was no gain or loss reclassified from accumulated other comprehensive income into earnings related to our net investment hedge during the three- and six-month periods ended June 30, 2012 and 2011, respectively.

For additional information on our financial instruments, see the accompanying Notes 1, 3 and 5 and Notes 1, 3 and 5 of the Notes to the Consolidated Financial Statements in our annual report to shareholders for the year ended December 31, 2011.

NOTES PAYABLE (Tables)

Debt Disclosure [Abstract]

Schedule of Long-term Debt Instruments

	6 Months Ended Jun. 30, 2012

A summary of notes payable follows:

(In millions)	June 30, 2012	December 31, 2011
8.50% senior notes due May 2019	$ 850	$ 850
6.45% senior notes due August 2040	448 (1)	448 (1)
6.90% senior notes due December 2039	396 (2)	396 (2)
3.45% senior notes due August 2015	300	300
2.65% senior notes due February 2017	400	0
4.00% senior notes due February 2022	349 (3)	0
Yen-denominated Uridashi notes:		
2.26% notes due September 2016 (principal amount 8 billion yen)	101	103
Yen-denominated Samurai notes:		
1.47% notes due July 2014 (principal amount 28.7 billion yen)	362	369
1.87% notes paid June 2012 (principal amount 26.6 billion yen)	0	342
1.84% notes due July 2016 (principal amount 15.8 billion yen)	199	203
Variable interest rate notes due July 2014 (1.34% in 2012 and 2011, principal amount 5.5 billion yen)	69	71
Yen-denominated loans:		
3.60% loan due July 2015 (principal amount 10 billion yen)	126	129
3.00% loan due August 2015 (principal amount 5 billion yen)	63	64
Capitalized lease obligations payable through 2022	9	10
Total notes payable	$ 3,672	$ 3,285

(1) $450 issuance net of a $2 underwriting discount that is being amortized over the life of the notes

(2) $400 issuance net of a $4 underwriting discount that is being amortized over the life of the notes

(3) $350 issuance net of a $1 underwriting discount that is being amortized over the life of the notes

BUSINESS SEGMENT INFORMATION (Tables)	6 Months Ended Jun. 30, 2012
Segment Reporting [Abstract]	
Reconciliation of Revenue and Pretax Earnings from Segments to Consolidated	We then exclude income taxes related to operations to arrive at pretax operating earnings. Information regarding operations by segment follows:

(In millions)	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Revenues:				
Aflac Japan:				
Earned premiums	**$4,216**	$3,770	**$ 8,364**	$ 7,472
Net investment income	**691**	636	**1,421**	1,285
Other income	**0**	5	**16**	25
Total Aflac Japan	**4,907**	4,411	**9,801**	8,782
Aflac U.S.:				
Earned premiums	**1,251**	1,186	**2,482**	2,356
Net investment income	**153**	148	**304**	291
Other income	**2**	3	**5**	6
Total Aflac U.S.	**1,406**	1,337	**2,791**	2,653
Other business segments	**10**	13	**24**	28
Total business segment revenues	**6,323**	5,761	**12,616**	11,463
Realized investment gains (losses)	**(418)**	(668)	**(463)**	(1,247)
Corporate	**64**	60	**128**	121
Intercompany eliminations	**(67)**	(65)	**(139)**	(133)
Total revenues	**$5,902**	$5,088	**$12,142**	$10,204

(In millions)	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Pretax earnings:				
Aflac Japan	**$ 964**	$ 925	**$2,004**	$1,899
Aflac U.S.	**258**	243	**529**	494
Total business segment pretax operating earnings	**1,222**	1,168	**2,533**	2,393
Interest expense, noninsurance operations	**(45)**	(41)	**(89)**	(82)
Corporate and eliminations	**(18)**	(15)	**(38)**	(28)
Pretax operating earnings	**1,159**	1,112	**2,406**	2,283
Realized investment gains (losses)	**(418)**	(668)	**(463)**	(1,247)

Total earnings before income taxes	**$ 741**	$ 444	**$1,943**	$1,036
Income taxes applicable to pretax operating earnings	**$ 404**	$ 384	**$ 837**	$ 789
Effect of foreign currency translation on operating earnings	**6**	51	**26**	99

Prior-year amounts have been adjusted for the adoption of accounting guidance on January 1, 2012 related to deferred policy acquisition costs.

Reconciliation of Assets from Segment to Consolidated

Assets were as follows:

(In millions)	**June 30, 2012**	December 31, 2011
Assets:		
Aflac Japan	**$106,832**	$ 101,692
Aflac U.S.	**14,630**	13,942
Other business segments	**162**	160
Total business segment assets	**121,624**	115,794
Corporate	**17,645**	16,182
Intercompany eliminations	**(17,060)**	(15,739)
Total assets	**$122,209**	$ 116,237

Prior-year amounts have been adjusted for the adoption of accounting guidance on January 1, 2012 related to deferred policy acquisition costs.

SHARE-BASED COMPENSATION	6 Months Ended Jun. 30, 2012
Disclosure of Compensation Related Costs, Share-based Payments [Abstract]	
SHARE-BASED COMPENSATION	

SHARE-BASED COMPENSATION

As of June 30, 2012, the Company has outstanding share-based awards under two long-term incentive compensation plans.

The first plan, which expired in February 2007, is a stock option plan which allowed grants for incentive stock options (ISOs) to employees and non-qualifying stock options (NQSOs) to employees and non-employee directors. The options have a term of 10 years and generally vest after three years. The exercise price of options granted under this plan is equal to the fair market value of a share of the Company's common stock at the date of grant. Options granted before the plan's expiration date remain outstanding in accordance with their terms.

The second long-term incentive plan allows awards to Company employees for ISOs, NQSOs, restricted stock, restricted stock units, and stock appreciation rights. Non-employee directors are eligible for grants of NQSOs, restricted stock, and stock appreciation rights. Generally, the awards vest based upon time-based conditions or time- and performance-based conditions. Performance-based vesting conditions generally include the attainment of goals related to Company financial performance. Effective March 14, 2012, the Board of Directors approved to amend and restate the long-term incentive plan. The shareholders approved the amended and restated plan at the annual shareholder meeting in May 2012. The amended and restated plan provides, among other things, an extension of its expiration date from 2014 to 2017, makes clear that option strike prices can be set at the closing price on the date of grant (rather than only at the average high-low sales price), updates the performance factors available for use under awards that are intended to qualify for favorable tax deduction treatment, and adjusts the size of awards that may be granted to incumbent directors. There were no additional shares of common stock authorized for issuance under the amended and restated plan. As of June 30, 2012, approximately 14 million shares were available for future grants under the plan, and the only performance-based awards issued and outstanding were restricted stock awards.

Share-based awards granted to U.S.-based grantees are settled with authorized but unissued Company stock, while those issued to Japan-based grantees are settled with treasury shares.

The following table provides information on stock options outstanding and exercisable at June 30, 2012.

	Stock Option Shares (in thousands)	Weighted-Average Remaining Term (in years)	Aggregate Intrinsic Value (in millions)	Weighted-Average Exercise Price Per Share
Outstanding	14,451	4.8	$50	$43.60
Exercisable	12,056	4.1	48	42.62

We received cash from the exercise of stock options in the amount of $9 million during the first six months of 2012, compared with $13 million in the first six months of

2011. The tax benefit realized as a result of stock option exercises and restricted stock releases was $13 million in the first six months of 2012, compared with $12 million in the first six months of 2011.

As of June 30, 2012, total compensation cost not yet recognized in our financial statements related to restricted stock awards was $43 million, of which $22 million (748 thousand shares) was related to restricted stock awards with a performance-based vesting condition. We expect to recognize these amounts over a weighted-average period of approximately 1.9 years. There are no other contractual terms covering restricted stock awards once vested.

For additional information on our long-term share-based compensation plans and the types of share-based awards, see Note 11 of the Notes to the Consolidated Financial Statements included in our annual report to shareholders for the year ended December 31, 2011.

Summary of Notes Payable (Parenthetical) (Detail) In Millions, unless otherwise specified									6 Months Ended																
	Jun. 30, 2012 8.50% senior notes due May 2019	Dec. 31, 2011 8.50% senior notes due May 2019	Jun. 30, 2012 6.45% senior notes due August 2040 USD ($)	Dec. 31, 2011 6.45% senior notes due August 2040 USD ($)	Jun. 30, 2012 6.90% senior notes due December 2039 USD ($)	Dec. 31, 2011 6.90% senior notes due December 2039 USD ($)	Jun. 30, 2012 3.45% senior notes due August 2015	Dec. 31, 2011 3.45% senior notes due August 2015	Jun. 30, 2012 2.65% senior notes due February 2017 USD ($)	Jun. 30, 2012 4.00% senior notes due February 2022 USD ($)	Jun. 30, 2012 2.26% yen-denominated Uridashi notes due September 2016 JPY (¥)	Dec. 31, 2011 2.26% yen-denominated Uridashi notes due September 2016 JPY (¥)	Jun. 30, 2012 1.47% yen-denominated Samurai notes due July 2014 JPY (¥)	Dec. 31, 2011 1.47% yen-denominated Samurai notes due July 2014 JPY (¥)	Jun. 30, 2012 1.87% yen-denominated Samurai notes paid June 2012 JPY (¥)	Dec. 31, 2011 1.87% yen-denominated Samurai notes paid June 2012 JPY (¥)	Jun. 30, 2012 1.84% yen-denominated Samurai notes due July 2016 JPY (¥)	Dec. 31, 2011 1.84% yen-denominated Samurai notes due July 2016 JPY (¥)	Jun. 30, 2012 Variable interest rate yen-denominated Samurai notes due July 2014 JPY (¥)	Dec. 31, 2011 Variable interest rate yen-denominated Samurai notes due July 2014 JPY (¥)	Jul. 31, 2011 Variable interest rate yen-denominated Samurai notes due July 2014 JPY (¥)	Jun. 30, 2012 3.60% yen-denominated loan due July 2015 JPY (¥)	Dec. 31, 2011 3.60% yen-denominated loan due July 2015 JPY (¥)	Jun. 30, 2012 3.00% yen-denominated loan due August 2015 JPY (¥)	Dec. 31, 2011 3.00% yen-denominated loan due August 2015 JPY (¥)
Debt Instrument [Line Items]																									
Notes payable, interest rate	8.50%	8.50%	6.45%	6.45%	6.90%	6.90%	3.45%	3.45%	2.65%	4.00%	2.26%	2.26%	1.47%	1.47%	1.87%	1.87%	1.84%	1.84%	1.34%	1.34%		3.60%	3.60%	3.00%	3.00%
Notes payable, principal amount			$ 450	$ 450	$ 400	$ 400			$ 400	$ 350	¥ 8,000	¥ 8,000	¥ 28,700	¥ 28,700	¥ 0	¥ 26,600	¥ 15,800	¥ 15,800	¥ 5,500	¥ 5,500	¥ 5,500	¥ 10,000	¥ 10,000	¥ 5,000	¥ 5,000
Notes payable, underwriting discount			$ 2	$ 2	$ 4	$ 4				$ 1															
Debt Instrument Maturity Period									5 years	10 years															

NOTES PAYABLE	6 Months Ended Jun. 30, 2012
Debt Disclosure [Abstract]	
NOTES PAYABLE	

NOTES PAYABLE

A summary of notes payable follows:

(In millions)	June 30, 2012		December 31, 2011	
8.50% senior notes due May 2019	$ 850		$ 850	
6.45% senior notes due August 2040	448	(1)	448	(1)
6.90% senior notes due December 2039	396	(2)	396	(2)
3.45% senior notes due August 2015	300		300	
2.65% senior notes due February 2017	400		0	
4.00% senior notes due February 2022	349	(3)	0	
Yen-denominated Uridashi notes:				
2.26% notes due September 2016 (principal amount 8 billion yen)	101		103	
Yen-denominated Samurai notes:				
1.47% notes due July 2014 (principal amount 28.7 billion yen)	362		369	
1.87% notes paid June 2012 (principal amount 26.6 billion yen)	0		342	
1.84% notes due July 2016 (principal amount 15.8 billion yen)	199		203	
Variable interest rate notes due July 2014 (1.34% in 2012 and 2011, principal amount 5.5 billion yen)	69		71	
Yen-denominated loans:				
3.60% loan due July 2015 (principal amount 10 billion yen)	126		129	
3.00% loan due August 2015 (principal amount 5 billion yen)	63		64	
Capitalized lease obligations payable through 2022	9		10	
Total notes payable	$ 3,672		$ 3,285	

(1) $450 issuance net of a $2 underwriting discount that is being amortized over the life of the notes
(2) $400 issuance net of a $4 underwriting discount that is being amortized over the life of the notes
(3) $350 issuance net of a $1 underwriting discount that is being amortized over the life of the notes

In June 2012, we redeemed 26.6 billion yen (approximately $337 million using the exchange rate on the date of redemption) of our Samurai notes upon their maturity.

In February 2012, the Parent Company issued two series of senior notes totaling $750 million through a U.S. public debt offering. The first series, which totaled $400 million, bears interest at a fixed rate of 2.65% per annum, payable semi-annually, and has a five-year maturity. The second series, which totaled $350 million, bears interest at a fixed rate of 4.00% per annum, payable semi-annually, and has a ten-year maturity. We have entered into cross-currency swaps to reduce interest expense by converting the dollar-denominated principal and interest on the senior notes we issued into yen-denominated obligations. By entering into these cross-currency swaps, we economically converted our $400 million liability into a 30.9 billion yen liability and reduced the interest rate on this debt from 2.65% in dollars to 1.22% in yen. We also economically converted our $350 million liability into a 27.0 billion yen liability and reduced the interest rate on this debt from 4.00% in dollars to 2.07% in yen.

In June 2012, the Parent Company and Aflac entered into a 364-day senior unsecured revolving credit facility agreement in the amount of 50 billion yen with a syndicate of financial institutions. This credit agreement provides for borrowings in Japanese yen or the equivalent of Japanese yen in U.S. dollars on a revolving basis. Borrowings under the credit agreement may be used for general corporate purposes, including a capital contingency plan for our Japanese operations. This credit agreement will expire on the earlier of (a) June 27, 2013, or (b) the date of termination of the commitments upon an event of default as defined in the agreement. The Parent Company and Aflac may request that commitments under the credit agreement be extended for an additional 364-day period from the commitment termination date, subject to terms and conditions which are defined in the agreement. As of June 30, 2012, no borrowings were outstanding under our 50 billion yen revolving credit agreement.

We were in compliance with all of the covenants of our notes payable and line of credit at June 30, 2012. No events of default or defaults occurred during the six-month period ended June 30, 2012.

Subsequent to the end of the second quarter, in July 2012, the Parent Company issued $250 million of senior notes that are an addition to the original series of senior notes issued in February 2012. These notes have a five-year maturity and a fixed rate of 2.65% per annum, payable semi-annually.

For additional information, see Notes 4 and 8 of the Notes to the Consolidated Financial Statements in our annual report to shareholders for the year ended December 31, 2011.

SHAREHOLDERS' EQUITY	6 Months Ended Jun. 30, 2012
Stockholders' Equity Note [Abstract]	
SHAREHOLDERS' EQUITY	SHAREHOLDERS' EQUITY

SHAREHOLDERS' EQUITY

The following table is a reconciliation of the number of shares of the Company's common stock for the six-month periods ended June 30.

(In thousands of shares)	2012	2011
Common stock - issued:		
Balance, beginning of period	**663,639**	662,660
Exercise of stock options and issuance of restricted shares	**893**	752
Balance, end of period	**664,532**	663,412
Treasury stock:		
Balance, beginning of period	**197,329**	192,999
Purchases of treasury stock:		
Open market	**0**	4,100
Other	**205**	155
Dispositions of treasury stock:		
Shares issued to AFL Stock Plan	**(905)**	(745)
Exercise of stock options	**(72)**	(85)
Other	**(135)**	(79)
Balance, end of period	**196,422**	196,345
Shares outstanding, end of period	**468,110**	467,067

Outstanding share-based awards are excluded from the calculation of weighted-average shares used in the computation of basic earnings per share (EPS). The following table presents the approximate number of share-based awards to purchase shares, on a weighted-average basis, that were considered to be anti-dilutive and were excluded from the calculation of diluted earnings per share for the following periods.

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	**2012**	2011	**2012**	2011
Anti-dilutive share-based awards	**8,385**	4,246	**6,921**	3,419

Share Repurchase Program: During the first six months of 2012, we did not repurchase any shares of our common stock in the open market. We repurchased 4.1 million shares of our common stock in the open market in the first six months of 2011.

As of June 30, 2012, a remaining balance of 24.4 million shares of our common stock was available for purchase under a share repurchase authorization by our board of directors in 2008.

BENEFIT PLANS	6 Months Ended Jun. 30, 2012
Defined Benefit Plans and Other Postretirement Benefit Plans Disclosures [Abstract]	
BENEFIT PLANS	

BENEFIT PLANS

We have funded defined benefit plans in Japan and the United States which cover substantially all of our full-time employees. Additionally, we maintain non-qualified, unfunded supplemental retirement plans that provide defined pension benefits in excess of limits imposed by federal tax law for certain Japanese, U.S. and former employees.

We provide certain health care benefits for eligible U.S. retired employees, their beneficiaries and covered dependents ("other postretirement benefits"). The health care plan is contributory and unfunded. Substantially all of our U.S. employees may become eligible to receive other postretirement benefits if they retire at age 55 or older with at least 15 years of service or if they retire when their age plus service, in years, equals or exceeds 80. At retirement, an employee is given an opportunity to elect continuation of coverage under our medical plan until age 65. For certain employees and former employees, additional coverage is provided for all medical expenses for life.

Pension and other postretirement benefit expenses, included in acquisition and operating expenses in the consolidated statement of earnings, included the following components:

	Three Months Ended June 30,					
	Pension Benefits				Other Postretirement Benefits	
	Japan		U.S.			
(In millions)	**2012**	2011	**2012**	2011	**2012**	2011
Components of net periodic benefit cost:						
Service cost	**$ 5**	$ 4	**$ 5**	$ 3	**$ 2**	$ 1
Interest cost	**3**	2	**7**	7	**1**	1
Expected return on plan assets	**(1)**	(1)	**(4)**	(3)	**0**	0
Amortization of net actuarial loss	**1**	1	**2**	2	**0**	0
Net periodic (benefit) cost	**$ 8**	$ 6	**$ 10**	$ 9	**$ 3**	$ 2

	Six Months Ended June 30,					
	Pension Benefits				Other Postretirement Benefits	
	Japan		U.S.			
(In millions)	**2012**	2011	**2012**	2011	**2012**	2011

Components of net periodic benefit cost:						
Service cost	**$ 9**	$ 8	**$ 11**	$ 7	**$ 3**	$ 2
Interest cost	**6**	4	**14**	14	**2**	2
Expected return on plan assets	**(2)**	(2)	**(8)**	(7)	**0**	0
Amortization of net actuarial loss	**2**	2	**4**	3	**0**	0
Net periodic (benefit) cost	**$ 15**	$ 12	**$ 21**	$ 17	**$ 5**	$ 4

During the six months ended June 30, 2012, Aflac Japan contributed approximately $12 million (using the weighted-average yen/dollar exchange rate for the six-month period ending June 30, 2012) to the Japanese funded defined benefit plan, and Aflac U.S. did not make a contribution to the U.S. funded defined benefit plan.

For additional information regarding our Japanese and U.S. benefit plans, see Note 13 of the Notes to the Consolidated Financial Statements in our annual report to shareholders for the year ended December 31, 2011.

SHARE-BASED COMPENSATION - Stock Options Outstanding and Exercisable (Detail) (USD $) In Millions, except Share data in Thousands, unless otherwise specified	6 Months Ended Jun. 30, 2012
Disclosure of Compensation Related Costs, Share-based Payments [Abstract]	
Options Outstanding - Stock Option Shares	14,451
Options Outstanding - Weighted-Average Remaining Term (Yrs)	4 years 10 months
Options Outstanding - Aggregate Intrinsic Value	$ 50
Options Outstanding - Weighted-Average Exercise Price Per Share	$ 43.60
Options Exercisable - Stock Option Shares	12,056
Options Exercisable - Weighted-Average Remaining Term (Yrs.)	4 years 1 month
Options Exercisable - Aggregate Intrinsic Value	$ 48
Options Exercisable - Weighted-Average Exercise Price Per Share	$ 42.62

BENEFIT PLANS - Additional Information (Detail) (USD $) In Millions, unless otherwise specified	6 Months Ended Jun. 30, 2012 Y
Lower Limit	
Employee Benefits Disclosure [Line Items]	
Health care plan, retirement age for eligibility, (in years)	55
Health care plan, number of years of service for eligibility	15 years
Health care plan, retirement age and years of service combined years for eligibility	80 years
Upper Limit	
Employee Benefits Disclosure [Line Items]	
Health care plan, retirement age for eligibility, (in years)	65
Japanese Pension Plan	
Employee Benefits Disclosure [Line Items]	
Employer contributions	12

SHAREHOLDERS' EQUITY - Additional Information (Detail) (Share Repurchase Authorization 2008)	6 Months Ended	
	Jun. 30, 2012	Jun. 30, 2011
Share Repurchase Authorization 2008		
Stockholders Equity Note [Line Items]		
Common stock, share repurchase	0	4,100,000
Remaining common stock available for purchase under share repurchase authorizations	24,400,000	

INVESTMENTS - Economic Maturities of Investments in Perpetual Securities (Detail) (USD $) In Millions, unless otherwise specified	Jun. 30, 2012
Aflac Japan	
Investments Classified by Economic Maturity Date [Line Items]	
Due in one year or less	$ 315
Due after one year through five years	1,289
Due after five years through 10 years	457
Due after 10 years	3,047
Total perpetual securities available for sale	5,108
Due in one year or less	317
Due after one year through five years	1,299
Due after five years through 10 years	461
Due after 10 years	2,488
Total perpetual securities available for sale	4,565
Aflac U.S.	
Investments Classified by Economic Maturity Date [Line Items]	
Due in one year or less	0
Due after one year through five years	5
Due after five years through 10 years	0
Due after 10 years	169
Total perpetual securities available for sale	174
Due in one year or less	0
Due after one year through five years	5
Due after five years through 10 years	0
Due after 10 years	162
Total perpetual securities available for sale	$ 167

FAIR VALUE MEASUREMENTS - Additional Information (Detail) (USD $)	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2011
Fair Value, Measurement Inputs, Disclosure [Line Items]			
Fair Value, Assets, Level 1 to Level 2 Transfers, Amount	$ 0		$ 0
Securities held to maturity, fixed maturities, fair value	52,540,000,000	46,383,000,000	
Fair Value, Assets, Level 2 to Level 1 Transfers, Amount	0		0
Interest Rates			
Fair Value, Measurement Inputs, Disclosure [Line Items]			
Magnitude of movement	0.50%		
Credit Spreads			
Fair Value, Measurement Inputs, Disclosure [Line Items]			
Magnitude of movement	0.50%		
Interest Rate Volatility			
Fair Value, Measurement Inputs, Disclosure [Line Items]			
Magnitude of movement	50.00%		
Discounted Cash Flow Valuation Technique			
Fair Value, Measurement Inputs, Disclosure [Line Items]			
Fair values of available-for-sale fixed maturity and perpetual securities valued by our DCF pricing model	18,600,000,000		
Securities held to maturity, fixed maturities, fair value	$ 23,500,000,000		
Available-for-sale Securities | Level 2			
Fair Value, Measurement Inputs, Disclosure [Line Items]			
Percentage of fair value of investments valued by obtaining quoted market prices from investment custodian	52.00%		
Percentage of holdings valued by obtaining quoted market prices from investment custodian	76.00%		
Percentage of fair value of investments using DCF pricing model	42.00%		
Percentage of holdings of investments using discounted cash flow pricing model	10.00%		
Percentage of fair value of investments using other pricing services	6.00%		
Percentage of holdings of investments using other pricing services	14.00%		
Held-to-maturity Securities | Level 2			
Fair Value, Measurement Inputs, Disclosure [Line Items]			
Percentage of fair value of investments valued by obtaining quoted market prices from investment custodian	3.00%		
Percentage of holdings valued by obtaining quoted market prices from investment custodian	7.00%		
Percentage of fair value of investments using DCF pricing model	94.00%		
Percentage of holdings of investments using discounted cash flow pricing model	84.00%		
Percentage of fair value of investments using other pricing services	3.00%		

Percentage of holdings of investments using other pricing services	9.00%

DERIVATIVE INSTRUMENTS (Tables)	6 Months Ended Jun. 30, 2012

Derivative Instruments and Hedging Activities Disclosure [Abstract]

Fair Value and Notional Amount of Derivatives with Counterparty Credit Risk

The counterparties to these swap agreements are financial institutions with the following credit ratings.

(In millions)	June 30, 2012 Fair Value of Swaps	June 30, 2012 Notional Amount of Swaps	December 31, 2011 Fair Value of Swaps	December 31, 2011 Notional Amount of Swaps
Counterparty credit rating:				
AA	**$ 0**	**$ 0**	$ 0	$ 0
A	**(176)**	**6,056**	(156)	5,491
Total	**$ (176)**	**$ 6,056**	$ (156)	$ 5,491

Maximum Potential Risk, Fair Value, Weighted Average Years to Maturity, and Underlying Referenced Credit Obligation Type for Credit Derivatives

The following tables present the maximum potential risk, fair value, weighted-average years to maturity, and underlying referenced credit obligation type for credit default swaps within consolidated VIE structures.

June 30, 2012

(In millions)	Credit Rating	Less than one year Maximum potential risk	Less than one year Estimated fair value	One to three years Maximum potential risk	One to three years Estimated fair value	Three to five years Maximum potential risk	Three to five years Estimated fair value	Five to ten years Maximum potential risk	Five to ten years Estimated fair value	Total Maximum potential risk	Total Estimated fair value
Index exposure:											
Corporate bonds:											
	A	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ (139)**	**$ (5)**	**$ 0**	**$ 0**	**$ (139)**	**$ (5)**
	BB or lower	**0**	**0**	**0**	**0**	**0**	**0**	**(228)**	**(102)**	**(228)**	**(102)**
Total		**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ (139)**	**$ (5)**	**$ (228)**	**$ (102)**	**$ (367)**	**$ (107)**

December 31, 2011

(In millions)	Credit Rating	Less than one year Maximum potential risk	Less than one year Estimated fair value	One to three years Maximum potential risk	One to three years Estimated fair value	Three to five years Maximum potential risk	Three to five years Estimated fair value	Five to ten years Maximum potential risk	Five to ten years Estimated fair value	Total Maximum potential risk	Total Estimated fair value
Index exposure:											
Corporate bonds:											
	A	$ 0	$ 0	$ 0	$ 0	$ (146)	$ (17)	$ 0	$ 0	$ (146)	$ (17)
	BB or lower	0	0	0	0	0	0	(235)	(113)	(235)	(113)
Total		$ 0	$ 0	$ 0	$ 0	$ (146)	$ (17)	$ (235)	$ (113)	$ (381)	$ (130)

Schedule of Derivative Instruments in Statement of Financial Position, Fair Value

The tables below summarize the balance sheet classification of our derivative fair value amounts, as well as the gross asset and liability fair value amounts. The fair value amounts presented do not include income accruals. The notional amount of derivative contracts represents the basis upon which pay or receive amounts are calculated. Notional amounts are not reflective of credit risk.

(In millions)	**June 30, 2012**			
	Net Derivatives		**Asset Derivatives**	**Liability Derivatives**
Hedge Designation/ Derivative Type	**Notional Amount**	**Fair Value**	**Fair Value**	**Fair Value**
Cash flow hedges:				

Interest rate swaps	**$ 70**	**$ 0**	**$ 0**	**$ 0**
Foreign currency swaps	**75**	**28**	**28**	**0**
Total cash flow hedges	**145**	**28**	**28**	**0**
Non-qualifying strategies:				
Interest rate swaps	**367**	**27**	**31**	**(4)**
Foreign currency swaps	**5,177**	**(124)**	**247**	**(371)**
Credit default swaps	**367**	**(107)**	**0**	**(107)**
Total non-qualifying strategies	**5,911**	**(204)**	**278**	**(482)**
Total cash flow hedges and non-qualifying strategies	**$ 6,056**	**$ (176)**	**$ 306**	**$ (482)**
Balance Sheet Location				
Other assets	**$ 2,461**	**$ 306**	**$ 306**	**$ 0**
Other liabilities	**3,595**	**(482)**	**0**	**(482)**
Total derivatives	**$ 6,056**	**$ (176)**	**$ 306**	**$ (482)**

	December 31, 2011			
(In millions)	Net Derivatives		Asset Derivatives	Liability Derivatives
Hedge Designation/ Derivative Type	Notional Amount	Fair Value	Fair Value	Fair Value
Cash flow hedges:				
Interest rate swaps	$ 71	$ 0	$ 0	$ 0
Foreign currency swaps	75	36	36	0
Total cash flow hedges	146	36	36	0
Non-qualifying strategies:				
Interest rate swaps	381	30	34	(4)
Foreign currency swaps	4,583	(92)	305	(397)
Credit default swaps	381	(130)	0	(130)
Total non-qualifying strategies	5,345	(192)	339	(531)
Total cash flow hedges and non-qualifying strategies	$ 5,491	$ (156)	$ 375	$ (531)
Balance Sheet Location				
Other assets	$ 1,794	$ 375	$ 375	$ 0
Other liabilities	3,697	(531)	0	(531)
Total derivatives	$ 5,491	$ (156)	$ 375	$ (531)

Cash Flow Hedges Gains (Losses) Recognized In Other Comprehensive Income and Income

The following table presents the components of the gain or loss on derivatives that qualified as cash flow hedges.

Derivatives in Cash Flow Hedging Relationships

(In millions)	**Gain (Loss) Recognized in Other Comprehensive Income on Derivative (Effective Portion)**	**Realized Investment Gains (Losses) Recognized in Income on Derivative (Ineffective Portion)**
Three Months Ended June 30, 2012:		
Interest rate swaps	**$ 0**	**$ 0**
Foreign currency swaps	**4**	**0**
Total	**$ 4**	**$ 0**
Six Months Ended June 30, 2012:		
Interest rate swaps	**$ 0**	**$ 0**

Foreign currency swaps		**(8)**		**0**
Total	**$**	**(8)**	**$**	**0**
Three Months Ended June 30, 2011:				
Interest rate swaps	$	0	$	0
Foreign currency swaps		17		2
Total	$	17	$	2
Six Months Ended June 30, 2011:				
Interest rate swaps	$	1	$	0
Foreign currency swaps		(39)		(2)
Total	$	(38)	$	(2)

Schedule of Other Derivatives Not Designated as Hedging Instruments, Statements of Financial Performance and Financial Position, Location

The following table presents the gain or loss recognized in income on non-qualifying strategies.

Non-qualifying Strategies
Gain (Loss) Recognized within Realized Investment Gains (Losses)

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	**2012**	2011	**2012**	2011
Interest rate swaps	**$ (1)**	$ 4	**$ (4)**	$ (1)
Foreign currency swaps	**(57)**	3	**(7)**	(26)
Credit default swaps	**(9)**	(43)	**24**	(38)
Other	**0**	9	**0**	12
Total	**$ (67)**	$ (27)	**$ 13**	$ (53)

Schedule of Net Investment Hedges Statements of Financial Performance and Financial Position Location

Non-Derivative Hedging Instruments in
Net Investment Hedging Relationships

	Gain (Loss) Recognized in Other Comprehensive Income (Effective Portion)			
	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	**2012**	2011	**2012**	2011
Non-derivative hedging instruments	**$(32)**	$(32)	**$ 17**	$ (10)

BENEFIT PLANS (Tables)	6 Months Ended Jun. 30, 2012
Defined Benefit Plans and Other Postretirement Benefit Plans Disclosures [Abstract]	
Schedule of Net Benefit Costs	Pension and other postretirement benefit expenses, included in acquisition and operating expenses in the consolidated statement of earnings, included the following components:

	Three Months Ended June 30,					
	Pension Benefits				Other Postretirement Benefits	
	Japan		U.S.			
(In millions)	**2012**	2011	**2012**	2011	**2012**	2011
Components of net periodic benefit cost:						
Service cost	**$ 5**	$ 4	**$ 5**	$ 3	**$ 2**	$ 1
Interest cost	**3**	2	**7**	7	**1**	1
Expected return on plan assets	**(1)**	(1)	**(4)**	(3)	**0**	0
Amortization of net actuarial loss	**1**	1	**2**	2	**0**	0
Net periodic (benefit) cost	**$ 8**	$ 6	**$ 10**	$ 9	**$ 3**	$ 2

	Six Months Ended June 30,					
	Pension Benefits				Other Postretirement Benefits	
	Japan		U.S.			
(In millions)	**2012**	2011	**2012**	2011	**2012**	2011
Components of net periodic benefit cost:						
Service cost	**$ 9**	$ 8	**$ 11**	$ 7	**$ 3**	$ 2
Interest cost	**6**	4	**14**	14	**2**	2
Expected return on plan assets	**(2)**	(2)	**(8)**	(7)	**0**	0
Amortization of net actuarial loss	**2**	2	**4**	3	**0**	0
Net periodic (benefit) cost	**$ 15**	$ 12	**$ 21**	$ 17	**$ 5**	$ 4

DERIVATIVE INSTRUMENTS - Gain or Loss Recognized in Income on Non-qualifying Strategies (Detail) (Non-qualifying strategies, USD $) In Millions, unless otherwise specified	3 Months Ended		6 Months Ended	
	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011
Derivative Instruments, Gain (Loss) [Line Items]				
Gain (Loss) Recognized within Net Realized Investment Gains (Losses)	$ (67)	$ (27)	$ 13	$ (53)
Interest rate swaps				
Derivative Instruments, Gain (Loss) [Line Items]				
Gain (Loss) Recognized within Net Realized Investment Gains (Losses)	(1)	4	(4)	(1)
Foreign currency swaps				
Derivative Instruments, Gain (Loss) [Line Items]				
Gain (Loss) Recognized within Net Realized Investment Gains (Losses)	(57)	3	(7)	(26)
Credit default swaps				
Derivative Instruments, Gain (Loss) [Line Items]				
Gain (Loss) Recognized within Net Realized Investment Gains (Losses)	(9)	(43)	24	(38)
Other				
Derivative Instruments, Gain (Loss) [Line Items]				
Gain (Loss) Recognized within Net Realized Investment Gains (Losses)	$ 0	$ 9	$ 0	$ 12

INVESTMENTS - Details of Holdings of Perpetual Securities (Detail) (USD $) In Millions, unless otherwise specified	Jun. 30, 2012	Dec. 31, 2011
Investment Holdings [Line Items]		
Amortized Cost	$ 52,264	$ 52,275
Fair Value	54,536	54,036
Perpetual Securities		
Investment Holdings [Line Items]		
Amortized Cost	5,282	6,897
Fair Value	4,732	6,439
Unrealized Gain (Loss)	(550)	(458)
Perpetual Securities | Upper Tier II		
Investment Holdings [Line Items]		
Amortized Cost	3,310	4,285
Fair Value	3,051	4,244
Unrealized Gain (Loss)	(259)	(41)
Perpetual Securities | Upper Tier II | AA		
Investment Holdings [Line Items]		
Amortized Cost	0	196
Fair Value	0	204
Unrealized Gain (Loss)	0	8
Perpetual Securities | Upper Tier II | A		
Investment Holdings [Line Items]		
Amortized Cost	495	2,108
Fair Value	498	2,046
Unrealized Gain (Loss)	3	(62)
Perpetual Securities | Upper Tier II | BBB		
Investment Holdings [Line Items]		
Amortized Cost	2,770	1,791
Fair Value	2,508	1,804
Unrealized Gain (Loss)	(262)	13
Perpetual Securities | Upper Tier II | BB or Lower		
Investment Holdings [Line Items]		
Amortized Cost	45	190
Fair Value	45	190
Unrealized Gain (Loss)	0	0
Perpetual Securities | Tier I		
Investment Holdings [Line Items]		
Amortized Cost	1,634	2,268
Fair Value	1,339	1,834
Unrealized Gain (Loss)	(295)	(434)
Perpetual Securities | Tier I | A		

Investment Holdings [Line Items]		
Amortized Cost	60	0
Fair Value	57	0
Unrealized Gain (Loss)	(3)	0
Perpetual Securities | Tier I | BBB		
Investment Holdings [Line Items]		
Amortized Cost	1,325	1,684
Fair Value	1,071	1,417
Unrealized Gain (Loss)	(254)	(267)
Perpetual Securities | Tier I | BB or Lower		
Investment Holdings [Line Items]		
Amortized Cost	249	584
Fair Value	211	417
Unrealized Gain (Loss)	(38)	(167)
Perpetual Securities | Other subordinated - non-banks | BBB		
Investment Holdings [Line Items]		
Amortized Cost	338	344
Fair Value	342	361
Unrealized Gain (Loss)	$ 4	$ 17

Consolidated Balance Sheets (Parenthetical) (USD $) In Millions, except Share data, unless otherwise specified	Jun. 30, 2012	Dec. 31, 2011
Securities available for sale, Equity securities, cost	$ 21	$ 22
Securities held to maturity, fixed maturities, fair value	52,540	46,383
Common stock, par value	$ 0.1	$ 0.1
Common stock, shares authorized	1,900,000,000	1,900,000,000
Common stock, shares issued	664,532,000	663,639,000
Variable Interest Entity, Consolidated		
Securities available for sale, Fixed maturities, amortized cost	5,262	4,822
Securities available for sale, Perpetual securities, amortized cost	899	1,532
Securities held to maturity, fixed maturities, fair value	311	566
Asset Derivatives	281	375
Liability Derivatives	474	531
Investments Other Than Consolidated Variable Interest Entities		
Securities available for sale, Fixed maturities, amortized cost	41,699	40,534
Securities available for sale, Perpetual securities, amortized cost	4,383	5,365
Securities held to maturity, fixed maturities, fair value	$ 52,229	$ 45,817

INVESTMENTS	6 Months Ended Jun. 30, 2012

[Investments [Abstract]]
[INVESTMENTS]

INVESTMENTS

Investment Holdings

The amortized cost for our investments in debt and perpetual securities, the cost for equity securities and the fair values of these investments are shown in the following tables.

	June 30, 2012			
(In millions)	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities available for sale, carried at fair value:				
Fixed maturities:				
Yen-denominated:				
Japan government and agencies	$ 11,678	$ 741	$ 1	$ 12,418
Mortgage- and asset-backed securities	852	47	1	898
Public utilities	3,939	73	233	3,779
Sovereign and supranational	2,006	46	65	1,987
Banks/financial institutions	4,226	177	436	3,967
Other corporate	6,217	141	367	5,991
Total yen-denominated	28,918	1,225	1,103	29,040
Dollar-denominated:				
U.S. government and agencies	94	22	0	116
Municipalities	1,052	144	7	1,189
Mortgage- and asset-backed securities	296	80	1	375
Public utilities	3,251	572	28	3,795
Sovereign and supranational	473	103	3	573
Banks/financial institutions	3,449	341	41	3,749
Other corporate	9,428	1,555	39	10,944
Total dollar-denominated	18,043	2,817	119	20,741
Total fixed maturities	46,961	4,042	1,222	49,781
Perpetual securities:				
Yen-denominated:				
Banks/financial institutions	4,634	27	570	4,091
Other corporate	338	4	0	342
Dollar-denominated:				
Banks/financial institutions	310	7	18	299
Total perpetual securities	5,282	38	588	4,732
Equity securities	21	4	2	23
Total securities available for sale	$ 52,264	$ 4,084	$ 1,812	$ 54,536

	June 30, 2012			
(In millions)	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities held to maturity, carried at amortized cost:				
Fixed maturities:				
Yen-denominated:				
Japan government and agencies	$ 26,927	$ 605	$ 5	$ 27,527

Municipalities	**539**	**37**	**2**	**574**
Mortgage- and asset-backed securities	**115**	**5**	**0**	**120**
Public utilities	**5,377**	**214**	**165**	**5,426**
Sovereign and supranational	**3,633**	**167**	**102**	**3,698**
Banks/financial institutions	**10,957**	**184**	**809**	**10,332**
Other corporate	**4,865**	**160**	**162**	**4,863**
Total yen-denominated	**52,413**	**1,372**	**1,245**	**52,540**
Total securities held to maturity	**$ 52,413**	**$ 1,372**	**$ 1,245**	**$ 52,540**

(In millions)	December 31, 2011 Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities available for sale, carried at fair value:				
Fixed maturities:				
Yen-denominated:				
Japan government and agencies	$ 11,108	$ 670	$ 0	$ 11,778
Mortgage- and asset-backed securities	912	43	1	954
Public utilities	3,850	59	226	3,683
Sovereign and supranational	1,704	87	16	1,775
Banks/financial institutions	4,312	74	359	4,027
Other corporate	6,213	120	459	5,874
Total yen-denominated	28,099	1,053	1,061	28,091
Dollar-denominated:				
U.S. government and agencies	31	4	0	35
Municipalities	1,060	107	8	1,159
Mortgage- and asset-backed securities	310	74	0	384
Public utilities	3,052	517	27	3,542
Sovereign and supranational	449	89	5	533
Banks/financial institutions	3,324	223	121	3,426
Other corporate	9,031	1,433	62	10,402
Total dollar-denominated	17,257	2,447	223	19,481
Total fixed maturities	45,356	3,500	1,284	47,572
Perpetual securities:				
Yen-denominated:				
Banks/financial institutions	6,217	155	604	5,768
Other corporate	344	17	0	361
Dollar-denominated:				
Banks/financial institutions	336	3	29	310
Total perpetual securities	6,897	175	633	6,439
Equity securities	22	4	1	25
Total securities available for sale	$ 52,275	$ 3,679	$ 1,918	$ 54,036

(In millions)	December 31, 2011 Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities held to maturity, carried at amortized cost:				
Fixed maturities:				
Yen-denominated:				
Japan government and agencies	$ 18,775	$ 297	$ 1	$ 19,071

Municipalities	553	35	4	584
Mortgage- and asset-backed securities	129	5	0	134
Public utilities	5,615	188	166	5,637
Sovereign and supranational	4,200	148	183	4,165
Banks/financial institutions	12,389	170	1,079	11,480
Other corporate	5,348	149	185	5,312
Total yen-denominated	47,009	992	1,618	46,383
Total securities held to maturity	$ 47,009	$ 992	$ 1,618	$ 46,383

The methods of determining the fair values of our investments in debt securities, perpetual securities and equity securities are described in Note 5.

During the second quarter of 2012, we reclassified five investments from the held-to-maturity portfolio to the available-for-sale portfolio as a result of significant declines in the issuers' creditworthiness. At the time of transfer, the securities had an aggregate amortized cost of $842 million and an aggregate unrealized loss of $268 million. Included in this transfer were securities issued by UniCredit and Bankia SA, financial institutions, and Generalitat de Catalunya and Junta de Andalucia, regional governments in Spain. During the first quarter of 2012, we reclassified one investment from the held-to-maturity portfolio to the available-for-sale portfolio as a result of a significant decline in the issuer's creditworthiness. At the time of transfer, the security had an amortized cost of $122 million and an unrealized loss of $23 million. This investment was issued by Energias de Portugal SA (EDP), an integrated electric utility domiciled in Portugal.

During the second quarter of 2011, we did not reclassify any investments from the held-to-maturity portfolio to the available-for-sale portfolio. During the first quarter of 2011, we reclassified eight investments from the held-to-maturity portfolio to the available-for-sale portfolio as a result of significant declines in the issuers’ creditworthiness. At the time of the transfer, the securities had an aggregate amortized cost of $1.6 billion and an aggregate unrealized loss of $270 million. The securities transferred included investments in the Republic of Tunisia and securities associated with financial institutions in Portugal and Ireland. The investments from the financial institutions in Portugal were subsequently sold by the end of the third quarter of 2011.

Contractual and Economic Maturities

The contractual maturities of our investments in fixed maturities at June 30, 2012, were as follows:

	Aflac Japan		Aflac U.S.	
(In millions)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Available for sale:				
Due in one year or less	$ 1,980	$ 2,012	$ 13	$ 13
Due after one year through five years	2,455	2,569	352	379
Due after five years through 10 years	4,133	4,447	984	1,138
Due after 10 years	28,095	28,889	7,681	8,919
Mortgage- and asset-backed securities	1,104	1,217	44	57
Total fixed maturities available for sale	$ 37,767	$ 39,134	$ 9,074	$ 10,506
Held to maturity:				
Due in one year or less	$ 412	$ 419	$ 0	$ 0
Due after one year through five years	839	908	0	0
Due after five years through 10 years	3,298	3,635	0	0
Due after 10 years	47,749	47,458	0	0
Mortgage- and asset-backed securities	115	120	0	0
Total fixed maturities held to maturity	$ 52,413	$ 52,540	$ 0	$ 0

At June 30, 2012, the Parent Company had a portfolio of investment-grade available-for-sale fixed-maturity securities totaling $120 million at amortized cost and $141 million at fair value, which is not included in the table above.

Expected maturities may differ from contractual maturities because some issuers have the right to call or prepay obligations with or without call or prepayment penalties.

The majority of our perpetual securities are subordinated to other debt obligations of the issuer, but rank higher than the issuer's equity securities. Perpetual securities have characteristics of both debt and equity investments, along with unique features that create economic maturity dates for the securities. Although perpetual securities have no contractual maturity date, they have stated interest coupons that were fixed at their issuance and subsequently change to a floating short-term interest rate of 125 to more than 300 basis points above an appropriate market index, generally by the 25th year after issuance, thereby creating an economic maturity date. The economic maturities of our investments in perpetual securities, which were all reported as available for sale at June 30, 2012, were as follows:

	Aflac Japan		Aflac U.S.	
(In millions)	**Amortized Cost**	**Fair Value**	**Amortized Cost**	**Fair Value**
Due in one year or less	$ 315	$ 317	$ 0	$ 0
Due after one year through five years	1,289	1,299	5	5
Due after five years through 10 years	457	461	0	0
Due after 10 years	3,047	2,488	169	162
Total perpetual securities available for sale	$ 5,108	$ 4,565	$ 174	$ 167

Investment Concentrations

Our investment discipline begins with a top-down approach for each investment opportunity we consider. Consistent with that approach, we first approve each country in which we invest. In our approach to sovereign analysis, we consider the political, legal and financial context of the sovereign entity in which an issuer is domiciled and operates. Next we approve the issuer's industry sector, considering such factors as the stability of results and the importance of the sector to the overall economy. Specific credit names within approved countries and industry sectors are evaluated for their market position and specific strengths and potential weaknesses. Structures in which we invest are chosen for specific portfolio management purposes, including asset/liability management, portfolio diversification and net investment income.

Banks and Financial Institutions

After Japanese government bonds (JGBs), our second largest investment concentration as of June 30, 2012, was banks and financial institutions. Within the countries we approve for investment opportunities, we primarily invest in financial institutions that are strategically crucial to each approved country's economy. The bank and financial institution sector is a highly regulated industry and plays a strategic role in the global economy. We achieve some degree of diversification in the bank and financial institution sector through a geographically diverse universe of credit exposures. Within this sector, the more significant concentration of our credit risk by geographic region or country of issuer at June 30, 2012, based on amortized cost, was: Europe, excluding the United Kingdom (34%); United States (24%); United Kingdom (8%); Japan (8%); and other (26%).

Our total investments in the bank and financial institution sector, including those classified as perpetual securities, were as follows:

	June 30, 2012		December 31, 2011	
	Total Investments in Banks and Financial Institutions Sector (in millions)	**Percentage of Total Investment Portfolio**	Total Investments in Banks and Financial Institutions Sector (in millions)	Percentage of Total Investment Portfolio
Fixed maturities:				
Amortized cost	**$ 18,632**	**18%**	$ 20,025	20%
Fair value	**18,048**	**17**	18,933	19
Perpetual securities:				
Upper Tier II:				
Amortized cost	**$ 3,311**	**3%**	$ 4,285	5%
Fair value	**3,052**	**3**	4,244	4
Tier I:				
Amortized cost	**1,633**	**2**	2,268	2
Fair value	**1,338**	**1**	1,834	2
Total:				
Amortized cost	**$ 23,576**	**23%**	$ 26,578	27%

Fair value	**22,438**	**21**	25,011	25

Derisking

During the three- and six-month periods ended June 30, 2012, we continued our efforts which began in the first quarter of 2011 of pursuing strategic investment activities to lower the risk profile of our investment portfolio. Our primary focus during the first half of 2012 was on reducing our exposure to perpetual and other subordinated securities of European issuers, particularly in the financial sector. See further details in the Realized Investment Gains and Losses section below.

Realized Investment Gains and Losses

Information regarding pretax realized gains and losses from investments is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	**2012**	2011	**2012**	2011
Realized investment gains (losses) on securities:				
Fixed maturities:				
Available for sale:				
Gross gains from sales	**$ 19**	$ 10	**$ 33**	$ 36
Gross losses from sales	**(35)**	(132)	**(36)**	(319)
Net gains (losses) from redemptions	**2**	(1)	**2**	6
Other-than-temporary impairment losses	**(267)**	(344)	**(330)**	(748)
Held to maturity:				
Net gains (losses) from redemptions	**3**	0	**3**	0
Total fixed maturities	**(278)**	(467)	**(328)**	(1,025)
Perpetual securities:				
Available for sale:				
Gross gains from sales	**0**	48	**70**	54
Gross losses from sales	**3**	(107)	**(62)**	(109)
Net gains (losses) from redemptions	**0**	0	**60**	0
Other-than-temporary impairment losses	**(76)**	(184)	**(216)**	(184)
Total perpetual securities	**(73)**	(243)	**(148)**	(239)
Equity securities:				
Other-than-temporary impairment losses	**0**	0	**0**	(1)
Total equity securities	**0**	0	**0**	(1)
Derivatives and other:				
Derivative gains (losses)	**(67)**	(25)	**13**	(55)
Other	**0**	67	**0**	73
Total derivatives and other	**(67)**	42	**13**	18
Total realized investment gains (losses)	**$ (418)**	$ (668)	**$ (463)**	$(1,247)

During the three-month period ended June 30, 2012, sales and redemptions of securities generated a net realized investment loss. However, for the six-month period ended June 30, 2012, sales and redemptions of securities generated a net realized investment gain. The overall net gain for the six-month period primarily resulted from both the redemption in the first quarter of 2012 of a previously impaired perpetual security and sales related to our plan to reduce the risk exposure in our investment portfolio (see the Investment Concentrations section above for more information). The other-than-temporary losses that we recognized in the six-month period ended June 30, 2012 were largely composed of impairments recognized in the first quarter for two Tier I securities that were sold in the second quarter of 2012, and impairments in the second quarter on certain securities issued by Spanish institutions and further impairments on several securities that had previously been impaired in the fourth quarter 2011.

During the three- and six-month periods ended June 30, 2011, we recognized other-than-temporary impairment losses and realized investment losses from the sale of securities, primarily a result of a plan to reduce the risk exposure in our investment portfolio coupled with the continued decline in the creditworthiness of issuers of certain investments. A valuation allowance of $19 million was recorded in the second quarter of 2011 related to deferred tax assets associated with realized investment losses.

Other-than-temporary Impairment

The fair value of our debt and perpetual security investments fluctuates based on changes in interest rates and credit spreads in the global financial markets. Credit spreads are most impacted by market rates of interest, the general and specific credit environment and global market liquidity. We believe that fluctuations in the fair value of our investment securities related to changes in credit spreads have little bearing on whether our investment is ultimately recoverable. Generally, we consider such declines in fair value to be temporary even in situations where an investment remains in an unrealized loss position for a year or more.

However, in the course of our credit review process, we may determine that it is unlikely that we will recover our investment in an issuer due to factors specific to an individual issuer, as opposed to general changes in global credit spreads. In this event, we consider such a decline in the investment's fair value, to the extent it is below the investment's cost or amortized cost, to be an other-than-temporary impairment of the investment and write the investment down to its fair value.

In addition to the usual investment risk associated with a debt instrument, our perpetual security holdings may be subject to the risk of nationalization of their issuers in connection with capital injections from an issuer's sovereign government. We cannot be assured that such capital support will extend to all levels of an issuer's capital structure. In addition, certain governments or regulators may consider imposing interest and principal payment restrictions on issuers of hybrid securities to preserve cash and build capital. In addition to the cash flow impact that additional deferrals would have on our portfolio, such deferrals could result in ratings downgrades of the affected securities, which in turn could result in a reduction of fair value of the securities and increase our regulatory capital requirements. We take factors such as these into account in our credit review process.

When determining our intention to sell a security prior to recovery of its fair value to amortized cost, we evaluate facts and circumstances such as, but not limited to, sales of securities to meet cash flow needs and decisions to reposition our security portfolio. We perform ongoing analyses of our liquidity needs, which includes cash flow testing of our policy liabilities, debt maturities, projected dividend payments and other cash flow and liquidity needs. Our cash flow testing includes extensive duration matching of our investment portfolio and policy liabilities. Based on our analyses, we have concluded that we have sufficient excess cash flows to meet our liquidity needs without liquidating any of our investments prior to their maturity. We have performed analyses of our investment portfolio, and we have determined that certain securities are no longer within our investment risk exposure guidelines. Therefore, we have started to reposition our security portfolio in an effort to enhance diversification and our credit profile by reducing our risk exposure through opportunistic investment transactions.

The following table details our pretax other-than-temporary impairment losses by investment category that resulted from our impairment evaluation process.

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	**2012**	2011	**2012**	2011
Perpetual securities	**$ 76**	$ 184	**$ 216**	$ 184
Corporate bonds	**120**	343	**183**	740
Mortgage- and asset-backed securities	**3**	1	**3**	7
Municipalities	**0**	0	**0**	1
Sovereign and supranational	**144**	0	**144**	0
Equity securities	**0**	0	**0**	1
Total other-than-temporary impairment losses realized	**$ 343** (1)	$ 528 (2)	**$ 546** (1)	$ 933 (2)

(1) Includes $267 and $295 for the three- and six-month periods ended June 30, 2012, respectively, for credit-related impairments
and $76 and $251 for the three- and six-month periods ended June 30, 2012, respectively, from change in intent to sell securities
(2) Consisted completely of credit-related impairments

Unrealized Investment Gains and Losses

Effect on Shareholders' Equity

The net effect on shareholders' equity of unrealized gains and losses from investment securities was as follows:

(In millions)	June 30, 2012	December 31, 2011
Unrealized gains (losses) on securities available for sale	$ 2,272	$ 1,761
Unamortized unrealized gains on securities transferred to held to maturity	26	34
Deferred income taxes	(828)	(652)
Shareholders' equity, unrealized gains (losses) on investment securities	$ 1,470	$ 1,143

Gross Unrealized Loss Aging

The following tables show the fair value and gross unrealized losses of our available-for-sale and held-to-maturity investments, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position.

	June 30, 2012					
	Total		Less than 12 months		12 months or longer	
(In millions)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed maturities:						
Japan government and agencies:						
Yen-denominated	$ 1,397	$ 6	$ 1,397	$ 6	$ 0	$ 0
Municipalities:						
Dollar-denominated	51	7	19	0	32	7
Yen-denominated	61	2	0	0	61	2
Mortgage- and asset- backed securities:						
Dollar-denominated	10	1	10	1	0	0
Yen-denominated	149	1	0	0	149	1
Public utilities:						
Dollar-denominated	347	28	210	14	137	14
Yen-denominated	4,810	398	1,822	141	2,988	257
Sovereign and supranational:						
Dollar-denominated	57	3	6	0	51	3
Yen-denominated	2,355	167	757	63	1,598	104
Banks/financial institutions:						
Dollar-denominated	543	41	230	6	313	35
Yen-denominated	8,450	1,245	1,263	23	7,187	1,222
Other corporate:						
Dollar-denominated	680	39	530	13	150	26
Yen-denominated	5,232	529	1,041	55	4,191	474
Total fixed maturities	24,142	2,467	7,285	322	16,857	2,145
Perpetual securities:						
Dollar-denominated	126	18	111	9	15	9
Yen-denominated	2,349	570	939	108	1,410	462
Total perpetual securities	2,475	588	1,050	117	1,425	471
Equity securities	10	2	8	1	2	1
Total	$ 26,627	$ 3,057	$ 8,343	$ 440	$ 18,284	$ 2,617

	December 31, 2011					
	Total		Less than 12 months		12 months or longer	
(In millions)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses

Fixed maturities:						
Japan government and agencies:						
Yen-denominated	$ 940	$ 1	$ 859	$ 1	$ 81	$ 0
Municipalities:						
Dollar-denominated	54	8	22	1	32	7
Yen-denominated	60	4	0	0	60	4
Mortgage- and asset- backed securities:						
Yen-denominated	151	1	0	0	151	1
Public utilities:						
Dollar-denominated	295	27	110	3	185	24
Yen-denominated	4,995	392	2,404	141	2,591	251
Sovereign and supranational:						
Dollar-denominated	66	5	34	2	32	3
Yen-denominated	2,349	199	749	62	1,600	137
Banks/financial institutions:						
Dollar-denominated	770	121	391	56	379	65
Yen-denominated	10,175	1,438	1,639	46	8,536	1,392
Other corporate:						
Dollar-denominated	834	62	639	27	195	35
Yen-denominated	6,106	644	2,523	110	3,583	534
Total fixed maturities	26,795	2,902	9,370	449	17,425	2,453
Perpetual securities:						
Dollar-denominated	217	29	109	4	108	25
Yen-denominated	2,290	604	630	69	1,660	535
Total perpetual securities	2,507	633	739	73	1,768	560
Equity securities	8	1	6	1	2	0
Total	$ 29,310	$ 3,536	$ 10,115	$ 523	$ 19,195	$ 3,013

Analysis of Securities in Unrealized Loss Positions

The unrealized losses on our investments have been primarily related to changes in interest rates, foreign exchange rates or the general widening of credit spreads rather than specific issuer credit-related events. In addition, because we do not intend to sell and do not believe it is likely that we will be required to sell these investments before a recovery of fair value to amortized cost, we do not consider any of these investments to be other-than-temporarily impaired as of and for the six-month period ended June 30, 2012. The following summarizes our evaluation of investment categories with significant unrealized losses and securities that were rated below investment grade as of June 30, 2012.

Public Utilities

As of June 30, 2012, 68% of the unrealized losses on investments in the public utilities sector was related to investments that were investment grade, compared with 77% at December 31, 2011. This decline is due to a higher total balance of unrealized losses on below-investment-grade utility investments as of June 30, 2012, primarily driven by the downgrade of our investment in Energias de Portugal SA to below investment grade and the increase in the unrealized loss on our investment in Israel Electric subsequent to December 31, 2011. For any credit-related declines in fair value, we perform a more focused review of the related issuer's credit ratings, financial statements and other available financial data, timeliness of payment, competitive environment and any other significant data related to the issuer. From those reviews, we evaluate the issuer's continued ability to service our investment. We have determined that the majority of the unrealized losses on the investments in the public utilities sector was caused by widening credit spreads. Based on our credit analysis, we believe that the issuers of our investments in this sector have the ability to service their obligations to us.

Sovereign and Supranational

As of June 30, 2012, 65% of the unrealized losses on investment securities in the sovereign and supranational sector were related to investments that were investment grade, compared with 100% at December 31, 2011. This decline is due to a higher total balance of unrealized losses on below-investment-grade sovereign and supranational investments as of June 30, 2012, primarily driven by the downgrade of our investment in Junta de Andalucia, a regional government in Spain, to below investment grade subsequent to December 31, 2011. For any credit-related declines in fair value, we perform a more focused review of the related issuers' credit ratings, financial statements and other available financial data, timeliness of payment, gross domestic product growth projections, balance of payments, foreign currency reserves, and any other significant data related to the issuers. From those reviews, we evaluate the issuers' continued ability to service our investments. We have determined that the majority of the unrealized losses on the investments in the sovereign and supranational sector was caused by widening credit spreads. Based on our credit analysis, we believe that the issuers of our investments in this sector have the ability to service their obligations to us.

Bank and Financial Institution Investments

Our efforts during 2011 and the three- and six-month periods ended June 30, 2012 to reduce risk in our investment portfolio included sales and impairments of certain investments in banks and financial institutions, with an emphasis on reducing our exposure to European financial institutions. The following table shows the composition of our investments in an unrealized loss position in the bank and financial institution sector by fixed-maturity securities and perpetual securities. The table reflects those securities in that sector that were in an unrealized loss position as a percentage of our total investment portfolio in an unrealized loss position and their respective unrealized losses as a percentage of total unrealized losses.

	June 30, 2012		December 31, 2011	
	Percentage of Total Investments in an Unrealized Loss Position	**Percentage of Total Unrealized Losses**	Percentage of Total Investments in an Unrealized Loss Position	Percentage of Total Unrealized Losses
Fixed maturities	**34%**	**42%**	37%	44%
Perpetual securities:				
Upper Tier II	**6**	**10**	4	6
Tier I	**4**	**10**	5	12
Total perpetual securities	**10**	**20**	9	18
Total	**44%**	**62%**	46%	62%

As of June 30, 2012, 79% of the $1.9 billion in unrealized losses on investments in the bank and financial institution sector, including perpetual securities, was related to investments that were investment grade, compared with 80% at December 31, 2011. Of the $11.5 billion in total investments, at fair value, in this sector in an unrealized loss position at June 30, 2012, only $960 million ($389 million in unrealized losses) was below investment grade. Four issuers of investments comprised nearly 98% of the $389 million unrealized loss.

We conduct our own independent credit analysis for investments in the bank and financial institution sector. Our assessment includes analysis of financial information, as well as consultation with the issuers from time to time. Based on our credit analysis, we have determined that the majority of the unrealized losses on the investments in this sector was caused by widening credit spreads, the downturn in the global economic environment and, to a lesser extent, changes in foreign exchange rates. Unrealized gains or losses related to prevailing interest rate environments are impacted by the remaining time to maturity of an investment. Assuming no credit-related factors develop, as investments near maturity, the unrealized gains or losses can be expected to diminish. Based on our credit analysis, we believe that the issuers of our investments in this sector have the ability to service their obligations to us.

Other Corporate Investments

As of June 30, 2012, 74% of the unrealized losses on investments in the other corporate sector was related to investments that were investment grade, compared with 73% at December 31, 2011. For any credit-related declines in fair value, we perform a more focused review of the related issuer's credit ratings, financial statements and other available financial data, timeliness of payment, competitive environment and any other significant data related to the issuer. From that review, we evaluate the issuer's continued ability to service our investment. We have determined that the majority of the unrealized losses on the investments in the other corporate sector was caused by widening credit spreads. Based on our credit analysis, we believe that the issuers of our investments in this sector have the ability to service their obligations to us.

Perpetual Securities

As of June 30, 2012, 93% of the unrealized losses on investments in perpetual securities was related to investments that were investment grade, compared with 73% at December 31, 2011. This improvement is primarily a result of the recognition of other-than-temporary impairments during the six-month period ended June 30, 2012. The majority of our investments in Upper Tier II and Tier I perpetual securities were in highly rated global financial institutions. Upper Tier II securities have more debt-like characteristics than Tier I securities and are senior to Tier I securities, preferred stock, and common equity of the issuer. Conversely, Tier I securities have more equity-like characteristics, but are senior to the common equity of the issuer. They may also be senior to certain preferred shares, depending on the individual security, the issuer's capital structure and the regulatory jurisdiction of the issuer.

Details of our holdings of perpetual securities were as follows:

Perpetual Securities

		June 30, 2012			December 31, 2011		
(In millions)	Credit Rating	**Amortized Cost**	**Fair Value**	**Unrealized Gain (Loss)**	Amortized Cost	Fair Value	Unrealized Gain (Loss)
Upper Tier II:							
	AA	**$ 0**	**$ 0**	**$ 0**	$ 196	$ 204	$ 8
	A	**495**	**498**	**3**	2,108	2,046	(62)
	BBB	**2,770**	**2,508**	**(262)**	1,791	1,804	13
	BB or lower	**45**	**45**	**0**	190	190	0
Total Upper Tier II		**3,310**	**3,051**	**(259)**	4,285	4,244	(41)
Tier I:							
	A	**60**	**57**	**(3)**	0	0	0
	BBB	**1,325**	**1,071**	**(254)**	1,684	1,417	(267)
	BB or lower	**249**	**211**	**(38)**	584	417	(167)
Total Tier I		**1,634**	**1,339**	**(295)**	2,268	1,834	(434)
Other subordinated - non-banks	BBB	**338**	**342**	**4**	344	361	17
Total		**$ 5,282**	**$4,732**	**$ (550)**	$ 6,897	$6,439	$ (458)

An aspect of our efforts during 2011 and the three- and six-month periods ended June 30, 2012 to reduce risk in our investment portfolio included sales and impairments of certain investments in perpetual securities. With the exception of the Icelandic bank securities that we completely impaired in 2008, none of the perpetual securities we own were in default on interest and principal payments at June 30, 2012. During the second quarter of 2011, we wrote off accrued interest income and stopped accruing further interest income for the Dexia S.A. Upper Tier II perpetual securities, which had a deferred coupon and were impaired during that quarter, and we recognized additional impairments on those securities in the third and fourth quarters of 2011. We collected the deferred coupon upon the sale of those securities as part of our derisking investment activities in the first quarter of 2012. Based on amortized cost as of June 30, 2012, the geographic breakdown of our perpetual securities by issuer was as follows: European countries, excluding the United Kingdom, (67%); the United Kingdom (11%); Japan (14%); and other (8%). To determine any credit-related declines in fair value, we perform a more focused review of the related issuer's credit ratings, financial statements and other available financial data, timeliness of payment, competitive environment and any other significant data related to the issuer. From that review, we evaluate the issuer's continued ability to service our investment.

We have determined that the majority of our unrealized losses in the perpetual security category was principally due to widening credit spreads, largely as the result of the contraction of liquidity in the capital markets. Based on our reviews, we concluded that the ability of the issuers to service our investments has not been compromised by these factors. Unrealized gains or losses related to prevailing interest rate environments are impacted by the remaining time to maturity of an investment. Assuming no credit-related factors develop, as the investments near economic maturity, the unrealized gains or losses can be expected to diminish. Based on our credit analyses, we believe that the issuers of our investments in this sector have the ability to service their obligations to us.

As part of our continuing efforts to reduce our overall exposure to financial institutions, in July 2012, subsequent to the end of the second quarter, we tendered our holdings in Credit Suisse back to the issuer. These holdings consisted of $296 million of Tier I securities and $189 million of Upper Tier II securities based on amortized cost at June 30, 2012. As of June 30, 2012, these securities had a total unrealized loss of $92 million. The transaction, which is expected to settle in August 2012, will result in a realized pretax investment loss of approximately $25 million in the third quarter of 2012.

Variable Interest Entities (VIEs)

The following table details our investments in VIEs.

Investments in Variable Interest Entities

	June 30, 2012		December 31, 2011	
(In millions)	**Amortized Cost**	**Fair Value**	Amortized Cost	Fair Value
VIEs:				
VIEs - consolidated	**$ 6,476**	**$ 6,822**	$ 6,997	$ 7,206
VIEs - not consolidated	**12,911**	**12,927**	13,753	13,714
Total VIEs	**$ 19,387**	**$ 19,749**	$ 20,750	$ 20,920

As a condition to our involvement or investment in a VIE, we enter into certain protective rights and covenants that preclude changes in the structure of the VIE that would alter the creditworthiness of our investment or our beneficial interest in the VIE.

Our involvement with all of the VIEs in which we have an interest is passive in nature, and we are not the arranger of these entities. We have not been involved in establishing these entities, except as it relates to our review and evaluation of the structure of these VIEs in the normal course of our investment decision-making process. Further, we are not, nor have we been, required to purchase any securities issued in the future by these VIEs.

Our ownership interest in the VIEs is limited to holding the obligations issued by them. All of the VIEs in which we invest are static with respect to funding and have no ongoing forms of funding after the initial funding date. We have no direct or contingent obligations to fund the limited activities of these VIEs, nor do we have any direct or indirect financial guarantees related to the limited activities of these VIEs. We have not provided any assistance or any other type of financing support to any of the VIEs we invest in, nor do we have any intention to do so in the future. The weighted-average lives of our notes are very similar to the underlying collateral held by these VIEs where applicable.

Our risk of loss related to our interests in any of our VIEs is limited to our investment in the debt securities issued by them.

VIEs-Consolidated

We are substantively the only investor in the consolidated VIEs listed in the table above. As the sole investor in these VIEs, we have the power to direct the activities of a variable interest entity that most significantly impact the entity's economic performance and are therefore considered to be the primary beneficiary of the VIEs that we consolidate. We also participate in substantially all of the variability created by these VIEs. The activities of these VIEs are limited to holding debt and perpetual securities and interest rate, foreign currency, and/or credit default swaps (CDSs), as appropriate, and utilizing the cash flows from these securities to service our investment. Neither we nor any of our creditors are able to obtain the underlying collateral of the VIEs unless there is an event of default or other specified event. For those VIEs that contain a swap, we are not a direct counterparty to the swap contracts and have no control over them. Our loss exposure to these VIEs is limited to our original investment. Our consolidated VIEs do not rely on outside or ongoing sources of funding to support their activities beyond the underlying collateral and swap contracts, if applicable. With the exception of our investment in senior secured bank loans through a unit trust structure that we began investing in during the second quarter of 2011, the underlying collateral assets and funding of our consolidated VIEs are generally static in nature and the underlying collateral and the reference corporate entities covered by any CDS contracts were all investment grade at the time of issuance.

We are exposed to credit losses within any consolidated collateralized debt obligations (CDOs) that could result in principal losses to our investments. We have mitigated our risk of credit loss through the structure of the VIE, which contractually requires the subordinated tranches within these VIEs to absorb the majority of the expected losses from the underlying credit default swaps. We currently own only senior CDO tranches. Based on our statistical analysis models, each of these VIEs can sustain a reasonable number of defaults in the underlying reference corporate entities in the CDSs with no loss to our investment.

VIEs-Not Consolidated

The VIEs that we are not required to consolidate are investments that are limited to loans in the form of debt obligations from the VIEs that are irrevocably and unconditionally guaranteed by their corporate parents. These VIEs are the primary financing vehicles used by their corporate sponsors to raise financing in the international capital markets. The variable interests created by these VIEs are principally or solely a result of the debt instruments issued by them. We do not have the power to direct the activities that most significantly impact the entity's economic performance, nor do we have (1) the obligation to absorb losses of the entity or (2) the right to receive benefits from the entity. As such, we are not the primary beneficiary of these VIEs and are therefore not required to consolidate them. These VIE investments comprise securities from 159 separate issuers with an average credit rating of BBB.

Securities Lending

We lend fixed-maturity securities to financial institutions in short-term security-lending transactions. These short-term security-lending arrangements increase investment income with minimal risk. Our security lending policy requires that the fair value of the securities and/or unrestricted cash received as collateral be 102% or more of the fair value of the loaned securities. The following table presents our security loans outstanding and the corresponding collateral held:

(In millions)	**June 30, 2012**	December 31, 2011
Security loans outstanding, fair value	**$ 187**	$ 812
Cash collateral on loaned securities	**192**	838

The balance of our security loans outstanding was lower at June 30, 2012, compared with that at December 31, 2011, due to our short-term funding needs being met by operational cash flows as of that date.

NOTES PAYABLE - Additional Information (Detail)										6 Months Ended														6 Months Ended				1 Months Ended
	Jun. 30, 2012 JPY (¥)	Feb. 29, 2012 series	Jun. 30, 2012 1.47% yen-denominated Samurai notes due July 2014 JPY (¥)	Dec. 31, 2011 1.47% yen-denominated Samurai notes due July 2014 JPY (¥)	Jun. 30, 2012 1.84% yen-denominated Samurai notes due July 2016 JPY (¥)	Dec. 31, 2011 1.84% yen-denominated Samurai notes due July 2016 JPY (¥)	Jun. 30, 2012 Variable interest rate yen-denominated Samurai notes due July 2014 JPY (¥)	Dec. 31, 2011 Variable interest rate yen-denominated Samurai notes due July 2014 JPY (¥)	Jul. 31, 2011 Variable interest rate yen-denominated Samurai notes due July 2014 JPY (¥)	Feb. 29, 2012 Senior Notes USD ($)	Jun. 30, 2012 2.65% senior notes due February 2017 USD ($)	Jun. 30, 2012 2.65% senior notes due February 2017 JPY (¥)	Jun. 30, 2012 4.00% senior notes due February 2022 USD ($)	Jun. 30, 2012 4.00% senior notes due February 2022 JPY (¥)	Jun. 30, 2012 6.45% senior notes due August 2040 USD ($)	Dec. 31, 2011 6.45% senior notes due August 2040 USD ($)	Jun. 30, 2012 3.45% senior notes due August 2015	Dec. 31, 2011 3.45% senior notes due August 2015	Jun. 30, 2012 6.90% senior notes due December 2039 USD ($)	Dec. 31, 2011 6.90% senior notes due December 2039 USD ($)	Jun. 30, 2012 8.50% senior notes due May 2019	Dec. 31, 2011 8.50% senior notes due May 2019	Jun. 30, 2012 2.26% yen-denominated Uridashi notes due September 2016 JPY (¥)	Dec. 31, 2011 2.26% yen-denominated Uridashi notes due September 2016 JPY (¥)	Jun. 30, 2012 1.87% yen-denominated Samurai notes paid June 2012 USD ($)	Jun. 30, 2012 1.87% yen-denominated Samurai notes paid June 2012 JPY (¥)	Dec. 31, 2011 1.87% yen-denominated Samurai notes paid June 2012 JPY (¥)	Jun. 30, 2012 Notes Payable USD ($)	Jul. 31, 2012 Issuance of Debt [Member] Parent Company Subsequent Event 2.65% senior notes due February 2017 USD ($)
Debt Instrument [Line Items]																													
Debt Instrument Maturity Period											5 years	5 years	10 years	10 years															5 years
Samurai notes redeemed upon maturity																									$ 337,000,000	¥ 26,600,000,000			
Number of series of senior notes issued through a U.S. public debt offering (in series)		2																											
Notes payable, principal amount			28,700,000,000	28,700,000,000	15,800,000,000	15,800,000,000	5,500,000,000	5,500,000,000	5,500,000,000	750,000,000	400,000,000		350,000,000		450,000,000	450,000,000			400,000,000	400,000,000			8,000,000,000	8,000,000,000		0	26,600,000,000		250,000,000
Notes payable, effective principal amount												30,900,000,000		27,000,000,000															
Notes payable, interest rate			1.47%	1.47%	1.84%	1.84%	1.34%	1.34%			2.65%	2.65%	4.00%	4.00%	6.45%	6.45%	3.45%	3.45%	6.90%	6.90%	8.50%	8.50%	2.26%	2.26%	1.87%	1.87%	1.87%		2.65%
Notes payable, effective interest rate									1.475%		1.22%	1.22%	2.07%	2.07%															
Line of credit facility term	364 days																												
Line of Credit Facility, Maximum Borrowing Capacity	50,000,000,000																												
Extended line of credit facility term	364 days																												
Notes payable, debt default, amount																												$ 0	

Summary of Significant Accounting Policies - Additional Information (Detail) (USD $) In Millions, unless otherwise specified	3 Months Ended		6 Months Ended			6 Months Ended					3 Months Ended		6 Months Ended		1 Months Ended	
	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011	Dec. 31, 2010 Accounting Standards Update 2010-26	Jun. 30, 2012 Aflac Japan	Jun. 30, 2011 Aflac Japan	Dec. 31, 2011 Aflac Japan	Dec. 31, 2010 Retained earnings: Accounting Standards Update 2010-26	Dec. 31, 2010 Accumulated Other Comprehensive Income (Loss) Accounting Standards Update 2010-26	Jun. 30, 2012 Dollar denominated investment portfolio Aflac Japan	Jun. 30, 2011 Dollar denominated investment portfolio Aflac Japan	Jun. 30, 2012 Dollar denominated investment portfolio Aflac Japan	Jun. 30, 2011 Dollar denominated investment portfolio Aflac Japan	Aug. 31, 2012 Lower Limit Settlement of IRS Examination Subsequent Event	Aug. 31, 2012 Upper Limit Settlement of IRS Examination Subsequent Event
Significant Accounting Policies [Line Items]																
Aflac Japan's percentage of the Company's total revenues						77.00%	73.00%									
Aflac Japan's percentage of the Company's total assets						87.00%		87.00%								
Other comprehensive income foreign exchange gains or losses, deferred tax expense (benefit)											$ (96)	$ (112)	$ 61	$ (50)		
Effective income tax rate excluding income tax expense (benefit) related to Aflac Japan's dollar-denominated portfolio											8.30%	36.40%	37.50%	35.80%		
Adjustment to the shareholders' equity upon adoption of new DAC accounting guidance					(516)				(408)	(108)						
Income tax expense (benefit)	$ 258	$ 170	$ 675	$ 373											$ (20)	$ (25)

INVESTMENTS - Net Effect on Shareholders' Equity of Unrealized Gains and Losses from Investment Securities (Detail) (USD $) In Millions, unless otherwise specified	Jun. 30, 2012	Dec. 31, 2011
Investments [Abstract]		
Unrealized gains (losses) on securities available for sale	$ 2,272	$ 1,761
Unamortized unrealized gains on securities transferred to held to maturity	26	34
Deferred income taxes	(828)	(652)
Shareholders' equity, unrealized gains (losses) on investment securities	$ 1,470	$ 1,143

INVESTMENTS (Tables)	6 Months Ended Jun. 30, 2012
Available-for-sale Securities	The amortized cost for our investments in debt and perpetual securities, the cost for equity securities and the fair values of these investments are shown in the following tables.

(In millions)	June 30, 2012 Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities available for sale, carried at fair value:				
Fixed maturities:				
Yen-denominated:				
Japan government and agencies	$ 11,678	$ 741	$ 1	$ 12,418
Mortgage- and asset-backed securities	852	47	1	898
Public utilities	3,939	73	233	3,779
Sovereign and supranational	2,006	46	65	1,987
Banks/financial institutions	4,226	177	436	3,967
Other corporate	6,217	141	367	5,991
Total yen-denominated	28,918	1,225	1,103	29,040
Dollar-denominated:				
U.S. government and agencies	94	22	0	116
Municipalities	1,052	144	7	1,189
Mortgage- and asset-backed securities	296	80	1	375
Public utilities	3,251	572	28	3,795
Sovereign and supranational	473	103	3	573
Banks/financial institutions	3,449	341	41	3,749
Other corporate	9,428	1,555	39	10,944
Total dollar-denominated	18,043	2,817	119	20,741
Total fixed maturities	46,961	4,042	1,222	49,781
Perpetual securities:				
Yen-denominated:				
Banks/financial institutions	4,634	27	570	4,091
Other corporate	338	4	0	342
Dollar-denominated:				
Banks/financial institutions	310	7	18	299
Total perpetual securities	5,282	38	588	4,732
Equity securities	21	4	2	23
Total securities available for sale	$ 52,264	$ 4,084	$ 1,812	$ 54,536

(In millions)	December 31, 2011 Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities available for sale, carried at fair value:				
Fixed maturities:				
Yen-denominated:				
Japan government and agencies	$ 11,108	$ 670	$ 0	$ 11,778
Mortgage- and asset-backed securities	912	43	1	954
Public utilities	3,850	59	226	3,683
Sovereign and supranational	1,704	87	16	1,775
Banks/financial institutions	4,312	74	359	4,027
Other corporate	6,213	120	459	5,874

Total yen-denominated	28,099	1,053	1,061	28,091
Dollar-denominated:				
U.S. government and agencies	31	4	0	35
Municipalities	1,060	107	8	1,159
Mortgage- and asset-backed securities	310	74	0	384
Public utilities	3,052	517	27	3,542
Sovereign and supranational	449	89	5	533
Banks/financial institutions	3,324	223	121	3,426
Other corporate	9,031	1,433	62	10,402
Total dollar-denominated	17,257	2,447	223	19,481
Total fixed maturities	45,356	3,500	1,284	47,572
Perpetual securities:				
Yen-denominated:				
Banks/financial institutions	6,217	155	604	5,768
Other corporate	344	17	0	361
Dollar-denominated:				
Banks/financial institutions	336	3	29	310
Total perpetual securities	6,897	175	633	6,439
Equity securities	22	4	1	25
Total securities available for sale	$ 52,275	$ 3,679	$ 1,918	$ 54,036

Held-to-maturity Securities

	June 30, 2012			
(In millions)	**Cost or Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**
Securities held to maturity, carried at amortized cost:				
Fixed maturities:				
Yen-denominated:				
Japan government and agencies	**$ 26,927**	**$ 605**	**$ 5**	**$ 27,527**
Municipalities	**539**	**37**	**2**	**574**
Mortgage- and asset-backed securities	**115**	**5**	**0**	**120**
Public utilities	**5,377**	**214**	**165**	**5,426**
Sovereign and supranational	**3,633**	**167**	**102**	**3,698**
Banks/financial institutions	**10,957**	**184**	**809**	**10,332**
Other corporate	**4,865**	**160**	**162**	**4,863**
Total yen-denominated	**52,413**	**1,372**	**1,245**	**52,540**
Total securities held to maturity	**$ 52,413**	**$ 1,372**	**$ 1,245**	**$ 52,540**

	December 31, 2011			
(In millions)	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities held to maturity, carried at amortized cost:				
Fixed maturities:				
Yen-denominated:				
Japan government and agencies	$ 18,775	$ 297	$ 1	$ 19,071
Municipalities	553	35	4	584
Mortgage- and asset-backed securities	129	5	0	134
Public utilities	5,615	188	166	5,637
Sovereign and supranational	4,200	148	183	4,165
Banks/financial institutions	12,389	170	1,079	11,480
Other corporate	5,348	149	185	5,312
Total yen-denominated	47,009	992	1,618	46,383

Total securities held to maturity	$	47,009	$	992	$	1,618	$	46,383

Investments Classified by Contractual Maturity Date

The contractual maturities of our investments in fixed maturities at June 30, 2012, were as follows:

	Aflac Japan		Aflac U.S.	
(In millions)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Available for sale:				
Due in one year or less	$ 1,980	$ 2,012	$ 13	$ 13
Due after one year through five years	2,455	2,569	352	379
Due after five years through 10 years	4,133	4,447	984	1,138
Due after 10 years	28,095	28,889	7,681	8,919
Mortgage- and asset-backed securities	1,104	1,217	44	57
Total fixed maturities available for sale	$ 37,767	$ 39,134	$ 9,074	$ 10,506
Held to maturity:				
Due in one year or less	$ 412	$ 419	$ 0	$ 0
Due after one year through five years	839	908	0	0
Due after five years through 10 years	3,298	3,635	0	0
Due after 10 years	47,749	47,458	0	0
Mortgage- and asset-backed securities	115	120	0	0
Total fixed maturities held to maturity	$ 52,413	$ 52,540	$ 0	$ 0

Economic Maturities of Investments in Perpetual Securities

The economic maturities of our investments in perpetual securities, which were all reported as available for sale at June 30, 2012, were as follows:

	Aflac Japan		Aflac U.S.	
(In millions)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	$ 315	$ 317	$ 0	$ 0
Due after one year through five years	1,289	1,299	5	5
Due after five years through 10 years	457	461	0	0
Due after 10 years	3,047	2,488	169	162
Total perpetual securities available for sale	$ 5,108	$ 4,565	$ 174	$ 167

Bank and Financial Institution Investments

Our total investments in the bank and financial institution sector, including those classified as perpetual securities, were as follows:

	June 30, 2012		December 31, 2011	
	Total Investments in Banks and Financial Institutions Sector (in millions)	**Percentage of Total Investment Portfolio**	Total Investments in Banks and Financial Institutions Sector (in millions)	Percentage of Total Investment Portfolio
Fixed maturities:				
Amortized cost	**$ 18,632**	**18%**	$ 20,025	20%
Fair value	**18,048**	**17**	18,933	19
Perpetual securities:				
Upper Tier II:				
Amortized cost	**$ 3,311**	**3%**	$ 4,285	5%
Fair value	**3,052**	**3**	4,244	4
Tier I:				
Amortized cost	**1,633**	**2**	2,268	2
Fair value	**1,338**	**1**	1,834	2
Total:				
Amortized cost	**$ 23,576**	**23%**	$ 26,578	27%
Fair value	**22,438**	**21**	25,011	25

Gain (Loss) on Investments

Information regarding pretax realized gains and losses from investments is as follows:

(In millions)	Three Months Ended June 30, 2012	2011	Six Months Ended June 30, 2012	2011
Realized investment gains (losses) on securities:				
Fixed maturities:				
Available for sale:				
Gross gains from sales	**$ 19**	$ 10	**$ 33**	$ 36
Gross losses from sales	**(35)**	(132)	**(36)**	(319)
Net gains (losses) from redemptions	**2**	(1)	**2**	6
Other-than-temporary impairment losses	**(267)**	(344)	**(330)**	(748)
Held to maturity:				
Net gains (losses) from redemptions	**3**	0	**3**	0
Total fixed maturities	**(278)**	(467)	**(328)**	(1,025)
Perpetual securities:				
Available for sale:				
Gross gains from sales	**0**	48	**70**	54
Gross losses from sales	**3**	(107)	**(62)**	(109)
Net gains (losses) from redemptions	**0**	0	**60**	0
Other-than-temporary impairment losses	**(76)**	(184)	**(216)**	(184)
Total perpetual securities	**(73)**	(243)	**(148)**	(239)
Equity securities:				
Other-than-temporary impairment losses	**0**	0	**0**	(1)
Total equity securities	**0**	0	**0**	(1)
Derivatives and other:				
Derivative gains (losses)	**(67)**	(25)	**13**	(55)
Other	**0**	67	**0**	73
Total derivatives and other	**(67)**	42	**13**	18
Total realized investment gains (losses)	**$ (418)**	$ (668)	**$ (463)**	$(1,247)

Other Than Temporary Impairment Losses on Investment Securities

The following table details our pretax other-than-temporary impairment losses by investment category that resulted from our impairment evaluation process.

(In millions)	Three Months Ended June 30, 2012	2011	Six Months Ended June 30, 2012	2011
Perpetual securities	**$ 76**	$ 184	**$ 216**	$ 184
Corporate bonds	**120**	343	**183**	740
Mortgage- and asset-backed securities	**3**	1	**3**	7
Municipalities	**0**	0	**0**	1
Sovereign and supranational	**144**	0	**144**	0
Equity securities	**0**	0	**0**	1
Total other-than-temporary impairment losses realized	**$ 343** (1)	$ 528 (2)	**$ 546** (1)	$ 933 (2)

(1) Includes $267 and $295 for the three- and six-month periods ended June 30, 2012, respectively, for credit-related impairments
and $76 and $251 for the three- and six-month periods ended June 30, 2012, respectively, from change in intent to sell securities
(2) Consisted completely of credit-related impairments

Net Effect on Shareholders' Equity of Unrealized Gains and Losses from Investment Securities

The net effect on shareholders' equity of unrealized gains and losses from investment securities was as follows:

(In millions)	June 30, 2012	December 31, 2011
Unrealized gains (losses) on securities available for sale	**$ 2,272**	$ 1,761
Unamortized unrealized gains on securities transferred to held to maturity	**26**	34
Deferred income taxes	**(828)**	(652)

Shareholders' equity, unrealized gains (losses) on investment securities	$	**1,470**	$	1,143

[Investments Gross Unrealized Loss Aging]

The following tables show the fair value and gross unrealized losses of our available-for-sale and held-to-maturity investments, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position.

	June 30, 2012					
	Total		**Less than 12 months**		**12 months or longer**	
(In millions)	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**
Fixed maturities:						
Japan government and agencies:						
Yen-denominated	**$ 1,397**	**$ 6**	**$ 1,397**	**$ 6**	**$ 0**	**$ 0**
Municipalities:						
Dollar-denominated	**51**	**7**	**19**	**0**	**32**	**7**
Yen-denominated	**61**	**2**	**0**	**0**	**61**	**2**
Mortgage- and asset- backed securities:						
Dollar-denominated	**10**	**1**	**10**	**1**	**0**	**0**
Yen-denominated	**149**	**1**	**0**	**0**	**149**	**1**
Public utilities:						
Dollar-denominated	**347**	**28**	**210**	**14**	**137**	**14**
Yen-denominated	**4,810**	**398**	**1,822**	**141**	**2,988**	**257**
Sovereign and supranational:						
Dollar-denominated	**57**	**3**	**6**	**0**	**51**	**3**
Yen-denominated	**2,355**	**167**	**757**	**63**	**1,598**	**104**
Banks/financial institutions:						
Dollar-denominated	**543**	**41**	**230**	**6**	**313**	**35**
Yen-denominated	**8,450**	**1,245**	**1,263**	**23**	**7,187**	**1,222**
Other corporate:						
Dollar-denominated	**680**	**39**	**530**	**13**	**150**	**26**
Yen-denominated	**5,232**	**529**	**1,041**	**55**	**4,191**	**474**
Total fixed maturities	**24,142**	**2,467**	**7,285**	**322**	**16,857**	**2,145**
Perpetual securities:						
Dollar-denominated	**126**	**18**	**111**	**9**	**15**	**9**
Yen-denominated	**2,349**	**570**	**939**	**108**	**1,410**	**462**
Total perpetual securities	**2,475**	**588**	**1,050**	**117**	**1,425**	**471**
Equity securities	**10**	**2**	**8**	**1**	**2**	**1**
Total	**$ 26,627**	**$ 3,057**	**$ 8,343**	**$ 440**	**$ 18,284**	**$ 2,617**

	December 31, 2011					
	Total		Less than 12 months		12 months or longer	
(In millions)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed maturities:						
Japan government and agencies:						
Yen-denominated	$ 940	$ 1	$ 859	$ 1	$ 81	$ 0
Municipalities:						
Dollar-denominated	54	8	22	1	32	7
Yen-denominated	60	4	0	0	60	4
Mortgage- and asset- backed securities:						
Yen-denominated	151	1	0	0	151	1

Public utilities:						
Dollar-denominated	295	27	110	3	185	24
Yen-denominated	4,995	392	2,404	141	2,591	251
Sovereign and supranational:						
Dollar-denominated	66	5	34	2	32	3
Yen-denominated	2,349	199	749	62	1,600	137
Banks/financial institutions:						
Dollar-denominated	770	121	391	56	379	65
Yen-denominated	10,175	1,438	1,639	46	8,536	1,392
Other corporate:						
Dollar-denominated	834	62	639	27	195	35
Yen-denominated	6,106	644	2,523	110	3,583	534
Total fixed maturities	26,795	2,902	9,370	449	17,425	2,453
Perpetual securities:						
Dollar-denominated	217	29	109	4	108	25
Yen-denominated	2,290	604	630	69	1,660	535
Total perpetual securities	2,507	633	739	73	1,768	560
Equity securities	8	1	6	1	2	0
Total	$ 29,310	$ 3,536	$ 10,115	$ 523	$ 19,195	$ 3,013

Bank and Financial Institution Investments in Unrealized Loss Position

The table reflects those securities in that sector that were in an unrealized loss position as a percentage of our total investment portfolio in an unrealized loss position and their respective unrealized losses as a percentage of total unrealized losses.

	June 30, 2012		December 31, 2011	
	Percentage of Total Investments in an Unrealized Loss Position	**Percentage of Total Unrealized Losses**	Percentage of Total Investments in an Unrealized Loss Position	Percentage of Total Unrealized Losses
Fixed maturities	**34%**	**42%**	37%	44%
Perpetual securities:				
Upper Tier II	**6**	**10**	4	6
Tier I	**4**	**10**	5	12
Total perpetual securities	**10**	**20**	9	18
Total	**44%**	**62%**	46%	62%

Investments in Variable Interest Entities

The following table details our investments in VIEs.

Investments in Variable Interest Entities

	June 30, 2012		December 31, 2011	
(In millions)	**Amortized Cost**	**Fair Value**	Amortized Cost	Fair Value
VIEs:				
VIEs - consolidated	**$ 6,476**	**$ 6,822**	$ 6,997	$ 7,206
VIEs - not consolidated	**12,911**	**12,927**	13,753	13,714
Total VIEs	**$ 19,387**	**$ 19,749**	$ 20,750	$ 20,920

Securities Lending

The following table presents our security loans outstanding and the corresponding collateral held:

(In millions)	**June 30, 2012**	December 31, 2011
Security loans outstanding, fair value	**$ 187**	$ 812
Cash collateral on loaned securities	**192**	838

The balance of our security loans outstanding was lower at June 30, 2012, compared with that at December 31, 2011, due to our short-term funding needs being met by operational cash flows as of that date.

Perpetual Securities

[Schedule of Available-for-sale Securities Reconciliation]

Details of our holdings of perpetual securities were as follows:

Perpetual Securities

(In millions)	Credit Rating	**June 30, 2012** Amortized Cost	**June 30, 2012** Fair Value	**June 30, 2012** Unrealized Gain (Loss)	December 31, 2011 Amortized Cost	December 31, 2011 Fair Value	December 31, 2011 Unrealized Gain (Loss)
Upper Tier II:							
	AA	**$ 0**	**$ 0**	**$ 0**	$ 196	$ 204	$ 8
	A	**495**	**498**	**3**	2,108	2,046	(62)
	BBB	**2,770**	**2,508**	**(262)**	1,791	1,804	13
	BB or lower	**45**	**45**	**0**	190	190	0
Total Upper Tier II		**3,310**	**3,051**	**(259)**	4,285	4,244	(41)
Tier I:							
	A	**60**	**57**	**(3)**	0	0	0
	BBB	**1,325**	**1,071**	**(254)**	1,684	1,417	(267)
	BB or lower	**249**	**211**	**(38)**	584	417	(167)
Total Tier I		**1,634**	**1,339**	**(295)**	2,268	1,834	(434)
Other subordinated - non-banks	BBB	**338**	**342**	**4**	344	361	17
Total		**$ 5,282**	**$4,732**	**$ (550)**	$ 6,897	$6,439	$ (458)