

Interview With the Chairman



Paul S. Amos, one of the founders of AFLAC and current chairman, will be retiring in the spring of 2001. Here, he shares some of his thoughts on AFLAC and his career.

Q What were your expectations for AFLAC when you and your two brothers founded the company in 1955?

A In 1955, when American Family Life Assurance Company, as it was called back then, was founded, we had hopes and dreams of becoming a \$100 million asset company doing business in the Southeastern United States. It took us 19 years to reach that goal. By the end of 1974, our assets totaled \$104 million, and we had expanded beyond the Southeast. Today, our assets exceed \$37 billion, and we conduct business throughout the United States and Japan – the two largest insurance markets in the world.

Q What is the most significant change you have seen in the way AFLAC now operates?

A There are two equally important changes – the increasing use of technology and the broadening of our product line. State-of-the-art technology allows us to better serve our policyholders and agents. We are now able to process business the same day the application is received and immediately send the policy to our customer. In the past, processing took up to a week. Technology also allows us to process premiums, claims and commissions more quickly and efficiently. And, it also has helped us lower our costs significantly. AFLAC is known in the industry as a low-cost producer. The other significant change is that we are no longer just a cancer insurance company. AFLAC is a leading insurer at the worksite that offers a complete line of supplemental health and life insurance products. As we say when referring to AFLAC, “Without it, no insurance is complete.”

Q If you could point to just one item, what do you think has been the most important factor in AFLAC’s success?

A Without question, it’s our people – those who sell our products and those who service the policies. AFLAC’s business begins with those individuals who

are part of our sales force. They prepare the applications and submit them to our headquarters. Employees in different departments process the applications, send out commission statements, receive premiums, pay claims and perform dozens of other important jobs that keep our company running smoothly. AFLAC is fortunate to have a staff of efficient, dedicated and loyal employees. They are the best.

○ How have the Amos' family values and the fact that the company was founded by a family influenced the culture of AFLAC?

▲ Far and away, the most important thing to the Amos family has been the respect and caring for those with whom we work. We are a family that has always subscribed to the Christian faith. We truly believe we should follow the commandment Jesus gave us in the New Testament – “Do unto others as you would have them do unto you.” I believe these values are the foundation of AFLAC's culture. When AFLAC was founded, not a single Amos brother had any money or experience in the insurance business. Today, AFLAC is one of the most successful insurance companies founded in the past 50 years. We can only conclude that God's guiding hand was ever present.

○ What parallels do you see between AFLAC's two markets – the United States and Japan?

▲ They are similar in many ways. Both countries are highly industrialized. Citizens in both countries have disposable income for the purchase of supplemental insurance. There is a need for our products to pay the difference between actual health care costs and the amount basic health insurance pays. People in both countries are highly motivated to seek greater incomes for a better way of life and many have fulfilled that ambition by becoming AFLAC agents. Although the cultures of the two countries are different, the supply and demand for consumer products and insurance are very similar.

○ Looking out 10 years, what do you see in AFLAC's future?

▲ I think our company has a tremendous future. We have a wealth of talent among our employees, management and sales force. I believe that our efforts at broadening our product line will continue to help us grow and prosper. I would not be surprised if AFLAC becomes a \$70 billion company by the year 2010.

○ What sort of role will you have with the company after you retire?

▲ I will always be a confidant to my son, Dan, and I will be available any time he needs me. As a founder, I, along with my wife, Jean, will try to serve as ambassadors of goodwill. We will continue to attend AFLAC conventions and other sales associate gatherings as well as employee and company events.

○ What will you miss most about AFLAC when you retire?

▲ I can tell you what I will not miss – the responsibility. I will be free to travel and to come and go as I please. While I will not keep regular office hours, I look forward to maintaining my long relationship with AFLAC employees.

○ What do you believe has been your most important contribution to AFLAC?

▲ I will leave that question to be answered by others.