

Maximum Difference FAQs

1. A policyholder has had a cancer policy for seven years. She was diagnosed with thyroid cancer and treated six years ago. She has been deemed cancer free since the surgery six years ago. She is a school teacher and bought her policy on payroll but the school dropped Aflac a year ago and now she has continued the policy on direct. *Because she is on a direct basis now, will she have to wait until she has been cancer free for 10 years, or is there any way for her to convert up to the new plan?*
 - a. **She will need to wait the 10 years since the new policy would be issued direct w/ direct rates.**

2. If a dependent child reaches the age that they can no longer be covered under the parents' Maximum Difference Plan can they convert over to their own individual plan without proving insurability? If so, do they get to keep any building benefit that has accrued on top of their initial diagnosis benefit (first occurrence)?
 - a. **Yes, through continuous coverage and their building benefit will go with them if they purchase the appropriate rider. They will be issued the same type of coverage as their parents, but at the direct rate.**

3. If someone had a PCI cancer (or any other Aflac cancer plan) for more than 12 months and that policy has been cancelled recently, could they reinstate the policy and still be eligible for the customer loyalty rate to convert up to the maximum difference?
 - a. **No. The loyalty rates will be applied if an insured has had at least 12 continuous months of coverage in force.**

4. If the employee buying the policy wants the \$10,000 initial diagnosis and a \$125 wellness benefit but their spouse smokes, are they are both limited to a maximum of \$5,000 initial diagnosis and \$75 wellness benefit? Is there a way for the nonsmoking spouse to get the higher amounts? Could you write separate policies on them?
 - a. **Yes. The only way they could purchase higher amounts is to purchase 2 separate policies.**

5. What will Aflac do if someone answers that they have not used tobacco in the last 12 months in order to gain the higher initial diagnosis coverage and then develops cancer and Aflac finds out that they lied on the application and do actually smoke? Does the two year clause come into play that anything after two years must be covered even if they lied on the application? Also, what happens if someone starts smoking after the policy is issued. Is there any ramifications related to that?
 - a. **The two year clause would apply, and we would offer the policyholder the option to reduce benefits to those they would have qualified for if the application had been completed truthfully. For the second issue, as long as the question was answered truthfully at the time of application the policy would remain in force.**

6. On Question 6 on the Non-Payroll application it asks has anyone had “abnormal test results”. Is this specifically referring to cancer situations or any type of abnormal test? The payroll application states *related to cancerous situations*, but that is not clear on the non-payroll app.
 - a. **On nonpayroll it is not limited to cancer situations.**
7. If a policyholder takes a Maximum Difference plan at either the loyalty rates or standard rates, moves to a different state and wants to increase coverage, will they need to convert their entire plan at their current age using standard rates to the state in which they now live?
 - a. **Yes, this is correct.**
8. A person on payroll is 69 and the spouse is 73. When they convert to the Maximum difference do they continue paying payroll rate because the policyholder is under 70? Or does it work like our other plans and the spouse can't be converted on the same plan? Does it allow the conversion but at direct rate because spouse is over 70?
 - a. **The spouse would not be eligible to convert as they are over the payroll age limit. They would have to convert on a direct basis using direct rates if both parties wanted to be covered. No different than it is now.**
9. A policyholder is eligible for customer loyalty only if policy is in force for 12 months. Is it 12 months from the date of application or effective date from effective date?
 - a. **Effective date to effective date.**
10. Does the conversion get pended and the 12 month date verified?
 - a. **Yes, the 12 months is verified; but the application will not be pended to verify.**
 - a. *Is it manual or automated?*
 - b. **The system automatically checks for the 12 months when the application is submitted.**
11. A payroll person over 70 converts and pays direct rates. Does their policy continue to bill on payroll bill?
 - a. **No it will have to be billed direct**
12. When will premium quote be updated to download?
 - a. **Upon each state's introduction date.**
13. Will SNG automatically flag for the discount if a plan has been in force for 12 or more consecutive months?
 - a. **SNG does not talk to the mainframe so the associate will need to know how long the policy was in force. However, there is a question on the application that asks if the policy has been in force for 12 months. If this question is answered yes, it will trigger the loyalty rates. If an associate answers this question yes, and the policy is not eligible for the loyalty rates, the application will still transmit but will pend when it come in house and hits the mainframe, which will check for the effective date.**

14. During conversion, will SNG automatically tell what the premium should be after the discount has been applied?
- a. Yes, if they mark conversion and answer the 12 month question, SNG will pull the loyalty rates for them.**
15. Will the associate receive commissions on the rider(s) (initial diagnosis, wellness)? Only the base and the ROP riders are listed on the commission section.
- a. Yes, standard commissions are paid on the total premium for the base and selected riders. The ROP has a separate commission schedule so it is listed separately. Conversion commissions are based on the incremental increase system.**
16. Question #1 on the application: Preventive Hormonal Therapy, please help with the understanding, if a person is taking preventive hormonal therapy after diagnosis and treatment, does that disqualify them from the policy? If a person is taking preventive hormonal therapy and have not been diagnosis will this disqualify them from the policy?
- a. Yes and Yes. It is a two part question.**
17. Does a person have to request a buy-up in addition to the conversion (from the PCI level 3 to Maximum with 7500 initial diagnosis/100 wellness) if they want the customer loyalty rates? The rate sheet for Customer loyalty only lists the \$50 and the \$75 amounts.
- a. The rate sheets have been corrected to reflect these amounts. (Please do not refer to the rate sheets listed in the FSG.)**
18. If a person has already started their vaccine treatments before the effective date of the policy, and they buy Max Diff in the middle of the treatments can they still use the cancer vaccine wellness benefit?
- a. They can receive the benefit for any vaccine administered after the effective date. The current HPV vaccine is a series of 3 shots. We do not require that the series be started while the policy is in effect. So if someone had received 1 shot and later purchased the Max. Difference, we would pay the benefit if the next shot was received after the policy effective date.**
19. Can someone be added Mid-Plan year?
- a. Yes, but if they are participating in a Section 125 plan, product would have to be added after tax. (Please refer to page 103 of the FSG and to your state's Administrative Guidelines.)**
20. How long can they continue to sell old plan?
- a. Normal guidelines are 30 days, unless the 30 days falls during power weeks, in which case the withdrawal is the first week after the completion of power weeks. Notification will come from headquarters. This information will be listed on the first page of the Admin Guidelines.**

21. Does the customer lose any benefit with the progressive pay out?
- a. **If the prior plan contained a progressive payout, the policyholder will lose the 20-year payout feature. However, they could still receive the accumulation of the FOB. (please refer to page 105 of the FSG) Policyholders that currently own the Platinum plan which has a progressive benefit are not allowed to convert at this time.**
22. Why is the Internal Cancer form no longer available on SNG?
- a. **The direct form is not available on SNG. It is not available on SNG because it requires the physician's signature; however, the payroll version is available on SNG. A76030D is not available on SNG. A76030P IS available on SNG. (please refer to page 145 of the FSG)**
23. How will the Customer Loyalty rates be determined for those doing paper applications?
- a. **The associate will have to use the rate sheet and manually determine. Premium Worksheets A91253 and A91266 are available for assisting with manual calculations. (please refer to page 95-96 of the FSG)**
24. I was told that the Customer Loyalty rates will expire after nine months is this correct?
- a. **The Customer Loyalty rates are being offered for a limited time; however, Aflac has not given an official deadline as to how long the limited timeframe is.**