

### III. PERSONS COVERED BY DI

#### A. Massachusetts

As of December 31, 2009, **1,685,886** Massachusetts residents held DI plans – **182,163** (11%) individual DI plans and **1,503,723** (89%) covered through group DI plans. The number of Massachusetts persons with DI coverage decreased by 23,017 or 1% from the 1,708,903 Massachusetts persons with DI coverage as of December 31, 2007.

#### Massachusetts DI Membership

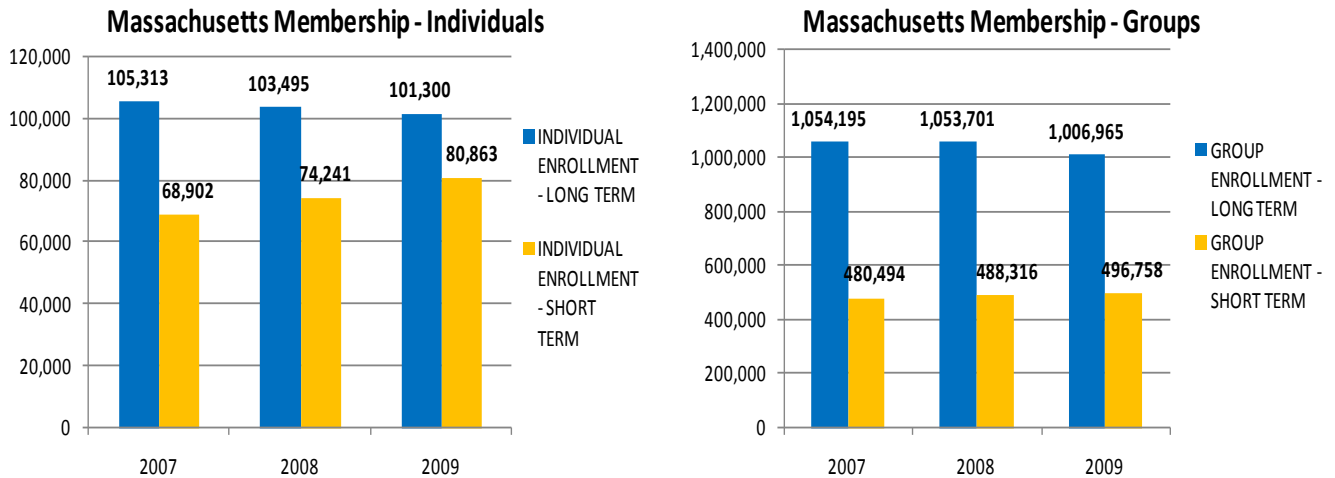


Exhibit 1

In 2009, DI companies collected **\$601 million** in Massachusetts-based premium revenue – **\$184 million** (31%) from individual policies and **\$417 million** (69%) from group coverage. Since individual policies generally cost more than group coverage per person insured, individual policies' proportion of total revenue is greater than individual policies' share of total membership.

#### Massachusetts DI Revenue (in millions of dollars)

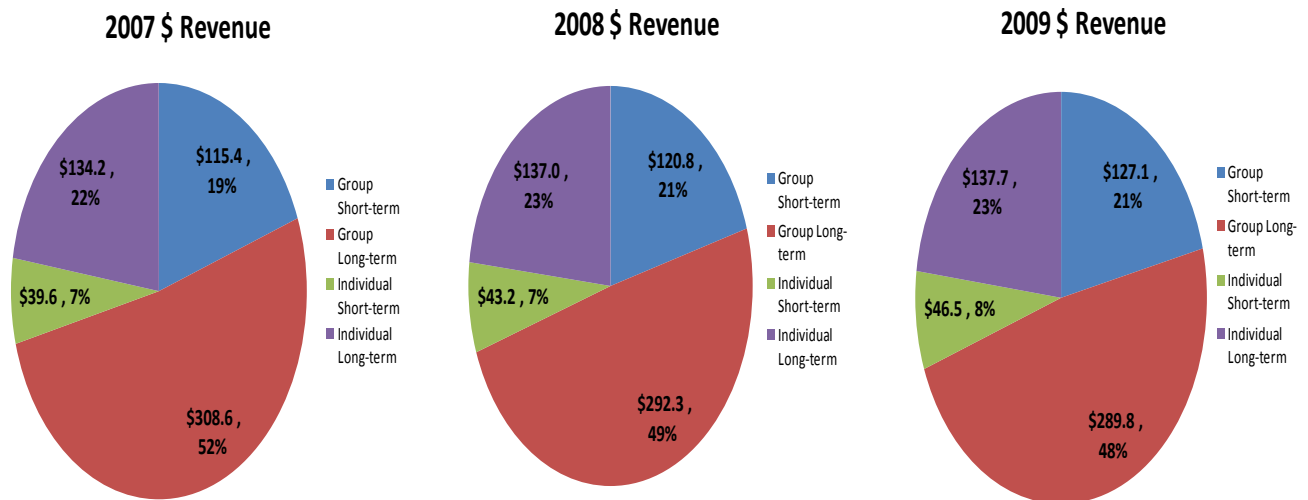


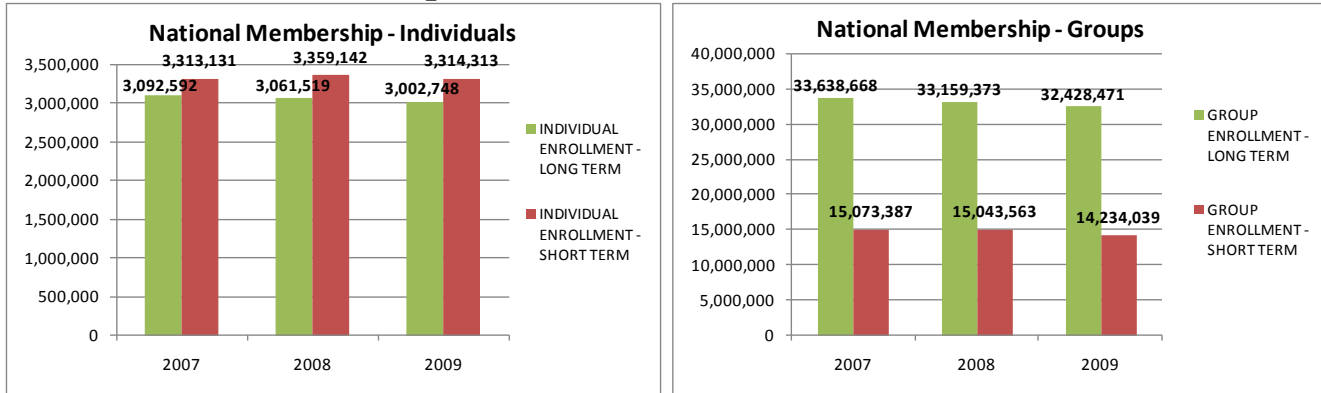
Exhibit 2

**B. National<sup>8</sup>**

As of December 31, 2009, **52,979,570** residents nationally held DI plans – **6,317,061** persons (12%) with individual DI plans and **46,662,510** (88%) with coverage through group DI plans. Total Massachusetts policyholders (including individual and group) reflect 3.2% of national policyholders.

The number of persons with DI coverage nationally decreased by 2,138,208 or 4% from the 55,117,778 persons with DI coverage as of December 31, 2007.

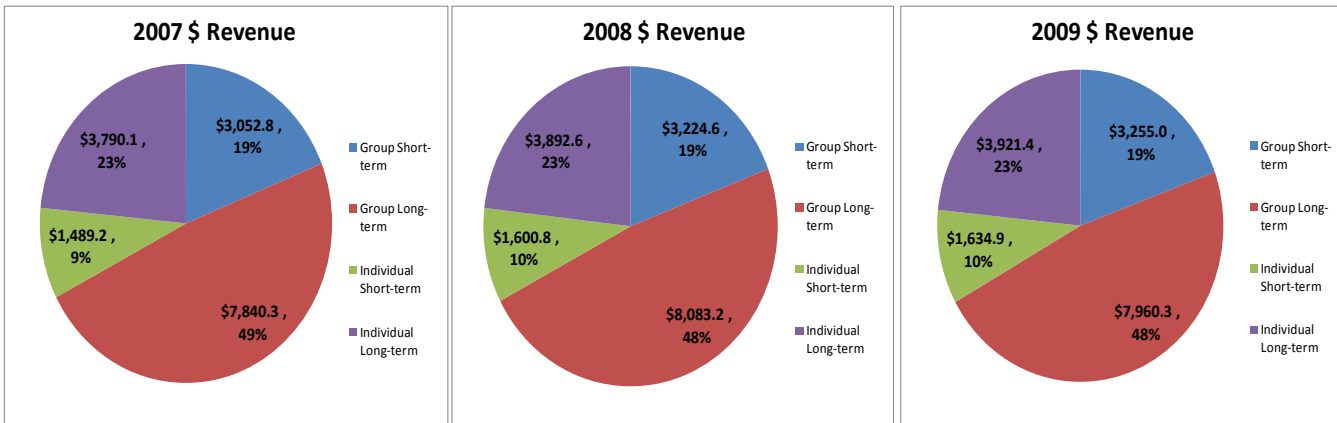
**National DI Membership**



**Exhibit 3**

In 2009, DI companies collected over **\$16.8 billion** in national premium revenue – **\$5.6 billion** (33%) from individual policies and **\$11.2 billion** (67%) from group coverage. As noted previously, since individual policies generally cost more than group coverage per person insured, individual policies’ proportion of total revenue is greater than individual policies’ share of total membership.

**National DI Revenue (in millions of dollars)**



**Exhibit 4**

<sup>8</sup> National membership statistics represent the national membership of carriers that are licensed in Massachusetts and currently market disability income products or have closed blocks of business in the disability income market. The national membership statistics do not represent the total disability income membership in the entire country because they do not include those carriers that are not licensed in Massachusetts