

**1. What does the Status Report say?**

A: The Status Report provides an update on the Companies' operations since entry into rehabilitation, information regarding the rehabilitation process and financial statements of the Companies for the period ending September 30, 2024, including detailed notes to financial statements.

**2. Am I required to do anything differently in light of the Status Report?**

A: No. If your policy requires the payment of premium, you must continue to pay the required premium in order to be eligible to continue to receive benefits. Benefits will continue to be paid in accordance with the Moratorium Order, and the hardship program will continue to be available for qualified policyholders and beneficiaries. Please refer to FAQ 9 regarding the hardship process.

**3. The Status Report says that Notice of the Rehabilitation and Moratorium was mailed to policyholders but I did not receive one. What should I do to make sure I receive updates about PHL?**

A: Notices were mailed to policyholders and agents at the address contained in PHL's books and records. You should contact the call center at 1-877-800-2445 to ensure that your address information is up to date.

**4. Does the Status Report show that the Companies are in worse financial condition? Why has the Companies' financial condition changed so much?**

A: Yes. After a thorough evaluation of the Companies' claims and projections, and a thorough review of its historical financial reporting, the Rehabilitator has determined that the Companies' reported capital and surplus is significantly lower than at the time the Companies entered rehabilitation. This is due to a range of factors, some of which reflect adverse claims experience that has resulted in higher liability projections, and some of which reflect changes in financial reporting conventions as a result of the rehabilitation. Please refer to Section III of the Status Report for a more detailed description of the Companies' financial position as of September 30, 2024.

**5. How has the rehabilitation proceeding impacted the Companies' financial condition?**

A: The proceeding and the Moratorium have stabilized the liquidity of the Companies. Their cash and short-term investments have increased by approximately \$230 million. This is primarily as a result of the moratorium and other efforts to preserve the Companies' liquidity since entering rehabilitation.

**6. The Status Report says that the Investment Committee is evaluating the Companies' assets. Is the Rehabilitator concerned about the condition of the Companies' assets?**

A: The Rehabilitator, through the Investment Committee, is conducting a comprehensive review and evaluation of the Companies' assets. The Rehabilitator will include the conclusions of that

review in the next report to the Court or sooner if the Rehabilitator considers it appropriate to do so.

**7. Does the Companies' current financial condition change the Rehabilitator's expectations regarding a successful rehabilitation? What will a successful rehabilitation include?**

A: No. The Rehabilitator continues to believe that a rehabilitation plan can be implemented that will provide policy and annuity holders better treatment than they would get in a liquidation. A successful rehabilitation will result in a plan of rehabilitation that maximizes the value of PHL's assets and equitably administers the PHL business for the benefit of all policy and annuity holders. The plan is developed by the Rehabilitator but must be approved by the Court. A plan might move policies to another, stronger insurance company; or offer policyholders a choice among policy modifications or buyouts. The Rehabilitator is actively working on developing the plan. These are just illustrations of what may be features of a plan.

**8. Will PHL pay all of the benefits under my policy or annuity?**

A: We cannot say for certain at this point. It will depend on what type of policy you have and how the rehabilitation proceeding develops. The Rehabilitator continues to believe that the Companies can be rehabilitated, and that rehabilitation is a better option for policyholders and other interested parties than liquidation. If rehabilitation is not successful and the Companies must be liquidated, policyholders will have coverage from their state life and health insurance guaranty associations subject to statutory terms and limits.

**9. If the Companies are liquidated, will the amount of benefits I receive from my guaranty association be reduced by amounts I've received in rehabilitation?**

A: Guaranty association coverage will be based on state statutory provisions and limits. Neither the rehabilitation order nor the moratorium order is intended to reduce amounts policyholders are eligible to receive from their guaranty associations in the event the Companies are liquidated, and the Rehabilitator does not expect that such coverage will be reduced.

**10. Will PHL continue to pay commissions to agents?**

A: Yes. The Rehabilitator has determined that it is in the best interests of the Companies and policyholders to continue to pay commissions and other compensation for an additional six-month period. At the end of that period, the Rehabilitator will re-evaluate whether the continued payment of commissions is in the best interests of the Companies and policyholders.

**11. When will further information be provided by the Rehabilitator?**

A: The Rehabilitator will file a Second Accounting and Status Report in six months. Between now and then, if there are developments the Rehabilitator determines are material to policyholders and other interested parties, they will be posted to the PHL Rehabilitation website. You can [register here](#) to receive an email notification when new information is added to this website.