

PHL Variable Insurance Company

Hardship Request for Exemption from Moratorium

Dated May 20, 2024

We understand that certain policyowners and beneficiaries may face financial hardships as a result of the Court ordered moratorium placed upon cash surrenders, annuitizations, policy loans and death benefits under PHL Variable Insurance Company (“PHL”) policies or contracts. The Court has granted the Rehabilitator authority to consider hardship exemption requests. To request a hardship exemption, you must complete and return the attached “**Hardship Request Form.**” For the purpose of hardship requests, this form will supplement the customary forms that PHL may have previously used for cash disbursement requests.

To qualify for hardship exemptions, you must include the following:

- **Notarized or Certified Statement of Facts** that an annuitant, owner, beneficiary or someone with a power of attorney acting for the owner, beneficiary or annuitant has completed, made under the penalties of perjury. Briefly describe the basis of the hardships, which must be based upon a *proven financial need*. This Statement of Facts should list your income, liquid assets, and outline the circumstances that support your claim of hardship and should accompany the information sent to our office. **The hardship request will not be processed unless the Statement of Facts is notarized (see exception below).** Please be as specific as possible, as the more information you give to the Rehabilitator, the easier it will be to process your request.
- **Proof or Evidence Supporting the Statement of Facts.** This would include, as applicable, bills, notices, doctor’s statements, or power of attorney, guardianship or conservator paperwork. List sources of income for the policyowner/beneficiary and spouse, as applicable, including social security payments, salary and wages, investment earnings (interest, dividends, etc.), retirement/pension, etc. Please provide copies of recent paycheck stubs, Social Security Income receipts, etc. Provide the most recent asset balance page from third party statements for policyowner/beneficiary and spouse, including but not limited to checking, savings, investment accounts, and CDs.
- **Hardship Request Form.** Hardship criteria include but are not limited to:
 - a. **To prevent eviction or foreclosure on your principal residence** – A hardship exemption may be used to prevent eviction or foreclosure on your principal residence. Acceptable documentation includes:
 - Notice from the landlord or mortgage holder threatening eviction or foreclosure,
 - Amount needed to prevent such action, and
 - Total amount owed.

- b. **Uninsured or unreimbursed medical expenses** – A hardship exemption may be used for out-of-pocket expenses for medical care. Acceptable documentation includes:
- Bills from doctors, hospitals, laboratories, and ambulance services,
 - Bills for prescriptions, eyeglasses, and medical supplies,
 - Documentation of amounts paid for medical insurance as well as any amounts reimbursed for medical expenses,
 - For ongoing medical treatment, a licensed physician’s statement estimating planned treatment and associated costs, and
 - Bills for home improvements strictly for medical reasons.
- c. **Post-secondary education expenses** – A hardship exemption may be used to pay for up to 12 months of post-secondary expenses, tuition for a policyowner/beneficiary and/or your dependent’s, educational fees, room and board, and supplies. Acceptable documentation includes:
- For tuition and educational fees, the bill on school letterhead or the school’s online statement,
 - For books, proof of registration and a bill for book purchase, and
 - For off-campus housing: proof of registration and the lease with landlord information, monthly payment amounts, and length of lease.
- d. **Inability to pay for basic life support needs** – A hardship exemption may be used to pay for food, essential utilities (i.e., gas, electricity, water, etc.), and shelter (i.e., mortgage, nursing home, etc.). Acceptable documentation includes:
- List of significant expenses for the policyowner/beneficiary and spouse to sufficiently prove a financial hardship (i.e., expenses exceed assets and/or income stream of policyowner/beneficiary and spouse, as applicable) and third-party statements/receipts,
 - Bill or invoice from utility company(ies), and
 - Notice from the landlord or mortgage holder threatening eviction or foreclosure.
- e. **Change in employment status** – A hardship exemption may be used to pay for living expenses in the event of a change in employment status, including retirement, if the policyowner/beneficiary intended to rely on policy benefits for a material portion of such expenses. Acceptable documentation includes:
- Evidence of change in employment status, including a letter from employer, separation agreement or severance terms,
 - Attestation that the policyowner is not currently employed, and
 - List sources of income for the policyholder and spouse, as described above, including, for example, social security payments, investment earnings (interest, dividends, etc.), retirement/pension, etc.

Assessment of the financial need by the Rehabilitator is based upon the proven existence of the hardship (examples above) and adequate support of the financial need either currently or within the next 12 months. The Rehabilitator will review each request on its own merits.

Directions for Submitting Hardship Request

A properly completed and signed Hardship Request Form, together with the required supporting documentation, must be submitted to the Rehabilitator by one of the following methods:

- (i) uploading it electronically to the Rehabilitator's portal, which can be found at <https://epiqworkflow.com/cases/PHL>;
- (ii) If by First-Class Mail:
PHL Variable Insurance Company Rehabilitation
Hardship Form Processing Center
c/o Epiq Corporate Restructuring, LLC
P.O. Box 4420
Beaverton, OR 97076-4420
- (iii) If by Hand Delivery or Overnight Mail:
PHL Variable Insurance Company Rehabilitation
Hardship Form Processing Center
c/o Epiq Corporate Restructuring, LLC
10300 SW Allen Boulevard
Beaverton, Oregon 97005

In order to expedite the process, the Rehabilitator recommends submitting Hardship Requests through the Rehabilitator's electronic portal.

If you choose to submit a Hardship Request by courier service, you should retain evidence that the package was delivered to the Rehabilitator. If you choose to submit a Hardship Request by mail, it is recommended that you submit your package by certified or registered mail and retain evidence of the postmarked date.

Hardship Request Forms should not be filed with the Court, or sent to the Rehabilitator, his legal counsel, retained professionals, or otherwise delivered to PHL, and any Hardship Request so filed or sent will not be considered properly submitted.

Do not send Hardship Request Forms or supporting documentation by email. Email submissions will not be accepted. PHL and the Rehabilitator shall not be responsible for any unintended disclosure or breach of such transmission.

Please note that, with the exception of the Statement of Facts, copies of all required documents are acceptable and that original documents **will not** be returned.

PHL and the Rehabilitator are not responsible for undelivered mail.

Upon receipt of your completed hardship documents, the Rehabilitator will review them and reserves the right to request additional information and documentation, as he deems appropriate. You must cooperate with the Rehabilitator by providing all such requested documentation and information or your request will be denied.

Please call the PHL in Rehabilitation Call Center at 1-877-800-2445 to discuss any questions.

Thank you in advance for your attention to these matters.

Andrew N. Mais
Insurance Commissioner of the State of Connecticut
Rehabilitator of PHL

Hardship Application Checklist

Please make sure ALL requested documents are included in your submission. The Rehabilitator CANNOT review an application until all documentation and forms have been received.

Please do not staple any documents.

Hardship Request Form – Must be completed in its entirety, dated and signed by the owner/beneficiary, joint owner/beneficiary if applicable, and a witness.

Certified Statement of Facts – A brief statement explaining your hardship. All pages of the statement MUST be notarized (see exception on Statement of Facts page).

Evidence of Liquid Assets – Copies of your most recent bank statements from ALL of your checking, savings and investment accounts.

Evidence of Income – May include paystubs, award letters from Social Security, investment earnings statement, your prior year's professional tax return, or clearly indicate income on your bank statement.

Proof of Your Monthly Expenses and/or Unpaid Bills – These documents must support the amount you are requesting, and you must provide the actual statements. Monthly expenses would include rent/mortgage, water, electricity, gas, etc. Unpaid bills would include past due accounts such as medical bills, loans, or tuition.

Hardship Request Form

Applicant: _____

Owner

Beneficiary

Owner (if different from Applicant): _____

Policy/Contract Number: _____

Mailing Address: _____

I, _____, request a (check one) **cash surrender,** **annuitization,**
policy loan, **death benefits,** or **income rider activation** of \$_____.

Employment Information:

Employed

Unemployed

Retired

Source(s) of Income:

Employment

Investments

Pension/Social Security

Other: _____

Average Monthly Income: _____

Average Monthly Expenses: _____

Balances of Liquid Assets:

Checking: _____

Savings: _____

Other: _____

Total Liquid Assets: _____

I understand that this requested withdrawal amount may be reduced by any surrender charges, taxes withheld, or Market Value Adjustment, and as a result the net amount received may be smaller than the requested withdrawal amount. If approved, you will be required to complete additional paperwork to support the execution of the transaction, including tax withholding elections.

I am not under guardianship, nor have I made any assignment, pledge, or executed any document affecting ownership or right to any monies due or to become due under the contract, and I further certify that no proceedings in bankruptcy are pending to which I am a part.

This form is dated at _____ this _____ day of _____, 20 _____.

Signature of Applicant

Signature of Owner (if different from Applicant)

Telephone

Social Security Number

Witness Name (printed)

Signature of Witness

