

PHL Receivership: Frequently Asked Questions As of December 31, 2025

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Section I – PHL Receivership Process

1. I received a notice in the mail about PHL or read a press release about PHL being in rehabilitation with an expected liquidation. What does this mean?

On May 20, 2024, PHL Variable Insurance Company and its subsidiaries, Concord Re, Inc. and Palisado Re, Inc. (collectively, “PHL”), entered into rehabilitation proceedings in the Connecticut Superior Court (“Court”). After exploring other alternatives, the Connecticut Insurance Department (the “Department”), PHL’s state regulator, determined that PHL is in a hazardous financial condition and that rehabilitation proceedings were in the best interest of policy and annuity holders.

As reported to the Court on December 31, 2025, the Connecticut Insurance Commissioner, acting in the capacity of Rehabilitator for the Companies (the “Rehabilitator”), has determined that a pure rehabilitation plan structure as originally contemplated is not feasible because any rehabilitation will require funds from state guaranty associations. The Rehabilitator understands that the guaranty associations will require a liquidation order with a finding of insolvency to trigger their coverage.

2. What is the difference between a rehabilitation proceeding and liquidation proceeding?

Rehabilitation is a Court-approved, organized process to help a company recover from financial distress. Since the inception of the rehabilitation proceeding, the Rehabilitator has operated PHL under Court supervision rather than PHL’s management.

The goal of the proceeding has been to develop a plan of rehabilitation that maximizes the value of PHL’s assets and equitably administers PHL’s business for the benefit of all policy and annuity holders.

A liquidation proceeding is a court supervised receivership, like a rehabilitation proceeding, with the Connecticut Insurance Commissioner serving as liquidator. However, a standard liquidation proceeding does not envision a continuation of a company’s business. Rather, the objective of a standard liquidation is to dispose of a company’s assets and equitably distribute the asset sale proceeds to policy and annuity holders, and other claimants.

A significant component of a liquidation proceeding is that state guaranty associations are triggered and assume the coverage obligations under active policies up to limits specified in the applicable state statutes. They must also commence the payment of existing policyholder claims subject to the same limits. *See Section II* for more information about the state guaranty associations.

3. What will the ongoing PHL receivership process look like? How long will it take?

While a liquidation order is expected, the Rehabilitator will continue to administer PHL's business and seek opportunities to maximize the value that can be delivered to policy and annuity holders until such an order is issued. The Moratorium Order as described in Section III remains in effect.

Significantly, the Rehabilitator believes that a liquidation order can be combined with a transaction that will enable active policy and annuity holders to receive some level of ongoing benefits in excess of what they would receive solely under guaranty association coverage ("Enhanced Liquidation Plan"). The Rehabilitator is now focused on pursuing a transaction of this type to maximize the value of PHL's assets and coverage for policyholders. The amount of such coverage will depend on the outcome of negotiations with the state guaranty associations and prospective transaction parties that may provide such coverage or an alternative additional benefit.

In addition, the Rehabilitator continues to be engaged in negotiations with two prospective transaction parties that are willing and able to provide limited ongoing coverage or benefits in excess of guaranty association coverage on active policies, provided that they can reach agreement with the guaranty associations on also providing coverage on the portion of policies within the guaranty associations' limits.

The Rehabilitator expects to update the Court on the status of a potential transaction by March 31, 2026, and that a liquidation order will be entered in 2026.

4. What caused the Rehabilitator to pivot from a rehabilitation plan to pursuing an Enhanced Liquidation Plan?

The Rehabilitator determined that a rehabilitation plan would not provide policy and annuity holders at least as much as they would receive in a conventional liquidation. As a result of the sale process undertaken by the Rehabilitator, he has determined that none of the blocks of business were profitable enough for a sale that would result in policy and annuity holders receiving more than they would in a conventional liquidation proceeding.

Section II – Role of the State Guaranty Associations

1. What is a state guaranty association? What are the limits applicable to life insurance and annuities?

State guaranty associations operate in all 50 states, Puerto Rico and the District of Columbia, and they play a crucial role in safeguarding policy and annuity holders when an insurance company becomes insolvent and is subject to a liquidation order. Their primary goal is to provide continuing coverage for policy and annuity holders of the insolvent insurer up to limits specified by state law. Guaranty associations also assume responsibility up to state specified limits for the unpaid benefits due to policy and annuity holders at the time a liquidation order is issued.

Information about the state coverage levels is available on the [National Association of Life & Health Insurance Guaranty Associations' website](#).

2. How will a liquidation proceeding affect the rights of variable life insurance policies and annuities?

Except as limited by the Moratorium Order, variable life insurance policy and variable annuity holders will continue to be allowed to exercise surrender, withdrawal and loan options to the extent of the market value of their investment units in their accounts.

In addition to these rights, variable policy and variable annuity holders will have rights against state guaranty associations and possibly against the PHL estate to recover an amount in excess of the guaranty association statutory limits. Those rights will be explained in detail in subsequent FAQs and notices to policy and annuity holders well in advance of any action that needs to be taken by a policy or annuity holder.

3. Could owners or beneficiaries of active policies or annuities receive more than guaranty association coverage in the event of liquidation?

It is possible. The Rehabilitator is working with state guaranty associations and potential transaction parties on a transaction that may provide limited coverage or other limited benefits for active policies or annuities in excess of the state guaranty association limits (i.e., the Enhanced Liquidation Plan). It is unknown at this time whether those negotiations will result in such coverage or benefits.

Section III - Moratorium Order

1. What is the Moratorium Order?

As part of the proceedings, the Court imposed a “moratorium” in June 2024, on certain policy and annuity payments and transactions (“Moratorium Order”). This means that during the rehabilitation proceeding, some policy or annuity holders may not be able to

get the full amount of benefits or engage in certain transactions under their policy or annuity.

The treatment of a policy or annuity depends on the type of policy or annuity and the level of benefits it provides. For most policy and annuity holders, the moratorium has not had any immediate effect on recurring payments and death benefits, specifically:

- Policy or annuity holders currently receiving regular periodic annuity payments, guaranteed lifetime withdrawal benefits or systematic withdrawals will continue to receive regular periodic payments.
- Policyholders with a non-variable life insurance policy that provides death benefits of \$300,000 or less will be paid in full unless there are other PHL-issued life insurance policies and annuities covering the same individual.
- Annuity holders with a non-variable annuity that provides death benefits of \$250,000 or less will be paid in full (less any payments received during the moratorium period) unless there are other PHL-issued life insurance policies or annuities covering the same individual.

More information about the Moratorium Order can be found [here](#) and a copy of the notice policy and annuity holders received about treatment of the different types of policies and annuities is available [here](#).

2. What is the Moratorium Modification Order?

On July 21, 2025, the Rehabilitator proposed modifications to the Moratorium Order (referenced in the question above). The proposed modifications are intended to ease the original restrictions imposed by the Moratorium Order on owners of certain non-variable universal life insurance policies and certain owners of fixed indexed annuities.

As of December 24, 2025, the Court granted the motion to modify the Moratorium Order. In response, in mid-to-late January 2026, the Rehabilitator expects to provide each eligible holder of a universal life policy or fixed indexed annuity with an individualized election package that will include an overview of the applicable modification options, an election form and the transaction forms necessary to implement an election. Eligible policy and annuity holders will have 45 days from the date indicated on the election package cover letter to make their elections. The modifications elected pursuant to the Modification Order are expected to be permanent and will carry over into any subsequent liquidation. The impact of a subsequent liquidation will be discussed fully in the election packages.

An updated Frequently Asked Questions regarding the moratorium modifications are available [here](#).

3. Under the moratorium, can I move my investments from one account to another?

If you have a variable annuity or variable life insurance policy, you may move investments from one variable account option to another variable account option, subject to the annuity contract or policy terms and conditions. You may not re-allocate investments from a variable account option to any other account option, or vice versa. You also may not re-allocate investments within a guaranteed account.

4. Under the moratorium, can I surrender my policy or annuity, or take a loan against it? How are matured annuities going to be handled? Will I be able to surrender my policy or annuity, or elect to annuitize upon maturity?

For variable annuities or life insurance products, you will be allowed to exercise surrender, withdrawal and loan options under your policy or annuity to the full extent of the Separate Account value attributable to your policy or annuity. If you have value in one or more Guaranteed Account investment options, you will not be allowed to access that value through surrender, withdrawals or policy loans. You may also elect surrender or annuitization options from the Separate Account only. You may not elect surrender or annuitization options from a Guaranteed Account.

For holders of annuities and life insurance policies other than variable annuities and variable life insurance policies, except as permitted by the moratorium modifications, you will not be allowed to receive surrender payments, withdrawals or policy loans, but you will be permitted to receive Required Minimum Distributions in accordance with the terms of an annuity.

5. When will I have full access to my money?

The Moratorium Order, inclusive of the moratorium modifications, is expected to remain in place until an Enhanced Liquidation Plan is approved by the Court and goes into effect, or a standard liquidation order is entered. In the event that either an Enhanced Liquidation Plan is approved or a standard liquidation order is entered, it will specifically address the Moratorium Order and detail how each type of policy and annuity will be treated on an ongoing basis. Information regarding any Enhanced Liquidation Plan or a standard liquidation order will be provided to all policy and annuity holders, agents and interested parties, and there will be an ample opportunity to take any action required by policyholders to be taken in advance of such a plan or order. In the meantime, the Moratorium Order will remain in effect subject to any modifications elected by policyholders eligible to do so.

6. Is my money safe?

As referenced above, the Rehabilitator assumed control of the PHL's assets and is administering them under the Court's supervision. The Rehabilitator is carefully managing PHL's assets, and the Court entered the Moratorium Order in part to limit the

outflow of money from PHL. It is uncertain whether and to what extent PHL will be able to meet all policy and annuity holder obligations. That will depend on the type of policy or annuity, and how the receivership process develops.

If an Enhanced Liquidation Plan is not successful and PHL must be liquidated, policy and annuity holders will have coverage from their applicable state life and health insurance guaranty associations subject to statutory terms and limits. In addition to these rights, variable policy and annuity holders will have rights against state guaranty associations and possibly against the PHL estate to recover amount in excess of the guaranty association statutory limits. Significantly, most PHL policies and annuities have limits below the state guaranty association limits.

Section IV – Hardship Exemption Process

1. What can I do if the moratorium restrictions on my policy or annuity present a hardship to me?

If the moratorium limitations and restrictions on your policy or annuity present a hardship to you, there is a procedure to apply to the Rehabilitator for an exception that, if granted, will permit payment of benefits despite such limitations and restrictions. [The Hardship Request for Exemption from Moratorium form](#) is available on our website or can be mailed upon request. All hardship requests must include all required information and be mailed to the Rehabilitator or uploaded to the Rehabilitator's portal as described in the request form. There is no assurance that a request will be granted, but each request will be carefully reviewed and considered by the Rehabilitator's staff.

Section V – Policy and Annuity Product and Claim Information

1. I have a life insurance policy or annuity and purchased one or more additional riders. Will my riders be honored?

All policies and riders remain in-force subject to their terms and the restrictions and limits of the Moratorium Order.

2. Can I access Required Minimum Distribution (RMD) funds while rehabilitation is ongoing?

Yes. Section 2(g) of the Moratorium Order provides that minimum distributions required under applicable tax laws to be withdrawn from tax deferred retirement accounts are permitted in accordance with the terms of the annuity.

3. How would the RMD process be handled during the rehabilitation period?

If you have specific questions about an RMD on your annuity, you may call the PHL call center at 1-877-800-2445. The call center is open Monday through Friday, 9:00 AM – 5:30 PM ET.

4. I have a Term Life policy with a Return of Premium Rider. What happens at maturity? Can I surrender the policy before maturity?

When your policy reaches maturity, you will be paid your Return of Premium benefits subject to the Moratorium limit of \$300,000. You may not surrender your policy and receive return of premium benefits prior to maturity.

If you can no longer pay the premium required to keep the policy in-force, you may have other options. Please contact the PHL call center at 1-877-800-2445 for assistance with such options.

5. My annuity has an enhanced care rider. How is this rider being treated under the Moratorium Order?

Benefits under enhanced care riders are not restricted under the Moratorium Order other than the aggregate limit of \$250,000 for annuities. If you meet the eligibility requirements under your enhanced care rider, you will receive benefits as provided by the rider up to the \$250,000 limit.

6. I am the beneficiary on a \$1,000,000 policy. I received a partial death benefit payment of \$300,000 in accordance with the Moratorium. What is the status of the remaining \$700,000 death benefit? Do I need to take any action to receive it?

No further action is needed on your part. PHL tracks all partially paid claims. An Enhanced Liquidation Plan will address the amount and timing of benefit payments above the Moratorium Order limits. In the event of a standard liquidation order, payment of the remaining death benefit will be made by the applicable state guaranty association up to the statutory limit.

7. If PHL has a reinsurance agreement in place that provides coverage for my policy, will that affect the amount that PHL owes me?

No. Whether or not a policy is reinsured does not affect the amount PHL may owe you under your policy.

Reinsurance is a form of insurance for insurance companies, where an insurance company transfers some of its risk to a reinsurance company. This process allows an insurance company like PHL to mitigate the risk of large claims by sharing it with one or more reinsurers, effectively protecting the insurer from significant financial losses.

PHL has a reinsurance program that covers a portion of some, but not all, of its policies. Policyholders do not have a right to directly receive some or all of any payment received by PHL from a reinsurance company. Payments from reinsurance companies are PHL's property and ultimately will be distributed in accordance with the terms of the Court approved Enhanced Liquidation plan or a standard liquidation order.

Section VI – Resources for Policy and Annuity Holders

1. When can I expect the next update on the case?

The Rehabilitator expects to update the Court on the status of a potential Enhanced Liquidation Plan on or before March 31, 2026.

2. Where can I go for more information or if I have additional questions?

For additional support and information about the rehabilitation, you may call 1-877-800-2445. The PHL call center is open Monday through Friday, 9:00 AM - 5:30 PM ET. Please have your policy number(s) available so we can better assist you.

[Register here](#) to receive an email notification when new information is added to this website.