

Frequently Asked Questions Regarding the Order Modifying Moratorium Order

December 29, 2025 (with updates as of February 6, 2026)

1. Was the Motion to Modify the Moratorium Order approved?

A: Yes. An Order Modifying the Moratorium Order was entered on December 24, 2025. The Order approved the Rehabilitator’s Motion to Modify Moratorium Order, which was filed on July 21, 2025.

2. What is the purpose of the modifications?

A: The Rehabilitator requested modifications to the Moratorium Order as described in detail in the [Motion filed with the Court](#) and [the Notice](#) sent to all PHL policy and annuity holders and interested parties. The modifications ease the current restrictions imposed by the Moratorium Order (see [Summary of Moratorium Order](#)) on owners of certain universal life insurance policies other than variable universal life insurance and certain owners of fixed indexed annuities (“FIA”). Eligible policy and annuity holders will be provided additional options as part of the modifications.

3. Who are the eligible policyholders and annuity holders?

A: The following table identifies the eligible policyholders and annuity holders who will receive options under the modifications approved by the Court.

Policy Type	Subject to the Moratorium Modification?
Universal Life with death benefits greater than the statutory limit set by the state guaranty association of the owner’s resident state	Yes, if your death benefit exceeds the statutory limit set by your state’s guaranty association. In most states, this is \$300,000. In some states, it is greater than \$300,000. The following website identifies the guaranty association statutory limit applicable to life insurance for each state: https://nolhga.com/policyholders/how-youre-protected/#guaranteed-coverage
Fixed Indexed Annuities without an activated income rider or established systematic withdrawal	Yes.
<ul style="list-style-type: none">➤ Non-variable Universal Life with death benefits less than the statutory limit set by your state’s guaranty association➤ Fixed Indexed Annuities with an activated income rider or established systematic withdrawal➤ Whole Life➤ Legacy Term Life➤ Simplified Issue Term➤ Fixed Annuity➤ Payout Annuity	No. No modifications are being considered at this time.

Policy Type	Subject to the Moratorium Modification?
<ul style="list-style-type: none"> ➤ Variable Universal Life ➤ Variable Annuity 	

4. What modifications were approved by the Court?

A: Each eligible policyholder or annuity holder may select one of the options described below:

Eligible Fixed Indexed Annuities
1. Maintain the status quo and not seek access to any FIA value at this time.
<p>2. Take a one-time withdrawal up to the “Free Withdrawal Amount” provided for in the FIA contract. For most products, this is 10% of the contract’s account value as of the prior anniversary. This amount may be withdrawn without surrender charges, premium bonus recapture charges or market value adjustment. The amount of any distribution would be reduced by the amount of any prior payments received by the FIA holder under the hardship program or any Required Minimum Distributions in the current contract year.</p> <p><i>Court Approved Update to Option 2: If the owner of an eligible FIA contract has reached the age of 85 at the time of election, a one-time distribution of up to 40% of the cash surrender value of the contract up to a maximum of \$25,000 may be elected.</i></p>
3. Exercise the FIA contract’s income rider. These payments would also be limited by the \$250,000 cap in the Moratorium Order. Note that once a contract’s income rider is activated, rider exercise cannot be reversed.
Eligible Universal Life Policies
1. Maintain the status quo and continue to pay the cost of insurance to keep the policy in force. If a benefit becomes payable due to death or maturity prior to either the effective date of the rehabilitation plan approved by the Court or a liquidation of PHL, the policy beneficiaries will receive a death benefit payment subject to the Moratorium Order’s \$300,000 cap and a claim against the PHL receivership estate for the excess amount. In connection with the modifications to the Moratorium Order, eligible policyholders will receive an election package that will include information regarding the anticipated range of distribution for the excess claim.
2. Reduce the face amount of the policy to your state guaranty association limit, which is expected to be paid in the event PHL is liquidated. Your cost of insurance (which is generally the minimum amount payable to keep the policy in force) will be reduced to correspond to your as-reduced death benefit.
2a. Reduce the face amount of the policy to a specified face amount you elect. Your cost of insurance (which is generally the minimum amount payable to keep the policy in force) will be reduced to correspond to your as-reduced death benefit.

3. Surrender the policy, stop paying cost of insurance charges or premiums and establish a claim in the rehabilitation proceedings. The basis for such a claim would be the policy's cash surrender value as of the election date plus an enhancement equal to the amount the policyholder has paid in cost of insurance charges Since July 1, 2024, resulting in an adjusted surrender value ("ASV").

The election of this option allows the policyholder to fix a claim for the ASV with no ongoing obligation for cost of insurance charges or premium payments. The claim will be allowed as a policyholder priority claim in the rehabilitation or liquidation of PHL, and paid at such time as a rehabilitation plan becomes effective or a liquidation order is granted. In connection with the modifications to the Moratorium Order, each eligible policyholder will receive an election package that will include information regarding the anticipated range of distribution for the ASV claim.

5. How and when do I elect one of the moratorium modification options?

A: Each holder of an eligible Universal Life policy and each owner of an eligible fixed indexed annuity will receive a personalized Election Package by mail. The Election Package will provide details regarding each option, information to assist you as you consider your election decision, and instructions for how to submit your election.

If you own an eligible fixed-indexed annuity, we expect that a personalized Election Package will be mailed to you **in early March 2026**. If you own an eligible non-variable universal life insurance policy, we expect that a personalized Election Package will be mailed to you in **March 2026**..

You will have 45 days from the date in the Election Package cover letter to make your election, which means your election must be postmarked on or before such date.

6. What if I don't receive an election package?

A: All eligible policyholders and annuity holders will receive an Election Package at their address on file in PHL's records. If you do not receive a package but believe you meet the eligibility criteria described above, you may call the PHL Call Center at 1-800-541-0171 for more information about your policy or annuity.

7. To clarify, the Election Packages are only for current policyholders, not beneficiaries that have already filed a claim? For example, for an individual with a \$3 million universal life policy who passed away last year, there is not election that needs to be made?

A: Correct.

8. I previously set up and am receiving systematic (annual or monthly) required minimum distribution (or RMD) payments. Under the moratorium changes, do these payments prevent me from electing one of the other options to access my funds? If so, can I stop the scheduled payments and make one of the elections if approved by the Court?

A: Current receipt of annual or monthly RMD payments will not prevent a fixed indexed annuity holder from electing to (i) activate an income rider or (ii) receive a one-time withdrawal amount up to the “free withdrawal amount” provided for in the annuity contract. However, please note that the “free withdrawal amount” would be reduced by the amount of any RMDs you received since the last anniversary date of your annuity.

9. If PHL’s financial situation changes, can I switch my election?

A: Once your election is received in good order and processed, it will become final and cannot be reversed. This applies regardless of future changes to PHL’s financial condition. Changes to PHL’s financial condition may affect recovery on the Adjusted Surrender Value claims, which is why the Rehabilitator will provide a range of projected recovery values in your Election Package.

10. I own multiple policies, can I make a different election for each policy or annuity?

A: Yes. Owners of multiple policies and/or annuities can make an election for each policy and/or annuity owned. The elections do not have to be the same. Owners of multiple policies and/or annuities will receive an election form for each policy/annuity, although they may all arrive in a single envelope.

11. If I am an eligible universal life policyholder and elect Options 2, 2a or 3, what happens during the rest of the rehabilitation proceeding or subsequent liquidation proceeding?

A: Your election will become effective as of the date your election form is received in good order and processed. If you are a holder of an eligible universal life policy and elect Options 2 or 2a, your death benefit and cost of insurance will be reduced; if you elect Option 3, your policy will be surrendered and you will have a claim against the PHL estate for the Adjusted Surrender Value.

12. What happens to my election when PHL is placed into liquidation?

A: Modifications to your policy or annuity as a result of the election package are permanent and will apply at the time a liquidation order is entered. Eligible universal life policyholders who elect Options 2, 2a or 3, are permanently reducing their benefits (and cost of insurance); there will not be an opportunity to increase benefits or restore them to their original level at a later date.

13. Will there be further modifications to the Moratorium Order?

A: At this time, the Rehabilitator does not expect to request further modifications to the Moratorium Order.

14. How do I get more information?

A: To learn more about the Rehabilitation proceeding, please visit <https://ct.gov/cid.phl>. To obtain information regarding your policy features or the modification options, please call the PHL Call Center at 1-800-541-0171.