



Frequently Asked Questions

PHL Variable Insurance Company in Rehabilitation

The following questions and answers relate to the PHL Variable Insurance Company rehabilitation. These frequently asked questions (FAQs) are based on publicly available sources believed to be accurate and are provided solely for general informational purposes. The FAQs do not address any specific situation, claim, or circumstance and are not intended to serve as legal or financial advice or as a complete legal description of the PHL rehabilitation. Nothing in these FAQs constitutes a binding legal representation or statement by the National Organization of Life and Health Insurance Guaranty Associations or any individual guaranty association. You should consult with an appropriate advisor if you have specific legal or financial questions concerning your individual circumstances.

References in other publicly available materials to potential transactions or outcomes do not reflect decisions by NOLHGA or the state guaranty associations.

Key Information

On May 20, 2024, the Connecticut Insurance Department determined that PHL Variable Insurance Company was in a hazardous financial condition and placed PHL in rehabilitation.

- Rehabilitation is a court-supervised process intended to restore a company's financial stability for the benefit of policyholders and creditors.
- A court-appointed Rehabilitator (the Connecticut Insurance Commissioner), Deputy Rehabilitator (FTI Consulting), and Rehabilitation Management Team are responsible for the protection of PHL's policyholders, creditors, and the public.
- The actions of the Rehabilitator, Deputy Rehabilitator, and Rehabilitation Management Team are subject to the laws and regulations of Connecticut and are also subject to court review.

Key Contacts

- Connecticut Insurance Department: 1-800-203-3447
- PHL Variable Call Center: 1-877-800-2445. The call center is open Monday through Friday, 9:00 a.m. – 5:30 p.m. ET.
- Connecticut Insurance Department [website](#) for the PHL Variable Insurance Company rehabilitation.
- Email notifications of updates/developments in the rehabilitation are available by signing up [here](#).

General Information About this Document

1. Why was this document created?

These FAQs were prepared by the National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) and representatives of the guaranty associations of the states in which PHL is or was licensed to issue insurance policies. The FAQs were written to answer common questions that policyholders may have about the rehabilitation of PHL, their ongoing insurance coverage, and the guaranty association system.

Rehabilitation Court Proceedings

2. What is the current status of PHL?

As reported by the Rehabilitator on December 31, 2025, a rehabilitation plan structured solely as a rehabilitation (which would keep the company operating) is no longer considered feasible. As a result, while PHL remains in rehabilitation at this time, the Rehabilitator has indicated that a liquidation order (which would take the company out of business) is expected. The ultimate timing of any liquidation order will be proposed by the Rehabilitator in a filing with the court, and is subject to the court's approval. Under state guaranty association laws, guaranty association coverage (which is described in questions 9–14, below) is triggered when a court issues a liquidation order with a finding of insolvency. As a result, guaranty associations will become obligated to provide statutory coverage for PHL's policy benefits, subject to any limits spelled out in their state's law, after liquidation.

3. What is the current status of the PHL moratorium?

At the request of the Rehabilitator, the court overseeing the PHL rehabilitation imposed a "moratorium" on certain policy payments. This means that policyholders may not receive their full benefits during the rehabilitation proceedings. You should have received a notice explaining how each type of policy is affected.

On December 24, 2025, at the request of the Rehabilitator, the court issued an order modifying the existing moratorium. The order gives certain policyholders additional options which are described at a general, high level below. For the specifics of these options, please see the relevant discussion on the Insurance Department's PHL website.

Certain Fixed Indexed Annuity (FIA) Owners may:

1. Continue under the existing Moratorium
2. Take a one-time partial withdrawal of up to 10% of their account
3. Activate income riders

Universal Life (UL) Policyholders may:

1. Continue under the existing Moratorium
2. Reduce face amount and premiums proportionally

3. Surrender their policy and establish a claim within the rehabilitation estate, with a modest enhancement for cost-of-insurance payments made after July 2024.

4. The Rehabilitator has described certain potential paths forward. Are those the only options being considered?

Any inquiries regarding the transactions mentioned in the Rehabilitator's December 31, 2025 Report and updated FAQs must be directed to the Rehabilitator. While the Rehabilitator has identified two potential transactions being considered, those two potential transactions do not represent a final or exclusive set of outcomes upon PHL being placed in liquidation. At this time, NOLHGA and the state guaranty associations have not had an opportunity to evaluate, endorse, or approve any transactions.

In the event of a liquidation, the guaranty associations, through NOLHGA, will independently evaluate available options for addressing covered policies in accordance with state laws. This process may include moving covered policies to a financially sound insurer, having guaranty associations administer the policies, or other approaches designed to protect policyholders, subject to guaranty association laws.

5. How long will the rehabilitation continue before PHL is placed in liquidation?

While the Rehabilitator has stated that a liquidation order is expected, the ultimate timing of any liquidation order will be proposed by the Rehabilitator in a filing with the court, and is subject to the court's approval. The Rehabilitator has indicated that it will update the court on the status of its efforts by March 31, 2026. The Rehabilitator will continue to administer all policies and claims, subject to the terms of the moratorium, until a liquidation order is entered.

6. What will happen to my insurance policy and investment elections while PHL is in rehabilitation?

The treatment of policies varies based on type and benefits. Please refer to the summary of the [moratorium order](#) on the Insurance Department's website or contact the PHL Variable Call Center (1-877-800-2445) for specific questions about your policy.

Information on Premiums, Claims, and Benefits

7. Should I keep paying my premiums?

Failure to pay any policy premiums due in full and on time may cause your policy to terminate during Rehabilitation and could cause you to lose the guaranty association coverage benefits that would be available for your policy upon liquidation. You may want to speak with a financial advisor if you have additional questions about your particular situation.

Life and Health Insurance Guaranty Associations

8. What is a life and health insurance guaranty association?

State life and health insurance guaranty associations protect policyholders resident in their state if an insurance company fails (also known as insolvency or liquidation). Every state (as well as the District of Columbia and Puerto Rico) has a life and health insurance guaranty association. When a life or health insurance company goes out of business, the guaranty association provides coverage for insurance policies and contracts (state law spells out which policies are covered and the amount of coverage).

All insurance companies (with limited exceptions) licensed to write life and health insurance or annuities in a state must be members of the state's life and health insurance guaranty association (this is known as being a "Member Company"). If a Member Company is placed in liquidation, the guaranty associations provide coverage and pay claims under the Member Company's covered policies in accordance with state laws.

9. What is the National Organization of Life and Health Insurance Guaranty Associations?

NOLHGA is a voluntary association made up of the life and health insurance guaranty associations of all 50 states and the District of Columbia. If a life or health insurer that does business in multiple states is placed in rehabilitation or liquidation, NOLHGA assembles a task force of guaranty association officials from affected states to determine the best method of protecting the company's policyholders. This task force analyzes the company's policies, ensures that covered claims are paid when guaranty associations are triggered, and pursues opportunities for covered policies to be transferred to a healthy insurer (when possible).

Since its creation in 1983, NOLHGA has assisted its member guaranty associations in providing more than \$30.44 billion in coverage benefits for policyholders and annuitants of insolvent Member Companies. In that time, the guaranty associations provided protection for more than 3.2 million policyholders and worked on more than 100 multi-state insolvencies.

10. When do guaranty associations provide coverage?

Guaranty association coverage generally begins when a court issues a liquidation order with a finding of insolvency. At this time, the guaranty associations are not triggered because PHL is in rehabilitation, not liquidation.

11. Which guaranty association will protect me if PHL is placed in liquidation? Does it matter where I live?

Yes, it does matter where you live. Even if your policy was purchased in another state, guaranty association protection typically will be provided by the guaranty association in your state of residence on the date of liquidation. This is subject to some state law exceptions and exclusions.

12. Are guaranty association laws the same in all states?

Most state guaranty association laws are based on a Model Act of the National Association of Insurance Commissioners (NAIC). However, these laws can vary from state to state.

13. Who can answer questions about guaranty association issues?

The guaranty association **in your current state of residence** can answer any questions you have about the guaranty association system. You can find contact information for your guaranty association at www.nolhga.com/policyholderinfo/main.cfm.

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