



## Frequently Asked Questions

### PHL Variable Insurance Company in Rehabilitation

The following questions and answers relate to the PHL Variable Insurance Company rehabilitation. The 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.

#### Key Information

- On May 20, 2024, PHL Variable Insurance Company (“PHL”) was placed in rehabilitation.
- Rehabilitation is a court-supervised process intended to remedy a company’s financial deterioration for the benefit of policyholders and creditors.
- A court-appointed Rehabilitator (Connecticut Insurance Commissioner Mais), Deputy Rehabilitator (FTI Consulting), and the Rehabilitation Management Team are charged with the protection of PHL’s policyholders, creditors, and the public.
- The actions of the Rehabilitator, Deputy Rehabilitator, and the 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, 9am - 5:30pm ET.
- PHL Variable CID [website](#).
- 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 Frequently Asked Questions (“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 are an attempt 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?**

On May 20, 2024, PHL, entered into rehabilitation proceedings in the Connecticut Superior Court. The Court has imposed a “moratorium” on certain policy payments. This means that policyholders may not receive their full benefits during the rehabilitation proceedings. The notice sent to policyholders explains how each type of policy is affected and emphasizes the importance of continuing premium payments.

### **3. Why was PHL ordered into rehabilitation?**

The Connecticut Insurance Department (“CID”) determined that PHL was in a hazardous financial condition and that rehabilitation is in the best interest of policyholders.

### **4. How long will this go on?**

The Rehabilitator is developing a rehabilitation plan with a goal of submitting it to the Court sometime in 2025. The Court will decide whether to approve the rehabilitation plan.

### **5. What will happen to my insurance policy and investment elections now that PHL is in rehabilitation?**

The treatment of policies varies based on type and benefits. Please refer to the summary of the [moratorium order](#) or contact the PHL Variable Call Center for specific questions about your policy.

## **Information on Premiums, Claims, and Benefits**

### **6. Should I keep paying my premiums?**

If you want to maintain your policy, you must continue to pay your premiums. Failure to pay any policy premiums due in full and on time may cause your policy to terminate and could cause you to lose your benefits. You may want to speak with a financial advisor if you have additional questions.

## **Life and Health Insurance Guaranty Associations**

### **7. What is a life and health insurance guaranty association?**

Every state (including the District of Columbia and Puerto Rico) has a life and health insurance guaranty association to protect its resident state policyholders. When, a life or health insurance company goes out of business through a liquidation order issued by a court, the guaranty association provides continuing benefits under covered policies.

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 ("Member Company"). If a Member Company becomes insolvent and is ordered liquidated, the guaranty associations continue coverage and pay claims under the Member Company's covered policies in accordance with state laws.

### **8. 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. NOLHGA assembles a task force of guaranty association officials when a life or health insurer which has written business in multiple states is placed in rehabilitation or liquidation. 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) in the event of the issuing insurer's liquidation.

Since its creation in 1983, NOLHGA has assisted its member guaranty associations in providing more than \$25.88 billion in coverage benefits for policyholders and annuitants of insolvent Member Companies. In that time, the guaranty associations provided protection for more than 2.85 million policyholders and worked on more than 100 multi-state insolvencies.

### **9. When do guaranty associations provide coverage?**

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

### **10. 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, the guaranty association protection generally 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.

### **11. 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.

### **12. Who can answer questions about guaranty association issues?**

The guaranty association **in your current state of residence** can answer additional questions you may have about the guaranty association system. You can find contact information for your guaranty association at [www.nolhga.com/policyholderinfo/main.cfm](http://www.nolhga.com/policyholderinfo/main.cfm).

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