

DOCKET NO.: X06-UWY-CV-24-6085274-S

SUPERIOR COURT

INSURANCE COMMISSIONER OF THE STATE  
OF CONNECTICUT,

COMPLEX LITIGATION  
DOCKET

v.

AT WATERBURY

PHL VARIABLE INSURANCE COMPANY, ET AL.

*July 30*, 2025

**NOTICE ORDER**

The Rehabilitator’s Motion for Notice (the “Motion”) having been presented to the Court; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with Conn. Gen. Stat. § 38a-906(a) and (b); and upon the record herein; and after due deliberation thereon; and the Court having determined that sufficient cause exists for the relief requested:<sup>2</sup>

**NOW, THEREFORE, THE COURT FINDS AND ORDERS AS FOLLOWS:**

1. The Motion is **GRANTED** as set forth herein.
2. A hearing on the Modification Motion shall be held on **October 21, 2025, at 9:30 am Eastern Time (the “Hearing”)**.
3. As soon as reasonably practicable, the Rehabilitator shall send a copy of the notice, substantially in the form attached hereto as Exhibit 1 (the “Notice”), to all Interested Parties via U.S. first-class mail at their last known address appearing in the Companies’ books and records. Such notice via first-class mail shall not be required for Interested Parties who have changed their

<sup>2</sup> Terms used but not defined herein shall have the meanings ascribed to them in the Motion.

address without first notifying the Companies and for whom the Rehabilitator, after a reasonably good-faith effort, is unable to establish an accurate current address.

4. The Notice shall provide (i) notice of the Modification Motion and the Hearing with respect to the Modification Motion and (ii) instructions for Interested Parties to submit informal comments to the Rehabilitator (“Informal Comments”) and/or formal comments to the Court (“Formal Comments”) about the Modification Motion. Policyholders and other Interested Parties may, but are not required to, submit Informal Comments and/or Formal Comments.

5. Informal Comments shall be submitted by, and any Formal Comment filed by, **September 22, 2025**. The Rehabilitator shall file a response to any Formal Comments no later than **October 7, 2025**, provided that the Rehabilitator shall not be required to respond to Formal or Informal Comments or other filings by commenters pursuant to this Order, and any failure to respond shall not constitute an admission or waiver by the Rehabilitator.

6. Policyholders and other Interested Parties may submit Informal Comments by mail to Harold S. Horwich, Morgan, Lewis & Bockius LLP, One State Street, Floor 22, Hartford, CT 06103, or by email to [PHL.Rehabilitation@ct.gov](mailto:PHL.Rehabilitation@ct.gov).

7. A person may submit Formal Comments without participating in the hearing on the Modification Motion. If an objecting commentator would like to address the Court at the hearing on the Modification Motion, the Rehabilitator will consent to the special limited intervention (“Limited Intervention”) of such commentator as follows:

- The objecting commentator shall appear through counsel at the hearing on the Modification Motion;
- The objecting commentator will not be permitted to take discovery;

- The objecting commentor will not be allowed to introduce testimony at the Hearing unless the Rehabilitator has decided to introduce witness testimony at the Hearing;
- The objecting commentor, through counsel, will only be allowed to appear and present argument to the Court at the Hearing on the Modification Motion;
- The Rehabilitator's consent to Limited Intervention will not apply to any matter in this proceeding beyond the Modification Motion; and
- The Formal Comment shall specify that the commentor intends to enter into a stipulation to Limited Intervention with the Rehabilitator consistent with this paragraph.

8. Intervention on a more expansive basis must be the subject of a separate motion to intervene, and the Rehabilitator reserves all rights to oppose such intervention.

9. Formal Comments shall be filed with the Court at the following address: C/O Ronald Ferraro, Complex Litigation Docket, 400 Grand Street, Waterbury Superior Court, Waterbury, CT 06702, Attention: X06-UWY-CV-24-6085274-S.

10. Formal Comments and any proposed stipulation with respect to Limited Intervention must be served on the Rehabilitator. Service on the Rehabilitator may be made by electronic delivery to the Rehabilitator's counsel at [harold.horwich@morganlewis.com](mailto:harold.horwich@morganlewis.com) and [benjamin.cordiano@morganlewis.com](mailto:benjamin.cordiano@morganlewis.com).

11. A Formal Commenter who is unable to make service on the Rehabilitator by electronic delivery may serve the Rehabilitator by first-class mail or overnight delivery service to the Rehabilitator's counsel at the following physical address:

Harold S. Horwich  
Benjamin J. Cordiano  
Morgan, Lewis & Bockius LLP  
One State Street, 22nd Fl.  
Hartford, CT 06103

Any materials served by this method must contain an affirmation that the Formal Commenter is unable to serve the Rehabilitator by electronic delivery.

12. If the Modification Order is granted, the Rehabilitator shall deliver to each eligible UL and FIA holder an individualized election package (the "Election Package") containing:

- A detailed description of the options available the policyholder;
- An illustration of each option as applicable for that policyholder or instructions to the policyholder on how to receive such an illustration. The illustration will show, in a manner determined by the Rehabilitator in his discretion, the economic results of each option;
- Information about the likely range of recovery and timing of recovery on claims against the receivership estate based on the Rehabilitator's best estimates; and
- The forms required for the policyholder to make an election or a link to a dedicated landing page of the PHL Rehabilitation Website containing such forms

13. Policyholders will have 45 days to elect an option. If no election is made, the policy will remain in its current status.

14. Absent further order by this Court, updates to the PHL Rehabilitation Website shall continue to serve as official notice of all Court documents and orders to Interested Parties to the extent that such documents involve matters that do not have a direct and material effect on the contractual rights and obligations of Interested Parties.

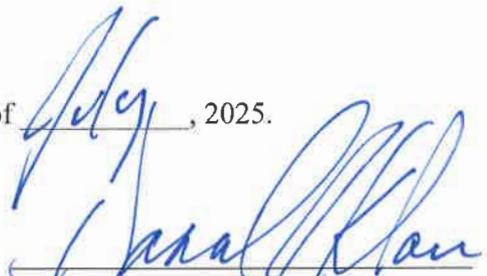
15. Interested Parties who do not have regular access to a computer and are unable to view the applicable documents placed on the PHL Rehabilitation Website may request that the Rehabilitator provide other access to those documents, and the Rehabilitator shall undertake to provide such access as is reasonably practicable.

16. All other dates and requirements established by the Court relevant to the proceedings concerning the Modification Motion, including any changes to the dates and procedures set forth in the Notice, will be posted to the PHL Rehabilitation Website and shall not be delivered by mail or other means except as provided herein.

17. This Order shall be immediately effective and enforceable upon its entry.

18. This Court shall retain jurisdiction over this matter for all purposes necessary to effectuate and enforce this Order.

APPROVED AND SO ORDERED this 30<sup>th</sup> day of July, 2025.

  
Hon. Daniel J. Klau  
Superior Court Judge

**EXHIBIT 1**

**Form of Notice**

## NOTICE OF MOTION FOR MODIFICATION OF MORATORIUM ORDER

You are receiving this Notice of Motion for Modification of Moratorium Order (this “Notice”) because you are a policyholder, agent, reinsurer, regulator, taxing authority, investment counterparty, creditor, or other interested party (each an “Interested Party” and collectively the “Interested Parties”) of PHL Variable Insurance Company (“PHL”), which is currently in rehabilitation. PHL’s court-appointed rehabilitator filed the Motion for Modification of Moratorium Order (the “Modification Motion”) to modify the Moratorium Order entered by the Connecticut Superior Court (the “Court”) on a final basis on June 25, 2024. The proposed modification pertains to certain fixed indexed annuities (“FIAs”) and non-variable universal life insurance (“UL”) policies. To determine whether your policy is subject to the proposed modification, please refer to the section below titled “The Modification Motion – Eligible Policies.”

This Notice provides instructions for submitting comments on the Modification Motion and an opportunity to participate at the hearing on the Modification Motion scheduled for **October 21, 2025, at 9:30 am Eastern Time (the “Hearing”). YOU ARE NOT REQUIRED TO SUBMIT A COMMENT OR ATTEND THE HEARING.**

### **1. Background**

On May 20, 2024, the Court entered an order in Case No. HHD-CV-24-6185151 (the “Rehabilitation Order”) placing PHL and its wholly-owned subsidiaries, Concord Re, Inc. and Palisado Re, Inc., into rehabilitation. The Rehabilitation Order appointed the Honorable Andrew N. Mais, Insurance Commissioner of the State of Connecticut, as Rehabilitator (the “Rehabilitator”).

On the same day, the Court entered another order imposing a moratorium on certain benefit payments and transactions under PHL’s policies<sup>1</sup> between May 20, 2024 and the Court’s confirmation of a rehabilitation plan for PHL and its subsidiaries. On June 25, 2024, after the Rehabilitator provided notice to the Interested Parties and the Court held a hearing, the Court issued an order imposing the moratorium on a final basis (the “Moratorium Order”). A copy of the Moratorium Order and a plain language summary of its key terms are available on the Connecticut Insurance Department’s website at [ct.gov/cid.phl](http://ct.gov/cid.phl) (the “PHL Rehabilitation Website”). Among other things, the Moratorium Order capped the payment of death benefits on life insurance policies issued from PHL’s general account at the lesser of (x) the amount of death benefits provided under the policy or (y) \$300,000. The Moratorium Order also restricted certain transactions and withdrawals under annuities issued from PHL’s general account and non-unitized subaccount, including the FIAs.

### **2. The Modification Motion – Eligible Policies**

Please use the following chart to determine whether your policy is subject to the

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<sup>1</sup> Life insurance policies and annuities are referred to as “policies” except where the context otherwise requires.

modification sought by the Modification Motion. If you have any questions regarding the category into which your policy falls, please contact the PHL in Rehabilitation Call Center at 1-877-800-2445.

Policy Type	Subject to the Moratorium Modification?
<p>Non-variable Universal Life with death benefits greater than the statutory limit set by your state's guaranty association</p>	<p>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.</p> <p>The following website identifies the guaranty association statutory limit applicable to life insurance for each state:  <a href="https://nolhga.com/policyholders/how-youre-protected/#guaranteed-coverage">https://nolhga.com/policyholders/how-youre-protected/#guaranteed-coverage</a></p> <p>You will be provided with the three Universal Life options described in Section 3 below.</p>
<p>Fixed Indexed Annuities without an activated income rider or systematic withdrawals</p>	<p>Yes.</p> <p>You will be provided with the three Fixed Indexed Annuity options described in Section 3 below.</p>
<ul style="list-style-type: none"> <li>➤ Non-variable Universal Life with death benefits less than the statutory limit set by your state's guaranty association</li> <li>➤ Fixed Indexed Annuities with an activate income rider or systematic withdrawals</li> <li>➤ Whole Life</li> <li>➤ Legacy Term Life</li> <li>➤ Simplified Issue Term</li> <li>➤ Fixed Annuity</li> <li>➤ Payout Annuity</li> <li>➤ Variable Universal Life</li> <li>➤ Variable Annuity</li> </ul>	<p>No.</p> <p>No modifications are being considered at this time.</p>

### **3. The Modification Motion – Proposed Modifications**

On July 21, 2025, the Rehabilitator filed the Modification Motion to modify the Moratorium Order to address the potential financial strain and uncertainty for certain policyholders. In particular, FIA holders that did not have active income riders or systematic withdrawals have not been able to access the account value under their FIAs outside of the hardship program established by the Rehabilitator. In addition, UL policyholders with death benefits in excess of state guaranty association limits (\$300,000 in most states) have continued to be charged the contracted cost of insurance rates despite uncertainty as to the amount of death benefits that

will ultimately be paid on the UL policies if PHL cannot be successfully rehabilitated.

To address these concerns, the Modification Motion seeks to modify the Moratorium Order to provide the following options to (i) FIA holders who do not have active income riders (but have the option under their contracts to activate an income rider) or do not have systematic withdrawals, and (ii) UL policyholders with death benefits greater than their guaranty association limit:

*a. Fixed Indexed Annuities*

- Status Quo. The first option would allow an FIA holder to maintain the status quo and not seek access to any of their FIA value at this time.
- 10% Withdrawal. The second option would allow an FIA holder to take a one-time withdrawal up to the “Free Withdrawal Amount” provided for in their contract. Typically, this is 10% of the contract’s account value. This amount may be withdrawn without surrender 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.
- Income Rider. The third option would be to permit an FIA holder to activate the 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, it cannot be deactivated.

*b. High Limit Universal Life Policies*

- Status Quo: The first option would allow the policyholder to continue paying their premiums to keep their policy in force. If the policy matures prior to either the Court’s entry of a rehabilitation plan for PHL or a liquidation of PHL, the policy beneficiaries would 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 proposed modification, the policyholder will receive an election package that will include information regarding the anticipated range of distribution for the excess claim.
- Reduced Face Amount and Premium. The second option would permit the policyholder to reduce the face amount of their policy to a level that would likely be paid by the applicable guaranty association in the event of PHL’s liquidation or other amount specified by the policyholder. This reduction would also cause a reduction of the cost of insurance charged for the policy (which is generally the minimum premium amount payable to keep the policy in force).
- Fixed Claim. The third option would permit a policyholder to fix a claim in the rehabilitation proceedings and stop paying their premiums. The basis for such a claim would be the policy’s cash surrender value (“CSV”) as of the election date plus an enhancement equal to the amount the policyholder has paid for the cost of

insurance during a portion of the rehabilitation proceeding, resulting in an adjusted surrender value (“ASV”). The election of this option would allow the policyholder to fix a claim for the ASV with no ongoing obligation for cost of insurance charges or premium payments. The claim would be allowed as a policyholder priority claim in the rehabilitation or liquidation of PHL and paid at such time as a rehabilitation plan is confirmed or a liquidation order is granted. In connection with the proposed modification, the policyholder would receive an election package that will include information regarding the anticipated range of distribution for the ASV claim.

If the Modification Order is granted, and you are the holder of an eligible UL policy or FIA, the Rehabilitator will deliver to you individualized election package (the “Election Package”) describing in detail the options available to you, including the dollar amounts associated with each option for your individual policy. The Election Package will also include either the forms required for you to make an election or a link to a dedicated landing page of the PHL Rehabilitation Website containing such forms.

You may select only one of the three options for each eligible policy. If you hold more than one eligible UL policy or FIA, you may make an election for each policy. You must make your election within forty-five days from the mailing of the Election Package; if you fail to do so, the policy will remain in its current status (i.e., the “status quo” option).

#### **4. How to Provide Comments**

As an Interested Party, you may (but are not required to) submit comments in support of or in objection to the Modification Motion. You may submit an informal comment to the Rehabilitator (“Informal Comment”) by: (1) mailing your comment to his counsel at the following address: Harold S. Horwich, Morgan, Lewis & Bockius LLP, One State Street, Floor 22, Hartford, CT 06103; or (2) emailing your comment to the following email address: PHL.Rehabilitation@ct.gov. Informal Comments (1) shall become records of PHL, in rehabilitation, and as such, shall not be subject to the Connecticut Freedom of Information Act pursuant to Conn. Gen. Stat. § 38a-913a, but shall not be privileged communications immune from discovery; and (2) may be used by the Rehabilitator in his discretion in connection with proceedings before the Court. If you choose to submit an Informal Comment, you must do so by **September 22, 2025**.

You may alternatively or also submit a formal comment with the Court (“Formal Comments”) in accordance with the procedures set forth in this paragraph. You are not required to submit a Formal or Informal Comment. Any Formal Comment must be identified at the top of the document as being filed in “*In the matter of PHL Variable Insurance Company, Inc., et al., No. X06-UWY-CV-24-6085274-S.*” Your Formal Comment must state with specificity your identity and interest in the proceeding, the facts on which your comment is based, and any of your suggested modifications to the proposed Modification Order. You may submit a Formal Comment without participating in the hearing on the Modification Motion. If you intend to participate in the hearing, you may do so by following the procedure for special limited intervention specified in the Court’s Order Approving this Notice.

You must file your Formal Comment with the Court at the following address: C/O Ronald Ferraro, Complex Litigation Docket, 400 Grand Street, Waterbury Superior Court, Waterbury, CT 06702, Attention: X06-UWY-CV-24-6085274-S.

If you choose to submit a Formal Comment, you must also serve that comment on the Rehabilitator. You may do so by emailing the comment to the Rehabilitator's counsel at [harold.horwich@morganlewis.com](mailto:harold.horwich@morganlewis.com) and [benjamin.cordiano@morganlewis.com](mailto:benjamin.cordiano@morganlewis.com).

If you are unable to make service on the Rehabilitator by electronic delivery, you may serve the Rehabilitator by first-class mail or overnight delivery service to the Rehabilitator's counsel at the following physical address:

Harold S. Horwich  
Benjamin J. Cordiano  
Morgan, Lewis & Bockius LLP  
One State Street, 22nd Fl.  
Hartford, CT 06103

If you proceed with service by this method, you must include with your materials an affirmation that you are unable to serve the Rehabilitator by electronic delivery. If you choose to submit a Formal Comment, you must do so by **September 22, 2025**

#### **5. Information Available on the PHL Rehabilitation Website**

Copies of all Court documents and orders related to this proceeding (the "Documents"), including the Rehabilitation Order, the Moratorium Order, the Modification Motion and proposed Modification Order, and the Court's order approving this Notice, are available for viewing, downloading, or printing on the PHL Rehabilitation Website: [ct.gov/cid.phl](http://ct.gov/cid.phl). This site contains a link to all Documents filed with the Court by the Rehabilitator in portable document format (PDF).

You may be placed on a "hard copy" service list if you make a request and attest that you: (1) do not have regular access to a computer or comparable device; or (2) are otherwise unable to view, download, or print the applicable Documents. You may submit such a request by calling the PHL in Rehabilitation Call Center at 1-877-800-2445.

Unless otherwise ordered by the Court, updates to the PHL Rehabilitation Website serve as official notice of all Court documents and orders to Interested Parties, including yourself, to the extent that those documents involve matters that do not have a direct and material effect on the contractual rights and obligations of the Interested Parties. **YOU ARE ADVISED TO CHECK THE PHL REHABILITATION WEBSITE FREQUENTLY FOR UPDATED INFORMATION AND DEADLINES.**