Comprehensive Case Studies

LIFE | INDEXED UNIVERSAL WITH LONG-TERM CARE

Brighthouse SmartCare℠

Brighthouse FINANCIAL®
Build for what's ahead℠

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Brighthouse SmartCare[SM]

As clients approach retirement, they want their money to work smarter for them. Because people are living longer, the chance of needing – and the cost of paying for – long-term care protection will continue to rise. A fixed amount of coverage today may not meet your clients' needs tomorrow.

Brighthouse SmartCare is the smart way to help protect your clients' retirement against the unexpected costs of long-term care.[1]

01

Preparation for an LTC need

Brighthouse SmartCare is a hybrid life insurance product also designed to provide protection in case of a long-term care event through guaranteed LTC benefits.[2]

02

Protection from unexpected events

Brighthouse SmartCare provides a guaranteed death benefit as well as protection from market loss if the policy is linked to the performance of major market indices.[2]

03

Participation in market growth[3]

If elected, Brighthouse SmartCare can link to major market indices, allowing LTC benefits to potentially grow over time with the ability to lock in LTC benefit amounts at any time.

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1 Brighthouse SmartCare[SM] is an indexed universal life policy with long-term care benefits provided by riders.

2 Guarantees assume premiums have been paid to keep the policy in force. Benefits paid from the Long-Term Care Acceleration of Death Benefit Rider will reduce the death benefit dollar for dollar. All other values reduce proportionately. Any policy distributions or loans will also reduce policy values. If an accelerated benefit payment is made under the terminal illness provision, all long-term care (LTC) riders will end. You should consult a tax advisor to determine the tax consequences before requesting any accelerated death benefit payments or LTC payments.

3 Growth of LTC benefits relies on the policy's cash value being sufficient enough to cover annual charges.

How Brighthouse SmartCare Works

Customize your clients' indexed universal life insurance policy with LTC coverage options, LTC benefit periods, and premium payment options.

Brighthouse SmartCare is an indexed universal life insurance policy.

It provides a death benefit to beneficiaries and its included riders provide coverage for long-term care expenses. Your client should follow the steps below to customize a policy.

Step 1: Choose an LTC Coverage Option

The guaranteed LTC benefit is determined when your client applies for a policy, subject to approval by the issuing company. This amount can grow based on the LTC coverage option your client elects.

☐ Indexed LTC

Benefit amounts have the potential to increase with market gains up to an annual maximum growth rate, but will never drop below the policy's original amounts.[4] Your client can choose to track one or more of the following indices: S&P 500® Index (large cap), Russell 2000® Index (small cap), or MSCI EAFE Index (international).[A,B,C]

☐ Fixed Growth LTC

Benefit amounts earn 5% compound growth annually, helping to protect against inflation.[4]

☐ Level LTC

Benefit amounts remain the same over time.

Step 2: Choose an LTC Benefit Period

Each policy consists of an LTC Acceleration of Death Benefit Rider (LTC ADBR) and an Extension of Benefits Rider (EOBR) that determine the duration of coverage once a claim begins.

☑ LTC ADBR

LTC ADBR benefit payments reduce the death benefit and policy values. Up to 95% of the policy face amount can be accessed early for LTC expenses. It pays benefits for the first two years of a claim.[5]

☑ 2 years

☑ EOBR

Once benefits from the LTC ADBR have been exhausted, benefits are paid by the Extension of Benefits Rider.[6] EOBR benefit payments do not reduce policy values. These provide benefit payments for two or four additional years once LTC ADBR benefits have been used, resulting in a combined payout period of four or six years.[5]

☐ 2 years ☐ 4 years

Step 3: Choose a Premium Payment Schedule

Your client can choose to make either a single premium payment or annual payments for two to five years.

☐ Single premium **☐ 2 years** **☐ 3 years** **☐ 4 years** **☐ 5 years**

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4 If the amount of coverage increases, the cost of insurance will also increase.

5 Based on electing the maximum benefit allowed.

6 This does not include growth related to the LTC ADBR. Growth related to the LTC ADBR is paid out during the LTC ADBR benefit period.

Brighthouse SmartCare in Action

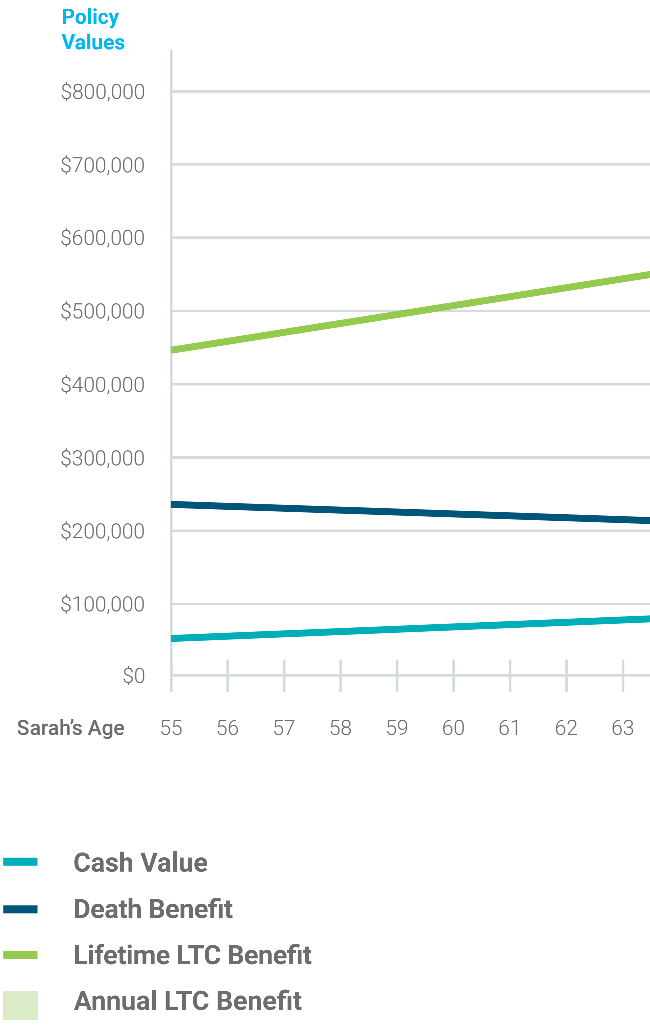
Meet Sarah Miller

Sarah, age 55, is a business owner. She's working with a financial professional to prepare for retirement, but she isn't ready to slow down. Because of her active, healthy lifestyle, Sarah doesn't think she will ever require LTC services. She is aware that LTC expenses could cost a substantial portion of her savings, but currently, she's focused on accumulating wealth via market opportunities.

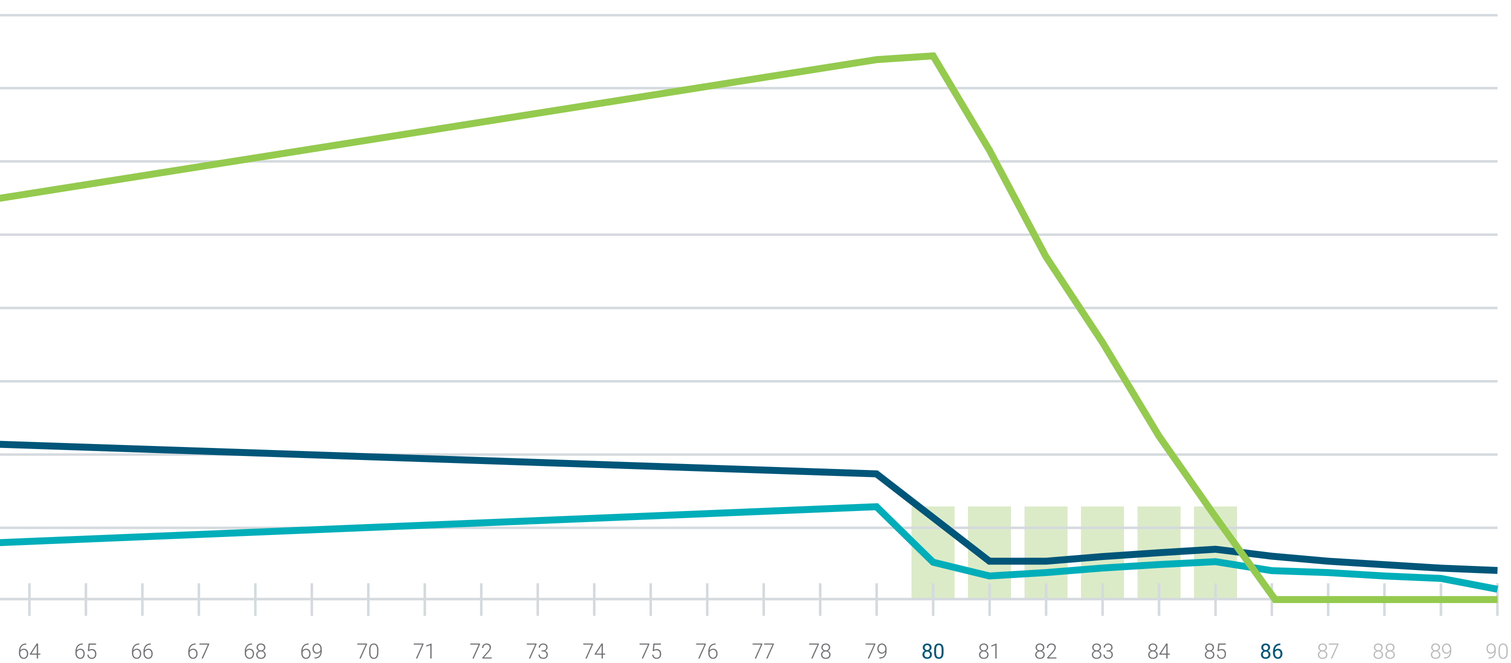
Instead of paying out of pocket for future LTC expenses, Sarah's financial professional suggests a Brighthouse SmartCare policy with the Indexed LTC coverage option. This LTC coverage option will allow for potential growth by linking to the market indices she chooses.

Sarah's Brighthouse SmartCare Policy

- Indexed LTC – based on non-guaranteed 6% interest crediting rate
- Nonsmoker
- LTC ADBR: 2 years
- EOBR: 4 years
- $100,000 single premium payment
- Initial benefit amounts:
  $444,119 LTC Benefits
  $236,175 Death Benefit
  $ 75,000 Cash Value



Please note: Hypothetical example for illustrative purposes only. These examples are not a representation of past or future benefit results for any Brighthouse SmartCare policy. Actual benefit results may be greater or less than that shown. Performance of Brighthouse SmartCare policies may differ from that of the benefit results shown due to chosen policy options. Brighthouse SmartCare policies do not invest directly in any index. Not all firms or states may offer Brighthouse SmartCare.



At age 80, Sarah's health deteriorates and she qualifies for LTC coverage under the rider.

After 25 years, her LTC benefit amount is $747,470.

After six years of LTC payments, Sarah's death benefit has been reduced to $46,637.

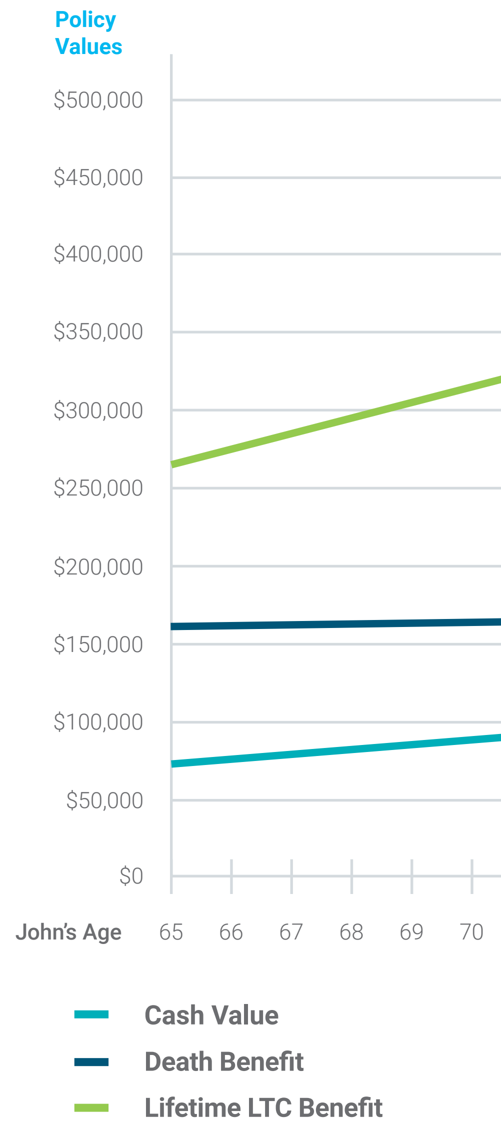
Meet John Williams

John, age 65, is newly retired and living his dream. He accumulated wealth through hard work, investing, and careful spending. He knows the average cost of long-term care in his state, but is inclined to pay out of pocket for those expenses should he need them, rather than pay for insurance he may never need.

John's financial professional suggests that he consider a Brighthouse SmartCare life insurance policy with the Indexed LTC coverage option. John feels more secure knowing that he can receive an amount of long-term care protection with a Brighthouse SmartCare policy should he need it, as well as a death benefit that is generally income tax-free to leave to loved ones. John is also happy that his benefits can potentially grow through market participation.

John's Brighthouse SmartCare Policy

- Indexed LTC – based on non-guaranteed 6% interest crediting rate
- Nonsmoker
- LTC ADBR: 2 years
- EOBR: 2 years
- $100,000 single premium payment
- Initial benefit amounts:
  $269,325 LTC Benefits
  $156,300 Death Benefit
  $ 75,000 Cash Value



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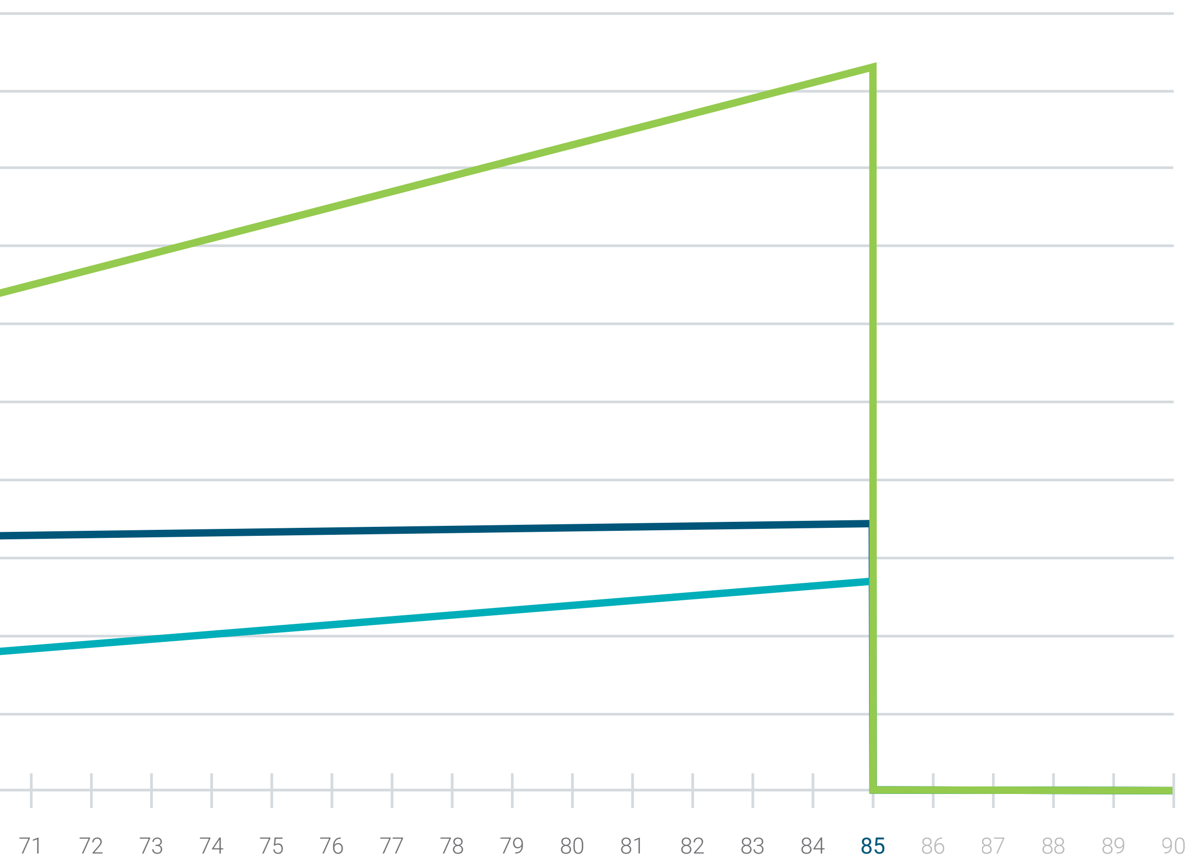


John passes away at age 85.

He never needed LTC services. His beneficiaries receive a tax-free death benefit of $156,633. John was happy to know that if he never needed LTC services, the death benefit could help him take care of his family financially.

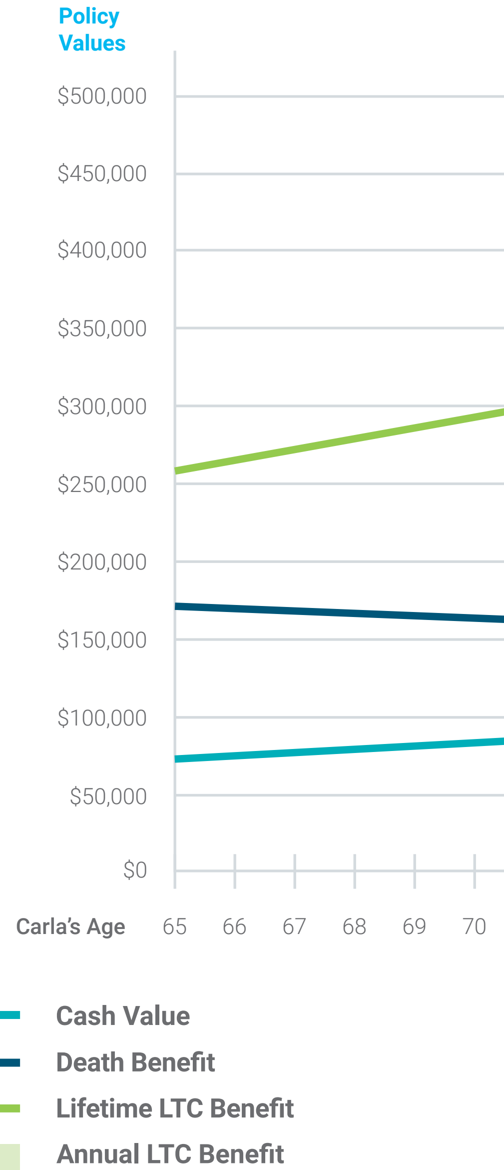
Meet Carla Dorsey

Carla, age 65, has significant assets that she intends to leave as legacies to her children and grandchildren. Carla has an estate plan, but doesn't have a long-term care plan in place. She's concerned that if she needs long-term care, it will reduce the amount that she plans on leaving her family.

Carla talks to her financial professional about her options for LTC insurance. Carla's financial professional looked at her overall insurance needs and recommended that Carla apply for a Brighthouse SmartCare policy. She chooses a policy with Indexed LTC, allowing her benefit amounts to potentially grow over time. Her Brighthouse SmartCare policy can help her pay for future long-term care expenses, while providing her children and grandchildren a death benefit when she passes away.

Carla's Brighthouse SmartCare Policy

- Indexed LTC – based on non-guaranteed 6% interest crediting rate
- Nonsmoker
- LTC ADBR: 2 years
- EOBR: 2 years
- $100,000 single premium payment
- Initial benefit amounts:
  $266,332 LTC Benefits
  $169,350 Death Benefit
  $ 75,000 Cash Value



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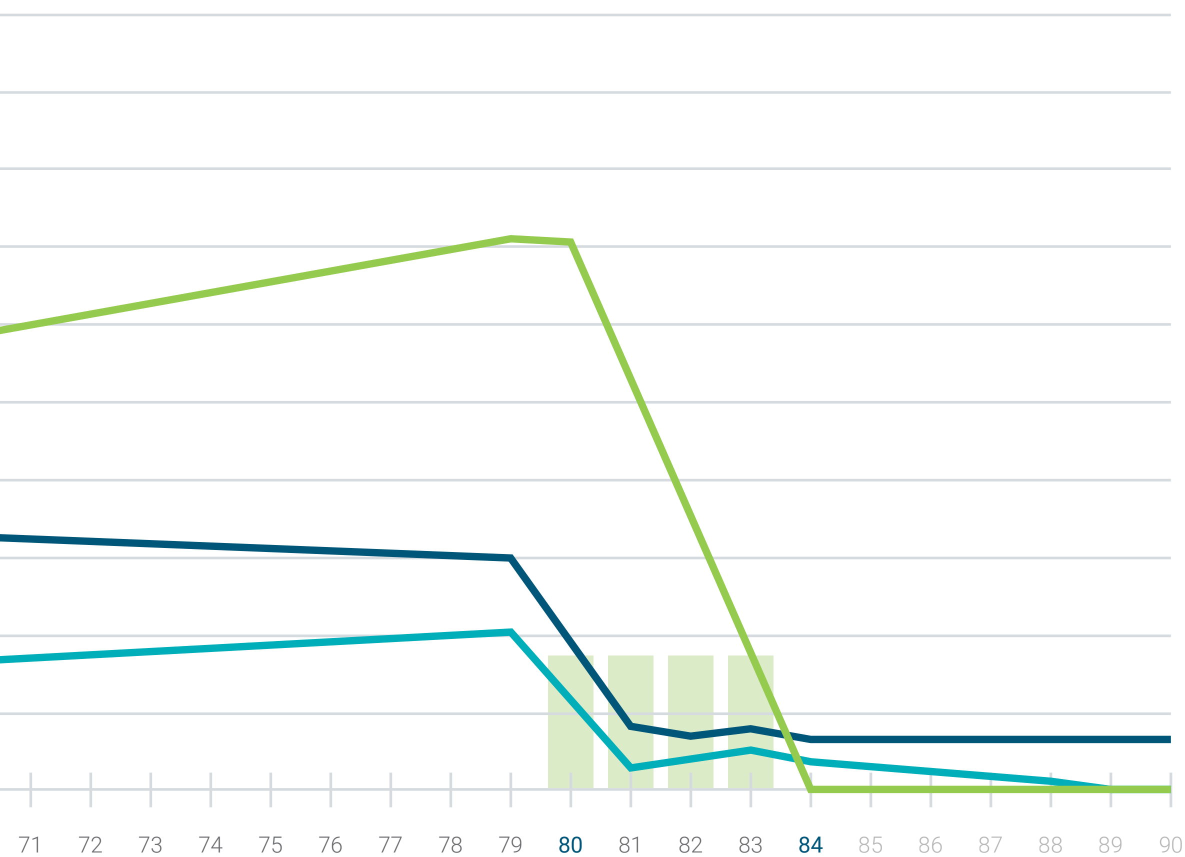

At age 80, Carla suffers a medical event that requires long-term care.

She has $359,756 to spend on LTC services during her benefit period.

Even if Carla uses all of her available LTC benefits, her policy will provide a guaranteed death benefit of $19,140 to her beneficiaries.

See for Yourself

Take a closer look at how you can help clients outsmart the costs of long-term care at **brighthousefinancialpro.com.**

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Not available in all states.

Exclusions and Limitations

Brighthouse Financial will not pay benefits for care or services: (1) for care or treatment received due to an attempted suicide or intentionally self-inflicted injury while sane or insane; (2) for treatment of alcoholism or drug addiction, unless the addiction was due to drugs taken on the advice of a physician; (3) due to any war or act of war (whether declared or undeclared); (4) due to conditions resulting from illness or injury received while participating in a felony, riot, or insurrection; (5) for services or supplies that are covered by Medicare (including amounts that would be reimbursable under Medicare, but for the application of a deductible or coinsurance amount) or other governmental programs (except Medicaid); (6) for treatment provided in a government facility unless we are required by law to cover the charges; or (7) for treatment of an injury or sickness that would entitle the Insured to benefits under any state or federal worker's compensation, employer's liability, or occupational disease law or any motor vehicle no-fault laws.

Long-term care benefits will not be paid under any LTC riders if covered services are received outside of the United States unless Plan of Care and all Plan of Care updates are prescribed by a physician licensed in the United States.

If the Insured dies by suicide, while sane or insane, within two years (one year in ND) from the Policy Issue Date, the death benefit amount payable will be limited to: the amount of premiums paid (without interest); less any policy loan balance on the date of death.

Long-term care (LTC) benefits provided by riders to the policy are intended to provide qualified long-term care insurance under Internal Revenue Code Section 7702B(b). Although benefits paid under a rider are intended to be income tax free as accident and health benefits under a qualified long-term care insurance contract, benefits may be taxable in certain circumstances. For example, benefits may be taxable when the aggregate LTC benefits payments received under a rider and other policies or riders exceed the Internal Revenue Code section 7702B(d)(2) per diem limitation. You should consult with an attorney or qualified tax advisor before purchasing Brighthouse SmartCare℠ and when exercising any right to receive LTC benefits under any rider included with the policy. The policy's death benefit and policy values will be reduced as a result of any LTC ADBR payment.

All policy values will be reduced and any LTC rider will be terminated if an Accelerated Death Benefit Payment is made under the policy. You should consult a tax advisor to determine the current tax consequences before requesting any Accelerated Death Benefit Payment.

Any discussion of taxes is for general information purposes only, does not purport to be complete or cover every situation, and should not be construed as legal, tax, or accounting advice. Clients should confer with their qualified legal, tax, and accounting advisors as appropriate.

Underwriting is necessary for both the life insurance policy and riders; coverage for the life insurance policy and riders may also require a medical examination.

Brighthouse SmartCare℠, an Indexed Universal Life Insurance Policy on Policy Form ICC18-5-70 and 5-70-18, with a Long-Term Care Acceleration of Death Benefit Rider on Policy Form ICC18-3ACCLTC1 and 3ACCLTC1-18, including the option to elect an Extension of Benefits Rider on Policy Forms ICC18-3EOB1, ICC18-3EOBIC1, or ICC18-3EOBIP1, and 3EOB1-18, 3EOBIC1-18, or 3EOBIP1-18, is issued by, with product guarantees that are solely the responsibility of, Brighthouse Life Insurance Company, Charlotte, NC 28277 ("Brighthouse Financial"). All guarantees, including optional benefits, are subject to the claims-paying ability and financial strength of the issuing insurance company. Brighthouse SmartCare has exclusions, limitations, reduction of benefits, and terms under which the policy may be continued in force or discontinued.

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