



Producer Guide

LIFE | INDEXED UNIVERSAL LIFE WITH
LONG-TERM CARE

Brighthouse SmartCareSM



Brighthouse
FINANCIAL[®]

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Using Protection Dollars Wisely

At Brighthouse Financial, we help people protect what they've earned and ensure it lasts.

So, what do clients need to protect? To ensure the lifestyle of loved ones, life insurance is important. But what if clients experience an illness or injury that requires long-term care?

Brighthouse SmartCareSM provides:¹

- A guaranteed death benefit²
- Guaranteed long-term care (LTC) protection with monthly benefit payments – no receipts required
 - 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 paid under the terminal illness provision, all LTC riders will end.³
- If clients elect to link to an index or indices:
 - The ability to grow LTC benefits
 - Protection during market downturns

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

² Policy and death benefit values will be reduced if Long-Term Care Acceleration of Death Benefit Rider is exercised or policy loans are taken.

³ Clients should consult a tax advisor to determine the tax consequences before requesting any accelerated death benefit payments or LTC payments.

The Right Clients are Within Reach

Based on extensive research, we have identified profiles of consumers with a propensity to purchase Brighthouse SmartCare.

Look for current clients or prospects who:



Are retired or are preparing for retirement



Have average household incomes between \$90,000 and \$150,000



May have a parent or loved one who received long-term care



Plan to stay busy in retirement (volunteering, encore career, travel, etc.)



Are parents of older children

These are general guidelines for clients who may be a good fit for Brighthouse SmartCare and is not a recommendation. While not suitable for all clients, Brighthouse SmartCare may provide an opportunity that fits individual needs. For more in-depth client profiles, please review our Find the Right Client flyer or visit brighthousefinancialpro.com.

Brighthouse SmartCare

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 a hybrid life insurance product that offers death benefit protection, long-term care coverage through riders, and, if linked to major market indices, the ability to grow LTC benefits over time with protection from market loss.

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

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.

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.

03

Participation in market growth

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.

A Different Kind of Indexed Universal Life Policy

With downside protection, there's less risk to policy benefits.

Brighthouse SmartCare is an Indexed Universal Life (IUL) insurance product. Although it does not invest directly in any index, its performance is measured against an index or indices. Clients can choose to track one or more of the following indices: the S&P 500® Index, Russell 2000® Index, or MSCI EAFE Index. As with any IUL policy, in addition to growing cash value as the market rises, policy values can decrease in times of market volatility.

It was designed to offer both growth opportunities and protection from market loss. Based on the LTC coverage option selected, LTC benefits have the potential to increase from market gains, up to an annual maximum growth rate. Policy charges, however, can reduce the cash value and LTC benefit.

Below are the indexed crediting options currently available for Brighthouse SmartCare policies:

Indexed Account	Indices	Crediting Methodology
Annual Point-to-Point with Cap Rate	S&P 500 Index ^A Russell 2000 Index ^B MSCI EAFE Index ^C	Credits 100% of index performance over a one-year segment term, up to the current growth Cap Rate. Limits index-based losses to 0% guaranteed floor.

Benefit Payments That Suit Your Clients' Needs

Brighthouse SmartCare LTC benefits are paid through indemnity, not reimbursement.

Brighthouse SmartCare is an indemnity plan that provides LTC monthly benefit payments that may exceed actual LTC expenses. Once eligible to receive benefits, clients can access the maximum amount of available benefit dollars, regardless of actual cost of care, with no receipts or tracked expenses required.^{4,5,6}

Many other carriers offer LTC benefits through reimbursements that use receipts to track expenses.



Good to know

Brighthouse SmartCare allows clients to control the use of funds as they see fit. Indemnity payments offer flexibility – so clients can pay for everything from housing and utility expenses to housekeeping services, family caregiver support, and medical costs not covered by health insurance.

⁴ LTC benefits are taxable if yearly payments exceed IRS limits. See the disclosure page for additional details.

⁵ The maximum lifetime benefit amount is determined at the time of the first claim for benefits under the rider. When monthly payments received under the rider equals the maximum lifetime benefit amount, the rider will terminate.

⁶ Generally, LTC benefits are not payable unless an Insured is chronically ill (as defined in the tax code) and is receiving Covered Qualified Long-Term Care (QLTC) Services under a Plan of Care prescribed by a physician.

Care With More Choice and Flexibility

Clients can enjoy the freedom
of customizing their own care.

If offered a choice, most Americans would receive long-term care services in their home.⁷

Once eligible to receive benefit payments, Brighthouse SmartCare allows clients to control their long-term care decisions, including how and where they choose to receive care.



Some popular care services include:

- Home health care
- Assisted living care
- Skilled nursing care
- Hospice
- Adult day care

⁷ Long-Term Care in America: Views on Who Should Bear the Responsibilities and Costs of Care, The Associated Press-NORC Center for Public Affairs Research, December 1, 2017. p. 37

How Brighthouse SmartCare Works

Clients can customize their 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 these 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. These amounts 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.⁸ 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).

☐ Fixed Growth LTC

Benefit amounts earn 5% compound growth annually, helping to protect against inflation.⁸

☐ 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 policy values. Up to 95% of the policy face amount can be accessed for LTC expenses. It pays benefits for the first two years of a claim.⁹

☒ 2 years

☒ EOBR

Once benefits from the LTC ADBR have been exhausted, benefits are paid by the Extension of Benefits Rider.¹⁰ 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 of four or six years.⁹

☐ 2 years ☐ 4 years



Step 3: Choose a Premium Payment Schedule

Clients 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

⁸ If the amount of coverage increases, the cost of insurance will also increase.

⁹ Based on electing the maximum benefit allowed.

¹⁰ 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 Simple Underwriting

The traditional underwriting process can stand in the way of stronger client relationships. Brighthouse Simple Underwriting is changing that.

What is Brighthouse Simple Underwriting?

Brighthouse Simple Underwriting is a process used for Brighthouse SmartCare applications in which no exams or labs are required, and a final underwriting decision may be delivered within 24 hours.

Instead of labs and full medical requirements, we leverage the application responses with database checks (Medical Information Bureau [MIB], Prescription Database [Rx], Motor Vehicle Report [MVR], and public records). For full details, please contact your wholesaler.

Brighthouse Simple Underwriting key features for qualifying cases:

- Simple, less-invasive process – no exams and no labs
- Simple underwriting offer – yes or no answer
- Faster underwriting decision – generally within 24 hours after completing requirements



Available for eligible clients ages 40-75 and with face amounts up to \$1 million, Brighthouse Simple Underwriting includes:¹¹

Requirements	Ages 40-65	Ages 66-75
Application	Simplified electronic application with reflexive questioning	Simplified electronic application with reflexive questioning
Labs or Exams¹²	None	None
Medical Records	For significant medical conditions only	Yes
Interview	No	Cognitive Screening
Database Checks	MIB, Rx, MVR, public records	MIB, Rx, MVR, public records
Initial Decision	Within 24 hours of completed requirements	Within 24 hours of completed requirements

¹¹ Underwriting is necessary for both the life insurance policy and the riders. Coverage for the life insurance policy and the riders may also require a medical examination.

¹² Labs and exams are only required if the client has no evidence of medical care.

Product Details

Please note: State variations may apply to all sections in this document.

For full details, please see the policy for the relevant state.

Issue Ages	40-75 years old
Risk Class	Nonsmoker, Nonsmoker with Couples Discount, Smoker, and Smoker with Couples Discount
Face Amount Limits	Minimum Face Amount: \$50,000 Maximum Face Amount: \$1,000,000
Premiums	Premiums can be paid over one to five years, annual mode only. Minimum Premium: \$50,000 (divided by the premium paying period)
Policy Charges	Percent of Premium Charge: The amount charged on each premium that is paid and is charged as a percentage of premium. Annual Deduction: Deducted from the policy's cash value annually and is composed of the three charges below: • Annual Cost of Insurance Charge – Includes the cost of providing the benefit paid to beneficiaries upon the death of the Insured. It is charged as a percentage of the policy's net amount at risk. • Annual Administrative Charge – Includes administrative costs such as record keeping, processing claims and policy changes, preparing and mailing reports, and overhead costs. It is charged as a percentage of the policy's face amount. • Annual Rider Charges – Charges are used to fund the benefits that the riders provide and are based on the rider benefit amount.
Interest Crediting	Indexed Accounts • Indices: S&P 500 Index, Russell 2000 Index, MSCI EAFE Index • Crediting Methods: Annual Point-to-Point with Cap Rate Fixed Account • Rates are declared every two weeks. Guaranteed Minimum Interest Rate is 1%. Sixty-day rate lock is offered for new business from application signed date. Funds received during the rate lock period will be applied as of the policy issue date. Renewal rates for the indexed accounts will be declared 30 days prior to a policy anniversary.
Transactions Available¹³	Policy Loans: Available at any time after policy issue. Policy Surrender: Policy may be surrendered for its full cash surrender value at any time. No partial segment indexed interest is credited for policies surrendered on any date other than the policy anniversary. Withdrawals: Withdrawals are not allowed. Transfers/Reallocations: Available within 21 days after a policy anniversary.
Death Proceeds¹⁴	Death Benefit: The amount payable to the beneficiary(ies) if the Insured dies while the policy is in force.
Additional Product Features	Lapse Prevention Provision Guarantees that the policy will not lapse if annual required premiums are paid. The number of required premiums payable is equal to the premium paying period selected at issue. Lapse prevention premium rates vary by issue age, sex, smoker status, premium paying period, riders selected, and rider benefit durations. If a policy loan is taken, additional funding to pay the loan balance may be needed to retain the lapse prevention provision. Terminal Illness Benefit A Terminal Illness Benefit will be payable if the Insured has been certified by a physician as having less than 12 months to live from the date of certification. The maximum benefit amount that may be requested will be the lesser of \$250,000 or 50% of the policy's face amount. The Terminal Illness Benefit will be a one-time payout that reduces the death benefit dollar for dollar and other policy values reduce proportionately. The payment of this benefit will terminate both the Long-Term Care Acceleration of Death Benefit Rider and the Extension of Benefits Rider.

¹³ Surrender of the policy may be taxable to the extent of any gain. If the policy is a Modified Endowment Contract (MEC), any loan or surrender may be taxable to the extent of any gain and may be subject to a 10% income tax penalty.

¹⁴ Death benefit values will be reduced if the Long-Term Care Acceleration of Death Benefit Rider is exercised or policy loans are taken.

Long-Term Care Rider Details

Long-Term Care Riders	Long-Term Care Acceleration of Death Benefit Rider (LTC ADBR)	Extension of Benefits Rider (EOBR)
Availability	Required to issue a policy.	Three options for this rider are available. A policy must be issued with one of these three options: • Indexed LTC • Fixed Growth LTC • Level LTC
LTC Benefit Period	2 years • Benefit payments reduce policy values • Up to 95% of the policy face amount may be accelerated for long-term care	2 years or 4 years • Payable after LTC ADBR benefits have been exhausted¹⁵ • Benefit payments do not reduce policy values
LTC Coverage Options	• Indexed LTC: The initial LTC benefit amount is determined at issue and fluctuates based on the performance of cash value. • Fixed Growth LTC: The initial LTC benefit amount is determined at issue and increases at a fixed rate of 5% annually. • Level LTC: The LTC benefit amount is determined at issue and does not change. For both Indexed LTC and Fixed Growth LTC options, the policy owner can request to lock in their benefit at any time. Note: Fixed Growth LTC option availability is restricted by face amount and issue age. • \$100,000 face amount maximum for issue age 40-49 • \$200,000 face amount maximum for issue age 50-59 • \$300,000 face amount maximum for issue age 60-69 • \$500,000 face amount maximum for issue age 70-75	
Elimination Period	After meeting eligibility requirements, there is a 90-day waiting period before benefit payments begin.	
Benefit Payment Type	Indemnity: Provides LTC monthly benefit payments without the submission of receipts or tracked expenses. Once eligible to receive benefits, clients can access the maximum available benefit dollars, regardless of actual cost of care.	
Covered QLTC Services	• Adult Day Care • Assisted Living Care • Hospice Care • Skilled Nursing Care • Intermediate Care or Custodial Care in a Long-Term Care Facility • Home Health Care	
Additional Rider Benefits	• Rider charge rates for the LTC ADBR and EOBRs are guaranteed for the life of the policy • Annual deductions and required premium payments are waived while on claim	

¹⁵ 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.



Key Terms

Cap Rate – The maximum market performance your client can earn, according to a predetermined percentage.

Cash Value – The equity in a life insurance policy that can be accessed by the policy owner in the form of loans or by surrendering the policy.

Death Benefit – The amount payable to beneficiaries upon the Insured's death.

Indemnity – Payments of the maximum available benefit with no receipts required.

Indexed Universal Life (IUL) Insurance – A permanent life insurance policy that credits interest based on the performance of a major market index up to a Cap Rate.

Long-Term Care (LTC) – A form of care for people living with chronic health problems that affect their ability to perform everyday tasks. Generally, LTC benefits are not payable unless an Insured is "chronically ill" (as defined in Internal Revenue Code Section 7702B) and is receiving covered Qualified Long-Term Care Services under a Plan of Care prescribed by a physician.

Net Amount at Risk – The difference between the face amount and cash value of a permanent life insurance policy.

Riders – Features that are added to a base insurance policy, that may or may not include an additional charge, allowing the policy owner to tailor coverage to increased levels of protection.

We're Brighthouse Financial

We are on a mission to help
people achieve financial security.

As one of the largest providers of annuities and life insurance in the U.S., we specialize in products designed to help people protect what they've earned and ensure it lasts. We are built on a foundation of experience and knowledge, which allows us to keep our promises and provide the value they deserve.

To find out more about how Brighthouse SmartCare
can help protect your clients' retirement against
the unexpected costs of long-term care visit
brighthousefinancialpro.com.

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Not available in all states.

Long-term Care (LTC) benefits provided by riders to the policy are intended to provide qualified long-term care insurance under Internal Revenue Code 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 benefit payments received under a rider and other policies or riders exceed the Internal Revenue Code section 7702B(d)(2) per diem limitation. Your client should consult with an attorney or qualified tax advisor before purchasing Brighthouse SmartCareSM 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 a terminal illness benefit payment is made under the policy. Clients should consult a tax advisor to determine the current tax consequences before requesting any terminal illness 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.

Brighthouse SmartCareSM, an Indexed Universal Life Insurance Policy on Policy Forms ICC18-5-70 and 5-70-18, with a Long-Term Care Acceleration of Death Benefit Rider on Policy Forms 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. Each issuing insurance company is solely responsible for its own financial condition and contractual obligations. Brighthouse SmartCare has exclusions, limitations, reduction of benefits, and terms under which the policy may be continued in force or discontinued. For costs and complete details of the coverage, please refer to a basic illustration and specimen copies of the policy riders.

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