



**Brighthouse**  
FINANCIAL®

Build for what's ahead™

# Smart Protection for a Modern Retirement

**LIFE** | INDEXED UNIVERSAL  
WITH LONG-TERM CARE

Brighthouse  
SmartCare<sup>SM</sup>

Brighthouse Life Insurance Company

ICC18-LTCCB

5-18-LTCCB





# Using Your Protection Dollars Wisely

Protecting what you've earned and ensuring it lasts is an important part of any financial plan. In fact, the foundation of Brighthouse Financial is built upon helping clients achieve that goal.

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

## Brighthouse SmartCare<sup>SM</sup> provides:<sup>1</sup>

- A guaranteed death benefit
- 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 a terminal illness benefit is paid, all LTC riders will end.<sup>2</sup>
- If you elect to link to an index or indices:
  - The ability to grow your LTC benefits
  - Protection during market downturns



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## Good to know

Policy and death benefit values will be reduced if the terminal illness benefit, Long-Term Care Acceleration of Death Benefit Rider, or policy loans are exercised.

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

<sup>2</sup> You should consult a tax advisor to determine the tax consequences before requesting any accelerated death benefit payments or LTC payments.

# Brighthouse SmartCare

As you approach retirement, you want your money to work smarter for you. 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 needs tomorrow.

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

## 01

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### **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

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### **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

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### **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.



# 01

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# Preparation for an LTC Need

Making smart choices  
and exploring new opportunities.

## **Navigating a longer retirement**

People are living longer than ever before, which means you may be retired for almost as many years as you worked. The result is that you have the time and freedom to pursue the things you're interested in – if you plan now with an eye toward future possibilities.

## **Rising long-term care costs**

One of the challenging aspects of this increased longevity is the rising costs of long-term care, which doesn't appear to be changing course. If something were to happen that required long-term care, is your portfolio or estate plan prepared to handle those costs?

## **Future uncertainties**

You should also consider what may happen years from now. Factors outside of your control – like market volatility, inflation, unplanned family commitments, and the future of social services – can impact the plans you've made.

02

# Protection From Unexpected Events

Brighthouse SmartCare was designed to make your dollars work smarter – providing protection in more ways than one.

A hybrid life insurance product with guaranteed LTC protection, Brighthouse SmartCare ensures that even if you don't need long-term care, you get value for your money by providing a guaranteed death benefit for your loved ones.

Policy values will never be reduced due to market loss. Policy charges will reduce policy values.

# 03

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## Participation in Market Growth

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

Brighthouse SmartCare is an Indexed Universal Life (IUL) insurance product. Although it doesn't invest directly in any index, its performance is measured against an index or indices you can choose, including the S&P 500®, Russell 2000®, or MSCI EAFE. With any IUL policy, in addition to growing cash value as the market rises, values can decrease in times of market volatility.

Brighthouse SmartCare 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.

# Benefit Payments That Suit Your 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 your actual LTC expenses. Once eligible to receive benefits, you can access your maximum amount of available benefit dollars, regardless of actual cost of care, with no receipts or tracked expenses required.<sup>3,4</sup>

Many other carriers offer LTC benefits through reimbursements that use receipts to track expenses and may not fully cover actual expenses.



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## Good to know

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

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<sup>3</sup> LTC benefits are taxable if yearly payments exceed IRS limits. See the disclosure page for additional details.

<sup>4</sup> 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.



# Care With More Choice and Flexibility

Enjoy the freedom of  
customizing your care.

If offered a choice, most Americans would receive long-term care services in their own home.<sup>5</sup>

Once eligible to receive benefit payments, a Brighthouse SmartCare policy allows you the flexibility to control more of your long-term care decisions, including how and where you choose to receive care.



## Some popular care services include:

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

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<sup>5</sup> 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

Customize your 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. Follow the steps below to customize your policy.



## Step 1: Choose Your LTC Coverage Option

The guaranteed LTC benefit is determined when you apply for a policy, subject to approval by the issuing company. This amount can grow based on the LTC coverage option you elect.

### ☐ 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.<sup>6</sup> You 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).<sup>A,B,C</sup>

### ☐ Fixed Growth LTC

Benefit amounts earn 5% compound growth annually, helping to protect against inflation.<sup>6</sup>

### ☐ Level LTC

Benefit amounts remain the same over time.



## Step 2: Choose Your 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.<sup>7</sup>

☒ 2 years

### ☒ EOBR

Once benefits from the LTC ADBR have been exhausted, benefits are paid by the Extension of Benefits Rider.<sup>8</sup> EOBR benefit payments do not reduce policy values. These provide benefit payments for two or four additional years once your LTC ADBR benefits have been used, resulting in a combined payout period of four or six years.<sup>7</sup>

☐ 2 years    ☐ 4 years



## Step 3: Choose Your Premium Payment Schedule

You 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

<sup>6</sup> If the amount of coverage increases, the cost of insurance will also increase.

<sup>7</sup> Based on electing the maximum benefit allowed.

<sup>8</sup> 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.

# Additional Product Details

Essential information about Brighthouse SmartCare, Indexed Universal Life Insurance with long-term care protection.

## Policy Features and Benefits

### Lapse Prevention Provision

This feature guarantees that your policy will not lapse as long as required premiums are paid. If a loan is taken, additional funding to pay the loan balance may be needed to continue this provision.

### Terminal Illness Benefit

If a physician diagnoses you with a terminal illness where your life expectancy is less than one year, this benefit provides a one-time payout that reduces the death benefit and policy values, and terminates your policy's long-term care riders. The maximum benefit amount you may request will be the lesser of \$250,000 or 50% of your policy's face amount.

### Access to Cash Values<sup>9</sup>

- Policy loans are available at any time.
- Policy surrender is available at any time for its full cash surrender value.
- Policy withdrawals are not allowed.

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<sup>9</sup> 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.

## Waiver of Policy Charges

Once eligibility has been met and a claim begins, policy charges, except for the Percent of Premium Charge, will be suspended while claims are being paid.

## Eligibility Requirements to File an LTC Claim

A physician must certify that the Insured is chronically ill and unable to perform two of six activities of daily living (Bathing, Continence, Dressing, Eating, Toileting, and Transferring) or has a severe cognitive impairment. A care plan prescribed by a health care provider must be in place. The Insured must also be receiving covered qualified long-term care services ("Covered Services").<sup>10</sup>

## LTC Elimination Period

After meeting eligibility requirements, there is a 90-day waiting period before benefit payments begin.

## Policy Charges

Our goal is to be transparent in explaining the charges in your policy. Speak with your financial professional about how the following charges impact the policy.

**Percent of Premium Charge** – The amount charged on each premium that is paid and is charged as a percentage of premium.

**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 your 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 your 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.

**This is a summary only. Please reference an illustration for more complete details.**

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## Key Terms

**Cap Rate** – The maximum market performance you 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.

**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.

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<sup>10</sup> Covered Services include: Adult Day Care, Assisted Living Care, Hospice Care, Skilled Nursing Care, Intermediate Care or Custodial Care in a Long-Term Care Facility, and Home Health Care. See policy and riders for complete coverage and details.



Brighthouse SmartCare

# Brighthouse Simple Underwriting

The traditional underwriting process can make purchasing life insurance complicated and time-consuming. Brighthouse Simple Underwriting is changing that.<sup>11</sup>

Available for eligible clients ages 40 to 75 and with face amounts up to \$1,000,000, Brighthouse Simple Underwriting includes:

Ages	Labs or Exams <sup>12</sup>	Medical Records	Interview	Initial Decision
40 to 65	None	For significant medical conditions only	None	Within 24 hours of receipt of completed requirements
66 to 75	None	Yes	Cognitive	Within 24 hours of completed requirements

<sup>11</sup> Underwriting is necessary for both the life insurance policy and the rider. Coverage for the life insurance policy and the rider may also require a medical examination.

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



# 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.,<sup>13</sup> 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.

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Talk to your financial professional about how Brighthouse SmartCare can help protect your retirement against the unexpected costs of long-term care. Or visit **[brighthousefinancial.com](https://www.brighthousefinancial.com)**.

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<sup>13</sup> Among U.S. insurance companies by total assets. Data as of June 30, 2017. [www.relbanks.com/top-insurance-companies/usa](http://www.relbanks.com/top-insurance-companies/usa)

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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 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 benefit 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<sup>SM</sup> 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. You 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 SmartCare<sup>SM</sup>, 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 consult your financial professional.

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