



Brighthouse

FINANCIAL®

Build for what's ahead™

Owning vs. Renting


LIFE INSURANCE

Permanent or
term life insurance,
which is right for you?



How do you picture your family's future?

If you're like most people, you probably feel that you have a responsibility to protect those who depend on you. If nothing else, you have a responsibility to make some conscious, deliberate decisions about their future, rather than leave it to chance and good luck. Considering life insurance to protect those who depend on you is a responsible and caring act that you should feel good about.



Which Type of Life Insurance Is Right for You?

A sufficient amount of life insurance can help ensure that your family's financial future will be protected. Once you have worked with your financial professional to determine the proper amount based on a review of your current financial obligations, needs, and assets, choosing the right type of life insurance is the next step.

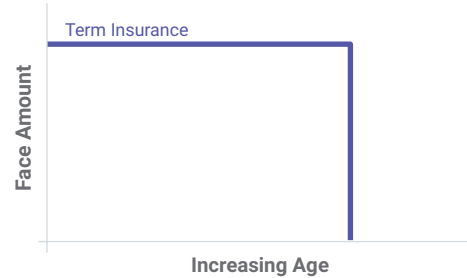
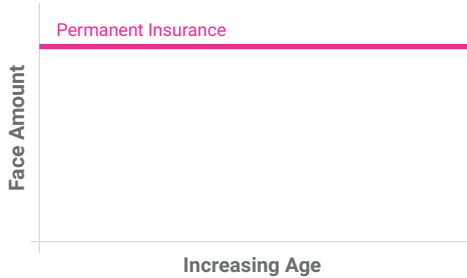
Fundamentally, there are two types of life insurance: permanent and term. Many people have questions about the differences between them. One easy way to understand these differences is by comparing them to something that is familiar to all of us – **owning a home versus renting an apartment.**

Permanent life insurance can be compared to owning a home, while term insurance is like renting one.

There are advantages and disadvantages to both.

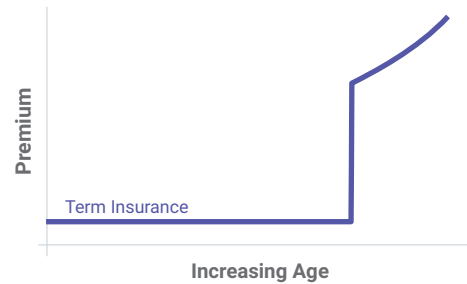
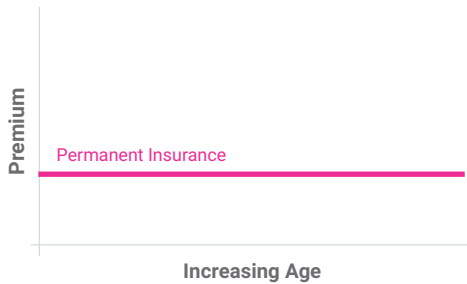
Length of coverage

Permanent life insurance, like owning property, can last you a lifetime. In contrast, term insurance, like renting property, is generally considered appropriate to meet short-term or temporary needs.



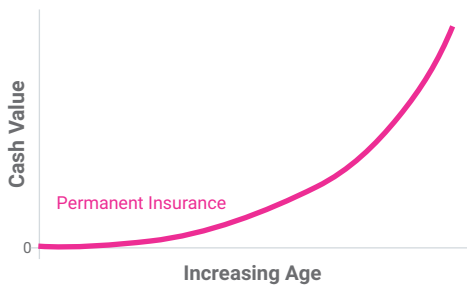
Premiums

Some types of permanent insurance, like owning property, may be less expensive over time because the premiums (like a fixed mortgage) are usually level and do not increase. Term insurance premiums, like renting property, are often initially more affordable; however, premiums may increase over time, making protection more costly later in life.



Equity

Some types of permanent life insurance, like owning property, can build equity – cash value. Much like the equity in your home, the cash value in your life insurance may be accessed during your lifetime.¹ This cash value can accumulate on a tax-deferred basis. In contrast, term policies, like renting property, do not build equity – there is no cash value.



The graphs above do not depict any particular product and are intended only to demonstrate general concepts; for actual values, ask to see a policy illustration or a term proposal.

¹ Distributions are generally treated first as tax-free recovery of basis and then as taxable income, assuming the policy is not a Modified Endowment Contract (MEC). However, different rules apply in the first 15 policy years, when distributions accompanied by benefit reductions may be taxable prior to basis recovery. Non-MEC loans are generally not subject to tax but may be taxable when the policy lapses, is surrendered, exchanged, or otherwise terminated. In the case of a MEC, loans and withdrawals are taxable to the extent of policy gain and an additional 10% tax may apply if taken prior to age 59½. Always confirm the status of a particular loan or withdrawal with a qualified tax advisor. Loans and withdrawals will decrease the cash value and death benefit. Cash value accumulation may not be guaranteed, depending on the type of product selected. Investments in variable life insurance are subject to market risk, including loss of principal.

Owning

Property

You own the property and it can be yours for as long as you live (or until you die)

Fixed mortgage payments are level and predictable

May appreciate in value

The equity in your property can grow

May require a higher monthly financial commitment – the mortgage can eventually be paid off

The mortgage is usually a long-term commitment

Permanent Life Insurance

Coverage can last a lifetime

Depending on the type of life insurance policy, premiums can be structured to stay level or can be guaranteed²

Can be designed so the death benefit increases over time³

Can offer potential for cash value growth

For many policies, more premium is needed up front – can be designed so that future premiums are paid using accumulated policy values (or in some cases, with higher premiums for a limited period)

Usually designed to meet long-term needs

Renting

Property

The tenant and the landlord agree to the terms and conditions for the lease period; after the lease is up, the terms can change and the lease must be renewed

Rental payments are likely to increase

Offers no equity build-up

Rental payments may initially be more affordable

May be a short-term commitment

Term Life Insurance

Limited choices for how long your coverage lasts unless the policy is converted to permanent coverage during the term – usually 10-, 15-, 20- or 30-year term durations

By design, premiums can increase dramatically after a certain amount of time

Offers no opportunity to accumulate cash value

Premiums are initially more affordable

Is usually designed to meet short-term needs

² Investments in variable life insurance are subject to market risk, including loss of principal. Ask your financial professional for further details.

³ Increasing death benefit and limited payment scenarios may be based on policy factors that are not guaranteed.

When you own permanent insurance, you can be assured that the coverage and benefits will be there when you need them.

Aside from coverage being there when you need it, affordability and what you actually get for your money are major considerations when choosing between permanent and term insurance.

Although term insurance premiums may be more affordable in the early years, they can increase dramatically and can become prohibitive in later years. In many cases, you are given the option during the policy term to convert your term coverage into a permanent policy. However, with other potential living benefits, such as cash value accumulation, you may want to consider providing a lifetime of coverage with the purchase of permanent life insurance.

Lifetime benefits of permanent life insurance



Lifetime
of coverage



Legacy
planning
flexibility



Cash value
can be used
to supplement
retirement
income⁴



Potential
reduction or
elimination of
out-of-pocket
payments⁵



Potential source
of funds for
emergencies



Potential source
of funds for
college

Like most insurance policies, Brighthouse Financial policies contain certain exclusions, reductions, limitations, and terms for keeping them in force. For costs and complete details, see your financial professional.

⁴ Withdrawals may be subject to surrender charges and could have a permanent effect on the cash value and death benefit. Loans reduce the cash value and death benefit by the amount of the loan outstanding plus interest.

⁵ Guarantees are subject to product terms, exclusions, and limitations, and are subject to the insurer's claims-paying ability and financial strength.

Life insurance products are issued by Brighthouse Life Insurance Company and, in New York only, by Brighthouse Life Insurance Company of NY ("Brighthouse Financial").

Any discussion of taxes is for general informational 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.

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• Not Guaranteed by Any Bank or Credit Union • May Lose Value

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