

Put Your Future Healthcare Expenses in Focus

Planning for your financial future? Consider healthcare in your calculations.

Studies find that retirees' expenses decrease as they age – with the exception of healthcare costs.¹ Why? Because the cost of co-pays, deductibles, wellness visits, prescriptions, exercise, and eating well are only part of the equation. As people age, their health can change, leading to additional and increasing healthcare expenses.



The Cost Concern Is Real

91% of older homeowners are worried about rising medical expenses.²

And With Good Reason

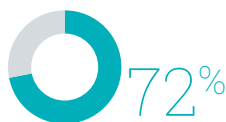
Retirees often say that healthcare costs are greater than they anticipated.³

Dare to Prepare

Perception



61% of workers are confident they will have enough money to cover medical expenses during retirement.⁴



72% of workers are confident in their ability to do a good job planning for retirement.⁴

Reality



A retiring 65-year-old couple will need an average of \$780 per month⁵ to cover medical costs throughout a 30-year retirement. The costs continue to rise by 6% on average each year due to inflation.



As a general rule, one should set an expected retirement spending target of 85% of the estimated (after-tax) income they're receiving pre-retirement.⁴



54% of American workers have less than \$25,000 in savings and investments.⁴

Senior Health by the Numbers



2 out of 3 adults older than 65 have two or more chronic conditions and need coordinated care.⁶



The average Medigap plan monthly premium for additional health insurance costs not covered by Medicare (\$3,912 per year) in 2018.⁷



The average surcharge high income seniors will face for Medicare Part B and Prescription Drug Plan coverage.⁸

How to Take Control Over Healthcare Costs in Retirement



Take preventive healthcare seriously:

Eat well, exercise daily, minimize alcohol consumption, and avoid tobacco.



Factor healthcare costs into your total retirement picture and plan for the unexpected:

Use our Future Income Planner to get a snapshot of your income needs at brighthousefinancial.com.



Explore alternative ways to fund future health care expenses including:

Brighthouse Financial Income Annuities

Both immediate and deferred annuities are retirement products designed to help you set aside guaranteed income⁹ for future daily and discretionary expenses using a portion of your assets.

Single Premium Immediate Annuity

An immediate annuity, like a Brighthouse Income Annuity¹⁰, can supplement:

- Healthcare savings accounts
- Pensions and Social Security
- Regular healthcare costs, such as wellness visits, prescription programs, and the like

Deferred Income Annuity

A deferred income annuity, like Brighthouse Guaranteed Income BuilderSM, can help in order to:

- Plan for future expenses with deferred income payments
- Cover assisted living expenses, gaps in primary care coverage, additional Medicare premiums, and more

Secure predictable, stable income for immediate or future healthcare expenses.

Contact your financial professional or visit brighthousefinancial.com to get a quote, receive more information, or access the Brighthouse Financial income annuity tools.

¹ Retirement Spending Experience Versus Expectations. LIMRA Secure Retirement Institute, 2017. p. 9

² Awareness of Home Equity Products Among Older Homeowners and Financial Advisors. National Council on Aging, March 2017. www.ncoa.org

³ 2018 Retirement Confidence Survey. Employee Benefits Research Institute. p. 18

⁴ 2016 Retirement Confidence Survey. Employee Benefits Research Institute.

⁵ Based on a hypothetical couple retiring in 2017, 65 years old, with average life expectancies (85 male, 87 female). Estimates are calculated for "average" retirees, but may be more or less depending on actual health status, area of residence, and longevity. Assumes individuals do not have employer-provided retiree healthcare coverage, but do qualify for Original Medicare. The calculation takes into account cost-sharing provisions (such as deductibles and coinsurance) associated with Medicare Part A and Part B (inpatient and outpatient medical insurance). It also considers Medicare Part D (prescription drug coverage) premiums and out-of-pocket costs, as well as certain services excluded by Original Medicare. The estimate does not include other health-related expenses, such as over-the-counter medications, most dental services, and long-term care. Fidelity's 2017 Retiree Health Care Cost Estimate.

⁶ The Challenge of Managing Multiple Chronic Conditions. U.S. Department of Health & Human Services, February 16, 2018. www.hhs.gov

⁷ What Is the Cost of Supplemental Health Insurance for Seniors? HealthMarkets Insurance Agency, September 26, 2018. www.healthmarkets.com

⁸ High-income amounts (2018): \$85K for single; \$170K for joint. Medicare Premiums: Rules For Higher-Income Beneficiaries. Social Security Administration, 2018. www.ssa.gov

⁹ Guarantees are subject to the financial strength and claims-paying ability of the issuing insurance company.

¹⁰ Referred to as Single Premium Immediate Annuity or SPIA in the contract and on related forms.

Brighthouse Financial income annuities, like all annuities, are insurance products and not insured by the FDIC, the NCUSIF, or any other government agency, nor are they guaranteed by, or the obligation of, the financial institution that sells them. All contract guarantees and annuity payout rates are subject to the claims-paying ability and financial strength of the issuing insurance company. They are not backed by the broker/dealer from which this annuity is purchased, by the insurance agency from which this annuity is purchased, or any affiliates of those entities, and none makes any representations or guarantees regarding the claims-paying ability and financial strength of the issuing insurance company. Similarly, the issuing insurance company does not back the financial strength of the broker/dealer or any of its affiliate.

Like most annuities, annuities from Brighthouse Financial have charges, termination provisions, and terms for keeping them in force. Please contact your financial professional for complete details.

In applying the information provided in this material, you should consider your other assets, income, and investments – such as the equity in your home, your Social Security benefits, any IRAs, savings accounts, and other plans that may provide retirement income – as those other assets may not be included in this discussion, model, or estimate.

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.

All guarantees, including any 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.

The Brighthouse Guaranteed Income BuilderSM deferred income annuity is issued by Brighthouse Life Insurance Company on Policy Form 6-1000-1 (05/14). The Single Premium Immediate Annuity is issued by Brighthouse Life Insurance Company on Policy Form Series MLIU-SPIA (07/06) and, in New York only, by Brighthouse Life Insurance Company of NY on Policy Form Series FMLI-SPIA (7/06) ("Brighthouse Financial").

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