

ANNUITIES

Single Premium Deferred & Single
Premium Deferred with Income Rider

Brighthouse Shield® Level Annuities & Brighthouse Shield Level Pay PlusSM Annuities

Index-Linked Annuities Words That Work Playbook

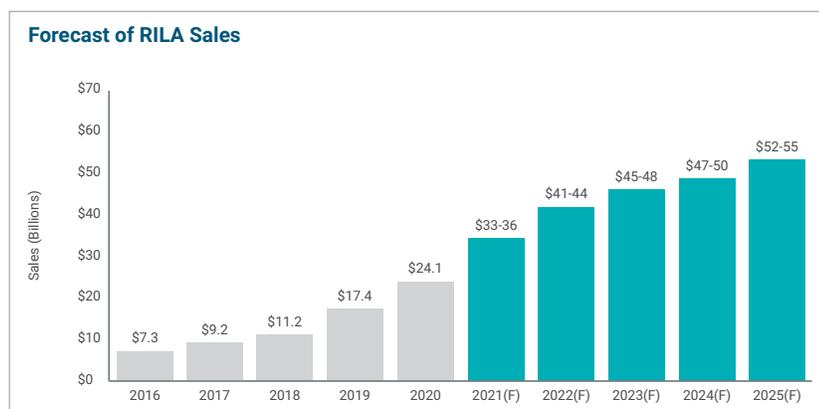


A Valuable Tool for Strengthening Client Portfolios

Brighthouse Shield® Level Annuities and Brighthouse Shield Level Pay PlusSM Annuities are registered index-linked annuities (RILAs) designed to help your clients save for retirement.¹ Through a rider, Shield Level Pay Plus annuities also provide a source of guaranteed lifetime income.² These long-term financial products let your clients participate in growth opportunities, up to a certain percentage, by tracking the performance of well-known market indices while providing a level of protection in down markets.³

Opportunity to Grow Your Business

Annual sales of RILAs are projected to grow to \$50B by 2024.⁴ This sales increase provides you with an incredible opportunity to grow your business and help your clients meet their financial goals for retirement.



Do consumers understand the potential value of index-linked annuities? Are we talking about RILAs in the right way? To answer these questions, we conducted in-depth research with consumers who are nearing retirement or recently retired. The insights provided in the following pages are designed to help you drive more effective client conversations about RILAs. By using the words that work, you may start to see better engagement and sales.

Use this playbook to:

- **Identify clients** who may benefit from index-linked annuities based on their financial situation and objectives
- **Explore the language** clients prefer when talking about RILAs

While this playbook is designed to explain the words that work when speaking to clients about RILAs, keep in mind that it's important to always present a fair, balanced, and complete explanation of the products, including any potential downsides.

¹ Brighthouse Shield Level Annuities and Brighthouse Shield Level Pay Plus Annuities are index-linked annuities, which means they track the performance of one or more market indices and do not invest directly in the markets.

² Guaranteed lifetime income depends upon staying within the parameters of the Guaranteed Lifetime Withdrawal Benefit (GLWB) Rider.

³ Clients can participate in rising markets up to their rate crediting type. Growth opportunities are based on the elected rate crediting type. The issuing insurance company will absorb losses up to the elected level of protection in falling markets. The account value will be reduced by any negative index performance beyond the level of protection. If clients do not elect the Fixed Account, they could see a substantial loss if the market declines more than their level of protection. Availability of the Fixed Account may vary by state.

⁴ A Deeper Dive: 2020 Registered Index-Linked Sales. Secure Retirement Institute, 2021.



More About Our RILAs

Brighthouse Shield Level Annuities

With a level of downside protection and growth opportunities, a Shield Level annuity can help you keep your clients' plans on track – even in uncertain markets. Plus, it features no annual fees.⁵ This product can help your clients:



Protect retirement assets

A Brighthouse Shield Level Annuity provides a level of protection to help ensure that losses are limited when markets turn volatile.



Participate in growth opportunities

With a Shield annuity, balance is built in. This means that even with a guaranteed level of protection, there are opportunities to take advantage of market growth.



Pay no annual fees

Unlike many financial products, there are no annual fees with a Shield annuity.

Brighthouse Shield® Level Select 6-Year Annuity, Brighthouse Shield® Level Select 3-Year Annuity, and Brighthouse Shield® Level Select Advisory Annuity are collectively referred to as "Shield® Level annuities" or "Shield® annuities."

⁵ Withdrawals may be subject to withdrawal charges.



More About Our RILAs

Brighthouse Shield Level Pay Plus Annuities

Shield Level Pay Plus annuities offer clients market growth opportunities coupled with a level of downside protection and, when they're ready, guaranteed income that lasts for life. Shield Level Pay Plus annuities are designed to help meet the need for reliable retirement income by offering the following advantages:



Permanent source of retirement income

Clients can enjoy guaranteed lifetime income with the opportunity to increase their withdrawal rate the longer they wait to begin payments.⁶



Protection with growth opportunities

With a Shield Level Pay Plus annuity, balance is built in by combining a level of downside protection with opportunities to participate in market growth.¹



Priced to maximize investment

Put more of your clients' money to work with a lower fee than some traditional variable annuities that have an income rider.

Brighthouse Shield Level Pay PlusSM Annuity and Brighthouse Shield Level Pay PlusSM Advisory Annuity are collectively referred to as "Shield Level Pay PlusSM annuities."

⁶ Early or excess withdrawals may affect the amount or ability to receive lifetime income. All guarantees are subject to the claims-paying ability and financial strength of the issuing insurance company. If the account value reduces to zero due to a non-excess withdrawal, or if there are insufficient funds to deduct the rider charge, lifetime income payments will be calculated using the applicable lifetime guarantee rate. If the account value is reduced to zero due to early or excess withdrawals, lifetime income payments will not be received.

How to Identify the Right Clients

Before we explore the language that clients prefer when speaking about RILAs, it's important to identify the types of clients who may benefit from index-linked annuities.

Our research points to the pivotal role you play in helping clients understand what type of product will help meet their financial goals. Because we offer two RILAs, Shield Level annuities and Shield Level Pay Plus annuities, it's important to understand the key features of each product so that you can help determine which product may meet your clients' needs. Use the chart below to get started.

	Shield Level Annuities	Shield Level Pay Plus Annuities
Age	40-50	55+
Financial Goal	Wealth accumulation	Sustainable income strategies
Life Stage	More than 5 years from retirement	Less than 5 years from retirement
Mindset	Remembers past bear markets; needs to grow retirement portfolio but wants some protection from future volatility	Looking to further diversify retirement portfolio while adding another source of guaranteed lifetime income for one or two lives
Future Option	At the end of the term, can adjust or maintain the Shield Option(s), which is a combination of term (length of time), index, Shield Rate (level of protection), and rate crediting type	Can begin receiving guaranteed lifetime income for one or two lives with a continued opportunity for growth



Good to know

See in-depth client profiles in the Find the Right Client document located on brighthousefinancialpro.com.



Overcoming Annuity Skepticism

Traditionally, many clients have had less than favorable opinions of annuities, believing they are too complex, redundant with other portfolio strategies, and have hidden “gotchas.” The good news is our research shows that consumers have become increasingly familiar with and accepting of annuities and are more willing to consider them for their retirement portfolios.

This playbook is designed to help you make the most of the opportunity to discuss the benefits of annuities using language that consumer testing indicates has the greatest potential to achieve positive results. To demonstrate consumers’ acceptance of this language, we’ve included actual quotes from real research participants.

Address Client Concerns With Targeted Language

When talking to clients about index-linked annuities, specifically Shield Level annuities and Shield Level Pay Plus annuities, consider an approach that directly addresses traditional client concerns or biases. Here's what it might look like:

Counter the notion that annuities are complex.

You should

Use words that are familiar to reduce the perception that annuities are overly complicated.

For example, say

"Annuities offer clear and understandable choices, such as term length, based on your risk tolerance and needs."

What they hear

"That's good for someone who is not a professional. The choices sound like they are very easy for the average person."
 – Research participant, age 58

Help reduce the perception of hidden fees or expenses.

You should

Clearly explain "no annual fees" by describing how these annuities are designed to help the client while the issuing insurance company shares in their success by assuming risk.

For example, say

"These annuities offer growth opportunities up to a certain percentage and, in return, the issuing insurance company absorbs a percentage of market losses."

What they hear

"The company absorbs some of that loss so you feel like they want you to do well so they can do well."
 – Research participant, age 52

"There are never any base contract fees, and the issuing insurance company provides some cushion if the market goes down."

Explain how an annuity can help strengthen a portfolio.

You should

Frame annuities as an added portfolio diversifier – not a replacement – to their assets.

For example, say

"A portion of your portfolio"

What they hear

"I like how he said allocate a portion of your portfolio."
 – Research participant, age 55

Capitalize on the growing interest in RILAs, which our research shows stand out as a strong option compared to other types of annuities.

You should

Emphasize the innovative and most attractive features of RILAs.

For example, say

“These annuities allow you to participate in growth opportunities while helping to provide a level of protection for a portion of your retirement assets in down markets.”

What they hear

“Annuities to me had a negative connotation, but these products made me more interested – from the guaranteed income to the protection. We’re in an extremely volatile market right now.”
– Research participant, age 64

Recognize that the term “index-linked” can increase familiarity and confidence among consumers.

You should

Capitalize on the fact that consumers are familiar with what it means to track an index and how that can help limit the impact of market volatility.

For example, say

“You can protect a portion of your retirement assets while offering diversified growth opportunities based on the performance of well-known market indices, which track the performance of large-cap, small-cap, and international stocks.”

What they hear

“It’s going to follow one of the major [indices]. Great!”
– Research participant, age 51

Introducing Shield Level Annuities in Four Steps

Now that we've covered how to address some typical client barriers to annuities, let's look at the language clients prefer when talking specifically about a Shield Level annuity.

1. When meeting with clients, it's important to first establish a Shield Level annuity as an annuity in general and then, more specifically, a RILA.

You say

"As an index-linked annuity, a Shield Level annuity..."

Why it works

This helps consumers make the mental connection that you're speaking about an annuity.

2. Share the benefits of a Shield Level annuity.

You say

"Participate in growth opportunities while helping to protect a portion of your retirement assets."

Why it works

Our research shows that consumers react positively to language that points directly to the core benefits of a Shield Level annuity.

3. When speaking about the protection that a Shield Level annuity can offer, avoid language that's open-ended or unclear.

When you say

"Some protection"

They hear

"That's negative. 'Some' is not good enough for me."
 – Research participant, age 61

Consider saying

"A level of protection"

They respond

"It gives you the sense that there is less risk on my side."
 – Research participant, age 64

4. Talk about the certainty a Shield Level annuity can bring to a portion of their portfolio.

You say

"Growth opportunities balanced with a level of protection can give you more certainty that your plans for retirement can stay on track."

Why it works

Our research participants reacted more positively to benefits that provide some security and stability rather than elicit positive feelings.

Layering in Income Language for Shield Level Pay Plus Annuities

The major differentiator in a Shield Level Pay Plus annuity is its ability to offer an income rider that provides the flexibility to help certain clients seeking an additional source of income. What's more, our research indicates that investors are much more willing to accept the term "guaranteed lifetime income" than even two years ago.

You say

"Shield Level Pay Plus annuities offer a source of guaranteed lifetime income."

2020 response

"Nothing in life is guaranteed."
– Research participant, 2020

2022 response

"I think guaranteed income is great. I think everybody probably wants that."
– Research participant, age 56

Additionally, when speaking about guaranteed lifetime income, it helps to use language that allows consumers to visualize what a source of reliable income could look like.⁶

You say

"Guaranteed income that lasts for life"
"Steady stream of monthly income"

Why it works

"I like that it lasts for life. It's reassuring."
– Research participant, age 49

"The emotional component is appealing ... regularly scheduled dollar amounts much like a pension."
– Research participant, age 55

When the topic of fees comes up in conversation, our research suggests that consumers appreciate when a financial professional is up front about the fees associated with Shield Level Pay Plus annuities.

When you say

"A low fee"

They hear

"Even if you say 'lower fee' it's still scary. That could be anything."
– Research participant, age 61

Consider saying

"An annual rider fee rate of 1.50%"^{7,8}

They respond

"I initially dipped with that number, but I don't think it's high, and it does show transparency."
– Research participant, age 41

Guaranteed lifetime income depends upon staying within the parameters of the rider. All guarantees are subject to the claims-paying ability and financial strength of the issuing insurance company.

⁷ Shield Level Pay Plus annuities do not have a base contract fee. Clients pay an annual rider fee rate of 1.50%. The rider fee rate is multiplied by the Benefit Base and is considered to be the rider charge. This amount is deducted from the account value for the prior contract year on each contract anniversary.

⁸ Withdrawals in excess of the Free Withdrawal Amount may be subject to withdrawal charges. Brighthouse Shield Level Pay Plus Advisory Annuity does not have a withdrawal charge.

Distinguishing Products From a Family Suite

Although Shield Level annuities and Shield Level Pay Plus annuities are distinct products designed to help meet various client needs, both products are index-linked annuities and share some common features. However, our research shows that 43% of participants preferred calling the products “a family of Shield annuities,” suggesting it could be useful to talk about the two products as a group, as opposed to talking about each product separately.

You say

“A family of Shield annuities”

They think

“I like them together. I can see them as a continuum of products.” – Research participant, age 54

“Grouping them together allows people to choose which direction they want to take.”
– Research participant, age 48

While the role of each product may be clear to you, some participants struggled to fully understand the distinction between Shield Level annuities and Shield Level Pay Plus annuities. You can help your clients better understand how each annuity could help them based on where they are in their retirement planning journey.

Those who are in the accumulation phase are more interested in the growth and protection aspects, while those in or close to retirement are thinking about what their income stream will look like. Clients in the accumulation phase might benefit from an explanation about how the products can complement each other.

What the transition from a Shield Level annuity to a Shield Level Pay Plus annuity could sound like

In the accumulation phase:

“Since you’re still 10 years from retiring and looking to build wealth, a Shield Level annuity could be a good option that lets you participate in growth opportunities while protecting a portion of your assets – all with no annual fees.”

Nearing or in retirement:

“When you’re closer to retirement and thinking about your retirement income options, you may want to consider a Shield Level Pay Plus annuity for a portion of your portfolio, where you get guaranteed lifetime income for a low rider fee rate of 1.50%.”

Our research revealed some people questioned the need for an income rider since they believe that all annuities can be turned into income. Income riders may provide advantages that a simple annuitization may not.

If clients ask

“Why pay for an income rider if I can already turn my annuity into income?”

You answer

“Our income rider ensures guaranteed lifetime income for one or two lives and offers higher withdrawal amounts the longer you wait to take income.”⁹

⁹ Guaranteed lifetime income depends upon staying within the parameters of the Guaranteed Lifetime Withdrawal Benefit (GLWB) Rider.

Quick Reference Sheet

Words That Work for when you're on the go.

Brighthouse Shield Level Annuities

You say

"An index-linked annuity such as a Shield Level annuity can help you participate in market growth opportunities while protecting a portion of your assets up to your selected level of protection."

"Choose your level of protection"

"With clear and understandable choices, such as term length, based on your risk tolerance and needs"

"There are never any annual fees because Shield Level annuities offer market growth opportunities, up to a certain percentage and, in return, the issuing insurance company absorbs a portion of market losses."

"A portion of your portfolio"

"Can help diversify your retirement plan"

"Help balance your portfolio with a growth strategy along with a level of protection."

"For your moderate risk tolerance, we could consider investments that track a market index."

Why it works

Establishes the product as an annuity while differentiating it from other types of annuities by highlighting its market growth opportunities and level of protection. This positions RILAs as moderate-risk products for retirement planning while helping lessen the loss aversion clients may feel when comparing the growth to some other financial products.

Feels more positive to investors by offering choice as opposed to "some protection," which can feel less secure.

Strikes the right balance between the ability to fit your clients' needs without overwhelming them with options.

Because investors are skeptical of "no fees," clearly explaining what they get, what the issuing insurance company gets, and what's protected "in return" helps them believe in the claim. And, it's perceived as fair.

Shows where a Shield Level annuity could play a role in their portfolio. Without being explicit about "a portion of" or "diversifying" their portfolio, investors are more likely to dismiss. Comparing to other moderate risk strategies brings familiarity to the conversation.

Brighthouse Shield Level Pay Plus Annuities

You say

“An index-linked annuity like a Shield Level Pay Plus annuity can help you participate in market growth opportunities while protecting a portion of your assets, up to your selected level of protection.”

“Guaranteed lifetime income”

“Reliable stream of monthly income”

“Built to help fill an important role in retirement planning: guaranteed lifetime income”

“As you near retirement, it’s important to be thinking about allocating a portion of your portfolio to income.”

“Alongside your other retirement income sources, a Shield Level Pay Plus annuity can offer reliable, monthly income in your diversified portfolio.”

“An income stream you can rely on – no matter how the market behaves”

“Help protect retirement assets up to a selected level of protection”

Why it works

Optimized language for Shield Level annuities is effective for Shield Level Pay Plus annuities. We can distinguish products by income + life stage language.

“Guaranteed” is seen as an attractive, believable benefit with much less skepticism than in the past. This helps investors visualize what guaranteed lifetime income means for them.

Like Shield Level annuities, investors need us to reiterate that Shield Level Pay Plus annuities are for a portion of their portfolio and play a specific role – lifetime income.

Mentioning that the income component can work alongside other income sources helps address the caveat that the lifetime amount depends on how much you put in.

Emphasizes stability + reliability to better appeal to those closer to retirement. Investors agree that they grow more conservative with their money with age.



We hope this material provided useful insights into the consumer mindset toward RILAs and how to position Shield Level annuities and Shield Level Pay Plus annuities in your client conversations.

For more resources, talk to your wholesaler or visit brighthousefinancialpro.com.

Withdrawals of taxable amounts are subject to ordinary income tax. Withdrawals made before age 59½ may also be subject to a 10% federal income tax penalty. Distributions of taxable amounts from a non-qualified annuity may also be subject to the 3.8% Net Investment Income Tax that is generally imposed on interest, dividends, and annuity income if the modified adjusted gross income exceeds the applicable threshold amount. Withdrawals will reduce the death benefit and account value. For Shield Level Pay Plus annuities, early or excess withdrawals may reduce the Benefit Base and Net Purchase Payment Amount.

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 professionals as appropriate.

Brighthouse Shield® Level Select 6-Year Annuity, Brighthouse Shield® Level Select 3-Year Annuity, Brighthouse Shield® Level Select Advisory Annuity, Brighthouse Shield Level Pay PlusSM Annuity, and Brighthouse Shield Level Pay PlusSM Advisory Annuity are index-linked annuities issued by, and product guarantees are solely the responsibility of, Brighthouse Life Insurance Company, Charlotte, NC 28277, on Policy Form L-22494 (09/12)-AV ("Brighthouse Financial"). These products are distributed by Brighthouse Securities, LLC (member FINRA). All are Brighthouse Financial affiliated companies. **The contract prospectus and contract contain information about the contract's features, risks, charges, expenses, exclusions, limitations, termination provisions, and terms for keeping the contract in force. Prospectuses and complete details about the contract are available from a financial professional and should be read carefully.** Product availability and features may vary by state or firm. Brighthouse Shield Level Pay Plus Annuity and Brighthouse Shield Level Pay Plus Advisory Annuity are not available in New York.

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