

# Brighthouse SmartGuard Plus<sup>SM</sup>

## A Case Study

### One product that can provide multiple benefits

Brighthouse SmartGuard Plus<sup>SM</sup> is a life insurance product that can do much more than offer a death benefit to help secure your family's financial future.<sup>1</sup> With the Guaranteed Distribution Rider, which is automatically included with your policy on the issue date for an additional charge, Brighthouse SmartGuard Plus can help you feel more confident about supplementing your retirement income by providing tax-advantaged guaranteed Distribution Payments.<sup>2</sup>

This product can also provide:

- Index-linked growth opportunities for policy values
- A choice of buffers that offer a level of protection from market loss

As an index-linked life insurance product, Brighthouse SmartGuard Plus tracks the performance of one or more market indices and does not invest directly in the markets. Once Distribution Payments begin, all policy values are transferred to the Fixed Account, and there is no further participation in index-linked market performance.

The following hypothetical example shows how this product can work to help you build a more reliable financial future.

### Brighthouse SmartGuard Plus in Action



Felicia – who plans to retire in 20 years – met with her financial professional to talk about protecting her family's financial future with life insurance while adding an additional source of supplemental funds for her retirement. One of the options they discussed was a Brighthouse SmartGuard Plus life insurance policy, which has a death benefit to help provide security for her loved ones should the unexpected happen. Let's see how the other product features might work for Felicia if she purchases a policy that costs **\$10,000 in premium payments per year over 10 years.**

<sup>1</sup> Policy loans may significantly reduce the death benefit; however, the GDR guarantees a minimum death benefit amount, assuming the policy and GDR remain in force. While the death benefit is generally income tax free, exceptions may apply. Other taxes including estate, gift, or generation-skipping transfer taxes may also apply. Consult with a tax professional.

<sup>2</sup> Available after the 10th policy year, Distribution Payments under the Guaranteed Distribution Rider (GDR) are in the form of policy loans and can significantly reduce the unloaned cash value and death benefit amount. When the cash value reaches zero, the GDR will continue to support the availability of Distribution Payments. See the prospectus for more details. A policy loan is generally not treated as a taxable distribution, but exceptions may apply. Consult with a tax professional.

## Growth Opportunities and a Level of Protection

To help grow her policy value, Felicia can choose to track the performance of one or more of the following indices: the S&P 500® Index, the Russell 2000® Index, and the MSCI EAFE Index.<sup>A,B,C</sup> To provide some protection from market volatility for her policy value, she can choose a Buffer Rate (level of downside protection) of 10%, 15%, 20%, or 100%. Each Buffer Rate is paired with a corresponding Cap Rate, which is the maximum growth that can be earned at the end of the 1-year term for the selected Buffer Rate based on index performance. The higher the Buffer Rate Felicia chooses, the lower the Cap Rate will be.

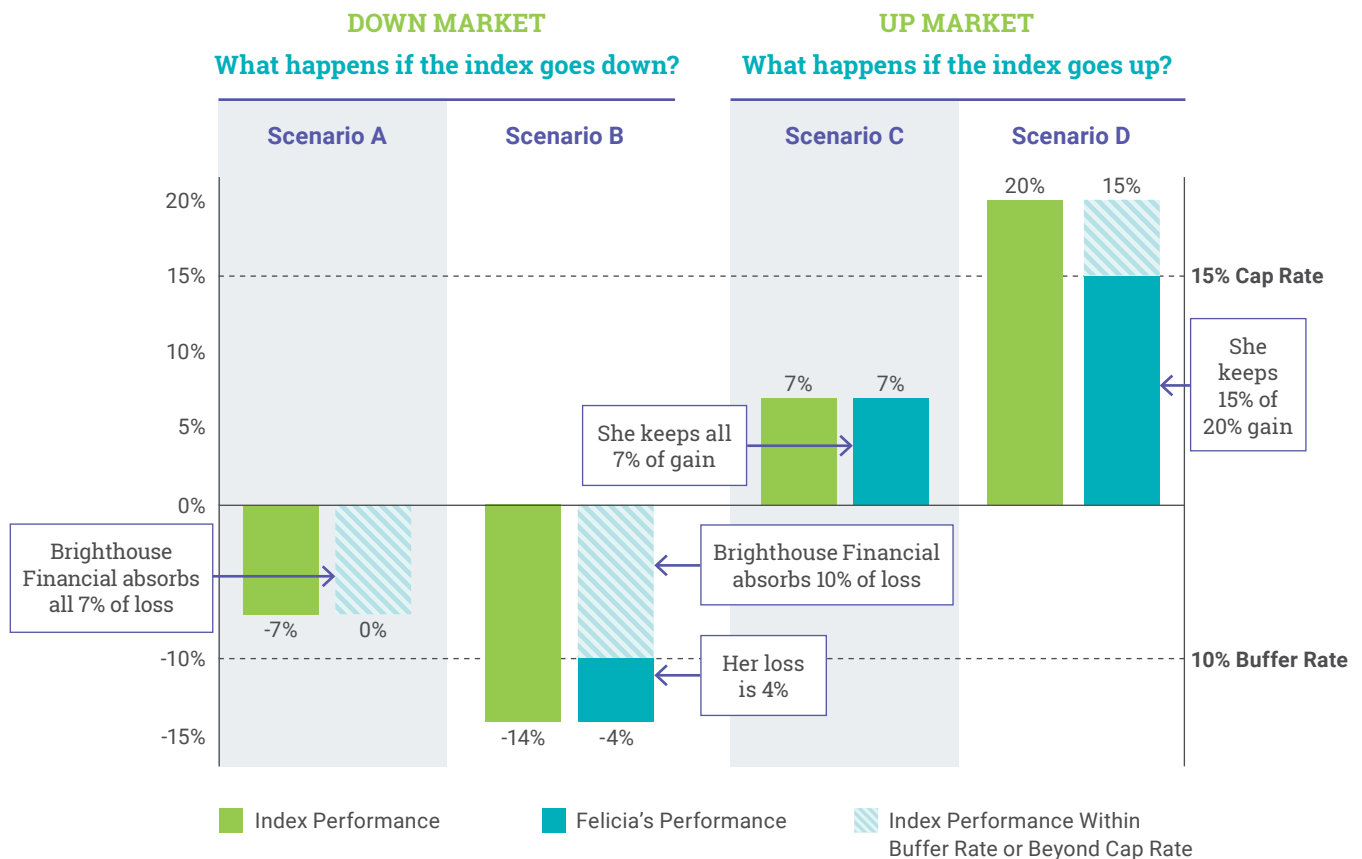
Felicia chooses the following options to protect and potentially grow her policy values. Let's see how these options can work in both up- and down-market scenarios for a 1-year term.

Hypothetical example for illustrative purposes only. The scenario below does not reflect any charges. Actual performance may be greater or less than what is shown and will differ based on the chosen Buffer Rate and Cap Rate. Brighthouse SmartGuard Plus does not invest directly in any index.

**Premium Payments  
Made Over 10 Years:  
\$100,000**

**Buffer Rate:  
10% level of protection**

**Cap Rate:  
15%**



Participate in rising markets up to your Cap Rate. The Buffer Rate and Cap Rate accrue daily and fully accrue on the term end date. The issuing insurance company will absorb losses up to your level of protection in falling markets. Your policy's cash value will be reduced by any negative index performance beyond your chosen level of protection. If you elect an Indexed Account, you could experience a loss if the market declines more than your level of protection.

## Guaranteed Distribution Payments

After Felicia’s policy has been in force for at least 10 years, the Guaranteed Distribution Rider would allow her to take guaranteed Distribution Payments from her policy’s cash value, which she can use to supplement her sources of retirement income.<sup>2</sup> Felicia can choose to receive Distribution Payments for 10 years, 20 years, or for her lifetime. The hypothetical performance chart below shows that the Distribution Payments that would be available to Felicia can be considered as either a minimum or a maximum amount.

The Guaranteed Minimum Distribution Payment amount is contractually declared at issue and would vary based on Felicia’s age, how long she waits to take payments, the frequency of those payments, and other factors. While the minimum amount doesn’t grow based on index performance, it increases every 5 policy years up to age 70 (policy year 23 in the chart) until the GDR is exercised.

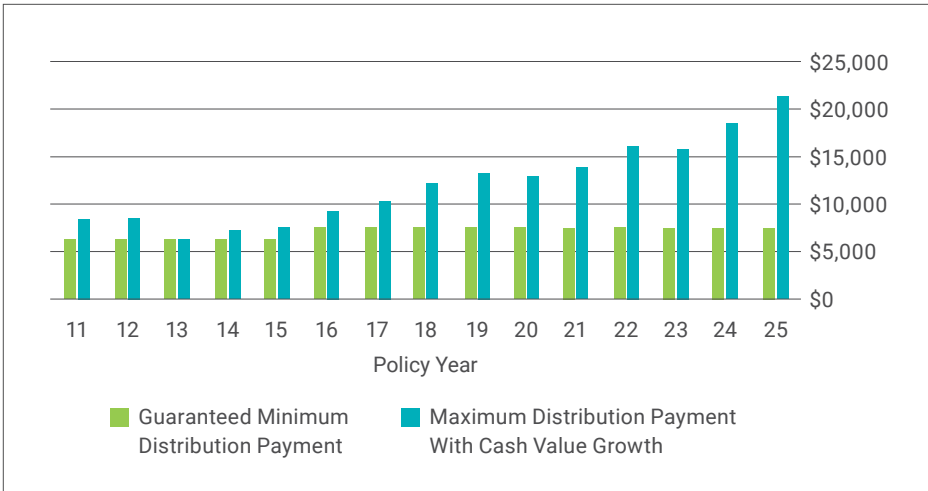
In this scenario, Maximum Distribution Payments reflect the growth of the cash value based on historical index performance. As you can see in the chart, the longer Felicia waits to begin taking Distribution Payments, the longer her policy’s cash value has the opportunity to grow and the more her Maximum Distribution Payment could be.

Hypothetical example for illustrative purposes only. This example does not reflect actual values. The scenario below assumes premium payments made over 10 years in a Brighthouse SmartGuard Plus policy tracking the performance of the S&P 500 Index without dividends paid from 1996 to 2022. A hypothetical 10% Buffer Rate and a 15% Cap Rate have been applied. The scenario also assumes an annual deduction is applied each year and deducted from the cash value, and assumes there are no annual inflation adjustments or tax implications. Past performance does not guarantee future results. Actual performance may be greater or less than what is shown.

**Guaranteed Minimum Distribution Payments  
vs. Maximum Distribution Payment With Cash Value Growth**

If the underlying index performs favorably, both the cash value and Maximum Distribution Payment in Felicia’s policy will go up.

Felicia’s Distribution Payments will never fall below a guaranteed minimum amount.



## Death Benefit Protection

Before or after Felicia starts taking Distribution Payments, Brighthouse SmartGuard Plus can help ensure her family’s financial security through a death benefit that is generally income tax free and can be used by her loved ones to help them maintain their lifestyle and possibly fund future plans.<sup>1</sup>

Once Felicia begins taking Distribution Payments, her death benefit significantly reduces until eventually reaching minimum policy proceeds of \$10,000.<sup>3</sup>

<sup>3</sup> Minimum policy proceeds of \$10,000 are only available after the Distribution Start Date and while the GDR is in force.

## Important Information About the GDR

Once Distribution Payments begin, all policy values are transferred to the Fixed Account, and there is no further participation in index-linked market performance. Separate from your scheduled Distribution Payments, a One-Time Payment can only be elected once. This amount cannot exceed the lesser of \$150,000 or three times your Maximum Distribution Payment. Distribution Payments and One-Time Payments are paid from the policy's cash value and are in the form of policy loans. Upon payment, the Fixed Account cash value is reduced by the amount of the loan, which is transferred to the Loan Account. The GDR will increase your policy's cash value as necessary to prevent these loans from causing your policy to lapse. After your Distribution Start Date, if you take policy loans in excess of the amount available to you as a Maximum Distribution Payment or One-Time Payment, the GDR will terminate. When the GDR has terminated, your policy's cash value will no longer receive any increase from the GDR and, without repayment of outstanding loans, your policy may lapse. Loan balances are charged interest at a rate of no more than 8% annually.

Investment performance is not guaranteed.

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**This material must be preceded or accompanied by a prospectus for Brighthouse SmartGuard Plus, issued by Brighthouse Life Insurance Company, which contains information about the policy's features, risks, charges, and expenses. Clients should read the prospectus, which is available from their financial professional, and consider its information carefully before investing. Brighthouse Financial has the right to substitute an index prior to the end of a term if an index is discontinued or we determine that our use of such index should be discontinued.**

**Brighthouse SmartGuard Plus has limitations, exclusions, charges, termination provisions, and terms for keeping it in force, and is not guaranteed by the broker/dealer, the insurance agency, the underwriter, or any affiliates of those entities from which they were purchased. All representations and policy guarantees, including the death benefit and guaranteed distribution payments provided by the Guaranteed Distribution Rider, are subject to the claims-paying ability and financial strength of the issuing insurance company. Because the client agrees to absorb all losses beyond their chosen Buffer Rate, there is a risk of substantial loss of principal. Please refer to "Risk Factors" in the contract prospectus for more details.**

Brighthouse Life Insurance Company (BLIC) holds any net premium amounts applied to an Indexed Account in a Separate Account. BLIC maintains assets in the Separate Account at least equal to the policy's required reserves, which equals the policy reserves associated with the Indexed Accounts. Required reserves do not include reserves held in the Fixed Account, reserves for outstanding loans, or reserves associated with Distribution Payments or One-Time Payments. BLIC is obligated to pay all money owed under the policy, including policy proceeds and Distribution Payments, even if that amount exceeds the assets in the Separate Account. Any such amount that exceeds the assets in the Separate Account is paid from the BLIC General Account. Amounts paid from the General Account are subject to the financial strength and claims-paying ability of BLIC and are not guaranteed by any other party.

Distribution Payments under the Guaranteed Distribution Rider are made in the form of policy loans. A policy loan is generally not treated as a taxable distribution if the policy is not a modified endowment contract (MEC) as defined under Internal Revenue Code Section 7702A and the policy remains in force during the lifetime of the insured. As a result, the company generally does not intend to report the benefits payable under the GDR to the IRS as taxable income based upon our current understanding of applicable tax law. Taxation and tax reporting may apply if the policy lapses, is surrendered, or becomes a MEC. The tax law is complex and subject to change. The company's tax reporting position may change in the future due to future IRS guidance as well as any clarifications or changes to applicable tax law. The company cannot guarantee particular tax results. 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 to determine the tax consequences of the GDR and the policy.

Brighthouse SmartGuard Plus<sup>SM</sup> is a registered index-linked flexible premium adjustable life insurance policy with a Guaranteed Distribution Rider (GDR) issued by, and product guarantees are solely the responsibility of, Brighthouse Life Insurance Company, Charlotte, NC 28277, on Policy Forms 5-71-22 and 5GDR-22 ("Brighthouse Financial"). This product is distributed by Brighthouse Securities, LLC (member FINRA). All are Brighthouse Financial affiliated companies. Product availability and features may vary by state or firm. This product is currently not available in New York.

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