UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ___ to ___

Commission File Number: 033-03094

Brighthouse Life Insurance Company

(Exact name of registrant as specified in its charter)

Delaware	**06-0566090**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
11225 North Community House Road, Charlotte, North Carolina	**28277**
(Address of principal executive offices)	*(Zip Code)*

(980) 365-7100
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Title of each class	Trading symbol(s)	Name of each exchange on which registered

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☑	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of May 9, 2024, 3,000 shares of the registrant's common stock were outstanding, all of which were owned indirectly by Brighthouse Financial, Inc.

REDUCED DISCLOSURE FORMAT

The registrant meets the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and is, therefore, filing this Form 10-Q with the reduced disclosure format.

Table of Contents

Part I — Financial Information

Item 1. Financial Statements

Brighthouse Life Insurance Company
(An Indirect Wholly-Owned Subsidiary of Brighthouse Financial, Inc.)

Interim Condensed Consolidated Balance Sheets
March 31, 2024 (Unaudited) and December 31, 2023

(In millions, except share and per share data)

	March 31, 2024	December 31, 2023
Assets		
Investments:		
Fixed maturity securities available-for-sale, at estimated fair value (amortized cost: $86,575 and $86,129, respectively; allowance for credit losses of $25 and $21, respectively)	$ 79,602	$ 80,085
Equity securities, at estimated fair value	47	66
Mortgage loans (net of allowance for credit losses of $142 and $137, respectively)	22,634	22,475
Policy loans	1,256	938
Limited partnerships and limited liability companies	4,919	4,946
Short-term investments, principally at estimated fair value	654	574
Other invested assets, principally at estimated fair value (net of allowance for credit losses of $12 and $13, respectively)	4,749	4,411
Total investments	113,861	113,495
Cash and cash equivalents	3,147	3,165
Accrued investment income	1,276	1,163
Premiums, reinsurance and other receivables (net of allowance for credit losses of $3 and $3, respectively)	19,874	19,389
Deferred policy acquisition costs and value of business acquired	4,456	4,487
Current income tax recoverable	28	24
Deferred income tax asset	2,037	1,833
Market risk benefit assets	839	656
Other assets	285	302
Separate account assets	83,489	81,690
Total assets	$ 229,292	$ 226,204
Liabilities and Equity		
Liabilities		
Future policy benefits	$ 31,870	$ 32,149
Policyholder account balances	83,294	80,193
Market risk benefit liabilities	8,985	10,344
Other policy-related balances	3,587	3,619
Payables for collateral under securities loaned and other transactions	3,642	3,660
Long-term debt	835	836
Other liabilities	8,359	7,772
Separate account liabilities	83,489	81,690
Total liabilities	224,061	220,263
Contingencies, Commitments and Guarantees (Note 12)		
Equity		
Brighthouse Life Insurance Company's stockholder's equity:		
Common stock, par value $25,000 per share; 4,000 shares authorized; 3,000 shares issued and outstanding	75	75
Additional paid-in capital	17,507	17,507
Retained earnings (deficit)	(7,107)	(6,542)
Accumulated other comprehensive income (loss)	(5,259)	(5,114)
Total Brighthouse Life Insurance Company's stockholder's equity	5,216	5,926
Noncontrolling interests	15	15
Total equity	5,231	5,941
Total liabilities and equity	$ 229,292	$ 226,204

See accompanying notes to the interim condensed consolidated financial statements.

Brighthouse Life Insurance Company
(An Indirect Wholly-Owned Subsidiary of Brighthouse Financial, Inc.)

Interim Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)
For the Three Months Ended March 31, 2024 and 2023 (Unaudited)

(In millions)

	Three Months Ended March 31,	
	2024	2023
Revenues		
Premiums	$ 201	$ 190
Universal life and investment-type product policy fees	305	474
Net investment income	1,223	1,035
Other revenues	123	87
Net investment gains (losses)	(43)	(96)
Net derivative gains (losses)	(1,933)	(588)
Total revenues	(124)	1,102
Expenses		
Policyholder benefits and claims (including liability remeasurement gains (losses) of $0 and $0, respectively)	984	644
Interest credited to policyholder account balances	496	416
Amortization of deferred policy acquisition costs and value of business acquired	138	142
Change in market risk benefits	(1,438)	198
Other expenses	429	394
Total expenses	609	1,794
Income (loss) before provision for income tax	(733)	(692)
Provision for income tax expense (benefit)	(168)	(167)
Net income (loss)	(565)	(525)
Less: Net income (loss) attributable to noncontrolling interests	—	—
Net income (loss) attributable to Brighthouse Life Insurance Company	$ (565)	$ (525)
Comprehensive income (loss)	$ (710)	$ 268
Less: Comprehensive income (loss) attributable to noncontrolling interests	—	—
Comprehensive income (loss) attributable to Brighthouse Life Insurance Company	$ (710)	$ 268

See accompanying notes to the interim condensed consolidated financial statements.

Brighthouse Life Insurance Company
(An Indirect Wholly-Owned Subsidiary of Brighthouse Financial, Inc.)

Interim Condensed Consolidated Statements of Equity
For the Three Months Ended March 31, 2024 and 2023 (Unaudited)

(In millions)

	Common Stock	Additional Paid-in Capital	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Brighthouse Life Insurance Company's Stockholder's Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2023	$ 75	$ 17,507	$ (6,542)	$ (5,114)	$ 5,926	$ 15	$ 5,941
Net income (loss)			(565)		(565)		(565)
Other comprehensive income (loss), net of income tax				(145)	(145)		(145)
Balance at March 31, 2024	$ 75	$ 17,507	$ (7,107)	$ (5,259)	$ 5,216	$ 15	$ 5,231

	Common Stock	Additional Paid-in Capital	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Brighthouse Life Insurance Company's Stockholder's Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2022	$ 75	$ 17,773	$ (5,418)	$ (5,931)	$ 6,499	$ 15	$ 6,514
Net income (loss)			(525)		(525)		(525)
Other comprehensive income (loss), net of income tax				793	793		793
Balance at March 31, 2023	$ 75	$ 17,773	$ (5,943)	$ (5,138)	$ 6,767	$ 15	$ 6,782

See accompanying notes to the interim condensed consolidated financial statements.

Brighthouse Life Insurance Company
(An Indirect Wholly-Owned Subsidiary of Brighthouse Financial, Inc.)

Interim Condensed Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2024 and 2023 (Unaudited)

(In millions)

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Net cash provided by (used in) operating activities	$ (595)	$ (511)
Cash flows from investing activities		
Sales, maturities and repayments of:		
Fixed maturity securities	2,241	1,459
Equity securities	24	2
Mortgage loans	281	262
Limited partnerships and limited liability companies	78	37
Purchases of:		
Fixed maturity securities	(2,426)	(1,854)
Equity securities	(1)	(1)
Mortgage loans	(446)	(173)
Limited partnerships and limited liability companies	(79)	(121)
Cash received in connection with freestanding derivatives	3,561	1,106
Cash paid in connection with freestanding derivatives	(3,174)	(1,752)
Receipts on loans to affiliate	—	50
Net change in policy loans	(318)	10
Net change in short-term investments	(85)	(195)
Net change in other invested assets	(201)	(18)
Net cash provided by (used in) investing activities	(545)	(1,188)
Cash flows from financing activities		
Policyholder account balances:		
Deposits	7,696	6,743
Withdrawals	(6,426)	(5,269)
Net change in payables for collateral under securities loaned and other transactions	(18)	(159)
Short-term debt repaid	—	(50)
Financing element on certain derivative instruments and other derivative related transactions, net	(130)	84
Net cash provided by (used in) financing activities	1,122	1,349
Change in cash, cash equivalents and restricted cash	(18)	(350)
Cash, cash equivalents and restricted cash, beginning of period	3,165	3,752
Cash, cash equivalents and restricted cash, end of period	$ 3,147	$ 3,402
Supplemental disclosures of cash flow information		
Net cash paid (received) for:		
Interest	$ 34	$ 36
Income tax	$ 1	$ —

See accompanying notes to the interim condensed consolidated financial statements.

1. Business, Basis of Presentation and Summary of Significant Accounting Policies

Business

"BLIC" and the "Company" refer to Brighthouse Life Insurance Company, a Delaware corporation originally incorporated in Connecticut in 1863, and its subsidiaries. Brighthouse Life Insurance Company is a wholly-owned subsidiary of Brighthouse Holdings, LLC ("BH Holdings") and an indirect wholly-owned subsidiary of Brighthouse Financial, Inc. ("BHF" and together with its subsidiaries, "Brighthouse Financial"). BLIC offers a range of annuity and life insurance products to individuals. The Company is organized into three segments: Annuities; Life; and Run-off. In addition, the Company reports certain of its results of operations in Corporate & Other.

Basis of Presentation

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to adopt accounting policies and make estimates and assumptions that affect amounts reported on the interim condensed consolidated financial statements. In applying these policies and estimates, management makes subjective and complex judgments that frequently require assumptions about matters that are inherently uncertain. Many of these policies, estimates and related judgments are common in the insurance and financial services industries; others are specific to the Company's business and operations. Actual results could differ from these estimates.

Consolidation

The accompanying interim condensed consolidated financial statements include the accounts of Brighthouse Life Insurance Company and its subsidiaries, as well as partnerships and limited liability companies ("LLC") that the Company controls. Intercompany accounts and transactions have been eliminated.

The Company uses the equity method of accounting for investments in limited partnerships and LLCs when it has more than a minor ownership interest or more than a minor influence over the investee's operations. The Company generally recognizes its share of the investee's earnings on a three-month lag in instances where the investee's financial information is not sufficiently timely or when the investee's reporting period differs from the Company's reporting period. When the Company has virtually no influence over the investee's operations, the investment is carried at fair value.

Since the Company is a member of a controlled group of affiliated companies, its results may not be indicative of those of a standalone entity.

The accompanying interim condensed consolidated financial statements are unaudited and reflect all adjustments (including normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows for the interim periods presented in conformity with GAAP. Interim results are not necessarily indicative of full year performance. The December 31, 2023 consolidated balance sheet data was derived from audited consolidated financial statements included in Brighthouse Life Insurance Company's Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Annual Report"), which include all disclosures required by GAAP. Therefore, these interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements of the Company included in the 2023 Annual Report.

Adoption of New Accounting Pronouncements

Changes to GAAP are established by the Financial Accounting Standards Board ("FASB") in the form of accounting standards updates ("ASU") to the FASB Accounting Standards Codification. The Company considers the applicability and impact of all ASUs. There were no significant ASUs adopted during the period ended March 31, 2024.

Future Adoption of New Accounting Pronouncements

In December 2023, the FASB issued new guidance on Income Tax Disclosures (ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*). This ASU updates the required income tax disclosures to include disclosure of income taxes paid disaggregated by jurisdiction and greater disaggregation of information in the required rate reconciliation. This ASU is effective for fiscal years starting January 1, 2025, and will be applied on a prospective basis. The Company is currently evaluating the impact of this guidance on its financial statements.

In November 2023, the FASB issued new guidance on Segment Reporting Disclosures (ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*). This ASU updates reportable segment disclosures primarily through enhanced disclosures about significant segment expenses. This ASU does not change how a company identifies its operating segments, aggregates those operating segments, or applies the quantitative thresholds to determine its reportable segments. This ASU is effective for fiscal years starting January 1, 2024, and for interim periods starting January 1, 2025, and will be applied on a retrospective basis. The Company is currently evaluating the impact of this guidance on its financial statements.

2. Segment Information

The Company is organized into three segments: Annuities; Life; and Run-off. In addition, the Company reports certain of its results of operations in Corporate & Other.

Annuities

The Annuities segment consists of a variety of variable, fixed, index-linked and income annuities designed to address contract holders' needs for protected wealth accumulation on a tax-deferred basis, wealth transfer and income security.

Life

The Life segment consists of insurance products, including term, universal, whole and variable life products designed to address policyholders' needs for financial security and protected wealth transfer, which may be on a tax-advantaged basis.

Run-off

The Run-off segment consists primarily of products that are no longer actively sold and are separately managed, including universal life with secondary guarantees ("ULSG"), structured settlements, pension risk transfer contracts, certain company-owned life insurance policies and certain funding agreements.

Corporate & Other

Corporate & Other contains the excess capital not allocated to the segments and interest expense related to the Company's outstanding debt, as well as expenses associated with certain legal proceedings and income tax audit issues. Corporate & Other also includes long-term care business reinsured through 100% quota share reinsurance agreements and activities related to funding agreements associated with the Company's institutional spread margin business.

Financial Measures and Segment Accounting Policies

Adjusted earnings is a financial measure used by management to evaluate performance and facilitate comparisons to industry results. Consistent with GAAP guidance for segment reporting, adjusted earnings is also used to measure segment performance. The Company believes the presentation of adjusted earnings, as the Company measures it for management purposes, enhances the understanding of its performance by the investor community by highlighting the results of operations and the underlying profitability drivers of the business.

Adjusted earnings, which may be positive or negative, focuses on the Company's primary businesses by excluding the impact of market volatility, which could distort trends. The Company uses the term "adjusted loss" throughout this report to refer to negative adjusted earnings values.

The following are significant items excluded from total revenues in calculating adjusted earnings:

- Net investment gains (losses); and
- Net derivative gains (losses), excluding earned income and amortization of premium on derivatives that are hedges of investments or that are used to replicate certain investments, but do not qualify for hedge accounting treatment ("Investment Hedge Adjustments").

The following are significant items excluded from total expenses in calculating adjusted earnings:

- Change in market risk benefits ("MRB"); and
- Change in fair value of the crediting rate on experience-rated contracts ("Market Value Adjustments").

The provision for income tax related to adjusted earnings is calculated using the statutory tax rate of 21%, net of impacts related to the dividends received deduction, tax credits and current period non-recurring items.

Brighthouse Life Insurance Company
(An Indirect Wholly-Owned Subsidiary of Brighthouse Financial, Inc.)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

2. Segment Information (continued)

The segment accounting policies are the same as those used to prepare the Company’s interim condensed consolidated financial statements, except for the adjustments to calculate adjusted earnings described above. In addition, segment accounting policies include the methods of capital allocation described below.

Segment investment and capitalization targets are based on statutory oriented risk principles and metrics. Segment invested assets backing liabilities are based on net statutory liabilities plus excess capital. For the variable annuity business, the excess capital held is based on the target statutory total asset requirement consistent with the Company’s variable annuity risk management strategy. For insurance businesses other than variable annuities, excess capital held is based on a percentage of required statutory risk-based capital. Assets in excess of those allocated to the segments, if any, are held in Corporate & Other. Segment net investment income reflects the performance of each segment’s respective invested assets.

Operating results by segment, as well as Corporate & Other, were as follows:

	Three Months Ended March 31, 2024				
	Annuities	Life	Run-off	Corporate & Other	Total
	(In millions)				
Pre-tax adjusted earnings (loss)	$ 375	$ (95)	$ (432)	$ (35)	$ (187)
Provision for income tax expense (benefit)	71	(21)	(91)	(13)	(54)
Post-tax adjusted earnings (loss)	304	(74)	(341)	(22)	(133)
Less: Net income (loss) attributable to noncontrolling interests	—	—	—	—	—
Adjusted earnings (loss)	$ 304	$ (74)	$ (341)	$ (22)	(133)
Adjustments for:					
Net investment gains (losses)					(43)
Net derivative gains (losses), excluding investment hedge adjustments of $13					(1,946)
Change in market risk benefits					1,438
Market value adjustments					5
Provision for income tax (expense) benefit					114
Net income (loss) attributable to Brighthouse Life Insurance Company					$ (565)
Interest revenue	$ 674	$ 96	$ 316	$ 150	
Interest expense	$ —	$ —	$ —	$ 17	

Brighthouse Life Insurance Company
(An Indirect Wholly-Owned Subsidiary of Brighthouse Financial, Inc.)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

2. Segment Information (continued)

	Three Months Ended March 31, 2023				
	Annuities	Life	Run-off	Corporate & Other	Total
	(In millions)				
Pre-tax adjusted earnings (loss)	$ 362	$ 26	$ (133)	$ (18)	$ 237
Provision for income tax expense (benefit)	68	5	(28)	(16)	29
Post-tax adjusted earnings (loss)	294	21	(105)	(2)	208
Less: Net income (loss) attributable to noncontrolling interests	—	—	—	—	—
Adjusted earnings (loss)	$ 294	$ 21	$ (105)	$ (2)	208
Adjustments for:					
Net investment gains (losses)					(96)
Net derivative gains (losses), excluding investment hedge adjustments of $39					(627)
Change in market risk benefits					(198)
Market value adjustments					(8)
Provision for income tax (expense) benefit					196
Net income (loss) attributable to Brighthouse Life Insurance Company					$ (525)
Interest revenue	$ 592	$ 89	$ 254	$ 139	
Interest expense	$ —	$ —	$ —	$ 18	

Total revenues by segment, as well as Corporate & Other, were as follows:

	Three Months Ended March 31,	
	2024	2023
	(In millions)	
Annuities	$ 1,196	$ 1,058
Life	163	248
Run-off	356	380
Corporate & Other	150	139
Adjustments	(1,989)	(723)
Total	$ (124)	$ 1,102

Total assets by segment, as well as Corporate & Other, were as follows at:

	March 31, 2024	December 31, 2023
	(In millions)	
Annuities	$ 160,736	$ 157,614
Life	19,948	20,363
Run-off	26,518	26,849
Corporate & Other	22,090	21,378
Total	$ 229,292	$ 226,204

3. Insurance Liabilities

Liability for Future Policy Benefits

Information regarding liability for future policy benefits ("LFPB") for non-participating traditional and limited-payment contracts was as follows:

	Three Months Ended March 31,					
	2024			2023		
	Term and Whole Life Insurance	Income Annuities	Structured Settlement and Pension Risk Transfer Annuities	Term and Whole Life Insurance	Income Annuities	Structured Settlement and Pension Risk Transfer Annuities
	(Dollars in millions)					
Present value of expected net premiums:						
Balance, beginning of period	$ 2,899	$ —	$ —	$ 2,804	$ —	$ —
Beginning balance at original discount rate	3,162	—	—	3,146	—	—
Effect of model refinements	1	—	—	—	—	—
Effect of actual variances from expected experience	(7)	—	—	(6)	—	—
Adjusted beginning of period balance	3,156	—	—	3,140	—	—
Issuances	24	—	—	24	—	—
Interest accrual	28	—	—	27	—	—
Net premiums collected	(91)	—	—	(89)	—	—
Ending balance at original discount rate	3,117	—	—	3,102	—	—
Effect of changes in discount rate assumptions	(309)	—	—	(273)	—	—
Balance, end of period	$ 2,808	$ —	$ —	$ 2,829	$ —	$ —
Present value of expected future policy benefits:						
Balance, beginning of period	$ 5,385	$ 3,719	$ 6,697	$ 5,172	$ 3,469	$ 6,793
Beginning balance at original discount rate	5,905	3,993	7,085	5,816	3,848	7,410
Effect of model refinements	1	—	—	—	—	—
Effect of actual variances from expected experience	(5)	4	(2)	(6)	(18)	(31)
Adjusted beginning of period balance	5,901	3,997	7,083	5,810	3,830	7,379
Issuances	25	98	—	25	77	—
Interest accrual	54	38	77	53	36	79
Benefit payments	(146)	(103)	(147)	(129)	(89)	(145)
Ending balance at original discount rate	5,834	4,030	7,013	5,759	3,854	7,313
Effect of changes in discount rate assumptions	(621)	(347)	(576)	(505)	(282)	(385)
Balance, end of period	$ 5,213	$ 3,683	$ 6,437	$ 5,254	$ 3,572	$ 6,928
Net liability for future policy benefits, end of period	$ 2,405	$ 3,683	$ 6,437	$ 2,425	$ 3,572	$ 6,928
Less: Reinsurance recoverable, end of period	23	31	62	31	27	69
Net liability for future policy benefits, after reinsurance recoverable	$ 2,382	$ 3,652	$ 6,375	$ 2,394	$ 3,545	$ 6,859
Weighted-average duration of liability	8.8 years	8.2 years	11.6 years	8.4 years	8.4 years	11.6 years
Weighted-average interest accretion rate	3.91 %	4.00 %	4.46 %	3.93 %	3.88 %	4.46 %
Current discount rate	5.24 %	5.24 %	5.32 %	4.90 %	4.92 %	5.00 %
Gross premiums or assessments recognized during period	$ 139	$ 121	$ —	$ 150	$ 95	$ —
Expected future gross premiums, undiscounted	$ 5,889	$ —	$ —	$ 6,426	$ —	$ —
Expected future gross premiums, discounted	$ 4,449	$ —	$ —	$ 4,793	$ —	$ —
Expected future benefit payments, undiscounted	$ 8,055	$ 5,669	$ 13,622	$ 7,937	$ 5,292	$ 14,224
Expected future benefit payments, discounted	$ 5,834	$ 4,030	$ 7,013	$ 5,759	$ 3,854	$ 7,313

3. Insurance Liabilities (continued)

Information regarding the additional insurance liabilities for universal life-type contracts with secondary guarantees was as follows:

	Three Months Ended March 31,	
	2024	2023
	(Dollars in millions)	
Balance, beginning of period	$ 7,607	$ 6,935
Beginning balance before the effect of unrealized gains and losses	7,784	7,175
Effect of actual variances from expected experience	40	34
Adjusted beginning of period balance	7,824	7,209
Interest accrual	94	87
Net assessments collected	103	101
Benefit payments	(115)	(103)
Ending balance before the effect of unrealized gains and losses	7,906	7,294
Effect of unrealized gains and losses	(220)	(171)
Balance, end of period	7,686	7,123
Less: Reinsurance recoverable, end of period	1,447	1,397
Net additional liability, after reinsurance recoverable	$ 6,239	$ 5,726
Weighted-average duration of liability	6.7 years	6.7 years
Weighted-average interest accretion rate	4.93 %	4.91 %
Gross assessments recognized during period	$ 254	$ 256

A reconciliation of the net LFPBs for nonparticipating traditional and limited-payment contracts and the additional insurance liabilities for universal life-type contracts with secondary guarantees reported in the preceding rollforward tables to LFPBs on the consolidated balance sheets was as follows at:

	March 31,	
	2024	2023
	(In millions)	
Liabilities reported in the preceding rollforward tables	$ 20,211	$ 20,048
Long-term care insurance (1)	5,375	5,763
ULSG liabilities, including liability for profits followed by losses	2,591	2,654
Participating whole life insurance (2)	2,875	2,729
Deferred profit liabilities	476	369
Other	342	407
Total liability for future policy benefits	$ 31,870	$ 31,970

(1) Includes liabilities related to fully reinsured individual long-term care insurance. See Note 2.

(2) Participating whole life insurance uses an interest assumption based on the non-forfeiture interest rate, ranging from 3.5% to 4.0%, and mortality rates guaranteed in calculating the cash surrender values described in such contracts, and also includes a liability for terminal dividends. Participating whole life insurance represented 3% of the Company's life insurance in-force at both March 31, 2024 and 2023, and 40% and 42% of gross traditional life insurance premiums for the three months ended March 31, 2024 and 2023, respectively.

3. Insurance Liabilities (continued)

Policyholder Account Balances

Information regarding policyholder account balances was as follows:

	Universal Life Insurance	Variable Annuities (1)	Index-linked Annuities	Fixed Rate Annuities	ULSG	Company-Owned Life Insurance (1)
	(Dollars in millions)					
Three Months Ended March 31, 2024						
Balance, beginning of period	$ 1,980	$ 4,111	$ 41,627	$ 14,672	$ 5,052	$ 653
Premiums and deposits	56	19	2,052	637	162	—
Surrenders and withdrawals	(12)	(172)	(1,274)	(441)	(4)	—
Benefit payments	(15)	(24)	(77)	(84)	(17)	(3)
Net transfers from (to) separate account	10	28	—	—	—	200
Interest credited	20	25	138	139	40	8
Policy charges	(49)	(5)	(4)	—	(249)	(2)
Changes related to embedded derivatives	—	—	1,888	—	—	—
Balance, end of period	$ 1,990	$ 3,982	$ 44,350	$ 14,923	$ 4,984	$ 856
Weighted-average crediting rate (2)	1.01 %	0.62 %	0.41 %	0.94 %	0.80 %	1.06 %
Three Months Ended March 31, 2023						
Balance, beginning of period	$ 2,100	$ 4,664	$ 33,896	$ 14,274	$ 5,307	$ 641
Premiums and deposits	49	27	1,677	912	171	—
Surrenders and withdrawals	(61)	(163)	(785)	(506)	(6)	—
Benefit payments	(23)	(31)	(50)	(102)	(38)	(2)
Net transfers from (to) separate account	3	9	—	—	—	—
Interest credited	16	39	96	106	43	7
Policy charges	(51)	(6)	(2)	—	(258)	(2)
Changes related to embedded derivatives	—	—	1,090	—	—	—
Balance, end of period	$ 2,033	$ 4,539	$ 35,922	$ 14,684	$ 5,219	$ 644
Weighted-average crediting rate (2)	0.77 %	0.85 %	0.32 %	0.73 %	0.82 %	1.09 %

____

(1) Includes liabilities related to separate account products where the contract holder elected a general account investment option.

(2) Excludes the effects of embedded derivatives related to index-linked crediting rates.

A reconciliation of policyholder account balances reported in the preceding rollforward table to the liability for policyholder account balances on the consolidated balance sheets was as follows at:

	March 31,	
	2024	2023
	(In millions)	
Policyholder account balances reported in the preceding rollforward table	$ 71,085	$ 63,041
Funding agreements classified as investment contracts	11,245	11,151
Other investment contract liabilities	964	1,017
Total policyholder account balances	$ 83,294	$ 75,209

3. Insurance Liabilities (continued)

The balance of account values by range of guaranteed minimum crediting rates and the related range of difference, in basis points, between rates being credited to policyholders and the respective guaranteed minimums was as follows at:

Range of Guaranteed Minimum Crediting Rate	At Guaranteed Minimum	1 to 50 Basis Points Above	51 to 150 Basis Points Above	Greater than 150 Basis Points Above	Total
			(In millions)		
March 31, 2024					
Annuities (1):					
Less than 2.00%	$ 604	$ 154	$ 284	$ 8,257	$ 9,299
2.00% to 3.99%	7,707	255	150	421	8,533
Greater than 3.99%	852	—	—	—	852
Total	$ 9,163	$ 409	$ 434	$ 8,678	$ 18,684
Life insurance (2) (3):					
Less than 2.00%	$ —	$ —	$ —	$ 251	$ 251
2.00% to 3.99%	—	449	49	131	629
Greater than 3.99%	1,060	—	—	—	1,060
Total	$ 1,060	$ 449	$ 49	$ 382	$ 1,940
ULSG (3):					
Less than 2.00%	$ —	$ —	$ —	$ —	$ —
2.00% to 3.99%	1,113	1,463	1,648	250	4,474
Greater than 3.99%	501	—	—	—	501
Total	$ 1,614	$ 1,463	$ 1,648	$ 250	$ 4,975
December 31, 2023					
Annuities (1):					
Less than 2.00%	$ 645	$ 204	$ 301	$ 7,632	$ 8,782
2.00% to 3.99%	8,125	233	201	307	8,866
Greater than 3.99%	872	—	—	—	872
Total	$ 9,642	$ 437	$ 502	$ 7,939	$ 18,520
Life insurance (2) (3):					
Less than 2.00%	$ —	$ —	$ —	$ 236	$ 236
2.00% to 3.99%	—	441	49	132	622
Greater than 3.99%	1,077	—	—	—	1,077
Total	$ 1,077	$ 441	$ 49	$ 368	$ 1,935
ULSG (3):					
Less than 2.00%	$ —	$ —	$ —	$ —	$ —
2.00% to 3.99%	1,134	1,485	1,663	254	4,536
Greater than 3.99%	506	—	—	—	506
Total	$ 1,640	$ 1,485	$ 1,663	$ 254	$ 5,042

(1) Includes policyholder account balances for fixed rate annuities and the fixed account portion of variable annuities.

(2) Includes policyholder account balances for retained asset accounts, universal life policies and the fixed account portion of universal variable life insurance policies.

(3) Amounts are gross of policy loans.

See Note 5 for information regarding net amount at risk and cash surrender values.

4. Market Risk Benefits

Information regarding MRB assets and liabilities associated with variable annuities was as follows:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	(Dollars in millions)	
Balance, beginning of period	$ 9,722	$ 9,997
Balance, beginning of period, before effect of changes in nonperformance risk	7,348	8,253
Decrements	(30)	(27)
Effect of actual different from expected experience	—	122
Effect of changes in interest rates	(989)	880
Effect of changes in fund returns	(630)	(1,001)
Issuances	—	(3)
Effect of changes in risk margin	(39)	9
Aging of the block and other	348	324
Balance, end of period, before effect of changes in nonperformance risk	6,008	8,557
Effect of changes in nonperformance risk	2,157	1,751
Balance, end of period	8,165	10,308
Less: Reinsurance recoverable, end of period	27	70
Balance, end of period, net of reinsurance (1)	$ 8,138	$ 10,238
Weighted-average attained age of contract holder	73.2 years	72.2 years

(1) Amounts represent the sum of MRB assets and MRB liabilities presented on the consolidated balance sheets at March 31, 2024 and 2023, with the exception of $8 million and $3 million, respectively, of index-linked annuities not included in this table.

5. Separate Accounts

Separate Accounts

Information regarding separate account liabilities was as follows:

	Three Months Ended March 31, 2024			Three Months Ended March 31, 2023		
	Variable Annuities	Universal Life Insurance	Company-Owned Life Insurance	Variable Annuities	Universal Life Insurance	Company-Owned Life Insurance
	(In millions)					
Balance, beginning of period	$ 77,086	$ 2,276	$ 2,148	$ 74,845	$ 1,970	$ 1,919
Premiums and deposits	202	20	—	215	22	—
Surrenders and withdrawals	(1,853)	(21)	(3)	(1,437)	(16)	(3)
Benefit payments	(387)	(5)	(5)	(373)	(3)	(10)
Investment performance	4,313	167	112	4,141	137	111
Policy charges	(490)	(20)	(13)	(503)	(21)	(12)
Net transfers from (to) general account	(28)	(10)	(200)	(9)	(3)	—
Other	(9)	—	—	2	—	—
Balance, end of period	$ 78,834	$ 2,407	$ 2,039	$ 76,881	$ 2,086	$ 2,005

5. Separate Accounts (continued)

A reconciliation of separate account liabilities reported in the preceding rollforward table to the separate account liabilities balance on the consolidated balance sheets was as follows at:

	March 31,	
	2024	2023
	(In millions)	
Separate account liabilities reported in the preceding rollforward table	$ 83,280	$ 80,972
Variable income annuities	189	134
Pension risk transfer annuities	20	18
Total separate account liabilities	$ 83,489	$ 81,124

The aggregate estimated fair value of assets, by major investment asset category, supporting separate accounts was as follows at:

	March 31, 2024	December 31, 2023
	(In millions)	
Equity securities	$ 83,221	$ 81,417
Fixed maturity securities	261	259
Cash and cash equivalents	2	7
Other assets	5	7
Total aggregate estimated fair value of assets	$ 83,489	$ 81,690

Net Amount at Risk and Cash Surrender Values

Information regarding the net amount at risk and cash surrender value for insurance products was as follows at:

	Universal Life Insurance	Variable Annuities	Index-linked Annuities	Fixed Rate Annuities	ULSG	Company-Owned Life Insurance
			(In millions)			
March 31, 2024						
Account balances reported in the preceding rollforward tables:						
Policyholder account balances	$ 1,990	$ 3,982	$ 44,350	$ 14,923	$ 4,984	$ 856
Separate account liabilities	2,407	78,834	—	—	—	2,039
Total account balances	$ 4,397	$ 82,816	$ 44,350	$ 14,923	$ 4,984	$ 2,895
Net amount at risk	$ 21,872	$ 12,205	N/A	N/A	$ 64,837	$ 2,671
Cash surrender value	$ 4,198	$ 82,391	$ 41,958	$ 14,260	$ 4,455	$ 2,366
March 31, 2023						
Account balances reported in the preceding rollforward tables:						
Policyholder account balances	$ 2,033	$ 4,539	$ 35,922	$ 14,684	$ 5,219	$ 644
Separate account liabilities	2,086	76,881	—	—	—	2,005
Total account balances	$ 4,119	$ 81,420	$ 35,922	$ 14,684	$ 5,219	$ 2,649
Net amount at risk	$ 23,332	$ 14,757	N/A	N/A	$ 70,062	$ 3,407
Cash surrender value	$ 3,862	$ 81,110	$ 33,567	$ 14,106	$ 6,203	$ 2,430

Products may contain both separate account and general account fund options; accordingly, net amount at risk and cash surrender value reported in the table above relate to the total account balance for each respective product grouping.

6. Deferred Policy Acquisition Costs, Value of Business Acquired and Other Intangibles

Deferred Policy Acquisition Costs and Value of Business Acquired

Information regarding deferred policy acquisition costs ("DAC") and value of business acquired ("VOBA") was as follows:

	Variable Annuities	Fixed Rate Annuities	Index-linked Annuities	Term and Whole Life Insurance	Universal Life Insurance
			(In millions)		
Three Months Ended March 31, 2024					
DAC:					
Balance, beginning of period	$ 2,217	$ 110	$ 1,332	$ 306	$ 119
Capitalization	9	4	90	1	3
Amortization	(55)	(2)	(59)	(10)	(2)
Balance, end of period	2,171	112	1,363	297	120
VOBA:					
Balance, beginning of period	309	59	—	4	31
Amortization	(8)	(1)	—	—	(1)
Balance, end of period	301	58	—	4	30
Total DAC and VOBA:					
Balance, end of period	$ 2,472	$ 170	$ 1,363	$ 301	$ 150
Three Months Ended March 31, 2023					
DAC:					
Balance, beginning of period	$ 2,414	$ 107	$ 1,213	$ 347	$ 115
Capitalization	11	4	81	1	3
Amortization	(60)	(3)	(55)	(11)	(2)
Balance, end of period	2,365	108	1,239	337	116
VOBA:					
Balance, beginning of period	341	65	—	5	35
Amortization	(9)	(1)	—	—	(1)
Balance, end of period	332	64	—	5	34
Total DAC and VOBA:					
Balance, end of period	$ 2,697	$ 172	$ 1,239	$ 342	$ 150

Deferred Sales Inducements

Information regarding deferred sales inducements, included in other assets, was as follows:

	Three Months Ended March 31,			
	2024		2023	
	Variable Annuities	Fixed Rate Annuities	Variable Annuities	Fixed Rate Annuities
	(In millions)			
Balance, beginning of period	$ 209	$ 8	$ 233	$ 9
Amortization	(5)	—	(6)	—
Balance, end of period	$ 204	$ 8	$ 227	$ 9

Unearned Revenue

Information regarding unearned revenue, included in other policy-related balances, was as follows:

	Three Months Ended March 31,					
	2024			2023		
	Universal Life Insurance	ULSG	Variable Annuities	Universal Life Insurance	ULSG	Variable Annuities
	(In millions)					
Balance, beginning of period	$ 167	$ 612	$ 66	$ 143	$ 488	$ 73
Capitalization	8	43	—	9	44	—
Amortization	(3)	(14)	(2)	(3)	(11)	(2)
Balance, end of period	$ 172	$ 641	$ 64	$ 149	$ 521	$ 71

7. Investments

See Notes 1 and 8 of the Notes to the Consolidated Financial Statements included in the 2023 Annual Report for a description of the Company's accounting policies for investments and the fair value hierarchy for investments and the related valuation methodologies.

Fixed Maturity Securities Available-for-sale

Fixed Maturity Securities by Sector

Fixed maturity securities by sector were as follows at:

	March 31, 2024					December 31, 2023				
	Amortized Cost	Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Amortized Cost	Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
	(In millions)									
U.S. corporate	$ 38,971	$ 14	$ 275	$ 3,703	$ 35,529	$ 38,303	$ 15	$ 383	$ 3,332	$ 35,339
Foreign corporate	13,030	4	59	1,407	11,678	12,769	—	89	1,276	11,582
U.S. government and agency	7,870	—	153	578	7,445	8,446	—	285	517	8,214
RMBS	8,270	5	41	906	7,400	8,127	4	48	805	7,366
ABS	6,541	—	27	108	6,460	6,509	—	23	131	6,401
CMBS	6,928	2	4	542	6,388	6,940	2	2	601	6,339
State and political subdivision	3,895	—	124	320	3,699	3,958	—	153	298	3,813
Foreign government	1,070	—	32	99	1,003	1,077	—	41	87	1,031
Total fixed maturity securities	$ 86,575	$ 25	$ 715	$ 7,663	$ 79,602	$ 86,129	$ 21	$ 1,024	$ 7,047	$ 80,085

The Company held non-income producing fixed maturity securities with an estimated fair value of $51 million and $52 million at March 31, 2024 and December 31, 2023, respectively.

Maturities of Fixed Maturity Securities

The amortized cost and estimated fair value of fixed maturity securities, by contractual maturity date, were as follows at March 31, 2024:

	Due in One Year or Less	Due After One Year Through Five Years	Due After Five Years Through Ten Years	Due After Ten Years	Structured Securities (1)	Total Fixed Maturity Securities
	(In millions)					
Amortized cost	$ 3,210	$ 17,705	$ 14,477	$ 29,444	$ 21,739	$ 86,575
Estimated fair value	$ 3,165	$ 17,122	$ 13,129	$ 25,938	$ 20,248	$ 79,602

7. Investments (continued)

(1) Structured securities include residential mortgage-backed securities ("RMBS"), commercial mortgage-backed securities ("CMBS") and asset-backed securities ("ABS") (collectively, "Structured Securities").

Actual maturities may differ from contractual maturities due to the exercise of call or prepayment options. Fixed maturity securities not due at a single maturity date have been presented in the year of final contractual maturity. Structured Securities are shown separately, as they are not due at a single maturity.

Continuous Gross Unrealized Losses for Fixed Maturity Securities by Sector

The estimated fair value and gross unrealized losses of fixed maturity securities in an unrealized loss position, by sector and by length of time that the securities have been in a continuous unrealized loss position, were as follows at:

	March 31, 2024				December 31, 2023			
	Less than 12 Months		12 Months or Greater		Less than 12 Months		12 Months or Greater	
	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses
	(Dollars in millions)							
U.S. corporate	$ 6,082	$ 479	$ 22,112	$ 3,224	$ 4,549	$ 409	$ 22,435	$ 2,923
Foreign corporate	1,684	87	8,032	1,320	1,010	74	8,229	1,202
U.S. government and agency	1,103	28	2,878	550	445	8	3,453	509
RMBS	708	21	5,591	885	413	21	5,749	784
ABS	1,057	6	2,106	102	572	3	3,355	128
CMBS	367	28	5,687	514	411	33	5,713	568
State and political subdivision	581	40	1,641	280	460	31	1,636	267
Foreign government	61	1	666	98	113	6	620	81
Total fixed maturity securities	$ 11,643	$ 690	$ 48,713	$ 6,973	$ 7,973	$ 585	$ 51,190	$ 6,462
Total number of securities in an unrealized loss position	1,815		6,634		1,339		6,958	

Allowance for Credit Losses for Fixed Maturity Securities

Evaluation and Measurement Methodologies

For fixed maturity securities in an unrealized loss position, management first assesses whether the Company intends to sell, or whether it is more likely than not it will be required to sell the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to estimated fair value through net investment gains (losses). For fixed maturity securities that do not meet the aforementioned criteria, management evaluates whether the decline in estimated fair value has resulted from credit losses or other factors. Inherent in management's evaluation of the security are assumptions and estimates about the operations of the issuer and its future earnings potential. Considerations used in the allowance for credit loss evaluation process include, but are not limited to: (i) the extent to which estimated fair value is less than amortized cost; (ii) any changes to the rating of the security by a rating agency; (iii) adverse conditions specifically related to the security, industry or geographic area; and (iv) payment structure of the fixed maturity security and the likelihood of the issuer being able to make payments in the future or the issuer's failure to make scheduled interest and principal payments. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss is deemed to exist and an allowance for credit losses is recorded, limited by the amount that the estimated fair value is less than the amortized cost basis, with a corresponding charge to net investment gains (losses). Any unrealized losses that have not been recorded through an allowance for credit losses are recognized in OCI.

Once a security specific allowance for credit losses is established, the present value of cash flows expected to be collected from the security continues to be reassessed. Any changes in the security specific allowance for credit losses are recorded as a provision for (or reversal of) credit loss expense in net investment gains (losses).

7. Investments (continued)

Fixed maturity securities are also evaluated to determine whether any amounts have become uncollectible. When all, or a portion, of a security is deemed uncollectible, the uncollectible portion is written-off with an adjustment to amortized cost and a corresponding reduction to the allowance for credit losses.

Accrued interest receivables are presented separate from the amortized cost basis of fixed maturity securities. An allowance for credit losses is not estimated on an accrued interest receivable, rather receivable balances 90-days past due are deemed uncollectible and are written off with a corresponding reduction to net investment income. The accrued interest receivable on fixed maturity securities totaled $701 million and $648 million at March 31, 2024 and December 31, 2023, respectively, and is included in accrued investment income.

Fixed maturity securities are also evaluated to determine if they qualify as purchased financial assets with credit deterioration ("PCD"). To determine if the credit deterioration experienced since origination is more than insignificant, both (i) the extent of the credit deterioration and (ii) any rating agency downgrades are evaluated. For securities categorized as PCD assets, the present value of cash flows expected to be collected from the security are compared to the par value of the security. If the present value of cash flows expected to be collected is less than the par value, credit losses are embedded in the purchase price of the PCD asset. In this situation, both an allowance for credit losses and amortized cost gross-up is recorded, limited by the amount that the estimated fair value is less than the grossed-up amortized cost basis. Any difference between the purchase price and the present value of cash flows is amortized or accreted into net investment income over the life of the PCD asset. Any subsequent PCD asset allowance for credit losses is evaluated in a manner similar to the process described above for fixed maturity securities.

Current Period Evaluation

Based on the Company's current evaluation of its fixed maturity securities in an unrealized loss position and the current intent or requirement to sell, the Company recorded an allowance for credit losses of $25 million, relating to 20 securities at March 31, 2024. Management concluded that for all other fixed maturity securities in an unrealized loss position, the unrealized loss was not due to issuer-specific credit-related factors and as a result was recognized in OCI. Where unrealized losses have not been recognized into income, it is primarily because the securities' bond issuer(s) are of high credit quality, management does not intend to sell and it is likely that management will not be required to sell the securities prior to their anticipated recovery, and the decline in estimated fair value is largely due to changes in interest rates and non-issuer specific credit spreads. These issuers continued to make timely principal and interest payments and the estimated fair value is expected to recover as the securities approach maturity.

Allowance for Credit Losses for Fixed Maturity Securities

The allowance for credit losses for fixed maturity securities was $25 million and $21 million at March 31, 2024 and December 31, 2023, respectively. For both the three months ended March 31, 2024 and 2023, the change in the allowance for fixed maturity securities by sector was not significant. The Company did not record total write-offs for the three months ended March 31, 2024. The Company recorded total write-offs of $7 million for the three months ended March 31, 2023.

7. Investments (continued)

Mortgage Loans

Mortgage Loans by Portfolio Segment

Mortgage loans are summarized as follows at:

	March 31, 2024		December 31, 2023	
	Carrying Value	% of Total	Carrying Value	% of Total
	(Dollars in millions)			
Commercial	$ 13,204	58.3 %	$ 13,189	58.7 %
Agricultural	4,507	19.9	4,416	19.6
Residential	5,065	22.4	5,007	22.3
Total mortgage loans (1)	22,776	100.6	22,612	100.6
Allowance for credit losses	(142)	(0.6)	(137)	(0.6)
Total mortgage loans, net	$ 22,634	100.0 %	$ 22,475	100.0 %

(1) Purchases of mortgage loans from third parties were $161 million and $32 million for the three months ended March 31, 2024 and 2023, respectively, and were primarily comprised of residential mortgage loans.

Allowance for Credit Losses for Mortgage Loans

Evaluation and Measurement Methodologies

The allowance for credit losses is a valuation account that is deducted from the mortgage loan's amortized cost basis to present the net amount expected to be collected on the mortgage loan. The loan balance, or a portion of the loan balance, is written-off against the allowance when management believes this amount is uncollectible.

Accrued interest receivables are presented separate from the amortized cost basis of mortgage loans. An allowance for credit losses is generally not estimated on an accrued interest receivable, rather when a loan is placed in nonaccrual status the associated accrued interest receivable balance is written off with a corresponding reduction to net investment income. The accrued interest receivable on mortgage loans is included in accrued investment income and totaled $117 million and $122 million at March 31, 2024 and December 31, 2023, respectively.

The allowance for credit losses is estimated using relevant available information, from internal and external sources, relating to past events, current conditions, and a reasonable and supportable forecast. Historical credit loss experience provides the basis for estimating expected credit losses. Adjustments to historical loss information are made for differences in current loan-specific risk characteristics and environmental conditions. A reasonable and supportable forecast period of two-years is used with an input reversion period of one-year.

Mortgage loans are evaluated in each of the three portfolio segments to determine the allowance for credit losses. The loan-level loss rates are determined using individual loan terms and characteristics, risk pools/internal ratings, national economic forecasts, prepayment speeds, and estimated default and loss severity.

The resulting loss rates are applied to the mortgage loan's amortized cost to generate an allowance for credit losses. In certain situations, the allowance for credit losses is measured as the difference between the loan's amortized cost and liquidation value of the collateral. These situations include collateral dependent loans, modifications, foreclosure probable loans, and loans with dissimilar risk characteristics.

7. Investments (continued)

Mortgage loans are also evaluated to determine if they qualify as PCD assets. To determine if the credit deterioration experienced since origination is more than insignificant, the extent of credit deterioration is evaluated. All re-performing/modified loan ("RPL") pools purchased after December 31, 2019 are determined to have been acquired with evidence of more than insignificant credit deterioration since origination and are classified as PCD assets. RPLs are pools of residential mortgage loans acquired at a discount or premium which have both credit and non-credit components. For PCD mortgage loans, the allowance for credit losses is determined using a similar methodology described above, except the loss-rate is determined at the pool level instead of the individual loan level. The initial allowance for credit losses, determined on a collective basis, is then allocated to the individual loans. The initial amortized cost of the loan is grossed-up to reflect the sum of the loan's purchase price and allowance for credit losses. The difference between the grossed-up amortized cost basis and the par value of the loan is a non-credit discount or premium, which is accreted or amortized into net investment income over the remaining life of the loan. Any subsequent PCD mortgage loan allowance for credit losses is evaluated in a manner similar to the process described above for each of the three portfolio segments.

Rollforward of the Allowance for Credit Losses for Mortgage Loans by Portfolio Segment

The changes in the allowance for credit losses by portfolio segment were as follows:

	Commercial	Agricultural	Residential	Total
	(In millions)			
Three Months Ended March 31, 2024				
Balance, beginning of period	$ 69	$ 19	$ 49	$ 137
Current period provision	9	—	(4)	5
Balance, end of period	$ 78	$ 19	$ 45	$ 142
Three Months Ended March 31, 2023				
Balance, beginning of period	$ 49	$ 15	$ 55	$ 119
Current period provision	15	(1)	3	17
Balance, end of period	$ 64	$ 14	$ 58	$ 136

Credit Quality of Mortgage Loans by Portfolio Segment

The amortized cost of mortgage loans by year of origination and credit quality indicator was as follows at:

	2024	2023	2022	2021	2020	Prior	Total
	(In millions)						
March 31, 2024							
Commercial mortgage loans							
Loan-to-value ratios:							
Less than 65%	$ 104	$ 199	$ 654	$ 1,819	$ 177	$ 3,777	$ 6,730
65% to 75%	23	—	935	1,081	222	1,357	3,618
76% to 80%	—	—	427	76	38	771	1,312
Greater than 80%	—	—	400	226	—	918	1,544
Total commercial mortgage loans	127	199	2,416	3,202	437	6,823	13,204
Agricultural mortgage loans							
Loan-to-value ratios:							
Less than 65%	126	207	584	1,120	443	1,743	4,223
65% to 75%	—	1	127	108	5	43	284
Total agricultural mortgage loans	126	208	711	1,228	448	1,786	4,507
Residential mortgage loans							
Performing	—	216	1,288	1,646	143	1,671	4,964
Nonperforming	—	—	26	24	2	49	101
Total residential mortgage loans	—	216	1,314	1,670	145	1,720	5,065
Total	$ 253	$ 623	$ 4,441	$ 6,100	$ 1,030	$ 10,329	$ 22,776

7. Investments (continued)

	2023	2022	2021	2020	2019	Prior	Total
				(In millions)			
December 31, 2023							
Commercial mortgage loans							
Loan-to-value ratios:							
Less than 65%	$ 206	$ 655	$ 1,823	$ 177	$ 1,239	$ 2,628	$ 6,728
65% to 75%	—	935	1,079	222	261	1,157	3,654
76% to 80%	—	427	76	39	209	563	1,314
Greater than 80%	—	400	227	—	150	716	1,493
Total commercial mortgage loans	206	2,417	3,205	438	1,859	5,064	13,189
Agricultural mortgage loans							
Loan-to-value ratios:							
Less than 65%	202	571	1,132	452	505	1,265	4,127
65% to 75%	1	127	108	6	30	17	289
Total agricultural mortgage loans	203	698	1,240	458	535	1,282	4,416
Residential mortgage loans							
Performing	105	1,286	1,669	145	204	1,508	4,917
Nonperforming	—	22	22	1	2	43	90
Total residential mortgage loans	105	1,308	1,691	146	206	1,551	5,007
Total	$ 514	$ 4,423	$ 6,136	$ 1,042	$ 2,600	$ 7,897	$ 22,612

The loan-to-value ratio is a measure commonly used to assess the quality of commercial and agricultural mortgage loans. The loan-to-value ratio compares the amount of the loan to the estimated fair value of the underlying property collateralizing the loan and is commonly expressed as a percentage. A loan-to-value ratio less than 100% indicates an excess of collateral value over the loan amount. Loan-to-value ratios greater than 100% indicate that the loan amount exceeds the collateral value. Performing status is a measure commonly used to assess the quality of residential mortgage loans. A loan is considered performing when the borrower makes consistent and timely payments.

The amortized cost of commercial mortgage loans by debt-service coverage ratio was as follows at:

	March 31, 2024		December 31, 2023	
	Amortized Cost	% of Total	Amortized Cost	% of Total
		(Dollars in millions)		
Debt-service coverage ratios:				
Greater than 1.20x	$ 12,038	91.2 %	$ 12,082	91.6 %
1.00x - 1.20x	682	5.1	702	5.3
Less than 1.00x	484	3.7	405	3.1
Total	$ 13,204	100.0 %	$ 13,189	100.0 %

The debt-service coverage ratio compares a property’s net operating income to its debt-service payments. Debt-service coverage ratios less than 1.00 times indicate that property operations do not generate enough income to cover the loan’s current debt payments. A debt-service coverage ratio greater than 1.00 times indicates an excess of net operating income over the debt-service payments.

7. Investments (continued)

Past Due Mortgage Loans by Portfolio Segment

The Company has a high-quality, well-performing mortgage loan portfolio, with over 99% of all mortgage loans classified as performing at both March 31, 2024 and December 31, 2023. Delinquency is defined consistent with industry practice, when mortgage loans are past due as follows: commercial and residential mortgage loans — 60 days; and agricultural mortgage loans — 90 days.

The aging of the amortized cost of past due mortgage loans by portfolio segment was as follows at:

	March 31, 2024				December 31, 2023			
	Commercial	Agricultural	Residential	Total	Commercial	Agricultural	Residential	Total
	(In millions)							
Current	$ 13,187	$ 4,470	$ 4,962	$ 22,619	$ 13,172	$ 4,400	$ 4,915	$ 22,487
30-59 days past due	—	2	2	4	—	—	2	2
60-89 days past due	—	19	33	52	—	—	30	30
90-179 days past due	—	—	31	31	—	—	23	23
180+ days past due	17	16	37	70	17	16	37	70
Total	$ 13,204	$ 4,507	$ 5,065	$ 22,776	$ 13,189	$ 4,416	$ 5,007	$ 22,612

Mortgage Loans in Nonaccrual Status by Portfolio Segment

Mortgage loans are placed in a nonaccrual status if there are concerns regarding collectability of future payments or the loan is past due, unless the past due loan is well collateralized.

The amortized cost of mortgage loans in a nonaccrual status by portfolio segment was as follows at:

	Commercial	Agricultural	Residential (1)	Total
	(In millions)			
March 31, 2024	$ 31	$ —	$ 101	$ 132
December 31, 2023	$ 17	$ —	$ 90	$ 107

(1) The Company had no mortgage loans in nonaccrual status for which there was no related allowance for credit losses at both March 31, 2024 and December 31, 2023.

Current period investment income on mortgage loans in nonaccrual status was less than $1 million for both the three months ended March 31, 2024 and 2023.

Modified Mortgage Loans by Portfolio Segment

Under certain circumstances, modifications are granted to nonperforming mortgage loans. Generally, the types of concessions may include interest rate reduction, term extension, principal forgiveness, or a combination of all three. The Company did not have a significant amount of mortgage loans modified during both the three months ended March 31, 2024 and 2023.

Other Invested Assets

Over 80% of other invested assets is comprised of freestanding derivatives with positive estimated fair values. See Note 8 for information about freestanding derivatives with positive estimated fair values. Other invested assets also includes the Company's investment in company-owned life insurance, Federal Home Loan Bank ("FHLB") stock, the intercompany liquidity facility, tax credit and renewable energy partnerships and leveraged leases.

Net Unrealized Investment Gains (Losses)

Unrealized investment gains (losses) on fixed maturity securities and the effect on future policy benefits, that would result from the realization of the unrealized gains (losses), are included in net unrealized investment gains (losses) in accumulated other comprehensive income (loss) ("AOCI").

7. Investments (continued)

The components of net unrealized investment gains (losses), included in AOCI, were as follows at:

	March 31, 2024	December 31, 2023
	(In millions)	
Fixed maturity securities	$ (6,948)	$ (6,023)
Derivatives	393	344
Other	(6)	(7)
Subtotal	(6,561)	(5,686)
Amounts allocated from:		
Future policy benefits	867	696
Deferred income tax benefit (expense)	1,196	1,048
Net unrealized investment gains (losses)	$ (4,498)	$ (3,942)

The changes in net unrealized investment gains (losses) were as follows:

	Three Months Ended March 31, 2024
	(In millions)
Balance at December 31, 2023	$ (3,942)
Unrealized investment gains (losses) during the period	(875)
Unrealized investment gains (losses) relating to:	
Future policy benefits	171
Deferred income tax benefit (expense)	148
Balance at March 31, 2024	$ (4,498)
Change in net unrealized investment gains (losses)	$ (556)

Concentrations of Credit Risk

There were no investments in any counterparty that were greater than 10% of the Company’s equity, other than the U.S. government and its agencies, at both March 31, 2024 and December 31, 2023.

Securities Lending

Elements of the securities lending program are presented below at:

	March 31, 2024	December 31, 2023
	(In millions)	
Securities on loan: (1)		
Amortized cost	$ 3,441	$ 3,420
Estimated fair value	$ 3,120	$ 3,194
Cash collateral received from counterparties (2)	$ 3,191	$ 3,277
Reinvestment portfolio — estimated fair value	$ 3,159	$ 3,246

(1) Included in fixed maturity securities.

(2) Included in payables for collateral under securities loaned and other transactions.

7. Investments (continued)

The cash collateral liability by loaned security type and remaining tenor of the agreements were as follows at:

	March 31, 2024				December 31, 2023			
	Open (1)	1 Month or Less	1 to 6 Months	Total	Open (1)	1 Month or Less	1 to 6 Months	Total
	(In millions)							
U.S. government and agency	$ 580	$ 1,112	$ 1,110	$ 2,802	$ 647	$ 655	$ 1,584	$ 2,886
U.S. corporate	—	250	—	250	—	252	—	252
Foreign corporate	—	124	—	124	—	130	—	130
Foreign government	—	15	—	15	—	9	—	9
Total	$ 580	$ 1,501	$ 1,110	$ 3,191	$ 647	$ 1,046	$ 1,584	$ 3,277

____

(1) The related loaned security could be returned to the Company on the next business day which would require the Company to immediately return the cash collateral.

If the Company is required to return significant amounts of cash collateral on short notice and is forced to sell securities to meet the return obligation, it may have difficulty selling such collateral that is invested in securities in a timely manner, be forced to sell securities in a volatile or illiquid market for less than what otherwise would have been realized in normal market conditions, or both. The estimated fair value of the securities on loan related to the cash collateral on open at March 31, 2024 was $568 million, primarily comprised of U.S. government and agency securities which, if put back to the Company, could be immediately sold to satisfy the cash requirement.

The reinvestment portfolio acquired with the cash collateral consisted principally of fixed maturity securities (including agency RMBS, ABS, U.S. government and agency securities, U.S. and foreign corporate securities, non-agency RMBS and CMBS) with 54% invested in agency RMBS, U.S. government and agency securities and cash and cash equivalents at March 31, 2024. If the securities on loan or the reinvestment portfolio become less liquid, the Company has the liquidity resources of most of its general account available to meet any potential cash demands when securities on loan are put back to the Company.

Invested Assets on Deposit, Held in Trust and Pledged as Collateral

Invested assets on deposit, held in trust and pledged as collateral at estimated fair value were as follows at:

	March 31, 2024	December 31, 2023
	(In millions)	
Invested assets on deposit (regulatory deposits) (1)	$ 8,526	$ 8,590
Invested assets held in trust (reinsurance agreements) (2)	7,110	7,103
Invested assets pledged as collateral (3)	14,155	13,979
Total invested assets on deposit, held in trust and pledged as collateral	$ 29,791	$ 29,672

____

(1) The Company has assets, primarily fixed maturity securities, on deposit with governmental authorities relating to certain policyholder liabilities, of which $37 million and $102 million of the assets on deposit represents restricted cash and cash equivalents at March 31, 2024 and December 31, 2023, respectively.

(2) The Company has assets, primarily fixed maturity securities, held in trust relating to certain reinsurance transactions, of which $96 million and $117 million of the assets held in trust balance represents restricted cash and cash equivalents at March 31, 2024 and December 31, 2023, respectively.

(3) The Company has pledged invested assets in connection with various agreements and transactions, including funding agreements (see Note 4 of the Notes to the Consolidated Financial Statements included in the 2023 Annual Report) and derivative transactions (see Note 8).

See "— Securities Lending" for information regarding securities on loan. In addition, the Company's investment in FHLB common stock, which is considered restricted until redeemed by the issuer, was $245 million at redemption value at both March 31, 2024 and December 31, 2023.

Variable Interest Entities

A variable interest entity ("VIE") is a legal entity that does not have sufficient equity at risk to finance its activities or is structured such that equity investors lack the ability to make significant decisions relating to the entity's operations through voting rights or do not substantively participate in the gains and losses of the entity.

The Company enters into various arrangements with VIEs in the normal course of business and has invested in legal entities that are VIEs. VIEs are consolidated when it is determined that the Company is the primary beneficiary. A primary beneficiary is the variable interest holder in a VIE with both (i) the power to direct the activities of the VIE that most significantly impact the economic performance of the VIE and (ii) the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. In addition, the evaluation of whether a legal entity is a VIE and if the Company is a primary beneficiary includes a review of the capital structure of the VIE, the related contractual relationships and terms, the nature of the operations and purpose of the VIE, the nature of the VIE interests issued and the Company's involvement with the entity.

There were no material VIEs for which the Company has concluded that it is the primary beneficiary at either March 31, 2024 or December 31, 2023.

The carrying amount and maximum exposure to loss related to the VIEs for which the Company has concluded that it holds a variable interest, but is not the primary beneficiary, were as follows at:

	March 31, 2024		December 31, 2023	
	Carrying Amount	Maximum Exposure to Loss	Carrying Amount	Maximum Exposure to Loss
	(In millions)			
Fixed maturity securities	$ 15,526	$ 16,791	$ 15,386	$ 16,611
Limited partnerships and LLCs	4,208	5,233	4,220	5,242
Total	$ 19,734	$ 22,024	$ 19,606	$ 21,853

The Company's investments in unconsolidated VIEs are described below.

Fixed Maturity Securities

The Company invests in U.S. corporate bonds, foreign corporate bonds and Structured Securities issued by VIEs. The Company is not obligated to provide any financial or other support to these VIEs, other than the original investment. The Company's involvement with these entities is limited to that of a passive investor. The Company has no unilateral right to appoint or remove the servicer, special servicer, or investment manager, which are generally viewed as having the power to direct the activities that most significantly impact the economic performance of the VIE, nor does the Company function in any of these roles. The Company does not have the obligation to absorb losses or the right to receive benefits from the entity that could potentially be significant to the entity; as a result, the Company has determined it is not the primary beneficiary, or consolidator, of the VIE. The Company's maximum exposure to loss on these fixed maturity securities is limited to the amortized cost of these investments. See "— Fixed Maturity Securities Available-for-sale" for information on these securities.

Limited Partnerships and LLCs

The Company holds investments in certain limited partnerships and LLCs which are VIEs. These ventures include limited partnerships, LLCs, private equity funds, and, to a lesser extent, tax credit and renewable energy partnerships. The Company is not considered the primary beneficiary, or consolidator, when its involvement takes the form of a limited partner interest and is restricted to a role of a passive investor, as a limited partner's interest does not provide the Company with any substantive kick-out or participating rights, nor does it provide the Company with the power to direct the activities of the fund. The Company's maximum exposure to loss on these investments is limited to: (i) the amount invested in debt or equity of the VIE and (ii) commitments to the VIE, as described in Note 12.

7. Investments (continued)

Net Investment Income

The components of net investment income were as follows:

	Three Months Ended March 31,	
	2024	2023
	(In millions)	
Investment income:		
Fixed maturity securities	$ 908	$ 830
Equity securities	2	—
Mortgage loans	245	238
Policy loans	9	9
Limited partnerships and LLCs (1)	74	(13)
Cash, cash equivalents and short-term investments	47	40
Other	24	22
Total investment income	1,309	1,126
Less: Investment expenses	86	91
Net investment income	$ 1,223	$ 1,035

(1) Includes net investment income pertaining to other limited partnership interests of $93 million and ($1) million for the three months ended March 31, 2024 and 2023, respectively.

Net Investment Gains (Losses)

Components of Net Investment Gains (Losses)

The components of net investment gains (losses) were as follows:

	Three Months Ended March 31,	
	2024	2023
	(In millions)	
Fixed maturity securities	$ (37)	$ (74)
Equity securities	(2)	(5)
Mortgage loans	(5)	(17)
Other	1	—
Total net investment gains (losses)	$ (43)	$ (96)

Gains (losses) from foreign currency transactions included within net investment gains (losses) were not significant for both the three months ended March 31, 2024 and 2023.

7. Investments (continued)

Sales or Disposals of Fixed Maturity Securities

Investment gains and losses on sales of securities are determined on a specific identification basis. Proceeds from sales or disposals of fixed maturity securities and the components of fixed maturity securities net investment gains (losses) were as follows:

	Three Months Ended March 31,	
	2024	2023
	(In millions)	
Proceeds	$ 678	$ 766
Gross investment gains	$ 2	$ 3
Gross investment losses	(34)	(71)
Net investment gains (losses)	$ (32)	$ (68)

8. Derivatives

Accounting for Derivatives

See Notes 1 and 8 of the Notes to the Consolidated Financial Statements included in the 2023 Annual Report for a description of the Company's accounting policies for derivatives and the fair value hierarchy for derivatives.

Types of Derivative Instruments and Derivative Strategies

The Company maintains an overall risk management strategy that incorporates the use of derivative instruments to minimize its exposure to various market risks. Commonly used derivative instruments include, but are not necessarily limited to:

- Interest rate derivatives: swaps, floors, caps, swaptions and forwards;
- Foreign currency exchange rate derivatives: forwards and swaps;
- Equity market derivatives: options, total return swaps and hybrid options; and
- Credit derivatives: single and index reference credit default swaps and swaptions.

For detailed information on these contracts and the related strategies, see Note 7 of the Notes to the Consolidated Financial Statements included in the 2023 Annual Report. In the first quarter of 2024, the Company entered into interest rate swaps to manage the interest rate risk in funding agreement liabilities. These interest rate swaps are qualifying hedges.

8. Derivatives (continued)

Primary Risks Managed by Derivatives

The primary underlying risk exposure, gross notional amount and estimated fair value of derivatives, excluding embedded derivatives, held were as follows at:

		March 31, 2024			December 31, 2023		
		Gross Notional Amount	Estimated Fair Value		Gross Notional Amount	Estimated Fair Value	
	Primary Underlying Risk Exposure		Assets	Liabilities		Assets	Liabilities
		(In millions)					
Derivatives Designated as Hedging Instruments:							
Cash flow hedges:							
Interest rate swaps	Interest rate	$ 500	$ 9	$ —	$ —	$ —	$ —
Foreign currency swaps	Foreign currency exchange rate	3,878	368	31	3,895	339	45
Total qualifying hedges		4,378	377	31	3,895	339	45
Derivatives Not Designated or Not Qualifying as Hedging Instruments:							
Interest rate swaps	Interest rate	31,565	115	144	31,252	140	103
Interest rate floors	Interest rate	3,500	3	—	3,500	7	1
Interest rate caps	Interest rate	7,050	20	—	7,050	19	1
Interest rate options	Interest rate	23,580	20	269	33,680	47	167
Interest rate forwards	Interest rate	19,649	92	2,325	17,017	32	1,937
Foreign currency swaps	Foreign currency exchange rate	726	103	—	735	99	1
Foreign currency forwards	Foreign currency exchange rate	329	1	—	384	—	1
Credit default swaps — written	Credit	1,405	29	—	1,405	27	—
Credit default swaptions	Credit	300	—	1	—	—	—
Equity index options	Equity market	23,490	1,132	884	20,099	757	687
Equity total return swaps	Equity market	65,287	1,940	1,719	53,742	2,236	2,137
Hybrid options	Equity market	300	1	—	270	—	—
Total non-designated or non-qualifying derivatives		177,181	3,456	5,342	169,134	3,364	5,035
Total		$ 181,559	$ 3,833	$ 5,373	$ 173,029	$ 3,703	$ 5,080

Based on gross notional amounts, a substantial portion of the Company’s derivatives was not designated or did not qualify as part of a hedging relationship at both March 31, 2024 and December 31, 2023. The Company’s use of derivatives includes (i) derivatives that serve as hedges of the Company’s exposure to various risks and generally do not qualify for hedge accounting because they do not meet the criteria required under portfolio hedging rules; (ii) derivatives that economically hedge insurance liabilities and generally do not qualify for hedge accounting because they do not meet the criteria of being “highly effective” as outlined in Accounting Standards Codification 815 — Derivatives and Hedging; (iii) derivatives that economically hedge MRBs that do not qualify for hedge accounting because the changes in estimated fair value of the MRBs are already recorded in net income; and (iv) written credit default swaps that are used to create synthetic credit investments and that do not qualify for hedge accounting because they do not involve a hedging relationship.

8. Derivatives (continued)

The amount and location of gains (losses), including earned income, recognized for derivatives and gains (losses) pertaining to hedged items reported in net derivative gains (losses) were as follows:

	Net Derivative Gains (Losses) Recognized for Derivatives	Net Derivative Gains (Losses) Recognized for Hedged Items	Net Investment Income	Policyholder Benefits and Claims	Amount of Gains (Losses) Deferred in AOCI
			(In millions)		
Three Months Ended March 31, 2024					
Derivatives Designated as Hedging Instruments:					
Cash flow hedges:					
Interest rate	$ 3	$ —	$ —	$ 2	$ 9
Foreign currency exchange rate	—	(1)	13	—	43
Total cash flow hedges	3	(1)	13	2	52
Derivatives Not Designated or Not Qualifying as Hedging Instruments:					
Interest rate	(782)	—	—	—	—
Foreign currency exchange rate	19	(2)	—	—	—
Credit	6	—	—	—	—
Equity market	711	—	—	—	—
Embedded	(1,887)	—	—	—	—
Total non-qualifying hedges	(1,933)	(2)	—	—	—
Total	$ (1,930)	$ (3)	$ 13	$ 2	$ 52
Three Months Ended March 31, 2023					
Derivatives Designated as Hedging Instruments:					
Cash flow hedges:					
Interest rate	$ —	$ —	$ 1	$ —	$ —
Foreign currency exchange rate	(1)	—	14	—	(40)
Total cash flow hedges	(1)	—	15	—	(40)
Derivatives Not Designated or Not Qualifying as Hedging Instruments:					
Interest rate	610	—	—	—	—
Foreign currency exchange rate	(10)	2	—	—	—
Credit	10	—	—	—	—
Equity market	(109)	—	—	—	—
Embedded	(1,090)	—	—	—	—
Total non-qualifying hedges	(589)	2	—	—	—
Total	$ (590)	$ 2	$ 15	$ —	$ (40)

At March 31, 2024 and December 31, 2023, the Company held no qualified derivatives hedging exposure to future cash flows for forecasted asset purchases.

At March 31, 2024 and December 31, 2023, the balance in AOCI associated with cash flow hedges was $393 million and $344 million, respectively.

Credit Derivatives

In connection with synthetically created credit investment transactions, the Company writes credit default swaps for which it receives a premium to insure credit risk. If a credit event occurs, as defined by the contract, the contract may be cash settled or it may be settled gross by the Company paying the counterparty the specified swap notional amount in exchange for the delivery of par quantities of the referenced credit obligation.

8. Derivatives (continued)

The estimated fair value, maximum amount of future payments and weighted average years to maturity of written credit default swaps were as follows at:

	March 31, 2024			December 31, 2023		
Rating Agency Designation of Referenced Credit Obligations (1)	Estimated Fair Value of Credit Default Swaps	Maximum Amount of Future Payments under Credit Default Swaps	Weighted Average Years to Maturity (2)	Estimated Fair Value of Credit Default Swaps	Maximum Amount of Future Payments under Credit Default Swaps	Weighted Average Years to Maturity (2)
	(Dollars in millions)					
Aaa/Aa/A	$ 5	$ 425	1.4	$ 6	$ 419	1.6
Baa	22	952	4.9	19	958	4.9
Ba	2	24	2.7	2	24	3.0
Caa and Lower	—	4	1.7	—	4	2.0
Total	$ 29	$ 1,405	3.8	$ 27	$ 1,405	3.9

(1) The Company has written credit protection on both single name and index references. The rating agency designations are based on availability and the midpoint of the applicable ratings among Moody's, S&P and Fitch. If no rating is available from a rating agency, then an internally developed rating is used.

(2) The weighted average years to maturity of the credit default swaps is calculated based on weighted average gross notional amounts.

Counterparty Credit Risk

The Company may be exposed to credit-related losses in the event of counterparty nonperformance on derivative instruments. Generally, the credit exposure is the fair value at the reporting date less any collateral received from the counterparty.

The Company manages its credit risk by: (i) entering into derivative transactions with creditworthy counterparties governed by master netting agreements; (ii) trading through regulated exchanges and central clearing counterparties; (iii) obtaining collateral, such as cash and securities, when appropriate; and (iv) setting limits on single party credit exposures which are subject to periodic management review.

See Note 9 for a description of the impact of credit risk on the valuation of derivatives.

The estimated fair values of net derivative assets and net derivative liabilities after the application of master netting agreements and collateral were as follows at:

		Gross Amounts Not Offset on the Consolidated Balance Sheets				
	Gross Amount Recognized	Financial Instruments (1)	Collateral Received/Pledged (2)	Net Amount	Securities Collateral Received/Pledged (3)	Net Amount After Securities Collateral
	(In millions)					
March 31, 2024						
Derivative assets	$ 3,593	$ (3,308)	$ (264)	$ 21	$ (16)	$ 5
Derivative liabilities	$ 5,181	$ (3,308)	$ —	$ 1,873	$ (1,873)	$ —
December 31, 2023						
Derivative assets	$ 3,495	$ (3,112)	$ (154)	$ 229	$ (194)	$ 35
Derivative liabilities	$ 4,917	$ (3,112)	$ —	$ 1,805	$ (1,805)	$ —

(1) Represents amounts subject to an enforceable master netting agreement or similar agreement.

8. Derivatives (continued)

(2) The amount of cash collateral offset in the table above is limited to the net estimated fair value of derivatives after application of netting agreement.

(3) Securities collateral received from counterparties is not reported on the consolidated balance sheets and may not be sold or re-pledged unless the counterparty is in default. Amounts do not include excess of collateral pledged or received.

The Company's collateral arrangements generally require the counterparty in a net liability position, after considering the effect of netting agreements, to pledge collateral when the amount owed by that counterparty reaches a minimum transfer amount. Certain of these arrangements also include credit-contingent provisions which permit the party with positive fair value to terminate the derivative at the current fair value or demand immediate full collateralization from the party in a net liability position, in the event that the financial strength or credit rating of the party in a net liability position falls below a certain level.

The aggregate estimated fair values of derivatives in a net liability position containing such credit-contingent provisions and the aggregate estimated fair value of assets posted as collateral for such instruments were as follows at:

	March 31, 2024	December 31, 2023
	(In millions)	
Estimated fair value of derivatives in a net liability position (1)	$ 1,873	$ 1,805
Estimated fair value of collateral provided (2):		
Fixed maturity securities	$ 4,801	$ 4,811

(1) After taking into consideration the existence of netting agreements.

(2) Substantially all of the Company's collateral arrangements provide for daily posting of collateral for the full value of the derivative contract. As a result, if the credit-contingent provisions of derivative contracts in a net liability position were triggered, minimal additional assets would be required to be posted as collateral or needed to settle the instruments immediately. Additionally, the Company is required to pledge initial margin for certain new over-the-counter ("OTC") bilateral contracts between two counterparties ("OTC-bilateral") derivative transactions to third-party custodians.

9. Fair Value

Considerable judgment is often required in interpreting market data to develop estimates of fair value, and the use of different assumptions or valuation methodologies may have a material effect on the estimated fair value amounts.

Recurring Fair Value Measurements

The assets and liabilities measured at estimated fair value on a recurring basis and their corresponding placement in the fair value hierarchy are presented in the tables below. Investments that do not have a readily determinable fair value and are measured at net asset value (or equivalent) as a practical expedient to estimated fair value are excluded from the fair value hierarchy.

	March 31, 2024			
	Fair Value Hierarchy			Total Estimated Fair Value
	Level 1	Level 2	Level 3	
	(In millions)			
Assets				
Fixed maturity securities:				
U.S. corporate	$ —	$ 34,587	$ 942	$ 35,529
Foreign corporate	—	11,353	325	11,678
U.S. government and agency	3,058	4,387	—	7,445
RMBS	—	7,380	20	7,400
ABS	—	6,041	419	6,460
CMBS	—	6,345	43	6,388
State and political subdivision	—	3,699	—	3,699
Foreign government	—	982	21	1,003
Total fixed maturity securities	3,058	74,774	1,770	79,602
Equity securities	12	10	25	47
Short-term investments	215	439	—	654
Derivative assets: (1)				
Interest rate	—	259	—	259
Foreign currency exchange rate	—	466	6	472
Credit	—	24	5	29
Equity market	—	3,073	—	3,073
Total derivative assets	—	3,822	11	3,833
Embedded derivatives on index-linked annuities (2)	—	—	22	22
Market risk benefit assets	—	—	839	839
Separate account assets	14	83,475	—	83,489
Total assets	$ 3,299	$ 162,520	$ 2,667	$ 168,486
Liabilities				
Market risk benefit liabilities	$ —	$ —	$ 8,985	$ 8,985
Derivative liabilities: (1)				
Interest rate	—	2,738	—	2,738
Foreign currency exchange rate	—	31	—	31
Credit	—	1	—	1
Equity market	—	2,603	—	2,603
Total derivative liabilities	—	5,373	—	5,373
Embedded derivatives on index-linked annuities (2)	—	—	9,963	9,963
Total liabilities	$ —	$ 5,373	$ 18,948	$ 24,321

9. Fair Value (continued)

	December 31, 2023			
	Fair Value Hierarchy			Total Estimated Fair Value
	Level 1	Level 2	Level 3	
	(In millions)			
Assets				
Fixed maturity securities:				
U.S. corporate	$ —	$ 34,344	$ 995	$ 35,339
Foreign corporate	—	11,257	325	11,582
U.S. government and agency	3,680	4,534	—	8,214
RMBS	—	7,351	15	7,366
ABS	—	6,075	326	6,401
CMBS	—	6,300	39	6,339
State and political subdivision	—	3,813	—	3,813
Foreign government	—	995	36	1,031
Total fixed maturity securities	3,680	74,669	1,736	80,085
Equity securities	18	23	25	66
Short-term investments	214	360	—	574
Derivative assets: (1)				
Interest rate	—	245	—	245
Foreign currency exchange rate	—	426	12	438
Credit	—	21	6	27
Equity market	—	2,993	—	2,993
Total derivative assets	—	3,685	18	3,703
Embedded derivatives on index-linked annuities (2)	—	—	—	—
Market risk benefit assets	—	—	656	656
Separate account assets	20	81,670	—	81,690
Total assets	$ 3,932	$ 160,407	$ 2,435	$ 166,774
Liabilities				
Market risk benefit liabilities	$ —	$ —	$ 10,344	$ 10,344
Derivative liabilities: (1)				
Interest rate	—	2,209	—	2,209
Foreign currency exchange rate	—	47	—	47
Credit	—	—	—	—
Equity market	—	2,824	—	2,824
Total derivative liabilities	—	5,080	—	5,080
Embedded derivatives on index-linked annuities (2)	—	—	8,186	8,186
Total liabilities	$ —	$ 5,080	$ 18,530	$ 23,610

(1) Derivative assets are reported in other invested assets and derivative liabilities are reported in other liabilities. The amounts are presented gross in the tables above to reflect the presentation on the consolidated balance sheets.

(2) Embedded derivative assets on index-linked annuities are reported in premiums and other receivables. Embedded derivative liabilities on index-linked annuities are reported in policyholder account balances.

Valuation Controls and Procedures

The Company monitors and provides oversight of valuation controls and policies for securities, mortgage loans and derivatives, which are primarily executed by its valuation service providers. The valuation methodologies used to determine fair values prioritize the use of observable market prices and market-based parameters and determines that judgmental valuation adjustments, when applied, are based upon established policies and are applied consistently over time. The valuation methodologies for securities, mortgage loans and derivatives are reviewed on an ongoing basis and revised when necessary. In addition, the Chief Accounting Officer periodically reports to the Audit Committee of Brighthouse Financial's Board of Directors regarding compliance with fair value accounting standards.

The fair value of financial assets and financial liabilities is based on quoted market prices, where available. Prices received are assessed to determine if they represent a reasonable estimate of fair value. Several controls are performed, including certain monthly controls, which include, but are not limited to, analysis of portfolio returns to corresponding benchmark returns, comparing a sample of executed prices of securities sold to the fair value estimates, reviewing the bid/ask spreads to assess activity, comparing prices from multiple independent pricing services and ongoing due diligence to confirm that independent pricing services use market-based parameters. The process includes a determination of the observability of inputs used in estimated fair values received from independent pricing services or brokers by assessing whether these inputs can be corroborated by observable market data. Independent non-binding broker quotes, also referred to herein as "consensus pricing," are used for a non-significant portion of the portfolio. Prices received from independent brokers are assessed to determine if they represent a reasonable estimate of fair value by considering such pricing relative to the current market dynamics and current pricing for similar financial instruments.

A formal process is also applied to challenge any prices received from independent pricing services that are not considered representative of estimated fair value. If prices received from independent pricing services are not considered reflective of market activity or representative of estimated fair value, independent non-binding broker quotations are obtained. If obtaining an independent non-binding broker quotation is unsuccessful, the last available price will be used.

Additional controls are performed, such as, balance sheet analytics to assess reasonableness of period-to-period pricing changes, including any price adjustments. Price adjustments are applied if prices or quotes received from independent pricing services or brokers are not considered reflective of market activity or representative of estimated fair value. The Company did not have significant price adjustments during the three months ended March 31, 2024.

Determination of Fair Value

Fixed Maturity Securities

The fair values for actively traded marketable bonds, primarily U.S. government and agency securities, are determined using the quoted market prices and are classified as Level 1 assets. For fixed maturity securities classified as Level 2 assets, fair values are determined using either a market or income approach and are valued based on a variety of observable inputs as described below.

U.S. corporate and foreign corporate securities: Fair value is determined using third-party commercial pricing services, with the primary inputs being quoted prices in markets that are not active, benchmark yields, spreads off benchmark yields, new issuances, issuer rating, trades of identical or comparable securities, or duration. Privately-placed securities are valued using the additional key inputs: market yield curve, call provisions, observable prices and spreads for similar public or private securities that incorporate the credit quality and industry sector of the issuer, and delta spread adjustments to reflect specific credit-related issues.

U.S. government and agency, state and political subdivision and foreign government securities: Fair value is determined using third-party commercial pricing services, with the primary inputs being quoted prices in markets that are not active, benchmark U.S. Treasury yield or other yields, spread off the U.S. Treasury yield curve for the identical security, issuer ratings and issuer spreads, broker-dealer quotes, and comparable securities that are actively traded.

Structured Securities: Fair value is determined using third-party commercial pricing services, with the primary inputs being quoted prices in markets that are not active, spreads for actively traded securities, spreads off benchmark yields, expected prepayment speeds and volumes, current and forecasted loss severity, ratings, geographic region, weighted average coupon and weighted average maturity, average delinquency rates and debt-service coverage ratios. Other issuance-specific information is also used, including, but not limited to, collateral type, structure of the security, vintage of the loans, payment terms of the underlying asset, payment priority within tranche, and deal performance.

Equity Securities and Short-term Investments

The fair value for actively traded equity securities and short-term investments are determined using quoted market prices and are classified as Level 1 assets. For financial instruments classified as Level 2 assets, fair values are determined using a market approach and are valued based on a variety of observable inputs as described below.

9. Fair Value (continued)

Equity securities and short-term investments: Fair value is determined using third-party commercial pricing services, with the primary input being quoted prices in markets that are not active.

Derivatives

Derivatives are financial instruments with values derived from interest rates, foreign currency exchange rates, credit spreads and/or other financial indices. Derivatives may be exchange-traded or contracted in the OTC market. Certain of the Company's OTC derivatives are cleared and settled through central clearing counterparties ("OTC-cleared"), while others are OTC-bilateral.

The fair values for exchange-traded derivatives are determined using the quoted market prices and are classified as Level 1 assets. For OTC-bilateral derivatives and OTC-cleared derivatives classified as Level 2 assets or liabilities, fair values are determined using the income approach. Valuations of non-option-based derivatives utilize present value techniques, whereas valuations of option-based derivatives utilize option pricing models which are based on market standard valuation methodologies and a variety of observable inputs.

The significant inputs to the pricing models for most OTC-bilateral and OTC-cleared derivatives are inputs that are observable in the market or can be derived principally from, or corroborated by, observable market data. Certain OTC-bilateral and OTC-cleared derivatives may rely on inputs that are significant to the estimated fair value that are not observable in the market or cannot be derived principally from, or corroborated by, observable market data. These unobservable inputs may involve significant management judgment or estimation. Even though unobservable, these inputs are based on assumptions deemed appropriate given the circumstances and management believes they are consistent with what other market participants would use when pricing such instruments.

Most inputs for OTC-bilateral and OTC-cleared derivatives are mid-market inputs but, in certain cases, liquidity adjustments are made when they are deemed more representative of exit value. Market liquidity, as well as the use of different methodologies, assumptions and inputs, may have a material effect on the estimated fair values of the Company's derivatives and could materially affect net income.

The credit risk of both the counterparty and the Company are considered in determining the estimated fair value for all OTC-bilateral and OTC-cleared derivatives, and any potential credit adjustment is based on the net exposure by counterparty after taking into account the effects of netting agreements and collateral arrangements. The Company values its OTC-bilateral and OTC-cleared derivatives using standard swap curves which may include a spread to the risk-free rate, depending upon specific collateral arrangements. This credit spread is appropriate for those parties that execute trades at pricing levels consistent with similar collateral arrangements. As the Company and its significant derivative counterparties generally execute trades at such pricing levels and hold sufficient collateral, additional credit risk adjustments are not currently required in the valuation process. The Company's ability to consistently execute at such pricing levels is in part due to the netting agreements and collateral arrangements that are in place with all of its significant derivative counterparties. An evaluation of the requirement to make additional credit risk adjustments is performed by the Company each reporting period.

Market Risk Benefits

MRBs principally include guaranteed minimum benefits on variable annuity contracts including benefits reinsured related to these guarantees.

The estimated fair value of variable annuity guarantees accounted for as MRBs is determined based on the present value of projected future benefits less the present value of projected future fees attributable to the guarantees. At policy inception, the Company determines an attributed fee ratio by solving for a percentage of projected future rider fees to be collected from the policyholder equal to the present value of projected future guaranteed benefits. To the extent the rider fees are insufficient, the Company may also include fees related to mortality and expense charges in the attributed fee ratio, provided the total fees included in the calculation do not exceed total contract fees and assessments collected from the contract holder. Any additional fees not included in the attributed fee ratio are considered revenue and reported in universal life and investment-type product policy fees. The attributed fee ratio is not updated in subsequent periods.

The Company updates the estimated fair value of variable annuity guarantees in subsequent periods by projecting future benefits using capital markets inputs and actuarial assumptions including expectations of policyholder behavior. A risk neutral valuation methodology is used to project the cash flows from the guarantees under multiple capital markets scenarios. The reported estimated fair value is then determined by taking the present value of these cash flows using a discount rate that incorporates a spread over the risk-free rate to reflect the Company’s nonperformance risk and adding a risk margin.

The valuation of MRBs includes an adjustment for the risk that the Company fails to satisfy its obligations, which is referred to as nonperformance risk. The nonperformance risk adjustment is captured as an additional spread applied to the risk-free rate in determining the rate to discount the cash flows of the liability. The spread over the risk-free rate is based on the Company’s creditworthiness taking into consideration publicly available information relating to spreads in the secondary market for Brighthouse Financial’s debt. These observable spreads are then adjusted, as necessary, to reflect the financial strength ratings of the issuing insurance subsidiaries as compared to the credit rating of Brighthouse Financial.

Risk margins are established to capture the non-capital markets risks of the instrument which represent the additional compensation a market participant would require to assume the risks related to the uncertainties in certain actuarial assumptions. The establishment of risk margins requires the use of significant actuarial judgment, including assumptions of the amount needed to cover the guarantees.

Actuarial assumptions are reviewed at least annually, and if they change significantly, the estimated fair value is adjusted through net income. Capital market inputs used in the measurement of variable annuity guarantees are updated quarterly through net income, except for the change attributable to the Company’s nonperformance risk, which is reported in OCI.

Embedded Derivatives

Embedded derivatives include crediting rates associated with index-linked annuity contracts. Embedded derivatives are recorded at estimated fair value with changes in estimated fair value reported in net income.

The crediting rates associated with these features are embedded derivatives which are measured at estimated fair value separately from the host fixed annuity contract. These embedded derivatives are classified within policyholder account balances on the consolidated balance sheets.

The estimated fair value of crediting rates associated with index-linked annuities is determined using a combination of an option pricing model and an option-budget approach. The valuation of these embedded derivatives also includes the establishment of a risk margin, as well as changes in nonperformance risk.

Actuarial assumptions including policyholder behavior and expectations for renewals at the end of the term period are reviewed at least annually, and if they change significantly, the estimated fair value is adjusted through net income. Capital market inputs used in the measurement of crediting rate embedded derivatives are updated quarterly through net income.

Transfers Into or Out of Level 3:

Assets and liabilities are transferred into Level 3 when a significant input cannot be corroborated with market observable data. This occurs when market activity decreases significantly and underlying inputs cannot be observed, current prices are not available, and/or when there are significant variances in quoted prices, thereby affecting transparency. Assets and liabilities are transferred out of Level 3 when circumstances change such that a significant input can be corroborated with market observable data. This may be due to a significant increase in market activity, a specific event, or one or more significant input(s) becoming observable.

9. Fair Value (continued)

Assets and Liabilities Measured at Fair Value Using Significant Unobservable Inputs (Level 3)

Certain quantitative information about the significant unobservable inputs used in the fair value measurement, and the sensitivity of the estimated fair value to changes in those inputs, for the more significant asset and liability classes measured at fair value on a recurring basis using significant unobservable inputs (Level 3) were as follows at:

	Valuation Techniques	Significant Unobservable Inputs	March 31, 2024 Range			December 31, 2023 Range			Impact of Increase in Input on Estimated Fair Value
Market Risk Benefits									
Variable annuity guaranteed minimum benefits	• Option pricing techniques	• Mortality rates	0.04%	-	12.90%	0.04%	-	12.90%	Decrease (1)
		• Lapse rates	1.00%	-	22.80%	1.00%	-	22.80%	Decrease (2)
		• Utilization rates	0.00%	-	25.00%	0.00%	-	25.00%	Increase (3)
		• Withdrawal rates	0.00%	-	10.00%	0.00%	-	10.00%	(4)
		• Long-term equity volatilities	11.72%	-	23.10%	12.59%	-	22.50%	Increase (5)
		• Nonperformance risk spread	0.53%	-	1.37%	0.76%	-	1.63%	Decrease (6)
Embedded Derivatives									
Index-linked annuity crediting rates	• Option pricing techniques	• Mortality rates	0.03%	-	9.24%	0.03%	-	9.24%	Decrease (1)
		• Lapse rates	1.00%	-	62.30%	1.00%	-	62.30%	Decrease (2)
		• Withdrawal rates	0.50%	-	9.00%	0.50%	-	9.00%	(4)
		• Nonperformance risk spread	0.26%	-	1.67%	0.45%	-	1.74%	Decrease (6)

____

(1) Mortality rates vary by age and by demographic characteristics such as gender. The range shown reflects the mortality rate for policyholders between 35 and 90 years old. Mortality rate assumptions are set based on company experience and include an assumption for mortality improvement.

(2) The lapse rate range reflects base lapse rates for major product categories for duration 1-20. Base lapse rates are adjusted at the contract level based on a comparison of the actuarially calculated guaranteed values and the current policyholder account value, as well as other factors, such as the applicability of any surrender charges. For variable annuity guarantees, a dynamic lapse function reduces the base lapse rate when the guaranteed amount is greater than the account value as in-the-money contracts are less likely to lapse. Lapse rates are also generally assumed to be lower in periods when a surrender charge applies.

(3) The utilization rate assumption for variable annuity guarantees estimates the percentage of contract holders with a guaranteed minimum income benefit ("GMIB") or lifetime withdrawal benefit who will elect to utilize the benefit upon becoming eligible in a given year. The range shown represents the floor and cap of the GMIB dynamic election rates across varying levels of in-the-money. For lifetime withdrawal guarantee riders, the assumption is that everyone will begin withdrawals once account value reaches zero which is equivalent to a 100% utilization rate. Utilization rates may vary by the type of guarantee, the amount by which the guaranteed amount is greater than the account value, the contract's withdrawal history and by the age of the policyholder.

(4) The withdrawal rate represents the percentage of account balance that any given policyholder will elect to withdraw from the contract each year. The withdrawal rate assumption varies by age and duration of the contract, and also by other factors such as benefit type. For any given contract, withdrawal rates vary throughout the period over which cash flows are projected for purposes of valuing the embedded derivative. For variable annuity guaranteed minimum withdrawal benefits, any increase (decrease) in withdrawal rates results in an increase (decrease) in the estimated fair value of the guarantees. For variable annuity guaranteed minimum accumulation benefits and GMIBs, any increase (decrease) in withdrawal rates results in a decrease (increase) in the estimated fair value.

(5) Long-term equity volatilities represent equity volatility beyond the period for which observable equity volatilities are available. For any given contract, long-term equity volatility rates vary throughout the period over which cash flows are projected for purposes of valuing MRBs.

9. Fair Value (continued)

(6) Nonperformance risk spread varies by duration. For any given contract, multiple nonperformance risk spreads will apply, depending on the duration of the cash flow being discounted for purposes of valuing the MRB or embedded derivative.

The Company does not develop unobservable inputs used in measuring fair value for all other assets and liabilities classified within Level 3; therefore, these are not included in the table above. The other Level 3 assets and liabilities primarily included fixed maturity securities and derivatives. For fixed maturity securities valued based on non-binding broker quotes, an increase (decrease) in credit spreads would result in a higher (lower) fair value. For derivatives valued based on third-party pricing models, an increase (decrease) in credit spreads would generally result in a higher (lower) fair value.

The changes in assets and (liabilities) measured at estimated fair value on a recurring basis using significant unobservable inputs (excluding MRBs disclosed in Note 4) were summarized as follows:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)					
	Fixed Maturity Securities					
	Corporate (1)	Structured Securities	Foreign Government	Equity Securities	Net Derivatives (2)	Embedded Derivatives on Index-Linked Annuities
	(In millions)					
Three Months Ended March 31, 2024						
Balance, beginning of period	$ 1,320	$ 380	$ 36	$ 25	$ 18	$ (8,186)
Total realized/unrealized gains (losses) included in net income (loss) (3) (4)	(5)	—	—	—	(3)	(1,886)
Total realized/unrealized gains (losses) included in AOCI	(8)	—	—	—	—	—
Purchases (5)	37	147	—	—	2	—
Sales (5)	(28)	(5)	—	—	—	—
Issuances (5)	—	—	—	—	—	—
Settlements (5)	—	—	—	—	—	131
Transfers into Level 3 (6)	15	—	—	—	—	—
Transfers out of Level 3 (6)	(64)	(40)	(15)	—	(6)	—
Balance, end of period	$ 1,267	$ 482	$ 21	$ 25	$ 11	$ (9,941)
Three Months Ended March 31, 2023						
Balance, beginning of period	$ 1,787	$ 365	$ 38	$ 27	$ 35	$ (3,932)
Total realized/unrealized gains (losses) included in net income (loss) (3) (4)	1	(1)	—	(2)	—	(1,090)
Total realized/unrealized gains (losses) included in AOCI	24	1	1	—	(1)	—
Purchases (5)	142	19	—	—	—	—
Sales (5)	(13)	(4)	—	—	—	—
Issuances (5)	—	—	—	—	—	—
Settlements (5)	—	—	—	—	—	(142)
Transfers into Level 3 (6)	19	1	—	—	—	—
Transfers out of Level 3 (6)	(24)	(31)	—	—	(1)	—
Balance, end of period	$ 1,936	$ 350	$ 39	$ 25	$ 33	$ (5,164)
Changes in unrealized gains (losses) included in net income (loss) for the instruments still held at March 31, 2024 (7)	$ (3)	$ —	$ —	$ —	$ (3)	$ (2,040)
Changes in unrealized gains (losses) included in OCI for the instruments still held as of March 31, 2024 (7)	$ (19)	$ (2)	$ —	$ —	$ —	$ —
Changes in unrealized gains (losses) included in net income (loss) for the instruments still held at March 31, 2023 (7)	$ 1	$ (1)	$ —	$ (2)	$ —	$ (1,166)
Changes in unrealized gains (losses) included in OCI for the instruments still held as of March 31, 2023 (7)	$ 23	$ 1	$ 1	$ —	$ (1)	$ —

(1) Comprised of U.S. and foreign corporate securities.

(2) Freestanding derivative assets and liabilities are reported net for purposes of the rollforward.

9. Fair Value (continued)

(3) Amortization of premium/accretion of discount is included in net investment income. Changes in the allowance for credit losses and direct write-offs are charged to net income (loss) on securities are included in net investment gains (losses). Lapses associated with net embedded derivatives are included in net derivative gains (losses). Substantially all realized/unrealized gains (losses) included in net income (loss) for net derivatives and net embedded derivatives are reported in net derivative gains (losses).

(4) Interest and dividend accruals, as well as cash interest coupons and dividends received, are excluded from the rollforward.

(5) Items purchased/issued and then sold/settled in the same period are excluded from the rollforward. Fees attributed to embedded derivatives are included in settlements.

(6) Gains and losses, in net income (loss) and OCI, are calculated assuming transfers into and/or out of Level 3 occurred at the beginning of the period. Items transferred into and out of Level 3 in the same period are excluded from the rollforward.

(7) Changes in unrealized gains (losses) included in net income (loss) for fixed maturities are reported in either net investment income or net investment gains (losses). Substantially all changes in unrealized gains (losses) included in net income (loss) for net derivatives and net embedded derivatives are reported in net derivative gains (losses).

Fair Value of Financial Instruments Carried at Other Than Fair Value

The following tables provide fair value information for financial instruments that are carried on the balance sheet at amounts other than fair value. These tables exclude the following financial instruments: cash and cash equivalents, accrued investment income and payables for collateral under securities loaned and other transactions. The estimated fair value of the excluded financial instruments, which are primarily classified in Level 2, approximates carrying value as they are short-term in nature such that the Company believes there is minimal risk of material changes in interest rates or credit quality. All remaining balance sheet amounts excluded from the tables below are not considered financial instruments subject to this disclosure.

The carrying values and estimated fair values for such financial instruments, and their corresponding placement in the fair value hierarchy, are summarized as follows at:

	March 31, 2024				
		Fair Value Hierarchy			
	Carrying Value	Level 1	Level 2	Level 3	Total Estimated Fair Value
	(In millions)				
Assets					
Mortgage loans	$ 22,634	$ —	$ —	$ 20,513	$ 20,513
Policy loans	$ 1,256	$ —	$ 796	$ 489	$ 1,285
Other invested assets	$ 259	$ —	$ 245	$ 14	$ 259
Premiums, reinsurance and other receivables	$ 8,053	$ —	$ 132	$ 8,111	$ 8,243
Liabilities					
Policyholder account balances	$ 31,867	$ —	$ —	$ 31,273	$ 31,273
Long-term debt	$ 835	$ —	$ 25	$ 771	$ 796
Other liabilities	$ 1,535	$ —	$ 788	$ 747	$ 1,535
Separate account liabilities	$ 1,243	$ —	$ 1,243	$ —	$ 1,243

9. Fair Value (continued)

	December 31, 2023				
		Fair Value Hierarchy			
	Carrying Value	Level 1	Level 2	Level 3	Total Estimated Fair Value
	(In millions)				
Assets					
Mortgage loans	$ 22,475	$ —	$ —	$ 20,578	$ 20,578
Policy loans	$ 938	$ —	$ 479	$ 494	$ 973
Other invested assets	$ 260	$ —	$ 245	$ 15	$ 260
Premiums, reinsurance and other receivables	$ 7,431	$ —	$ 80	$ 7,498	$ 7,578
Liabilities					
Policyholder account balances	$ 31,362	$ —	$ —	$ 30,501	$ 30,501
Long-term debt	$ 836	$ —	$ 26	$ 755	$ 781
Other liabilities	$ 1,191	$ —	$ 438	$ 753	$ 1,191
Separate account liabilities	$ 1,148	$ —	$ 1,148	$ —	$ 1,148

10. Equity

Accumulated Other Comprehensive Income (Loss)

Information regarding changes in the balances of each component of AOCI was as follows:

	Three Months Ended March 31, 2024					
	Unrealized Investment Gains (Losses), Net of Related Offsets (1)	Unrealized Gains (Losses) on Derivatives	Changes in Nonperformance Risk on Market Risk Benefits	Changes in Discount Rates on the Liability for Future Policy Benefits	Foreign Currency Translation Adjustments	Total
	(In millions)					
Balance at December 31, 2023	$ (4,214)	$ 272	$ (1,880)	$ 719	$ (11)	$ (5,114)
OCI before reclassifications	(786)	52	215	313	(8)	(214)
Deferred income tax benefit (expense) (2)	165	(11)	(45)	(66)	2	45
AOCI before reclassifications, net of income tax	(4,835)	313	(1,710)	966	(17)	(5,283)
Amounts reclassified from AOCI	33	(3)	—	—	—	30
Deferred income tax benefit (expense) (2)	(7)	1	—	—	—	(6)
Amounts reclassified from AOCI, net of income tax	26	(2)	—	—	—	24
Balance at March 31, 2024	$ (4,809)	$ 311	$ (1,710)	$ 966	$ (17)	$ (5,259)

10. Equity (continued)

	Three Months Ended March 31, 2023					
	Unrealized Investment Gains (Losses), Net of Related Offsets (1)	Unrealized Gains (Losses) on Derivatives	Changes in Nonperformance Risk on Market Risk Benefits	Changes in Discount Rates on the Liability for Future Policy Benefits	Foreign Currency Translation Adjustments	Total
	(In millions)					
Balance at December 31, 2022	$ (6,041)	$ 496	$ (1,377)	$ 1,016	$ (25)	$ (5,931)
OCI before reclassifications	1,367	(40)	(7)	(394)	8	934
Deferred income tax benefit (expense) (2)	(287)	8	2	83	(2)	(196)
AOCI before reclassifications, net of income tax	(4,961)	464	(1,382)	705	(19)	(5,193)
Amounts reclassified from AOCI	69	—	—	—	—	69
Deferred income tax benefit (expense) (2)	(14)	—	—	—	—	(14)
Amounts reclassified from AOCI, net of income tax	55	—	—	—	—	55
Balance at March 31, 2023	$ (4,906)	$ 464	$ (1,382)	$ 705	$ (19)	$ (5,138)

(1) See Note 7 for information on offsets to investments related to future policy benefits.

(2) The effects of income taxes on amounts recorded to AOCI are also recognized in AOCI. These income tax effects are released from AOCI when the related activity is reclassified into results from operations.

Information regarding amounts reclassified out of each component of AOCI was as follows:

AOCI Components	Amounts Reclassified from AOCI		Consolidated Statements of Operations and Comprehensive Income (Loss) Locations
	Three Months Ended March 31,		
	2024	2023	
	(In millions)		
Net unrealized investment gains (losses):			
Net unrealized investment gains (losses)	$ (32)	$ (68)	Net investment gains (losses)
Net unrealized investment gains (losses)	(1)	(1)	Net derivative gains (losses)
Net unrealized investment gains (losses), before income tax	(33)	(69)	
Income tax (expense) benefit	7	14	
Net unrealized investment gains (losses), net of income tax	(26)	(55)	
Unrealized gains (losses) on derivatives - cash flow hedges:			
Interest rate swaps	3	1	Net investment income
Foreign currency swaps	—	(1)	Net derivative gains (losses)
Gains (losses) on cash flow hedges, before income tax	3	—	
Income tax (expense) benefit	(1)	—	
Gains (losses) on cash flow hedges, net of income tax	2	—	
Total reclassifications, net of income tax	$ (24)	$ (55)	

11. Other Revenues and Other Expenses

Other Revenues

The Company has entered into contracts with mutual funds, fund managers, and their affiliates (collectively, the “Funds”) whereby the Company is paid monthly or quarterly fees (“12b-1 fees”) for providing certain services to customers and distributors of the Funds. The 12b-1 fees are generally equal to a fixed percentage of the average daily balance of the customer’s investment in a fund. The percentage is specified in the contract between the Company and the Funds. Payments are generally collected when due and are neither refundable nor able to offset future fees.

11. Other Revenues and Other Expenses (continued)

To earn these fees, the Company performs services such as responding to phone inquiries, maintaining records, providing information to distributors and shareholders about fund performance and providing training to account managers and sales agents. The passage of time reflects the satisfaction of the Company's performance obligations to the Funds and is used to recognize revenue associated with 12b-1 fees.

Other revenues consisted primarily of 12b-1 fees of $51 million and $50 million for the three months ended March 31, 2024 and 2023, respectively, of which substantially all were reported in the Annuities segment.

Other Expenses

Information on other expenses was as follows:

	Three Months Ended March 31,	
	2024	2023
	(In millions)	
Compensation	$ 103	$ 89
Contracted services and other labor costs	58	62
Transition services agreements	6	11
Premium and other taxes, licenses and fees	10	13
Volume related costs, excluding compensation, net of DAC capitalization	147	135
Interest expense on debt	17	18
Other	88	66
Total other expenses	$ 429	$ 394

Capitalization of DAC

See Note 6 for additional information on the capitalization of DAC.

Related Party Expenses

See Note 13 for a discussion of related party expenses included in the table above.

12. Contingencies, Commitments and Guarantees

Contingencies

Litigation

The Company is a defendant in a number of litigation matters. In some of the matters, large or indeterminate amounts, including punitive and treble damages, are sought. Modern pleading practice in the U.S. permits considerable variation in the assertion of monetary damages or other relief. Jurisdictions may permit claimants not to specify the monetary damages sought or may permit claimants to state only that the amount sought is sufficient to invoke the jurisdiction of the trial court. In addition, jurisdictions may permit plaintiffs to allege monetary damages in amounts well exceeding reasonably possible verdicts in the jurisdiction for similar matters. This variability in pleadings, together with the actual experience of the Company in litigating or resolving through settlement numerous claims over an extended period of time, demonstrates to management that the monetary relief which may be specified in a lawsuit or claim bears little relevance to its merits or disposition value.

The Company also receives and responds to subpoenas or other inquiries seeking a broad range of information from various state and federal regulators, agencies and officials. The issues involved in information requests and regulatory matters vary widely, but can include inquiries or investigations concerning the Company's compliance with applicable insurance and other laws and regulations. The Company cooperates in these inquiries.

12. Contingencies, Commitments and Guarantees (continued)

Due to the vagaries of litigation, the outcome of a litigation matter and the amount or range of potential loss at particular points in time may normally be difficult to ascertain. Uncertainties can include how fact finders will evaluate documentary evidence and the credibility and effectiveness of witness testimony, and how trial and appellate courts will apply the law in the context of the pleadings or evidence presented, whether by motion practice, or at trial or on appeal. Disposition valuations are also subject to the uncertainty of how opposing parties and their counsel will themselves view the relevant evidence and applicable law.

The Company establishes liabilities for litigation and regulatory loss contingencies when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. It is possible that some matters could require the Company to pay damages or make other expenditures or establish accruals in amounts that could not be estimated at March 31, 2024.

Matters as to Which an Estimate Can Be Made

For some loss contingency matters, the Company is able to estimate a reasonably possible range of loss. For such matters where a loss is believed to be reasonably possible, but not probable, no accrual has been made. In addition to amounts accrued for probable and reasonably estimable losses, as of March 31, 2024, the Company estimates the aggregate range of reasonably possible losses to be up to approximately $10 million.

Matters as to Which an Estimate Cannot Be Made

For other matters, the Company is not currently able to estimate the reasonably possible loss or range of loss. The Company is often unable to estimate the possible loss or range of loss until developments in such matters have provided sufficient information to support an assessment of the range of possible loss, such as quantification of a damage demand from plaintiffs, discovery from other parties and investigation of factual allegations, rulings by the court on motions or appeals, analysis by experts, and the progress of settlement negotiations. On a quarterly and annual basis, the Company reviews relevant information with respect to litigation contingencies and updates its accruals, disclosures and estimates of reasonably possible losses or ranges of loss based on such reviews.

Sales Practices Claims

Over the past several years, the Company has faced claims and regulatory inquiries and investigations, alleging improper marketing or sales of individual life insurance policies, annuities or other products. The Company continues to defend vigorously against the claims in these matters. The Company believes adequate provision has been made in its consolidated financial statements for all probable and reasonably estimable losses for sales practices matters.

Cost of Insurance Class Actions

Richard A. Newton v. Brighthouse Life Insurance Company (U.S. District Court, Northern District of Georgia, Atlanta Division, filed May 8, 2020). Plaintiff has filed a purported class action lawsuit against Brighthouse Life Insurance Company. Plaintiff was the owner of a universal life insurance policy issued by Travelers Insurance Company, a predecessor to Brighthouse Life Insurance Company. Plaintiff seeks to certify a class of all persons who own or owned life insurance policies issued where the terms of the life insurance policy provide or provided, among other things, a guarantee that the cost of insurance rates would not be increased by more than a specified percentage in any contract year. Plaintiff also alleges that cost of insurance charges were based on improper factors and should have decreased over time due to improving mortality but did not. Plaintiff alleges, among other things, causes of action for breach of contract, fraud, suppression and concealment, and violation of the Georgia Racketeer Influenced and Corrupt Organizations Act. Plaintiff seeks to recover damages, including punitive damages, interest and treble damages, attorneys' fees, and injunctive and declaratory relief. Brighthouse Life Insurance Company filed a motion to dismiss in June 2020, which was granted in part and denied in part in March 2021. Plaintiff was granted leave to amend the complaint. On January 18, 2023, the plaintiff filed a motion on consent to amend the second amended class action complaint to narrow the scope of the class sought to those persons who own or owned life insurance policies issued in Georgia. The motion was granted on January 23, 2023, and the third amended class action complaint was filed on January 23, 2023. The Company intends to vigorously defend this matter.

12. Contingencies, Commitments and Guarantees (continued)

Lawrence Martin v. Brighthouse Life Insurance Company (U.S. District Court, Southern District of New York, filed April 6, 2021). Plaintiff has filed a purported class action lawsuit against Brighthouse Life Insurance Company. Plaintiff is the owner of a universal life insurance policy issued by Travelers Insurance Company, a predecessor to Brighthouse Life Insurance Company. Plaintiff seeks to certify a class of similarly situated owners of universal life insurance policies issued or administered by defendants and alleges that cost of insurance charges were based on improper factors and should have decreased over time due to improving mortality but did not. Plaintiff alleges, among other things, causes of action for breach of contract, breach of the covenant of good faith and fair dealing, and unjust enrichment. Plaintiff seeks to recover compensatory damages, attorney's fees, interest, and equitable relief including a constructive trust. Brighthouse Life Insurance Company filed a motion to dismiss in June 2021, which was denied in February 2022. Brighthouse Life Insurance Company of NY was initially named as a defendant when the lawsuit was filed, but was dismissed as a defendant, without prejudice, in April 2022. The Company intends to vigorously defend this matter.

MOVEit Data Security Incident Litigation

Kennedy v. Progress Software Corporation, et al. (U.S. District Court, District of Massachusetts, filed October 3, 2023). BHF has been named as a defendant in a purported class action lawsuit. The action relates to a data security incident at an alleged third-party vendor, PBI Research Services ("PBI"), and allegedly involves the MOVEit file transfer system that PBI uses in its provision of services ("MOVEit Incident"). As it relates to BHF, plaintiff seeks to certify a subclass of persons whose private information was allegedly maintained by BHF and accessed or acquired in connection with the MOVEit Incident. Plaintiff alleges, among other things, that BHF negligently chose to utilize PBI to store and transfer plaintiff's and purported class members' private information despite PBI's use of the MOVEit software which plaintiff contends contained security vulnerabilities. The complaint asserts claims against BHF for negligence, negligence per se, and unjust enrichment, and plaintiff seeks declaratory and injunctive relief, damages, attorneys' fees and prejudgment interest. BHF intends to vigorously defend this matter.

Summary

Various litigations, claims and assessments against the Company, in addition to those discussed previously and those otherwise provided for in the Company's consolidated financial statements, have arisen in the course of the Company's business, including, but not limited to, in connection with its activities as an insurer, investor and taxpayer. Further, state insurance regulatory authorities and other federal and state authorities regularly make inquiries and conduct investigations concerning the Company's compliance with applicable insurance and other laws and regulations.

It is not possible to predict the ultimate outcome of all pending investigations and legal proceedings. In some of the matters referred to previously, large or indeterminate amounts, including punitive and treble damages, are sought. Although, in light of these considerations, it is possible that an adverse outcome in certain cases could have a material effect upon the Company's financial position, based on information currently known by the Company's management, in its opinion, the outcomes of such pending investigations and legal proceedings are not likely to have such an effect. However, given the large or indeterminate amounts sought in certain of these matters and the inherent unpredictability of litigation, it is possible that an adverse outcome in certain matters could, from time to time, have a material effect on the Company's consolidated net income or cash flows in particular quarterly or annual periods.

Other Loss Contingencies

As with litigation and regulatory loss contingencies, the Company considers establishing liabilities for loss contingencies associated with disputes or other matters involving third parties, including counterparties to contractual arrangements entered into by the Company (e.g., third-party vendors and reinsurers), as well as with tax or other authorities ("other loss contingencies"). The Company establishes liabilities for such other loss contingencies when it is probable that a loss will be incurred and the amount of the loss can be reasonably estimated. In matters where it is not probable, but is reasonably possible that a loss will be incurred and the amount of loss can be reasonably estimated, such losses or range of losses are disclosed, and no accrual is made. In the absence of sufficient information to support an assessment of the reasonably possible loss or range of loss, no accrual is made and no loss or range of loss is disclosed. On a quarterly basis, the Company reviews relevant information with respect to other loss contingencies and, when applicable, updates its accruals, disclosures and estimates of reasonably possible losses or ranges of loss based on such reviews.

12. Contingencies, Commitments and Guarantees (continued)

The Company's tax-related matters have involved disputes with taxing authorities, ongoing audits, evaluation of filing positions and any potential assessments related thereto. In the matters where the Company's subsidiaries are acting as the reinsured or the reinsurer, such reinsurance matters have involved assertions by third parties primarily related to rates, fees or reinsured benefit calculations, and certain of such reinsurance matters have resulted in arbitration. In March 2024, an arbitration panel ruled in favor of a reinsurer seeking a premium rate increase retroactive to September 2019 resulting in a $187 million loss, of which $167 million is reported in universal life and investment product-type policy fees and $20 million is reported in other expenses. As of March 31, 2024, the Company has no matters where it is reasonably possible that a loss will be incurred and the amount of loss can be reasonably estimated. The reduction in the estimated range of reasonably possible losses reflects the conclusion of the reinsurance arbitration described above. For certain matters, the Company may not currently be able to estimate the reasonably possible loss or range of loss until developments in such matters have provided sufficient information to support an assessment of such loss.

Commitments

Mortgage Loan Commitments

The Company commits to lend funds under mortgage loan commitments. The amounts of these mortgage loan commitments were $387 million and $374 million at March 31, 2024 and December 31, 2023, respectively.

Commitments to Fund Partnership Investments and Private Corporate Bond Investments

The Company commits to fund partnership investments and to lend funds under private corporate bond investments. The amounts of these unfunded commitments were $1.4 billion at both March 31, 2024 and December 31, 2023.

Guarantees

In the normal course of its business, the Company has provided certain indemnities, guarantees and commitments to third parties such that it may be required to make payments now or in the future. In the context of acquisition, disposition, investment and other transactions, the Company has provided indemnities and guarantees, including those related to tax, environmental and other specific liabilities and other indemnities and guarantees that are triggered by, among other things, breaches of representations, warranties or covenants provided by the Company. In addition, in the normal course of business, the Company provides indemnifications to counterparties in contracts with triggers similar to the foregoing, as well as for certain other liabilities, such as third-party lawsuits. These obligations are often subject to time limitations that vary in duration, including contractual limitations and those that arise by operation of law, such as applicable statutes of limitation. In some cases, the maximum potential obligation under the indemnities and guarantees is subject to a contractual limitation ranging from $6 million to $92 million, with a cumulative maximum of $98 million, while in other cases such limitations are not specified or applicable. Since certain of these obligations are not subject to limitations, the Company does not believe that it is possible to determine the maximum potential amount that could become due under these guarantees in the future. Management believes that it is unlikely the Company will have to make any material payments under these indemnities, guarantees, or commitments.

In addition, the Company indemnifies its directors and officers as provided in its charters and bylaws. Also, the Company indemnifies its agents for liabilities incurred as a result of their representation of the Company's interests. Since these indemnities are generally not subject to limitation with respect to duration or amount, the Company does not believe that it is possible to determine the maximum potential amount that could become due under these indemnities in the future.

The Company's recorded liabilities were $1 million at both March 31, 2024 and December 31, 2023 for indemnities, guarantees and commitments.

13. Related Party Transactions

Reinsurance Agreements

The Company enters into reinsurance agreements primarily as a purchaser of reinsurance for its various insurance products and also as a provider of reinsurance for some insurance products issued by related parties. The Company participates in reinsurance activities in order to limit losses, minimize exposure to significant risks and provide additional capacity for future growth.

Information regarding the significant effects of assumed reinsurance with New England Life Insurance Company ("NELICO"), an affiliate, included on the interim condensed consolidated statements of operations and comprehensive income (loss) was as follows:

	Three Months Ended March 31,	
	2024	2023
	(In millions)	
Premiums	$ 2	$ 2
Policyholder benefits and claims	$ 4	$ 18
Change in market risk benefits	$ (57)	$ 5
Other expenses	$ 2	$ —

Information regarding the significant effects of assumed reinsurance with NELICO included on the interim condensed consolidated balance sheets was as follows at:

	March 31, 2024	December 31, 2023
	(In millions)	
Assets		
Premiums, reinsurance and other receivables (net of allowance for credit losses)	$ 30	$ 28
Liabilities		
Future policy benefits	$ 47	$ 47
Market risk benefit liabilities	$ 294	$ 367
Other policy-related balances	$ 11	$ 13
Other liabilities	$ (7)	$ (4)

Shared Services and Overhead Allocations

The Company has entered into various agreements with affiliates regarding the provision of certain services, which include, but are not limited to, treasury, financial planning and analysis, legal, human resources, tax planning, internal audit, financial reporting and information technology. Revenues received from an affiliate related to these agreements, recorded in universal life and investment-type product policy fees, were $44 million for both the three months ended March 31, 2024 and 2023. Costs incurred under these arrangements were $233 million and $226 million for the three months ended March 31, 2024 and 2023, respectively, and were recorded in other expenses.

The Company had net receivables from/(payables to) affiliates, related to the items discussed above, of ($10) million and ($110) million at March 31, 2024 and December 31, 2023, respectively.

13. Related Party Transactions (continued)

Broker-Dealer Transactions

The related party expense for the Company was commissions paid on the sale of variable products and passed through to the broker-dealer affiliate. The related party revenue for the Company was fee income passed through the broker-dealer affiliate from trusts and mutual funds whose shares serve as investment options of policyholders of the Company. Fee income received related to these transactions and recorded in other revenues was $43 million and $42 million for the three months ended March 31, 2024 and 2023, respectively. Commission expenses incurred related to these transactions and recorded in other expenses were $239 million and $225 million for the three months ended March 31, 2024 and 2023, respectively. The Company also had related party fee income receivables of $15 million and $14 million at March 31, 2024 and December 31, 2023, respectively.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Index to Management’s Discussion and Analysis of Financial Condition and Results of Operations

For purposes of this discussion, "BLIC," the "Company," "we," "our" and "us" refer to Brighthouse Life Insurance Company and its subsidiaries, and "Brighthouse Life Insurance Company" refers solely to Brighthouse Life Insurance Company and not to any of its subsidiaries. Brighthouse Life Insurance Company is an indirect wholly-owned subsidiary of Brighthouse Financial, Inc. ("BHF" and together with its subsidiaries, "Brighthouse Financial"). This Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with (i) the Interim Condensed Consolidated Financial Statements and related notes included elsewhere herein; (ii) our Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Annual Report") filed with the U.S. Securities and Exchange Commission ("SEC") on February 29, 2024; (iii) our current reports on Form 8-K filed in 2024.

Overview

We offer a range of annuity and life insurance products to individuals and deliver our products through multiple independent distribution channels and marketing arrangements with a diverse network of distribution partners. Brighthouse Life Insurance Company, a Delaware corporation, is licensed to write business in all U.S. states (except New York), the District of Columbia, the Bahamas, Guam, Puerto Rico, the British Virgin Islands and the U.S. Virgin Islands. Brighthouse Life Insurance Company of NY ("BHNY"), a wholly-owned subsidiary of Brighthouse Life Insurance Company, is domiciled in New York and licensed to write business only in New York.

We are organized into three segments: (i) Annuities, (ii) Life and (iii) Run-off, which consists primarily of products that are no longer actively sold and are separately managed. In addition, we report certain of our results of operations in Corporate & Other. See "Business — Segments and Corporate & Other" included in our 2023 Annual Report, as well as Note 2 of the Notes to the Interim Condensed Consolidated Financial Statements for further information regarding our segments and Corporate & Other.

Financial and Economic Environment

Our business and results of operations are materially affected by conditions in the capital markets and the economy generally. Stressed conditions, volatility and disruptions in the capital markets or financial asset classes can have an adverse effect on us. Equity market performance can affect our profitability for variable annuities and other separate account products as a result of the effects it has on product demand, revenues, expenses, reserves and our risk management effectiveness. The level of long-term interest rates and the shape of the yield curve can have a negative effect on the profitability for variable annuities, as well as the demand for, and the profitability of, spread-based products such as fixed annuities, index-linked annuities and universal life insurance. Low interest rates and risk premium, including credit spread, affect new money rates on invested assets and the cost of product guarantees. Insurance premium growth and demand for our products is impacted by the general health of U.S. economic activity. A sustained or material increase in inflation could also affect our business in several ways. During inflationary periods, the value of fixed income investments falls which could increase realized and unrealized losses. Interest rates have increased and may continue to increase due to central bank policy responses to combat inflation, which may positively impact our business in certain respects, but could also increase the risk of a recession or an equity market downturn and could negatively impact various portions of our business, including our investment portfolio. Inflation also increases our expenses (including, among others, for labor and third-party services), potentially putting pressure on profitability if such costs cannot be passed through to policyholders in our product prices. Prolonged and elevated inflation could adversely affect the financial markets and the economy generally and dispelling it may require governments to pursue a restrictive fiscal and monetary policy, which could constrain overall economic activity and inhibit revenue growth. Events involving limited liquidity, defaults, nonperformance or other adverse developments that affect financial institutions or the financial services industry generally, or concerns or rumors about events of these kinds or other similar risks, could adversely affect market-wide liquidity, which could increase the risk of a recession or an equity market downturn and negatively impact various portions of our business, including our investment portfolio. See "Risk Factors — Economic Environment and Capital Markets-Related Risks — If difficult conditions in the capital markets and the U.S. economy generally persist or are perceived to persist, they may materially adversely affect our business and results of operations" and "Risk Factors — Risks Related to our Investment Portfolio — Our investment portfolio is subject to significant financial risks both in the U.S. and global financial markets, including credit risk, interest rate risk, inflation risk, market valuation risk, liquidity risk, real estate risk, derivatives risk, and other factors outside our control, the occurrence of any of which could have a material adverse effect on our financial condition and results of operations" included in our 2023 Annual Report.

We continue to closely monitor political and economic conditions that might contribute to market volatility and their impact on our business operations, investment portfolio and derivatives, such as global inflation, uncertainty and instability in certain asset classes (including commercial real estate), supply chain disruptions and recent geopolitical conflicts, including in Europe and the Middle East. See "Risk Factors — Economic Environment and Capital Markets-Related Risks" and "Risk Factors — Risks Related to our Investment Portfolio" included in our 2023 Annual Report for a detailed discussion of financial and economic impacts on our business, including the potential impacts of interest rate risk and inflation risk on our investments and overall business.

Regulatory Developments

We, including our insurance subsidiary, BHNY, and our reinsurance subsidiary, Brighthouse Reinsurance Company of Delaware, are primarily regulated at the state level, with some products and services also subject to federal regulation. In addition, Brighthouse Life Insurance Company and BHNY are subject to regulation under the insurance holding company laws of various U.S. jurisdictions. Furthermore, some of our operations, products and services are subject to the Employee Retirement Income Security Act of 1974, consumer protection laws, securities, broker-dealer and investment advisor regulations, as well as environmental and unclaimed property laws and regulations. See "Business — Regulation," as well as "Risk Factors — Regulatory and Legal Risks" included in our 2023 Annual Report, as amended or supplemented by our subsequent quarterly reports under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations — Regulatory Developments."

Department of Labor Fiduciary Advice Rule

A regulatory action by the Department of Labor ("DOL") (the "Fiduciary Advice Rule"), which became effective on February 16, 2021, reinstated the text of the DOL's 1975 investment advice regulation defining what constitutes fiduciary "investment advice" to Employee Retirement Income Security Act ("ERISA") Plans and Individual Retirement Accounts ("IRA") and provides guidance interpreting such regulation. Under the Fiduciary Advice Rule, individuals or entities providing investment advice would be considered fiduciaries under ERISA or the Internal Revenue Code of 1986, as amended, as applicable, and would therefore be required to act solely in the interest of ERISA Plan participants or IRA beneficiaries, or risk exposure to fiduciary liability with respect to their advice. They would further be prohibited from receiving compensation for this advice, unless an exemption applied.

On April 23, 2024, the DOL issued a final Fiduciary Advice Rule, which was originally proposed in October 2023, that updates the definition of an "investment advice fiduciary" under ERISA and amends related administrative Prohibited Transaction Exemptions (each, a "PTE"), including PTE 2020-02 (which allows fiduciaries to receive compensation in connection with providing investment advice, including advice with respect to roll overs, that would otherwise be prohibited as a result of their fiduciary relationship to the ERISA Plan or IRA) and PTE 84-24 (which, as amended by the final Fiduciary Advice Rule, is available exclusively to independent producer fiduciaries receiving reasonable compensation for products that are not considered securities in connection with providing investment advice, including advice with respect to roll overs, that would otherwise be prohibited as a result of their fiduciary relationship to an ERISA plan or IRA). The Fiduciary Advice Rule broadens the circumstances under which financial institutions, including insurance companies, could be considered fiduciaries to ERISA plans and IRA investors. We are assessing the potential impacts of the Fiduciary Advice Rule and cannot currently predict whether, or the extent to which, the Fiduciary Advice Rule may impact us, including with respect to sales of our products through our independent distribution partners, changes in our compliance requirements, product offerings or compensation practices, or increase our litigation risk, any of which could adversely affect our financial condition and results of operations. We may also need to take certain additional actions to comply with, or assist our distributors in their compliance with, the Fiduciary Advice Rule. We will continue to monitor developments regarding the new rule. See "Business — Regulation — Standard of Conduct Regulation — Department of Labor Fiduciary Advice Rule" included in our 2023 Annual Report for additional information regarding the Fiduciary Advice Rule.

Summary of Critical Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to adopt accounting policies and make estimates and assumptions that affect amounts reported on the Interim Condensed Consolidated Financial Statements.

The most critical estimates include those used in determining:

- liability for future policy benefits;
- estimated fair values of market risk benefits ("MRB");
- estimated fair values of freestanding derivatives and the recognition and estimated fair value of embedded derivatives requiring bifurcation; and
- measurement of income taxes and the valuation of deferred tax assets.

In applying our accounting policies, we make subjective and complex judgments that frequently require estimates about matters that are inherently uncertain. Many of these policies, estimates and related judgments are common in the insurance and financial services industries; others are specific to our business and operations. Actual results could differ from these estimates.

The above critical accounting estimates are described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Summary of Critical Accounting Estimates” and Note 1 of the Notes to the Consolidated Financial Statements included in our 2023 Annual Report.

Non-GAAP Financial Disclosures

Our definitions of non-GAAP financial measures may differ from those used by other companies.

Adjusted Earnings

In this report, we present adjusted earnings as a measure of our performance that is not calculated in accordance with GAAP. Adjusted earnings is used by management to evaluate performance and facilitate comparisons to industry results. We believe the presentation of adjusted earnings, as the Company measures it for management purposes, enhances the understanding of our performance by the investor community and contract holders by highlighting the results of operations and the underlying profitability drivers of our business. Adjusted earnings should not be viewed as a substitute for net income (loss) attributable to Brighthouse Life Insurance Company, which is the most directly comparable financial measure calculated in accordance with GAAP. See "—Results of Operations" for a reconciliation of adjusted earnings to net income (loss) attributable to Brighthouse Life Insurance Company.

Adjusted earnings, which may be positive or negative, focuses on our primary businesses by excluding the impact of market volatility, which could distort trends. The Company uses the term "adjusted loss" throughout this report to refer to negative adjusted earnings values.

The following are significant items excluded from total revenues in calculating adjusted earnings:

- Net investment gains (losses); and
- Net derivative gains (losses), excluding earned income and amortization of premium on derivatives that are hedges of investments or that are used to replicate certain investments, but do not qualify for hedge accounting treatment ("Investment Hedge Adjustments").

The following are significant items excluded from total expenses in calculating adjusted earnings:

- Change in MRBs; and
- Change in fair value of the crediting rate on experience-rated contracts ("Market Value Adjustments").

The provision for income tax related to adjusted earnings is calculated using the statutory tax rate of 21%, net of impacts related to the dividends received deduction, tax credits and current period non-recurring items.

We present adjusted earnings in a manner consistent with management's view of the primary business activities that drive the profitability of our core businesses. The following table illustrates how each component of adjusted earnings is calculated from the GAAP statements of operations line items:

Component of Adjusted Earnings		**How Derived from GAAP (1)**	
(i)	Fee income	(i)	*Universal life and investment-type product policy fees* plus *Other revenues*.
(ii)	Net investment spread	(ii)	*Net investment income* plus Investment Hedge Adjustments reduced by *Interest credited to policyholder account balances* (excluding Market Value Adjustments) and interest on future policy benefits.
(iii)	Insurance-related activities	(iii)	*Premiums* less *Policyholder benefits and claims*, excluding interest on future policy benefits.
(iv)	Amortization of DAC and VOBA	(iv)	*Amortization of deferred policy acquisition costs ("DAC") and value of business acquired ("VOBA")*.
(v)	Other expenses	(v)	*Other expenses.*
(vi)	Provision for income tax expense (benefit)	(vi)	Tax impact of the above items, calculated using the statutory tax rate of 21%, net of impacts related to the dividends received deduction, tax credits and current period non-recurring items.

(1) Italicized items indicate GAAP statements of operations line items.

Consistent with GAAP guidance for segment reporting, adjusted earnings is also our GAAP measure of segment performance. Accordingly, we report adjusted earnings by segment in Note 2 of the Notes to the Interim Condensed Consolidated Financial Statements.

Results of Operations

Consolidated Results for the Three Months Ended March 31, 2024 and 2023

Unless otherwise noted, all amounts in the following discussions of our results of operations are stated before income tax except for adjusted earnings, which are presented net of income tax.

	Three Months Ended March 31,	
	2024	2023
	(In millions)	
Revenues		
Premiums	$ 201	$ 190
Universal life and investment-type product policy fees	305	474
Net investment income	1,223	1,035
Other revenues	123	87
Net investment gains (losses)	(43)	(96)
Net derivative gains (losses)	(1,933)	(588)
Total revenues	(124)	1,102
Expenses		
Policyholder benefits and claims (including liability remeasurement gains (losses) of $0 and $0, respectively)	984	644
Interest credited to policyholder account balances	496	416
Amortization of DAC and VOBA	138	142
Change in market risk benefits	(1,438)	198
Interest expense on debt	17	18
Other expenses	412	376
Total expenses	609	1,794
Income (loss) before provision for income tax	(733)	(692)
Provision for income tax expense (benefit)	(168)	(167)
Net income (loss)	(565)	(525)
Less: Net income (loss) attributable to noncontrolling interests	—	—
Net income (loss) attributable to Brighthouse Life Insurance Company	$ (565)	$ (525)

The components of net income (loss) were as follows:

	Three Months Ended March 31,	
	2024	2023
	(In millions)	
Change in market risk benefits	$ 1,438	$ (198)
Net investment gains (losses)	(43)	(96)
Net derivative gains (losses), excluding investment hedge adjustments	(1,946)	(627)
Market value adjustments	5	(8)
Pre-tax adjusted earnings (loss), less net income (loss) attributable to noncontrolling interests	(187)	237
Income (loss) attributable to Brighthouse Life Insurance Company before provision for income tax	(733)	(692)
Provision for income tax expense (benefit)	(168)	(167)
Net income (loss) attributable to Brighthouse Life Insurance Company	$ (565)	$ (525)

Three Months Ended March 31, 2024 Compared with the Three Months Ended March 31, 2023

Loss before provision for income tax was $733 million ($565 million, net of income tax), an increase of $41 million ($40 million, net of income tax) from loss before provision for income tax of $692 million ($525 million, net of income tax) in the prior period.

The increase in loss before provision for income tax was driven by the following unfavorable items:

- lower pre-tax adjusted earnings, as discussed in greater detail below; and

- the impact of long-term interest rates on interest rate derivatives used to manage interest rate exposure in our universal life with secondary guarantees ("ULSG") business, as the long-term interest rate increased in the current period resulting in a loss of $212 million and decreased in the prior period resulting in a gain of $141 million.

The increase in loss before provision for income tax was partially offset by the following favorable items:

- lower losses from variable annuity guaranteed benefit riders, see "— Annuity Guaranteed Benefits and Shield Annuity Liabilities for the Three Months Ended March 31, 2024 and 2023";
- the impact of equity markets on equity options we use to hedge our non-variable annuity business, as equity markets increased more in the current period than the prior period; and
- net investment gains (losses) reflecting lower net losses on sales of fixed maturity securities and lower net losses on mortgage loans due to a smaller increase in the allowance for credit losses.

The provision for income tax, expressed as a percentage of income (loss) before provision for income tax, resulted in an effective tax rate of 23% in the current period compared to 24% in the prior period. The decrease in the effective tax rate was driven by the increase in loss before provision for income tax as discussed above. Our effective tax rate differs from the statutory tax rate primarily due to the impacts of the dividends received deduction, tax credits and current period non-recurring items.

Reconciliation of Net Income (Loss) to Adjusted Earnings

The reconciliation of net income (loss) attributable to Brighthouse Life Insurance Company to adjusted earnings was as follows:

	Three Months Ended March 31,	
	2024	2023
	(In millions)	
Net income (loss) attributable to Brighthouse Life Insurance Company	$ (565)	$ (525)
Add: Provision for income tax expense (benefit)	(168)	(167)
Income (loss) attributable to Brighthouse Life Insurance Company before provision for income tax	(733)	(692)
Less: Net investment gains (losses)	(43)	(96)
Less: Net derivative gains (losses), excluding investment hedge adjustments of $13 and $39, respectively	(1,946)	(627)
Less: Change in market risk benefits	1,438	(198)
Less: Market value adjustments	5	(8)
Pre-tax adjusted earnings (loss), less net income (loss) attributable to noncontrolling interests	(187)	237
Less: Provision for income tax expense (benefit)	(54)	29
Adjusted earnings (loss)	$ (133)	$ 208

Consolidated Results for the Three Months Ended March 31, 2024 and 2023 — Adjusted Earnings

The components of adjusted earnings were as follows:

	Three Months Ended March 31,	
	2024	2023
	(In millions)	
Fee income	$ 428	$ 561
Net investment spread	712	645
Insurance-related activities	(760)	(433)
Amortization of DAC and VOBA	(138)	(142)
Other expenses	(429)	(394)
Less: Net income (loss) attributable to noncontrolling interests	—	—
Pre-tax adjusted earnings (loss), less net income (loss) attributable to noncontrolling interests	(187)	237
Provision for income tax expense (benefit)	(54)	29
Adjusted earnings (loss)	$ (133)	$ 208

Three Months Ended March 31, 2024 Compared with the Three Months Ended March 31, 2023

Adjusted loss was $133 million in the current period, a decrease of $341 million.

Key net unfavorable impacts were:

- higher net costs associated with insurance-related activities due to:
  - an increase in liability balances in our ULSG business resulting from a reinsurance premium rate increase associated with the conclusion of a reinsurance arbitration; and
  - a decrease in income annuity underwriting margins;

  partially offset by
  - lower paid claims, net of reinsurance;
- lower net fee income due to:
  - higher ceded cost of insurance fees in our life and ULSG businesses related to the conclusion of the aforementioned reinsurance arbitration;

  partially offset by
  - higher reinsurance fees commensurate with an increase in deposit balances resulting from increased sales in our annuity business; and
- higher other expenses due to:
  - the conclusion of the aforementioned reinsurance arbitration; and
  - higher deferred compensation and operational expenses;

  partially offset by
  - lower transition services agreement expenses.

Key net favorable impact was:

- higher net investment spread due to:
  - higher returns on other limited partnerships;
  - higher investment yields on our fixed income portfolio, as proceeds from maturing investments and the growth in the investment portfolio were invested at higher yields than the portfolio average; and
  - higher average invested assets resulting from positive net flows in the general account;

  partially offset by
  - higher interest credited to policyholders due to higher account balances.

The provision for income tax, expressed as a percentage of pre-tax adjusted earnings, resulted in an effective tax rate of 29% in the current period compared to 12% in the prior period. Our effective tax rate differs from the statutory tax rate primarily due to the impacts of the dividends received deduction, tax credits and current period non-recurring items.

Annuity Guaranteed Benefits and Shield Annuity Liabilities for the Three Months Ended March 31, 2024 and 2023

The overall impact on income (loss) before provision for income tax from the performance of annuity guaranteed benefits and Shield® Level Annuity ("Shield" and "Shield annuity") liabilities, which includes (i) changes in the fair value of liabilities and reinsurance, (ii) fees net of claims and (iii) the mark-to-market of hedges, was as follows:

	Three Months Ended March 31,	
	2024	2023
	(In millions)	
Market risk benefits mark-to-market	$ 1,344	$ (304)
Annuity guaranteed benefit rider fees, net of claims	113	115
Ceded reinsurance	(19)	(2)
Total changes attributable to annuity guaranteed benefits	1,438	(191)
Variable annuity hedges	67	365
Shield embedded derivatives	(1,817)	(1,073)
Total	$ (312)	$ (899)

Three Months Ended March 31, 2024 Compared with the Three Months Ended March 31, 2023

Annuity guaranteed benefits and Shield annuity liabilities performance was unfavorable for the three months ended March 31, 2024, primarily driven by:

- decreases in annuity guaranteed benefits liabilities due to increasing interest rates and equity markets;
- favorable changes in variable annuity hedges due to increasing equity markets, partially offset by increasing long-term interest rates; and
- unfavorable changes in Shield embedded derivatives due to increasing equity markets.

Annuity guaranteed benefits and Shield annuity liabilities performance was unfavorable for the three months ended March 31, 2023, primarily driven by:

- increases in annuity guaranteed benefits liabilities due to decreasing interest rates, partially offset by increasing equity markets;
- favorable changes in variable annuity hedges due to decreasing long-term interest rates, partially offset by increasing equity markets; and
- unfavorable changes in Shield embedded derivatives due to increasing equity markets.

Liquidity and Capital Resources

Our business and results of operations are materially affected by conditions in the global capital markets and the economy generally. Stressed conditions, volatility or disruptions in global capital markets, particular markets or financial asset classes can impact us adversely, in part because we have a large investment portfolio and our insurance liabilities and derivatives are sensitive to changing market factors. Changing conditions in the global capital markets and the economy may affect our financing costs and market interest rates for our debt issuances. For further information regarding market factors that could affect our ability to meet liquidity and capital needs, see "— Overview — Financial and Economic Environment," as well as "Risk Factors — Economic Environment and Capital Markets-Related Risks" and "Risk Factors — Risks Related to Our Investment Portfolio" included in our 2023 Annual Report.

Sources and Uses of Liquidity and Capital

In addition to the summary description of liquidity and capital sources discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Sources and Uses of Liquidity and Capital" in our 2023 Annual Report, the following additional information is provided regarding our primary sources of liquidity and capital:

Funding Agreements

Brighthouse Life Insurance Company issues funding agreements and uses the proceeds from such issuances for spread lending purposes in connection with our institutional spread margin business or to provide additional liquidity. The institutional spread margin business is comprised of funding agreements issued in connection with the programs described in more detail below. Activity related to these programs are reported in Corporate & Other. See Note 4 of the Notes to the Consolidated Financial Statements included in our 2023 Annual Report for additional information on funding agreements.

Funding Agreement-Backed Repurchase Agreement Program

In January 2024, Brighthouse Life Insurance Company established a secured funding agreement-backed repurchase agreement program (the "FABR Program"), pursuant to which Brighthouse Life Insurance Company may enter into repurchase agreements with bank counterparties and the proceeds of the repurchase agreements are then used by a special-purpose entity to purchase funding agreements from Brighthouse Life Insurance Company.

Funding Agreement-Backed Commercial Paper Program

In July 2021, Brighthouse Life Insurance Company established a funding agreement-backed commercial paper program (the "FABCP Program") for spread lending purposes, pursuant to which a special purpose limited liability company (the "SPLLC") may issue commercial paper and deposit the proceeds with Brighthouse Life Insurance Company under a funding agreement issued by Brighthouse Life Insurance Company to the SPLLC. The maximum aggregate principal amount permitted to be outstanding at any one time under the FABCP Program is $5.0 billion.

Funding Agreement-Backed Notes Program

In April 2021, Brighthouse Life Insurance Company established a funding agreement-backed notes program (the "FABN Program"), pursuant to which Brighthouse Life Insurance Company may issue funding agreements to a special purpose statutory trust for spread lending purposes. The maximum aggregate principal amount permitted to be outstanding at any one time under the FABN Program is $7.0 billion.

Federal Home Loan Bank Funding Agreements

Brighthouse Life Insurance Company is a member of the Federal Home Loan Bank ("FHLB") of Atlanta, where we maintain a secured funding agreement program, under which funding agreements may be issued.

Farmer Mac Funding Agreements

Brighthouse Life Insurance Company has a secured funding agreement program with the Federal Agricultural Mortgage Corporation and its affiliate Farmer Mac Mortgage Securities Corporation ("Farmer Mac") with a term ending on December 1, 2026, pursuant to which the parties may enter into funding agreements in an aggregate amount of up to $750 million.

Information regarding funding agreements issued for spread lending purposes is as follows:

	Aggregate Principal Amount Outstanding		Issuances		Repayments	
			Three Months Ended March 31,			
	March 31, 2024	December 31, 2023	2024	2023	2024	2023
	(In millions)					
FABR Program	$ 500	$ —	$ 500	$ —	$ —	$ —
FABCP Program	2,998	3,442	3,804	2,598	4,248	2,187
FABN Program	2,100	2,100	—	—	—	400
FHLB Funding Agreements	4,350	4,350	575	800	575	350
Farmer Mac Funding Agreements	750	700	50	—	—	—
Total	$ 10,698	$ 10,592	$ 4,929	$ 3,398	$ 4,823	$ 2,937

Note Regarding Forward-Looking Statements

This report and other oral or written statements that we make from time to time may contain information that includes or is based upon forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve substantial risks and uncertainties. We have tried, wherever possible, to identify such statements using words such as “anticipate,” “estimate,” “expect,” “project,” “may,” “will,” “could,” “intend,” “goal,” “target,” “guidance,” “forecast,” “preliminary,” “objective,” “continue,” “aim,” “plan,” “believe” and other words and terms of similar meaning, or that are tied to future periods, in connection with a discussion of future operating or financial performance. In particular, these include, without limitation, statements relating to future actions, prospective services or products, financial projections, future performance or results of current and anticipated services or products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, as well as trends in operating and financial results.

Any or all forward-looking statements may turn out to be wrong. They can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. Many such factors will be important in determining the actual future results of BLIC. These statements are based on current expectations and the current economic environment and involve a number of risks and uncertainties that are difficult to predict. These statements are not guarantees of future performance. Actual results could differ materially from those expressed or implied in the forward-looking statements due to a variety of known and unknown risks, uncertainties and other factors. Although it is not possible to identify all of these risks and factors, they include, among others:

- differences between actual experience and actuarial assumptions and the effectiveness of our actuarial models;
- higher risk management costs and exposure to increased market risk due to guarantees within certain of our products;
- the effectiveness of our variable annuity exposure risk management strategy and the impacts of such strategy on volatility in our profitability measures and the negative effects on our statutory capital;
- material differences between actual outcomes and the sensitivities calculated under certain scenarios that we may utilize in connection with our variable annuity risk management strategies;
- the impact of interest rates on our future ULSG policyholder obligations and net income volatility;
- the potential material adverse effect of changes in accounting standards, practices or policies applicable to us, including changes in the accounting for long-duration contracts;
- loss of business and other negative impacts resulting from a downgrade or a potential downgrade in our financial strength ratings;
- the availability of reinsurance and the ability of the counterparties to our reinsurance or indemnification arrangements to perform their obligations thereunder;
- heightened competition, including with respect to service, product features, scale, price, actual or perceived financial strength, claims-paying ratings, financial strength ratings, e-business capabilities and name recognition;
- our ability to market and distribute our products through distribution channels;
- any failure of third parties to provide services we need, any failure of the practices and procedures of such third parties and any inability to obtain information or assistance we need from third parties;
- Brighthouse Life Insurance Company’s ability to pay dividends, as well as the ability of its subsidiaries to pay dividends or distributions to Brighthouse Life Insurance Company;
- the risks associated with climate change;
- the adverse impact of public health crises, extreme mortality events or similar occurrences on our business and the economy in general;
- the impact of adverse capital and credit market conditions, including with respect to our ability to meet liquidity needs and access capital;
- the impact of economic conditions in the capital markets and the U.S. and global economy, as well as geopolitical events, military actions or catastrophic events, on our profitability measures as well as our investment portfolio, including on realized and unrealized losses and impairments, net investment spread and net investment income;

- the financial risks that our investment portfolio is subject to, including credit risk, interest rate risk, inflation risk, market valuation risk, liquidity risk, real estate risk, derivatives risk, and other factors outside our control;
- the impact of changes in regulation and in supervisory and enforcement policies or interpretations thereof on our insurance business or other operations;
- the potential material negative tax impact of potential future tax legislation that could make some of our products less attractive to consumers or increase our tax liability;
- the effectiveness of our policies, procedures and processes in managing risk;
- the loss or disclosure of confidential information, damage to our reputation and impairment of our ability to conduct business effectively as a result of any failure in cyber- or other information security systems;
- whether all or any portion of the tax consequences of our separation from MetLife, Inc. (together with its subsidiaries and affiliates, “MetLife”) are not as expected, leading to material additional taxes or material adverse consequences to tax attributes that impact us; and
- other factors described in this report and from time to time in documents that we file with the SEC.

For the reasons described above, we caution you against relying on any forward-looking statements, which should also be read in conjunction with the other cautionary statements included and the risks, uncertainties and other factors identified in our 2023 Annual Report, particularly in the sections entitled “Risk Factors” and “Quantitative and Qualitative Disclosures About Market Risk,” as well as in our other subsequent filings with the SEC. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, except as otherwise may be required by law.

Item 4. Controls and Procedures

Management, with the participation of the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company’s disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (“Exchange Act”), as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that these disclosure controls and procedures were effective as of March 31, 2024.

MetLife provides certain services to the Company on a transitional basis through services agreements. The Company continues to change business processes, implement systems and establish new third-party arrangements, as a subsidiary of Brighthouse Financial, Inc. We consider these in aggregate to be material changes in our internal control over financial reporting.

Other than as noted above, there were no changes to the Company’s internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, these internal controls over financial reporting.

Part II — Other Information

Item 1. Legal Proceedings

See Note 12 of the Notes to the Interim Condensed Consolidated Financial Statements.

Item 1A. Risk Factors

We discuss in this report, in our 2023 Annual Report and in our other filings with the SEC, various risks that may materially affect our business. In addition, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Note Regarding Forward-Looking Statements" included herein. There have been no material changes to our risk factors from the risk factors previously disclosed in our 2023 Annual Report.

Item 5. Other Information

Director and Officer 10b5-1 Plans

All of Brighthouse Life Insurance Company's common stock is held by Brighthouse Holdings, LLC. As such, during the three months ended March 31, 2024, none of the Company's directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933, as amended).

Item 6. Exhibits

*(**Note Regarding Reliance on Statements in Our Contracts:** In reviewing the agreements included as exhibits herein, please remember that they are included to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about Brighthouse Life Insurance Company, its subsidiaries or affiliates or the other parties to the agreements. The agreements contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement and (i) should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate; (ii) have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement; (iii) may apply standards of materiality in a way that is different from what may be viewed as material to investors; and (iv) were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments. Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time. Additional information about Brighthouse Life Insurance Company, its subsidiaries and affiliates may be found elsewhere herein and Brighthouse Life Insurance Company's other public filings, which are available without charge through the U.S. Securities and Exchange Commission website at www.sec.gov.)*

Exhibit No.	Description
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
104*	The cover page of Brighthouse Life Insurance Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, formatted in Inline XBRL (included within the Exhibit 101 attachments).

* Filed herewith.

** Furnished herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BRIGHTHOUSE LIFE INSURANCE COMPANY

By:		/s/ Kristine H. Toscano
	Name:	Kristine H. Toscano
	Title:	Vice President and Chief Accounting Officer (Duly Authorized Officer and Principal Accounting Officer)

Date: May 9, 2024

Exhibit 31.1

CERTIFICATIONS

I, Eric T. Steigerwalt, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Brighthouse Life Insurance Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2024

/s/ Eric T. Steigerwalt

Eric T. Steigerwalt
Chairman of the Board, President and
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Edward A. Spehar, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Brighthouse Life Insurance Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2024

/s/ Edward A. Spehar

Edward A. Spehar
Vice President and Chief Financial Officer

Exhibit 32.1

SECTION 906 CERTIFICATION

CERTIFICATION PURSUANT TO SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

I, Eric T. Steigerwalt, certify that, to my knowledge, (i) Brighthouse Life Insurance Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 (the "Form 10-Q") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Brighthouse Life Insurance Company.

Date: May 9, 2024

/s/ Eric T. Steigerwalt

Eric T. Steigerwalt
Chairman of the Board, President and
Chief Executive Officer

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by Brighthouse Life Insurance Company (the "Company") for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

Exhibit 32.2

SECTION 906 CERTIFICATION

CERTIFICATION PURSUANT TO SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

I, Edward A. Spehar, certify that, to my knowledge, (i) Brighthouse Life Insurance Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 (the "Form 10-Q") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Brighthouse Life Insurance Company.

Date: May 9, 2024

/s/ Edward A. Spehar

Edward A. Spehar
Vice President and Chief Financial Officer

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by Brighthouse Life Insurance Company (the "Company") for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.