

The *AdvanceSource*® accelerated benefit long-term care insurance rider  
RiverSource Life Insurance Company

# Flexibility for when the unexpected occurs

The purpose of this communication is the solicitation of insurance. Contact will  
be made by an insurance agent or insurance company.





## Ameriprise Financial *Confident Retirement*<sup>®</sup> approach



Having a strategy to protect against unexpected events is a critical part of achieving a truly confident retirement. After you have a plan in place to cover essential and lifestyle expenses, the next steps are to **prepare for the unexpected** and **leave a legacy**.

Unexpected events can occur in many forms. While you want to protect your family's future with sufficient life insurance, you should also consider protecting against the financial impact of chronic care costs later in life. Adding the *AdvanceSource*<sup>®</sup> rider to a single-life insurance policy helps you address both issues and achieve a more confident retirement.

### ADVANCESOURCE ACCELERATED BENEFIT RIDER

NOT A DEPOSIT • NOT FDIC INSURED • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY  
• NOT BANK, CREDIT UNION OR SAVINGS & LOAN GUARANTEED



# A solution offering much more than life insurance.

As you contemplate what life may bring in the long-term, it's important to consider how you will:

## Protect

you and your loved ones from unexpected expenses.

## Preserve

the assets you've worked hard to accumulate from the impact of chronic care costs.

## Customize

coverage to suit your lifestyle needs and financial position.

A *RiverSource*® permanent single-life insurance policy combined with the *AdvanceSource*® accelerated benefit gives you:

Valuable **protection** for your family

A **safety** net to help pay chronic care expenses

Tax-deferred **growth of assets** inside the policy

Combining permanent life insurance with the *AdvanceSource* rider (purchased for an additional cost) gives you the option to use part of your death benefit to help pay expenses if you become chronically ill.

The *RiverSource AdvanceSource* accelerated benefit.  
**Coverage that adapts to your life.**

# Enhanced protection and flexibility...

Protecting against the potential financial impact of long-term care is more important than ever.

A *RiverSource* permanent life insurance policy with the *AdvanceSource* rider, added when you purchase your policy, can help you address this challenge by giving you the flexibility to use part of your policy's death benefit to pay for chronic care expenses.



**The *AdvanceSource* rider  
snaps onto your new  
*RiverSource* life insurance  
policy and makes available:**

...in one policy

## Total death benefit

Some or all of your death benefit—tax-free\*—for chronic care expenses.

Any unused death benefit amount that passes income tax-free to your beneficiaries.

### Example:

**\$500,000** Death benefit

x 60%

Percent of death benefit you choose for chronic care with the *AdvanceSource* rider

**\$300,000** Portion of death benefit available for chronic care

x 2%

Monthly maximum percentage you choose

**\$6,000** Maximum monthly benefit

This example is hypothetical and for illustrative purposes only.

\*The benefit is intended to qualify for exclusion from income within the limits of the Code. Receipt of benefits in excess of those limits may be taxable. Consult a tax adviser regarding the taxation of any benefits received.

# Answers to questions you might have

## Adding the *AdvanceSource* rider

### How do I purchase the *AdvanceSource* rider?

You can add the *AdvanceSource* rider to any new *RiverSource* single-life permanent insurance policy at the time of purchase (for an additional cost and subject to underwriting requirements).

### How is my chronic care benefit amount determined?

When you apply for your *RiverSource* life insurance policy with the *AdvanceSource* rider, you choose the following two things on your application:

1. **How much** of the life insurance policy's specified amount you want to allocate toward meeting potential chronic care costs. You choose an amount representing between 20% to 100% of the policy specified death benefit; and
2. **How quickly** you want to use up the amount you selected. You decide on a monthly maximum—either 1%, 2% or 3% of the value in Part 1 of this answer. Keep in mind, your benefit will be capped at the Health Insurance Portability and Accountability Act (HIPAA) limit.

The following example shows how this works with a \$500,000 death benefit, 90% allocated to chronic care, and a 3% monthly maximum:

<b>\$500,000</b>	<b>Death benefit</b>
x 90%	Percent of death benefit you choose for chronic care with the <i>AdvanceSource</i> rider
<hr/>	
<b>\$450,000</b>	<b>Portion of death benefit available for chronic care</b>
x 3%	Monthly maximum percentage you choose
<hr/>	
<b>\$13,500</b>	<b>Maximum monthly benefit</b>

### How is the cost of the *AdvanceSource* rider determined?

The cost for the rider is calculated based on gender,<sup>1</sup> age, rider specified amount, time since issue, percentage selected for monthly benefit amount and risk class.

<sup>1</sup> Except in Montana.

<sup>2</sup> The state of Massachusetts does not allow loan repayment from the monthly benefit payment, unless selected by the policy owner.

### Does my life insurance need to be in force for the *AdvanceSource* rider to provide benefits?

Yes. It is possible that you may need to add premium to your policy to maintain the base policy coverage, including any riders. Work with your financial advisor to ensure you're adequately funding your policy.

### Can I add other riders on my life insurance policy when I have the *AdvanceSource* rider?

Yes. You may add other riders to your policy for an additional cost. For instance, you could add the waiver of premium rider, which would cover policy costs if you became disabled.

## Accessing the *AdvanceSource* rider benefits

### How does using the chronic care benefit affect my death benefit?

When you access your policy's death benefit to pay chronic care costs, it reduces proportionately the cash value and the death benefit that will be paid to beneficiaries upon your death. For instance, if the life insurance policy's death benefit is \$750,000, but \$250,000 was used to meet chronic care expenses, the death benefit remaining would be \$500,000.

### What if I take a loan from my policy? Does that affect the chronic care benefit?

Policy loans will reduce the net monthly benefit available under the rider, because a portion of the monthly benefit will go to repay part of the loan each month.<sup>2</sup>

### What types of care are covered by the *AdvanceSource* rider benefits?

To be eligible for the *AdvanceSource* rider benefits, a licensed health care practitioner must certify that you are chronically ill and currently on a prescribed plan of care established in the previous 12 months. "Chronically ill," is defined as being unable to perform two out of six activities of daily living (bathing, continence, dressing, eating, toileting and transferring) without substantial assistance from another individual for at least 90 days; or, needing substantial assistance due to cognitive impairment.



Once you qualify for care, and after a 90-day elimination<sup>3</sup> period, benefits will be paid for days of qualified chronic care services received. These are services prescribed by your licensed health care practitioner in your plan of care. Qualified chronic care services are necessary diagnostic, preventive, therapeutic, curative, treatment, mitigation, and rehabilitative services and maintenance or personal care services. These services may be provided in different settings and may include:

- Long-term care facilities or nursing homes
- Adult day-care centers
- Residential care/assisted living facilities
- Your home

#### **Will I be charged for the rider once I start using the benefit?**

No. The *AdvanceSource* rider costs are waived during a claim.

#### **How long will my benefits last?**

The *AdvanceSource* rider offers flexibility to use just a portion or all of your benefit for chronic care expenses, depending on your needs. A daily benefit—up to the monthly maximum you choose (and subject to the HIPAA limit)—is paid to you for qualified care you receive until the portion of the death benefit you allotted to chronic care is exhausted. For example, in the example shown on p. 6, if you consistently used your monthly maximum

amount, the benefits would last 33 1/3 months. However, if at any time you requested less than the monthly maximum, your benefits would continue until the entire portion allocated to chronic care (e.g., the \$450,000 in our example on p. 6) was exhausted. If you never used your benefit to cover chronic care expenses, the entire death benefit amount, minus any outstanding loans or partial surrenders, would pass income-tax free to the beneficiaries named on the policy.

#### **How are my expenses for care paid for?**

Benefit payments go directly to the insured individual (except in New York, where they're paid to the policy owner).

#### **Are accelerated benefits taxable?**

Generally, benefits for chronic care services are non-taxable up to the designated IRS limits. While the cost of the rider is treated as a withdrawal of your policy value and you will receive a 1099 tax statement indicating the amount withdrawn in a given year, current tax law does not consider the withdrawal taxable. Consult your personal tax adviser for additional information.

#### **What happens when the insured individual dies?**

At the death of the insured, the beneficiaries named on the policy will receive the income tax-free death benefit, minus any portion of the death benefit accelerated and used for chronic care expenses.

<sup>3</sup> Also known as a "waiting period."

Ask your financial advisor\* today how adding the *AdvanceSource* rider to your single-life *RiverSource* life insurance policy can help you be better prepared for the unexpected.

\* Your financial advisor is a licensed insurance agent or insurance producer.

# Live confidently every day.

As a company with a long history of strength, stability and expertise, we're committed to serving your needs and interests. We offer a range of products and services that give you the flexibility you need and the stability you desire as you live for today, make plans for retirement and prepare for your personal legacy.

Talk with your financial advisor today about how the *AdvanceSource* rider may be right for you. He or she can help you review your financial situation and the Outline of Coverage provided with this brochure, which contains additional details about the rider, including rider cost, benefit conditions, limitations and exclusions.

This brochure is authorized for use only when accompanied by the Outline of Coverage and a *RiverSource* single-life permanent life insurance product brochure.

This *AdvanceSource* rider is intended to be federally tax-qualified long-term care insurance under Section 7702B(b) of the Code, as adopted by the Health Insurance Portability and Accountability Act of 1996 – Public Law 104-191 (herein referred to as the “Code”), and as amended from time to time.

The benefit is intended to qualify for exclusion from income within the limits of the Code. Receipt of benefits in excess of those limits may be taxable. Consult a tax adviser regarding the taxation of any benefits received. For this purpose, benefits under other contracts paying long-term care benefits are included in determining whether benefits exceed the limits imposed by the Code. Any charges for this rider that are deducted from the cash value of the life insurance contract will not be included in taxable income. The investment in the contract, however, is reduced (but not below zero) by the amount of the charge.

Neither RiverSource Life Insurance Company, nor its affiliates or representatives, offer tax or legal advice. Consult with your tax adviser or attorney regarding your specific situation.

Accessing policy cash value through loans and surrenders may cause a permanent reduction of policy cash values and death benefit, and negate any guarantees against lapse. Surrender charges may apply to the policy and loans may be subject to interest charges. Although loans are generally not taxable, there may be tax consequences if the policy lapses,

or is surrendered or exchanged with an outstanding loan. Taxable income could exceed the amount of proceeds actually available. Surrenders are generally taxable to the extent they exceed the remaining investment in the policy. If the policy is a modified endowment contract (MEC), pre-death distributions, including loans from the policy, are taxed on an income-first basis, and there may be a 10% federal income tax penalty for distributions of earnings prior to age 59½.

In some states, the *AdvanceSource* rider is not considered long-term care insurance.

The *Confident Retirement* approach is not a guarantee of future financial results.

This brochure applies to rider number 132172-CA.

**Issued by RiverSource Life Insurance Company, Minneapolis, Minnesota. Affiliated with Ameriprise Financial Services, LLC.**



[riversource.com/insurance](http://riversource.com/insurance)