Wealth Transfer
Insurance Strategy

RiverSource® Insurance

Maximize the value of the wealth you transfer

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Ameriprise Financial *Confident Retirement*® approach

The Ameriprise Financial *Confident Retirement* approach breaks retirement planning down into doable steps to take the uncertainty out of facing your future. Your financial advisor can offer practical advice and solutions to cover your essential expenses, ensure your lifestyle, prepare for the unexpected and **leave a legacy**.

Assets you're not using for income in retirement will inevitably pass to someone or a cause you care about. Minimizing their depletion by taxes to maximize what passes to your heirs is possible with planning. Life insurance is a unique tool that, when structured properly, can help you transfer your wealth more efficiently.

When you consider the years of effort you've invested in accumulating your wealth, would you rather it increase and transfer efficiently or erode from taxes?

Maximizing your wealth

Wealth transfer (or "capital transfer") involves moving idle, taxable assets into a more tax-efficient position by using life insurance. Because life insurance offers the unique advantage of leverage, it can immediately increase the value of an asset, often by several times its original amount. And, when the policy is properly structured, the new wealth you've created can pass to loved ones **income tax-free** or benefit a cherished cause of your choosing.

Using life insurance to transfer your wealth lets you:

Reduce taxes

Assets such as CDs, stocks, bonds and mutual funds typically generate taxable earnings and may be taxable each year or when you access the asset. By repositioning the assets (or a portion of them) into life insurance, you can potentially reduce this ongoing taxation.

Create new wealth

Life insurance gives you the exclusive benefit of leverage—increasing an amount of money to several times its original value—and as a result, allows you to create wealth where it previously did not exist.

Increase your financial legacy

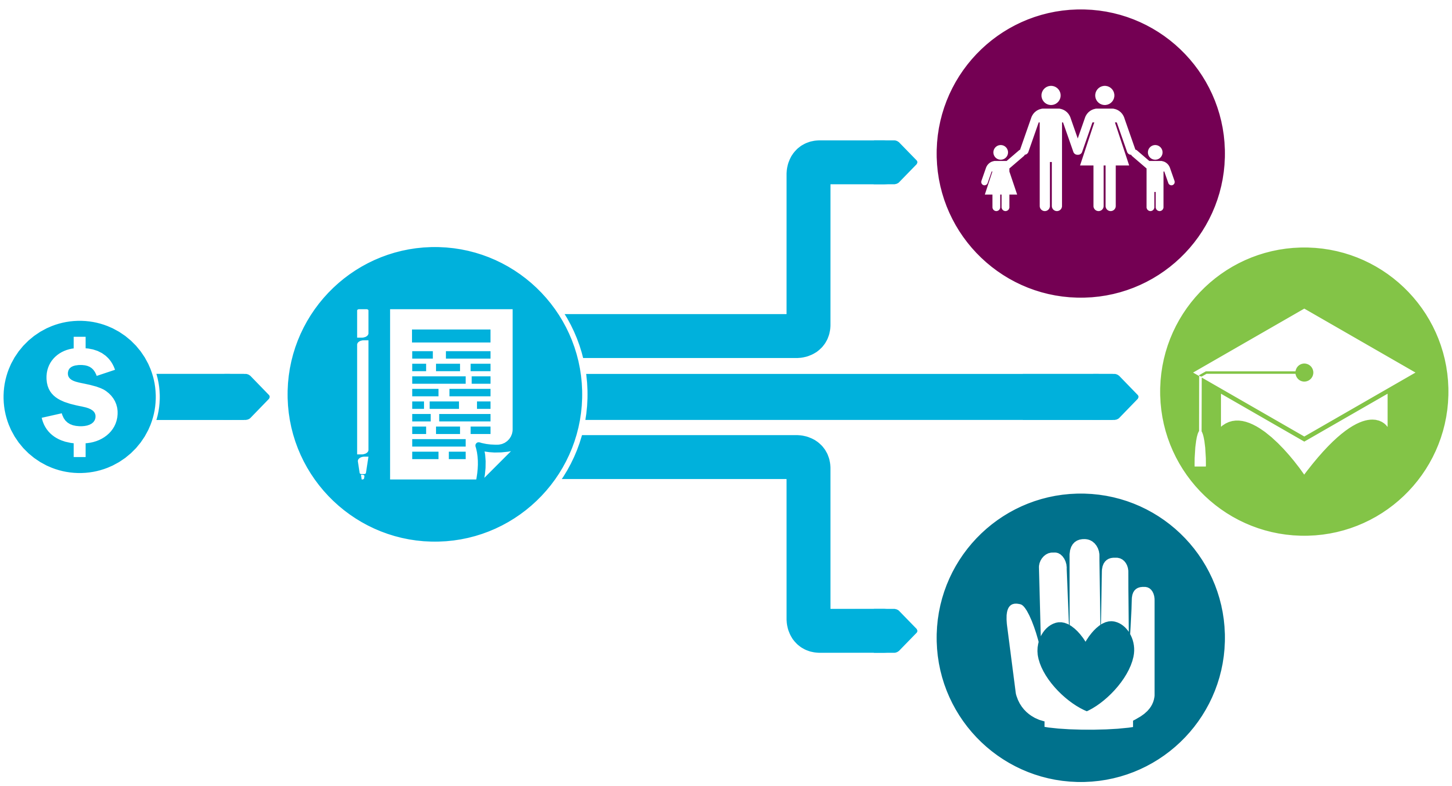
Your newly leveraged asset has the exclusive benefit of growing tax-deferred and passing income tax-free to your beneficiaries, thereby allowing you to pass on a greater inheritance to those you love, or to a cause you care about.

Before you purchase life insurance, be sure to ask your sales representative about the policy's features, benefits and fees, and whether the life insurance is appropriate for you, based upon your financial situation and objectives.

Helping you pass on more of your hard-earned dollars

A wealth transfer strategy using life insurance lets you pass on more of the dollars you've worked so hard to accumulate to those you love, or a cause you care about.

Using life insurance to leverage a previously taxable asset into a now larger, tax-deferred asset can create new wealth that you can then pass on to loved ones, or causes or institutions you care about, income tax-free.



Policy

Through the use of life insurance you can increase the amount you pass on to loved ones or charity with a death benefit often several times more than the premiums paid into the policy.

Income tax-free death benefit

Because an insurance policy benefit can pass to your beneficiaries income tax-free, you help maximize the value of the gift you leave to your loved ones.

Answers to questions you might have

How do I know if a wealth transfer strategy is right for me?

A wealth transfer strategy might make sense for you if you:

- Are in retirement
- Are between ages 65 and 85
- Have assets producing income that you're not using for living expenses
- Have idle assets not needed for income, but that are earmarked for beneficiaries

What types of assets should I consider for this strategy?

Assets you generally want to consider for a wealth transfer strategy are idle, taxable assets that you can transfer as a lump sum (e.g., stocks, bonds, mutual funds, CDs) and that you do not depend on to meet your current or anticipated future lifestyle needs. These assets generally create a tax liability when you realize earnings on any growth (ordinary income tax on interest and certain dividends, capital gains tax, etc.) Also remember, selling non-qualified assets may create short and/or long-term capital gains.

Does it matter who owns the insurance policy used in this strategy?

Ownership of a life insurance policy is important, especially with regard to estate taxes. The benefit paid from an individually owned life insurance policy will usually be included in estate tax calculations (federal as well as state estate taxes, depending on the state). If your net worth is at a level where you believe you will pay estate taxes, you may want to consider owning the policy in a trust instead. Work with your tax adviser together with your financial advisor to determine the best approach to take.

What type of insurance policy should I use for this strategy?

While any type of permanent life insurance can be appropriate, certain policies will make more sense depending on your goals. Some policies can offer the opportunity to grow cash value in the policy while other designs can provide a lifetime no-lapse guarantee. Work with your financial advisor to determine which type of policy is best for your situation.

Shouldn't I keep these assets available in case I need to use them to pay for long-term care?

An advantage of certain individual life policies is the option to add a rider for an additional fee that would allow you access to a portion of the insurance policy's benefit for qualified extended care services. If you didn't use all of the policy benefit for the extended care expenses, the remaining balance could be paid out to your beneficiaries.

Can I only use a lump sum asset to fund the insurance or can I pay for it over time?

When implementing a wealth transfer strategy, you will generally fund the life insurance with a lump sum; however, other funding options are possible and may allow for additional flexibility in accessing your policy value income tax-free.

It's important to note that when you fund a policy with a lump sum and pay more than a specified premium amount into the policy, you create what is called a "Modified Endowment Contract," or "MEC," for short. If your policy becomes a MEC, the policy death benefit still passes income-tax-free to your heirs; however, withdrawals (including loans) you take from the policy are taxable on an earnings-first basis. In addition, you may incur a 10% federal income tax penalty on any earnings withdrawn prior to age 59½. So, if you plan on taking money out, it's usually best not to exceed the MEC premium limit.

Work with your financial advisor to determine the optimal way to fund your policy given your situation and goals.

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.

RiverSource Insurance

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

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Neither RiverSource Life Insurance Company nor RiverSource Life insurance Co. of New York can guarantee future results.

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