

**AdvanceSource<sup>SM</sup> Accelerated Benefit Rider**

**Long-Term Care Insurance - Outline of Coverage  
Accelerated Benefit Rider for Chronic Illness - Form Series 132172**



⚠ The issuance of the rider is based upon the responses to the questions in the application for the policy and the rider. A copy of Your application for the policy and the rider are attached to the policy. If Your or the Accelerated Benefit Insured answers are incorrect or untrue, the company has the right to deny benefits or rescind Your policy and the rider. The best time to clear up any questions is now, before a claim arises. If, for any reason, any of Your or the Accelerated Benefit Insured's answers are incorrect, contact the company at: RiverSource Life Insurance Company, 70100 Ameriprise Financial Center, Minneapolis, MN 55474.

**NOTICE TO OWNER:** The rider may not cover all of the costs associated with long-term care services incurred by the Accelerated Benefit Insured. You should carefully review all policy and rider provisions and limitations.

1. The *AdvanceSource* Accelerated Benefit rider is attached to an individual life insurance policy.
2. **PURPOSE OF THE OUTLINE OF COVERAGE.** This Outline of Coverage provides a very brief description of the important features of the *AdvanceSource* Accelerated Benefit rider. You should compare this Outline of Coverage to outlines of coverage for other policies and riders available to you. This is not an insurance contract, but only a summary of coverage. Only the rider and the individual life insurance policy to which it is attached contain the governing contractual provisions. Therefore, if you purchase this coverage, or any other coverage, it is important that you **READ YOUR POLICY AND RIDER CAREFULLY.**
3. **FEDERAL TAX CONSEQUENCES.** The rider is intended to be federally tax-qualified Long-Term Care insurance under Section 7702B(b) of the Internal Revenue Code of 1986, 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 in effect at the issuance of this rider. Receipt of benefits in excess of those limits may be taxable. Consult a tax advisor regarding the taxation of any benefits received. Charges for the rider may be considered distributions for income tax purposes, and may be taxable.

4. **TERMS UNDER WHICH THE RIDER MAY BE CONTINUED IN FORCE OR DISCONTINUED.**

**RENEWABILITY:** The rider is guaranteed renewable. This means that we may not on our own, cancel or reduce coverage provided by this rider. Subject to the Rider Termination Provision, this rider will remain in force for as long as the policy remains in force and the required charges for this rider are paid.

**WAIVER OF RIDER CHARGE:** The monthly cost for the rider will be waived once Monthly Benefit Payments begin.

5. **TERMS UNDER WHICH THE COMPANY MAY CHANGE RIDER CHARGES.** We may change the cost of insurance rates for the rider from time to time. Changes to the cost of insurance rates are described in the Rider Charges provision of the rider and will apply to all individuals of the same risk classification. Any change will be made in accordance with procedures and standards prescribed by the state insurance department. The cost of insurance rates for the rider will not exceed the Guaranteed Maximum Monthly Cost of Insurance Rates for this rider shown under Policy Data in the policy.
6. **TERMS UNDER WHICH THE RIDER MAY BE RETURNED AND RIDER CHARGES REFUNDED.** If for any reason you are not satisfied with the rider, return it to us or our representative within 30 days after you receive it. We will then cancel the rider and refund any cost you have paid for it. The rider will then be considered void from its start.

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7. **THE RIDER IS NOT MEDICARE SUPPLEMENT COVERAGE.** If you are eligible for Medicare, review the Medicare Supplement Buyer's Guide available from us. Neither RiverSource Life Insurance Company nor its agents represent Medicare, the federal government or any state government.
8. **LONG-TERM CARE COVERAGE.** Policies and riders providing long-term coverage are designed to provide coverage for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services, provided in a setting other than an acute care unit of a hospital, such as a nursing home, in the community or in the home.

We will pay to the Accelerated Benefit Insured an acceleration of the policy death benefit each month the Accelerated Benefit Insured is a Chronically Ill Individual who is receiving Qualified Long-Term Care Services.

9. **BENEFITS PROVIDED BY THE RIDER.** We will pay an acceleration of the policy death benefit each month, limited by the Maximum Monthly Benefit, as a result of the Accelerated Benefit Insured being a Chronically Ill Individual who is receiving Qualified Long-Term Care Services. We will pay a proportionate amount of the Maximum Monthly Benefit for each date of Qualified Long-Term Care Services rendered up to the remaining Rider Specified Amount available to be accelerated. Benefits will be paid until the Rider Specified Amount has been exhausted. All benefits are subject to the provisions of the rider.

Rider benefits paid will reduce the death benefit and will also change other values of the life insurance policy as provided in the rider. See section 16 and 17 for a numeric example of how the rider benefit payment is calculated and how it impacts policy values.

Eligibility of the Payments of Benefits. We must receive the following documentation before any benefits are payable:

1. A current written eligibility certification from a Licensed Health Care Practitioner that certifies that the Accelerated Benefit Insured is a Chronically Ill Individual; and
2. Proof that the Accelerated Benefit Insured received or is receiving Qualified Long-Term Care Services pursuant to a Plan of Care; and
3. Proof that the Elimination Period has been satisfied; and
4. Written Notice of a Claim and Proof of Loss, as described in the Claim Provisions, in a form satisfactory to Us.

### **Definition of Terms**

**Chronically Ill Individual.** An individual who has been certified by a Licensed Health Care Practitioner as:

1. being unable to perform (without Substantial Assistance from another person) at least two Activities of Daily Living for a period of least 90 days due to loss of functional capacity; or
2. requiring Substantial Supervision to protect such individual from threats to health and safety due to Cognitive Impairment.

Activities of Daily Living means the following activities: bathing, continence, dressing, eating, toileting and transferring.

**Elimination Period.** The number of days of Qualified Long-Term Care Services that are required while this rider is in force before any benefit is available under this rider. The Elimination Period is shown under Policy Data. The dates of service need not be continuous; however, if the Elimination Period is not met and no eligible services are received for more than six months, a new Elimination Period will apply. The Elimination Period must be satisfied only once while this rider is in force. Benefits will not be retroactively paid for the Elimination Period.

**Maximum Monthly Benefit.** The maximum monthly amount payable is the lesser of:

1. the Rider Specified Amount multiplied by the Monthly Benefit Percent; or
2. the monthly equivalent of the per diem limit allowed by the Health Insurance Portability and Accountability Act.

**Licensed Health Care Practitioner.** A Physician, registered nurse, a licensed social worker, or any other individual who meets the requirements as provided in the rider.

**Qualified Long-Term Care Services.** Necessary diagnostic, preventive, therapeutic, curing, treating, mitigating and rehabilitative services, and maintenance or personal care services, which are:

1. required for treatment of a Chronically Ill Individual; and
2. provided pursuant to a Plan of Care prescribed by a Licensed Health Care Practitioner; and
3. provided in a Long-Term Care Facility, an Assisted Living Facility, an Adult Day Care Center, or by a Home Health Care Provider.

**Long-Term Care Facility.** A facility, other than the acute care unit of a Hospital, that provides skilled nursing care, intermediate care, or custodial care, and is licensed by the appropriate state licensing agency or if not licensed maintains a registered nurse or licensed practical nurse on duty at all times to supervise 24-hour nursing service, a doctor to supervise the operation of the facility, a planned program of policies and procedures that were developed with the advice of a professional group including at least one doctor or nurse, and a doctor available to furnish emergency medical care.

**Assisted Living Facility.** A licensed facility that is engaged primarily in providing ongoing care and related services to inpatients in one location. If not licensed, it must meet certain criteria listed in the rider.

**Home Health Care Provider.** Either a Home Health Agency or an Independent Home Health Care Provider that provides Home Health Care.

**Adult Day Care Center.** A place that provides a protective environment and preventive, remedial and restorative services for part of the 24-hour day and meets the criteria listed in the rider.

#### 10. LIMITATIONS AND EXCLUSIONS.

- (a) Pre-existing conditions. The rider does not cover conditions for which medical advice or treatment was received by (or recommended to) the Accelerated Benefit Insured from a provider of health care services within six months preceding the effective date of this rider. No benefits will be provided under this rider during the first six months for Qualified Long-Term Care Services received by the Accelerated Benefit Insured due to a pre-existing condition. Days of services received by the Accelerated Benefit Insured for a pre-existing condition during the first six months that this rider is in force will not be counted toward the satisfaction of the Elimination Period.
- (b) Non-eligible Facilities/Providers and Level of Care. The rider does not cover services provided by a facility or an agency that does not meet the rider definition of such facility or agency.
- (c) Exclusions, Exceptions, and Limitations. The rider does not cover treatment or care:
  1. For attempted suicide or intentionally self-inflicted injuries;
  2. For Qualified Long-Term Care Services incurred before the effective date of this rider;
  3. As a result of alcoholism or drug addiction (unless drug abuse was a result of the administration of drugs as part of treatment by a Physician);
  4. Due to war (declared or undeclared) or any act of war, or service in any of the armed forces or auxiliary units;
  5. Due to committing or attempting to commit or participating in a felony, riot or insurrection;
  6. As a result of participation in any form of aviation other than as a fare-paying passenger;
  7. For a mental, psychoneurotic, or personality disorder without evidence of organic disease (Alzheimer's Disease and senile dementia are not excluded from coverage);
  8. Received outside the United States or Canada. For purpose of this exclusion, United States shall mean the 50 states, its Territories and Possessions, and the District of Columbia.

THE RIDER MAY NOT COVER ALL THE EXPENSES ASSOCIATED WITH THE ACCELERATED BENEFIT INSURED'S LONG-TERM CARE NEEDS.

Receipt of accelerated death benefits under this rider may adversely affect your eligibility for governmental benefits or public assistance programs, such as Medicaid.

11. **RELATIONSHIP OF COST OF CARE AND BENEFITS.** Because the costs of long-term care services will likely increase over time, you should consider whether and how the benefits of this plan may be adjusted. The rider does not include inflation protection coverage and therefore the benefit level will not increase over time.
12. **ALZHEIMER'S DISEASE AND OTHER ORGANIC BRAIN DISORDERS.** The rider will cover Qualified Long-Term Care Services resulting from a clinical diagnosis of Alzheimer's disease or related degenerative and dementing illnesses that result in the Accelerated Benefit Insured's cognitive impairment.
13. **RIDER CHARGES.** The charge for the rider is included in the total policy's value as long as the rider is in force, but not while rider benefits are being paid and not beyond the age where the policy cost of insurance is no longer charged. The rate for the rider varies by the Accelerated Benefit Insured's sex, issue age, and the monthly benefit percentage selected as shown under Policy Data.
14. **BASE POLICY AFFECT ON THE RIDER BENEFIT.** Upon reaching the Insured's attained age of 100 or 120 Anniversary, the Remaining Amount to be Accelerated will be reduced by the amount the Remaining Amount to be Accelerated exceeds the policy proceeds that would be payable upon death of the Insured.
15. **ADDITIONAL FEATURES.** Issuance of this coverage may depend upon certain medical information about the Accelerated Benefit Insured. This is generally known as medical underwriting.
16. **NUMERIC EXAMPLE OF RIDER BENEFIT PAYMENT.** The following demonstrates the calculation of the monthly benefit payment for a claim payment at the end of the 5th year.

Policy Specified Amount	\$200,000	Outstanding Indebtedness	\$10,000
<b>Rider Amounts</b>			
Rider Specified Amount	\$100,000	Monthly Benefit Percent	2%
per diem limit allowed by the Health Insurance Portability and Accountability Act	\$280*	Remaining Amount to be Accelerated	\$100,000
Maximum Monthly Benefit	= Minimum of:		
	a. Rider Specified Amount x Monthly Benefit Percent = \$100,000 x 2% = \$2,000		
	b. Monthly equivalent of the per diem limit allowed by the Health Insurance Portability and Accountability Act (assume 30 days) = 30 x \$280 = \$8,400		
	= Minimum of \$2,000 and \$8,400		
	= \$2,000		

**Rider Benefit Payment - Assuming 15 days of Qualified Long Term Care Services Received**

Monthly Benefit Payment before Adjustment for Loan Repayment	= Minimum of:
	a. Proportionate amount of the Maximum Monthly Benefit for the number of Qualified Long Term Care Services Received = $15/30 \times \$2,000 = \$1,000$
	b. The Remaining Amount to be Accelerated = \$10,000
	= Minimum of \$1,000 and \$100,000
	= \$1,000
Loan Repayment at time of claim payment	= Outstanding Indebtedness x Monthly Benefit Payment / Policy Specified Amount
	= $\$10,000 \times \$1,000 / \$200,000$
	= \$50
Payment to client	= Monthly Benefit Payment - Loan Repayment at the time of Claim
	= \$1,000 - \$50
	= \$950

\* This is a hypothetical amount. The actual limit is updated each calendar year. Your statement will reflect the current year's limit.

17. NUMERIC EXAMPLE OF THE IMPACT OF A RIDER BENEFIT PAYMENT ON POLICY VALUES. The following demonstrates the impact a rider benefit payment has on different policy amounts.

Monthly Benefit Payment before Adjustment for Loan Repayment	\$1,000	Loan Repayment at time of Claim Payment	\$50
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**Values Before Rider Benefit Payment**

Policy Specified Amount	\$200,000	Monthly No-Lapse Premium**	\$220
Policy Value less Indebtedness	\$20,000	Sum of Monthly No-Lapse Premium**	\$13,200
Surrender Charge	\$3,700	Sum of Premiums paid used in the determination of No-Lapse Guarantees and Minimum Initial Premium Period	\$18,000
Outstanding Indebtedness	\$10,000		
Minimum Initial Monthly Premium	\$270		
Sum of Minimum Monthly Premiums	\$16,200		

**Values After Rider Benefit Payment**

Policy Specified Amount	\$199,000	Monthly No-Lapse Premium**	\$219
Policy Value less Indebtedness	\$19,900	Sum of Monthly No-Lapse Premium**	\$13,134
Surrender Charge	\$3,682	Sum of Premiums paid used in the determination of No-Lapse Guarantees and Minimum Initial Premium Period	\$17,910
Outstanding Indebtedness	\$9,950		
Minimum Initial Monthly Premium	\$269		
Sum of Minimum Monthly Premiums	\$16,119		

\*\* If applicable to policy.

18. CONTACT THE STATE SENIOR HEALTH INSURANCE ASSISTANCE PROGRAM IF YOU HAVE GENERAL QUESTIONS REGARDING LONG-TERM CARE INSURANCE. CONTACT THE INSURANCE COMPANY IF YOU HAVE SPECIFIC QUESTIONS REGARDING YOUR ADVANCESOURCE ACCELERATED BENEFIT RIDER. REFER BELOW FOR THE NAME, ADDRESS AND PHONE NUMBER OF YOUR STATE'S SENIOR HEALTH INSURANCE ASSISTANCE PROGRAM.

State	Name of the Program	Address	Phone
Pennsylvania	APPRISE	Pennsylvania Department of Aging 555 Walnut Street, Fifth Floor Harrisburg, Pennsylvania 17101-1919	Toll Free: (800) 783-7067