RiverSource TrioSource℠ universal life insurance with long-term care benefits
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Product information

Product description

RiverSource TrioSource™ universal life insurance with long-term care benefits (TrioSource insurance) combines life insurance protection with long-term care (LTC) benefits. The net premium paid is deposited into the policy cash value and begins earning interest immediately. At the beginning of each policy month the cost of the month’s pure insurance plus any policy fee, administrative charge or any rider costs are deducted from the policy cash value.

The Accelerated Benefit Rider for Long-Term Care (ABR) allows for an acceleration of the death benefit for covered long-term care services. These covered services include nursing home care, assisted living care, home health care services, adult day care services and hospice care while the insured is a chronically ill individual and is receiving covered care. The ABR is required to be included with the TrioSource insurance product at time of application. There is an additional charge for the rider.

Adding the Extension of Benefit Rider for Long-Term Care (EBR), will extend the ABR benefits for the time period specified at time of application. If less than the maximum monthly benefit is used, the benefit period will extend until the entire benefit pool is depleted. There is an additional charge for the EBR.

Refer to the Rider section for details on both riders.

Underwriting

Simplified underwriting requirements

After the TrioSource insurance application has been completed, additional information will be gathered to complete the underwriting process. RiverSource Life Insurance Company (RiverSource Life) will use a simplified underwriting approach, a medical examination or medical records from applicant’s physician are not obtained. The corporate office reserves the right to request any underwriting requirement in any case. The process will begin once a signed application has been received in the corporate office.

The following are required for all TrioSource insurance applications:

- **Telephone interview:** The interview that includes a cognitive assessment will require approximately 30 to 40 minutes and include questions about medical history, habits (tobacco, alcohol and drug usage) and hazardous activities (racing, diving or aviation). The applicant should be prepared to provide the names and dosages of current medications and the name and address of doctors and clinics visited in the past five years. The client will have the opportunity to provide a voice signature and the interview will become part of the policy.

- **Cognitive Assessment:** The cognitive assessment is completed at the end of the telephone interview. The cognitive assessment includes a memory test and a set of tasks and questions to test the ability to carry out normal daily activities.

- **Motor-vehicle report:** RiverSource Life will obtain a summary of the client’s driving record, which may include moving violations, accidents and alcohol-related driving offenses.

- **Prescription drug history report:** RiverSource Life will obtain a summary of the client’s prescription medicine history which indicates prescribed medications and prescribing physician information.

Issue ages

Issue ages for both the policy and riders are age last birthday as of the date of application:

- Standard non-tobacco: 35 – 79
- Standard tobacco: 35 – 75

Premium classification

**Standard nontobacco**

To qualify for standard nontobacco rates, the applicant must not now use tobacco nor have used tobacco in the past one year (tobacco includes cigarettes, cigars, pipes, chewing tobacco, and other nicotine-containing products). Standard nontobacco rates are available at all specified amounts.

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Standard tobacco

Standard tobacco rates apply to those applicants that have used tobacco products in the past one year (tobacco includes cigarettes, cigars, pipes, chewing tobacco, etc.). Standard tobacco rates are available at all specified amounts. They are not available to applicants age 76 and above.

Risk amount limits

The maximum specified amount available at time of issue is $500,000. The minimum specified amount at time of issue, or after a partial surrender is $50,000.

Special class limits

Policies that are rated up to the equivalent of Table D and that do not have an uninsurable condition will be issued as standard. Policies rated the equivalent of Table E and above will be declined. Permanent and temporary flat extras will not be permitted. Please see the TrioSource insurance Field Underwriting Guide available on the AdvisorCompass® site for a partial list of uninsurable conditions. For more complete information regarding uninsurable conditions, please contact the underwriting department at 1-800-297-6663 and say “Insurance, New Business”.

Policy dating

All policy delivery requirements including the initial premium must be received before the policy can be issued. Policies will not be issued “not-in-force”.

- Policies issued in force: The policy date is the underwriting approval date.

Interest is credited from the date the premium is received in the corporate office. Monthly deductions begin on the policy date.

Suicide exclusion

Suicide by the insured, whether sane or insane, within two years (one year in North Dakota) from the policy date is not covered by the policy. In this event, the only amount payable by RiverSource Life to the beneficiary will be the premium that was paid minus any indebtedness and partial surrenders.

Contestability period

Once the policy has been in force for two years from the policy date during the lifetime of the insured, the policy cannot be contested, except for non-payment of premiums. During the contestable period of the policy, based on a misrepresentation or misstatement in the application, RiverSource Life may rescind or reform the policy or deny a claim.

Premiums

Premium payment

The total single premium amount for the policy must be received in the corporate office before the policy can be issued. The policy will not be placed in force before the entire premium has been received.

The single premium must be able to meet the policy’s minimum specified amount of $50,000. The single premium calculation will vary by issue age, gender, total duration of the ABR and EBR, inflation protection option, premium classification and couple status.

RiverSource Life reserves the right to limit the amount of the initial premium payment.

Modified endowment premium limits

When the total premiums paid on a life insurance policy exceed special limits under federal income tax law, called the modified endowment premium, the policy is classified for tax purposes as a modified endowment contract (MEC). Distributions, which include full or partial surrenders, policy loans, and policy assignments, from a modified endowment contract may be included in taxable income to the extent there is a gain in the policy. Distributions taken from a modified endowment contract are taxed on an “earnings first” basis. A 10% penalty is also imposed on the taxable gain unless the policy owner is age 59½ or older at the time of the distribution, or if certain other exceptions apply.
A modified endowment contract still retains all other tax benefits of life insurance. Life insurance proceeds payable at death continue to be income-tax free and interest earnings remain tax deferred until they are withdrawn. The life insurance illustration system will calculate the modified endowment premium limits. Policies can become modified endowment contracts during the first 7 policy years or during the 7-year period following a material change.

The single premium for the TrioSource insurance policy will generally cause the policy to be a MEC.

Tax considerations

The TrioSource insurance policy is intended to be federally tax qualified LTC 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, and as amended from time to time.

The long-term care benefit is intended to qualify for exclusion from income within the limits of the Code in effect at the issuance of this policy and rider(s). Receipt of benefits from all available sources in excess of those limits may be taxable. Clients should consult a tax advisor regarding the taxation of any benefits they receive.

Most TrioSource insurance policies are expected to be modified endowment contracts for tax purposes. This will not change the tax treatment of the policy’s death benefit payment or the long-term care benefits payable. However, access of the policy’s cash value through loans or withdrawals will generally be income taxable to the extent of earnings (loans and withdrawals are earnings-first). In addition, the taxable portion may be subject to an IRS 10% penalty for loans and withdrawals before age 59½.

Charges for the ABR and EBR riders that are deducted from the cash value of the life insurance policy will not be included in taxable income. The investment in the policy, however, is reduced (but not below zero) by the amount of the charge.

Ownership of the life insurance policy by a separate entity such as a business/employer or by an irrevocable life insurance trust (ILIT) could result in unintended tax consequences. The client should seek competent professional tax advice before determining if ownership by a business/employer or ILIT will meet their specific needs.

Free look provision

The policy owner may return the policy and riders to RiverSource Life or the advisor during the free look period and receive a refund of the premium paid. The policy states the free look period ends on the 30th day after receipt of the policy.

The policy will then be cancelled and considered void from the start. The premiums paid will be returned without interest.

How the policy works

Following is a brief description of how the policy works:

1. The client pays a single premium.
2. Premium less a 10% expense charge is placed in the policy cash value.
3. Each month a deduction is made from the policy cash value for the cost of the month’s insurance plus policy fee, administrative charge and rider costs.
4. Interest is credited to the policy cash value daily.
5. The cash surrender value (policy cash value minus surrender charges but guaranteed never to be less than the return of premium amount on the policy) is accessible by the policy owner through loans, partial surrenders or full surrender. Taking cash value from the policy through loans or withdrawals will reduce the policy cash values, money-back guarantee, and death and long-term care benefits and may negate any guarantees against policy lapse and may be be partially or fully taxable.
6. The policy specified amount will be paid out as long-term care benefits, death benefit, or a combination of both.
Interest rates

Guaranteed interest rate
The guaranteed interest rate is 3.75%. All guarantees are based on the continued claims-paying ability of the issuing company.

Current interest rate
The payment submitted with the application will receive the current interest rate in effect on the date the premium is received in the corporate office.

The current rate is not guaranteed; however, it is the current practice of RiverSource Life to credit the current rate for at least one year from the date the premium is received in the corporate office. At the beginning of the calendar quarter following the premium payment’s one year anniversary, a renewal interest rate will be credited. The renewal rate will either be higher, lower or the same as the interest rate in effect on the premium prior to the one year anniversary. A renewal rate will then be determined at the beginning of that same calendar quarter each year.

Charges and costs

Premium expense charge (front load)
The initial premium payment, and any additional premium paid, is reduced by a premium expense charge resulting in the net premium. The premium expense charge is 10%. RiverSource Life reserves the right to change this amount, but it will never exceed 10%. The net premium is then placed into the policy cash value.

Monthly deduction
A deduction will be made on each monthly date prior to the insured’s “Attained Insurance Age Charges End” as shown under Policy Data in the policy (currently attained age 95), for the cost of insurance, the cost of any additional benefits provided by the riders and the administrative charge. The deduction will be made for the policy month following the monthly date.

Cost of insurance
The maximum cost of insurance rates for each age are shown in the policy. The actual cost charged, however, will be based on the current estimate of future mortality.

The cost of insurance rate is based on insurance age, gender, duration and premium class. It is multiplied by the net amount at risk (the difference between the death benefit and the account value) to determine the amount of the cost of insurance deduction.

Cost of riders
The cost of the ABR and the EBR, including the cost of the inflation protection option (if selected), are deducted each month as part of the monthly deduction.

Policy fee
There is no policy fee.

Administrative charge
The administrative charge is a monthly charge per $1,000 of the policy’s original specified amount. The current charge will vary by issue age, gender, years since issue and premium classification per $1,000 of initial specified amount. RiverSource Life reserves the right to change the current amount charged, but it will never exceed the guaranteed charge.

Full surrender charge
The initial full surrender charge is the surrender charge rate multiplied by the initial specified amount divided by 1,000. The surrender charge decreases on a monthly basis until it reaches zero at the end of 15 years.

Surrender charge rates vary by age, gender, years since issue and premium class.

A decrease in the specified amount due to a partial surrender does not decrease the surrender charge.

Partial surrender charge
There is no charge for a partial surrender.
Policy values

Policy value
Policy value equals net premiums paid, less monthly deductions, partial surrenders and any indebtedness, plus interest earned. The policy value is reduced by any benefits paid under the ABR rider.

Death benefits
The death benefit upon the death of the insured while the policy is in force will be the greater of:
1. The specified amount as of the date of death; or
2. The minimum required death benefit (see below).

The minimum required death benefit at any time will be the minimum amount required for the policy to qualify as a life insurance contract under the Internal Revenue Code (the Code). It is calculated as:
1. The greater of:
   a. The policy value; or
   b. The return of premium as described below.

   Multiplied by:
2. The death benefit percentage in the death benefit percentage table as shown in the policy’s data page.

Life insurance qualification
Under current Federal Tax Law, this policy will qualify as a life insurance policy using the Cash Value Accumulation Test. Under the Cash Value Accumulation Test, the policy death benefit will be automatically increased when necessary so it is not less than a required percentage of its policy value as required by Federal Tax Laws.

The percentage is designed to ensure that the policy meets the provisions of Federal Tax Law. The Federal Tax Law requires a minimum death benefit as it relates to the policy value to qualify as life insurance.

These Cash Value Accumulation Test percentages will vary by gender, premium classification, issue age and duration.

Return of premium upon death
The return of premium upon death benefits ensure that the premium paid at time of application, less indebtedness, partial surrenders and LTC benefits paid, will be returned as a benefit under the policy.

The return of premium upon death is the lesser of:
1. The return of premium threshold shown in the policy’s data page; or
2. The total premiums paid as of the date of death of the insured.

This amount will be reduced dollar for dollar for any partial surrenders, but will never be less than zero.

Residual death benefit
Residual death benefit is the minimum amount that will be paid to the beneficiary upon death of the insured if the policy’s total specified amount has been accelerated for LTC expenses. It is stated in the policy, and is currently 5% of the specified amount. RiverSource Life reserves the right to change this percentage amount in the future.

The residual death benefit will be reduced by any partial surrenders in the same proportion that partial surrenders reduce the specified amount.

Proceeds payable at insured’s death
1. The proceeds payable upon death will be the greater of:
   a. The death benefit; or
   b. The return of premium upon death; or
   c. The residual death benefit;

   provided by the policy, minus:
2. The amount required to continue coverage to the date of death without the policy entering the grace period (if death occurs during the grace period); minus
3. Any indebtedness as of the date of death.
Payment of death benefits

The proceeds of the policy will be paid in a single sum unless one of the payment options listed below is selected. These options can be selected upon death. RiverSource Life will pay interest at a rate then in effect (or the rate required by the state in which the policy was delivered) on single sum death proceeds, from the date of the insured’s death to the date on which proceeds are paid in a lump sum or first placed under a payment option.

Option A – (interest payments)
The proceeds will be held by RiverSource Life and interest will be paid periodically.

Option B – (payments for a specified period)
Monthly payments for a specified number of years.

Option C – (lifetime income)
The proceeds will be paid in equal monthly payments during the lifetime of the payee.

The full provisions pertaining to each of these options are stated in the policy. Other options may also be available.

Grace period

A grace period of 61 days will begin if either of the following occur:

1. Prior to the “Attained Insurance Age Charges End”, on a monthly date the cash surrender value less indebtedness is less than the monthly deduction for the policy month following the monthly date; or
2. On or after the “Attained Insurance Age Charges End”, indebtedness exceeds the cash surrender value.

The grace period allows the policy owner time to submit a premium or loan repayment sufficient to continue the coverage under the policy and rider(s).

At least 30 days prior to the policy termination, a notice with the payment required will be sent to the policy owner and third party designee, if applicable.

The premium payment or loan repayment required will be an amount equal to any overdue monthly deductions, plus the next three monthly deductions.

If the payment is not made within the 61 day grace period, the policy will lapse and all coverage under the policy and rider(s) will terminate. See the “Benefits after lapse if confined” section for information if the insured is receiving covered services when the policy lapses.

If the insured’s death occurs during the grace period and benefits become payable under the policy, the overdue monthly deductions will be deducted from the policy proceeds.

Third party notification – protection against unintended lapse

The TrioSource insurance application provides policy owners with the option to designate a person other than the policy owner to receive notice of possible lapse of the policy. A policy owner may elect to have a notice sent to the designated party if the policy enters the grace period. The TrioSource insurance application contains a “Protection Against Unintended Lapse” section to be completed by the policy owner.

The designee is generally a close family member or friend. The notice will not be sent until 30 days after the rider charges are due and unpaid. The notice will be sent after the policy enters the grace period but prior to lapse of the policy.

The grace period is the time during which premiums may still be paid to keep the policy in force. If the payment is not received by the end of the grace period, the policy will lapse according to the terms of the policy. Payments received after the expiration of the grace period may not be accepted.

Montana – unisex

Montana requires all rates to be unisex. All product features of the unisex product, except for the rates, are the same as the sex-distinct product. Unisex rates are not available in any other state.
After the attained insurance age charges end

If the policy is still in force after the “Attained Insurance Age Charges End” (currently policy age 95 but subject to change and as shown on the policy data page), the following will occur:

1. No premium payments may be made except amounts required to keep the policy in force; and
2. Monthly deductions will no longer be taken; and
3. Interest will continue to be credited to the policy values; and
4. Policy loans, loan repayments, full surrender and partial surrenders will continue to be available; and
5. Loan interest will continue to accrue.

If the policy is in the grace period after the “Attained Insurance Age Charges End”, sufficient premiums must be paid prior to the end of the grace period for the policy to continue.

The policy will continue until death or surrender as long as sufficient premiums are paid to keep the policy in force.

Policy service

Specified amount changes

Increases and decreases to the specified amount are not allowed.

If a partial surrender is taken, the specified amount will decrease. Refer to the Partial surrender section for more information.

The specified amount may fall below the minimum specified amount allowed of $50,000 as a result of benefits paid under the riders.

Surrenders

_TrioSource_ insurance allows for both full and partial surrenders.

**Full surrenders** of the net surrender value may be made at any time. The net surrender value is the greater of:

a. The cash surrender value (policy value minus any applicable surrender charges); or
b. The return of premium (ROP); minus any indebtedness on the policy and any benefits paid under the ABR.

The ROP amount will be reduced dollar for dollar for any partial surrenders or benefits paid under the ABR or EBR, but will never be less than zero.

**Partial surrenders** may only be made after the first policy year and only if the policy has a positive cash surrender value.

The minimum partial surrender amount is $500.00. The policy value, less indebtedness, that remains must be at least the greater of $250, or the remaining full surrender charge.

Partial surrenders will reduce the specified amount by an amount equal to:

\[(A/B) \times C\]

where:

(A) Is the amount of the partial surrender;
(B) Is the amount of the policy value immediately preceding the partial surrender; and
(C) Is the specified amount immediately preceding the partial surrender.

Partial surrenders may not be made if the specified amount that remains is less than the minimum specified amount allowed of $50,000. RiverSource Life reserves the right to decline a request for a partial surrender if the partial surrender would cause the policy to fail to qualify as life insurance under applicable tax laws.

There is no charge for a partial surrender.

Return of premium (ROP)

If the policy owner requests a full surrender of the policy, the minimum amount refunded will be the ROP based on the formula below less indebtedness, partial surrenders or long-term care benefits paid.

The ROP is equal to \[A \times B\] where:

(A) Is the ROP threshold as shown in the policy; and
(B) Is the ROP percentage as shown in the policy.
The ROP threshold is the initial single premium paid with the application as stated in the policy’s data page.

The ROP percentage is based on the following chart:

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<th>Policy years 1-2:</th>
<th>90%</th>
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<td>Thereafter:</td>
<td>100%</td>
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**Policy loans**

Policy loans may be made at any time including the first policy year as long as there is a positive maximum loan value available. The minimum loan amount is the lesser of $500 or the maximum loan amount available at the time of the request. The maximum loan amount is the cash surrender value. The policy owner should be advised to keep at least 1-2 months of monthly deductions and loan interest in the policy to prevent a policy lapse.

Policy loans will reduce the available LTC benefits, death benefit and return of premium. In addition, policy loans may be partially or fully taxable as described under the Tax considerations section.

The current and guaranteed policy loan interest rate is 6.75% for all policy years. RiverSource Life reserves the right to change the current policy loan interest rate but it will never exceed the guaranteed rate of 6.75%. In Arizona: the current policy loan interest rate will never exceed the lesser of the guaranteed loan interest rate (shown under policy data in the policy) or 8%. Interest accrues daily and is payable in arrears (end of the policy year).

The policy value representing the collateral for the loan earns the guaranteed rate of 3.75%.

Loan repayments must be at least $25 and identified by the policy owner as loan repayments.

**Reinstatement**

The policy may be reinstated within three years after the end of the grace period unless the policy was surrendered for cash. The following are required to reinstate a policy:

1. Written request from the policy owner to reinstate the policy;
2. Evidence of insurability of the insured satisfactory to RiverSource Life (in Arizona, in lieu of receipt of evidence of insurability, proof satisfactory to RiverSource Life that the insured was cognitively impaired or had a loss of functional capacity before the expiration of the grace period);
3. Payment of the:
   a. Required reinstatement premium or loan repayment amount; or
   b. The amount of the return of premium less any indebtedness that was received at the time of the lapse.
4. Payment or reinstatement of any indebtedness.

The effective date of a reinstated policy will be the monthly date on or next following the date on which the request for reinstatement is approved.

The policy value on the date of reinstatement will be equal to:

1. The policy value as of the date of lapse; plus
2. The required reinstatement premium; minus
3. The monthly deductions not collected during the 61 day grace period.

Surrender charges will return to what they would have been if the policy had not lapsed.

Any loan amount in effect at the end of the grace period will be reinstated unless it is repaid prior to the reinstatement of the policy.

As of the date of reinstatement, the return of premium provision will no longer be in effect. It will be zero for the life of the policy.

The suicide and incontestability periods will apply from the effective date of reinstatement. RiverSource Life will have two years from the effective date of the reinstatement to contest the truth of statements or representations in the reinstatement application.
Term conversions

Term conversions to the TrioSource insurance product are not available.

Riders

Riders are available for an additional charge. The accelerated benefit rider for long-term care and the extension of benefits rider for long-term care may not be removed from the policy once issued without terminating the policy.

Accelerated benefit rider for long-term care (ABR)

Rider overview

When added to the TrioSource insurance policy, the ABR accelerates the base policy’s death benefit to cover qualified LTC services incurred by the insured while the insured is chronically ill. Long-term care services include (among others) nursing home care, assisted living care, home health care services, adult day care services* and hospice care while the insured is a chronically ill individual and is receiving covered services listed above. The rider is required to be added to the TrioSource insurance product, at time of application. The benefit provides a reimbursement to the policy owner or assignee for covered expenses incurred by the insured. The base policy insured and the rider insured must be the same person. There is an additional charge for the rider. Benefits paid for covered long-term care services will reduce the limits and benefits payable under both the policy and rider.

This rider is intended to be federally tax qualified LTC 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 (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 from all available sources in excess of those limits may be taxable. Clients should consult a tax advisor regarding the taxation of any benefits they receive.

*In Arizona, referred to as: A program of social and health-related services for six or more individuals, that is provided during the day in a community group setting, for the purpose of supporting frail, impaired, elderly, or other disabled adults who can benefit from the services and care in a setting outside the home.

Ownership roles

The owner of the base policy is also the owner of the ABR. Benefit payments are made to the policy owner or assignee, not the insured. Any change in ownership of the policy will change rider benefit payments to the new policy owner.

Ownership of the life insurance policy by a separate entity such as a business/employer may make any benefit payments from the rider to the policy owner subject to income taxation. In addition, the inclusion of this rider on policies owned by an irrevocable life insurance trust (ILIT) could result in the policy being included in the grantor’s estate.

Rider benefits

RiverSource Life will reimburse to the policy owner charges incurred for covered services via an acceleration of the base policy death benefit each month if the insured is a chronically ill individual and is receiving qualified long-term care services pursuant to a plan of care (refer to the “Benefit eligibility” section on page 14 for a definition of plan of care). A licensed health care practitioner must certify that the insured is a chronically ill individual and is currently on a prescribed plan of care. Benefits may be paid until the rider’s lifetime limit is exhausted, the insured is no longer receiving qualified LTC services, or the policy has terminated, whichever occurs first. The ABR cannot be removed once the policy has been issued.

Chronically ill individual

The insured is considered a chronically ill individual if he or she has been certified, within the preceding 12 months, by a licensed health care practitioner as:
1. Being unable to perform, without substantial assistance from another individual, at least two activities of daily living (ADLs) for a period of 90 days due to a loss of functional capacity; or

2. Requiring substantial supervision to protect themselves from threats to health and safety due to severe cognitive impairment.

(Refer to the “Benefit eligibility” section on page 14 for a list of the ADLs and definition of severe cognitive impairment).

**Qualified long-term care services**

Qualified long-term care services are services that meet the requirements of 7702B(c)(1) of the Internal Revenue Code (IRC) of 1986, as amended, and include necessary diagnostic, preventative, therapeutic, curing, treating, mitigating and rehabilitative services and maintenance or personal care services which are required for treatment of the chronically ill individual and are provided for in the plan of care prescribed by a licensed health care practitioner. Such services are provided by an eligible long-term care facility, assisted living facility, adult day care center or a home health care provider.

Qualified long-term care services do not include treatment or care:

- For attempted suicide or intentionally self-inflicted injuries
- Services that were incurred before the effective date of the rider
- As a result of alcoholism or drug addiction (unless drug abuse was the result of treatment by a physician)
- Due to war or any act of war, or service in any of the armed forces or auxiliary units
- Due to commitment or attempt to commit or participation in a felony, riot or insurrection
- As a result of participation in any form of aviation other than as a fare-paying passenger
- Received outside the United States except as provided under the International Benefit provision in this rider
- Provided by the insured’s immediate family* unless the immediate family member is an employee of the business or organization providing the treatment, service or care; and the business or organization receives payment for the treatment, service or care;
- Provided to the insured when the business or organization providing the care is owned or operated by an immediate family member;
- For treatment provided in a Veteran’s Administration or government facility, unless the insured or the insured’s estate is charged for confinement or services or unless otherwise required by law.

* Immediate family includes the spouse, civil union or domestic partner as recognized by the insured’s state of residence. Immediate family also includes the following relatives of the insured or the insured’s spouse, civil union or domestic partner:

1. Parents;
2. Grandparents;
3. Siblings;
4. Children;
5. Stepchildren; and
6. Grandchildren; or
7. The spouse, civil union or domestic partner of any of the above.

The limitations and exclusions may vary by state. Refer to the outline of coverage for the state in which the policy will be sold, available in the eForms Manager tool on the AdvisorCompass site.

**Covered services and expenses**

RiverSource Life will reimburse expenses incurred by the insured for the covered services listed below as long as the services received are qualified long-term care services.

Covered services include:

1. **Facility care**, which includes:

   a. All levels of care (skilled, intermediate* and custodial care), meals and room charges, provided by a nursing home facility or assisted living facility while the insured is confined in the facility; and
b. Bed reservation of the insured’s room accommodations in a nursing home or assisted living facility when confinement is interrupted by a temporary absence. RiverSource Life will pay the lesser of the covered expense incurred to reserve the bed or the amount that RiverSource Life would have paid if the insured had not left the facility.

*In Arizona, Intermediate care is referred to as: Medically necessary care provided or supervised by a registered nurse or a physician to the insured who does not require the degree of care and treatment of skilled nursing care but who, because of cognitive impairment or physical condition, requires care above the level of custodial care. Intermediate care may be provided in a long-term care facility, assisted living facility, adult day care center or a home, through a home health care provider.

2. **Home and community care**, which includes:
   a. Home health care;
   b. Maintenance or personal care services;
   c. Homemaker services;
   d. Attendance at an adult day care center in the community while the insured is living at home.

3. **Hospice care**, which is hospice care received at home, in the community or in a hospice care facility.

4. **Care coordination services**, which are services available to the insured through a care coordination provider. A care coordinator is a licensed health care practitioner employed by or under contract with a care coordination provider. This person is qualified by training and experience to assess and coordinate the overall care needs of a person who is chronically ill.

   Care coordinator services include:
   a. Assessment of the insured’s functional and cognitive needs for care and services on an ongoing basis;
   b. Working with the insured to identify appropriate providers and/or services that meet the insured’s needs;
   c. Suggesting and helping to develop initial and subsequent plans of care to assist in meeting the insured’s care needs;
   d. Monitoring the insured’s care needs on an ongoing basis to help the insured receive appropriate care.

   Care coordinator services are not available outside of the United States.

5. **Respite care**, which is temporary care the insured receives in order to provide short term relief from an informal caregiver. Informal caregiver is a person, including a family member, who has the responsibility of providing nonprofessional services for the insured on an unpaid basis, while the insured lives in the home. Up to 21 days per calendar year will be covered at the benefit amount not to exceed 1/30th of the monthly maximum ABR benefit for each day of respite care service.

6. **Alternative care**, which includes qualified long-term care services recommended in a plan of care and not otherwise specified under covered services and expenses. These expenses will be covered if:
   a. A mutual agreement has been created between the policy owner and RiverSource Life; and
   b. The types of covered services have been clearly specified in the plan of care and in the mutual agreement.

   Expenses incurred before the mutual agreement has been put in place will not be covered.

7. **Non-continual alternative care**, which includes qualified long-term care services incurred on a one-time basis recommended in the plan of care and not otherwise specified under covered services and expenses. These include such things as home modifications and durable medical equipment. These expenses will be covered if:
   a. A mutual agreement has been created between the policy owner and RiverSource Life; and
   b. The types of non-continual alternative care have been clearly specified in the plan of care and in the mutual agreement.
The maximum amount covered in a calendar year is the lifetime ABR base limit, divided by the number of months of the ABR duration multiplied by 12. The amount will be specified in the policy.

8. **Informal caregiver training**, is the training of the informal caregiver in the proper use and care of an assistive device and/or care giving procedure.

The total amount payable for all informal caregiver training cannot exceed the lifetime informal caregiver training maximum as listed in the policy.

9. **International Benefit**, provides limited coverage when the insured is a chronically ill individual and confined in a nursing home facility outside of the United States (50 states and the District of Columbia). Benefit payment is made only to the policy owner (payment cannot be assigned).

The amount payable each calendar month will be pro-rated based on the number of days the Insured is a chronically ill individual and confined in a nursing home facility. The monthly benefit will equal the rider’s monthly maximum benefit divided by 30 multiplied by the international benefit percentage shown in the Policy, multiplied by the number of days in that calendar month the insured is a chronically ill Individual and is confined in a nursing home facility.

No other benefits under the ABR are payable during a calendar month for which international benefits are received. If the insured is currently receiving benefits under this rider for covered services received in the United States, the insured will not be eligible for international benefits if she or he leaves the United States.

**Rider benefit amount**

At the time of application, the policy owner submits a single premium. The number of years of ABR and EBR benefit (if selected), gender, couple status, age and inflation protection option percentage (if selected) will determine the initial specified amount of the base policy and the lifetime ABR base limit amount.

To determine the initial maximum monthly benefit amount available, divide the lifetime ABR base limit amount by 24.

**Example:**

| Lifetime ABR base limit amount: | $100,000 |
| ABR benefit period: | Two years (24 months) |

$100,000/24 = $4,166.67 Initial maximum monthly benefit amount

The maximum monthly benefit amount will be reduced by any partial surrenders. See the “Effect of partial surrender of the policy on rider benefits” section on page 17.

The actual amount reimbursed to the policy owner will be the lesser of:

1. The monthly maximum ABR benefit amount available for that calendar month; or
2. The lifetime ABR limit immediately prior to the benefit payment; or
3. The actual covered expenses incurred during that calendar month.

Actual benefit amounts that can be paid under the rider include the following:

**Lifetime limits**

- The lifetime ABR base limit is equal to the specified amount of the base policy and is the total amount at issue that can be paid over the life of the rider. This amount is based on the single premium paid with the application and is shown in the policy’s data page.

- The lifetime ABR inflation limit is equal to the amount of additional lifetime ABR limit that can be paid over the life of the rider due to an inflation protection option being selected (see the “Inflation protection option” section below).

- The lifetime ABR limit is equal to the lifetime ABR base limit plus the lifetime ABR inflation limit and is the total amount that can be paid over the life of the rider.

**Monthly benefit amounts**

- The monthly ABR base benefit is equal to the lifetime ABR base limit divided by 24 (months). This is the maximum amount at issue that can be paid in a calendar month for covered long-term care expenses and is shown in the policy’s data page.
• The **monthly ABR inflation benefit** is equal to the amount of additional monthly maximum ABR benefit that can be paid in a calendar month due to an inflation protection option being selected (see the “Inflation protection option” section below).

• The **monthly maximum ABR benefit** is equal to the monthly ABR base benefit plus the monthly ABR inflation benefit and is the maximum amount that can be paid in a calendar month for covered long-term care expenses.

**Inflation protection option**

The inflation protection option increases the benefit amounts payable under the rider. There is a monthly charge for the option that remains level and does not increase as the rider benefits increase.

The following options are available:

1. Simple: 3% or 5%
2. Compound: 3% or 5%

The inflation protection option must be selected at time of application.

**Termination of the inflation protection option**

The inflation protection option will terminate once the lifetime ABR limit has been reached, or the policy and riders have been terminated by request of the policy owner.

**Simple inflation option**

If this option is chosen and is in effect, the monthly ABR inflation benefit will increase on each policy anniversary by an amount equal to A multiplied by B where:

- A) Is the monthly ABR base benefit immediately prior to the policy anniversary; and
- B) Is the inflation protection option rate selected at time of application

**Compound inflation option**

If this option is chosen and is in effect, the monthly ABR inflation benefit will increase on each policy anniversary by an amount equal to A multiplied by B where:

- A) Is the monthly maximum ABR benefit amount immediately prior to the policy anniversary; and
- B) Is the inflation protection option rate selected at time of application

If either inflation protection option is in effect, the lifetime ABR inflation limit will increase on each policy anniversary by an amount equal to A x (B/C) where:

- A) Is the amount of the increase in the monthly ABR inflation benefit; and
- B) Is the lifetime ABR limit immediately prior to the policy anniversary; and
- C) Is the monthly maximum ABR benefit amount immediately prior to the policy anniversary.

**Example 1** – Simple inflation protection option:

<table>
<thead>
<tr>
<th>Lifetime ABR base limit:</th>
<th>$150,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABR benefit duration:</td>
<td>2 years</td>
</tr>
<tr>
<td>Monthly ABR base benefit:</td>
<td>$6,250</td>
</tr>
<tr>
<td>Inflation protection option:</td>
<td>3% simple</td>
</tr>
</tbody>
</table>

Monthly ABR base benefit prior to the policy anniversary ($6,250) x Inflation protection option .03 (3% simple) = $187.50

At each policy anniversary, the monthly ABR benefit will increase by $187.50.

- Policy anniversary 1: $6,250.00 + 187.50 = $6,437.50
- Policy anniversary 2: $6,437.50 + 187.50 = $6,625.00
- Policy anniversary 3: $6,625.00 + 187.50 = $6,812.50

**Example 2** – Compound inflation protection option:

<table>
<thead>
<tr>
<th>Lifetime ABR base limit:</th>
<th>$150,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABR benefit duration:</td>
<td>2 years</td>
</tr>
<tr>
<td>Monthly maximum ABR benefit:</td>
<td>$6,250</td>
</tr>
<tr>
<td>Inflation protection option:</td>
<td>3% compound</td>
</tr>
</tbody>
</table>

At each policy anniversary, the monthly maximum ABR benefit will increase by 3% of the previous monthly ABR base benefit immediately prior to the increase:

- Policy anniversary 1: Monthly maximum ABR base benefit prior to the

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policy anniversary ($6,250) x Inflation protection option .03 (3% compound) = $187.50
$6,250.00 + 187.50 = $6,437.50

Policy anniversary 2:
Monthly maximum ABR base benefit prior to the policy anniversary ($6,437.50) x Inflation protection option (3% compound) = $193.13
$6,437.50 + 193.13 = $6,630.63

Policy anniversary 3:
Monthly maximum ABR base benefit prior to the policy anniversary ($6,630.63) x Inflation protection option (3% compound) = $198.92
$6,630.63 + 198.92 = $6,829.55

Impact of benefit payments on lifetime limits

After a benefit payment for a calendar month has been paid the lifetime ABR base limit will be reduced as follows:

1. The lifetime ABR base limit will be reduced by the lesser of:
   a. The amount of the Gross Benefit Payment (benefit payment prior to reduction of any loan payments); or
   b. The remaining available monthly ABR base benefit amount if a benefit payment had previously been made for the calendar month, immediately prior to the benefit payment; or
   c. The lifetime ABR base limit immediately prior to the benefit payment.

2. The lifetime ABR inflation limit, if applicable, will be reduced by the amount the benefit payment exceeds the reduction of the lifetime ABR base limit.

Benefit eligibility

To be eligible for benefits the following conditions must be met:

a. RiverSource Life must receive a current written certification form from a licensed health care practitioner that certifies that the insured is a chronically ill individual;

b. Proof must be provided to RiverSource Life that the insured received or is receiving qualified long-term care services covered under the rider as listed in the plan of care;

c. RiverSource Life must receive a written notice of claim and proof of loss;

d. The policy and ABR rider are in force as of the date the services are received;

e. The insured has not exhausted the applicable limits for the benefit claimed or the lifetime ABR limit for the rider; and

f. The insured meets the additional requirements specific to the following benefits claimed:
   – Alternative care
   – Non-continual alternative care
   – Informal care giving;
   – International benefit

g. The applicable elimination period has been met.

The insured must be certified within the preceding 12 month period, by a licensed health care practitioner, as being unable to perform two or more ADLs for a period of at least 90 days due to a loss of functional capacity, or require substantial supervision to protect themselves from threats to health and safety due to severe cognitive impairment. For a list of the ADLs refer to the “Activities of daily living” section on page 15).

Severe cognitive impairment is a deficiency in a person’s short-term or long-term memory, orientation as to person, place or time, deductive or abstract reasoning or judgment as it relates to safety awareness. The degree of cognitive impairment must be measured by clinical evidence and standardized tests that reliably measure impairment in the person’s short term memory loss, orientation as to people, places and times and deductive or abstract reasoning.

In Arizona, the definition of severe cognitive impairment is: An impairment determined by a licensed health care practitioner as meeting the definition of an impairment as established by Title III of the Health Insurance Portability and Accountability Act of 1996.

The plan of care is a written plan for long-term care services designed specifically for the insured.
The plan of care is prescribed by a licensed health care professional such as a physician, a registered professional nurse (R.N.), or a licensed social worker. The plan of care must specify the type, frequency, providers and cost, if any, of all the services the insured requires and be in accordance with accepted medical and nursing standards of practice.

The plan of care must be updated as the insured’s condition and needs change to reflect changes in the insured’s functional or cognitive abilities, social situation, and care services needed. A copy of the plan of care must be provided to RiverSource Life each time it is updated; only one plan of care can be in effect at a time.

Rider benefits will begin when the eligibility for benefit requirements have been met and a claim for benefits has been approved by RiverSource Life.

Non-duplication

Benefits will be paid only for qualified long-term care services that are in excess of any benefits payable under Medicare (including any payment that would have been paid except for a deductible or coinsurance amount), other governmental programs (except Medicaid), state or federal workers compensation laws, employer’s liability laws, occupational disease laws, and any motor vehicle no-fault laws.

Activities of daily living (ADLs)

ADLs may vary by state and typically include:

1. **Bathing** – washing oneself by sponge bath, or in a tub or shower, including the task of getting in or out of the tub or shower.

2. **Continence** – the ability to maintain control of bowel and bladder function, or when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene, including caring for a catheter or colostomy bag.

3. **Dressing** – putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limbs.

4. **Eating** – feeding oneself by getting food into his or her body from a plate, cup, table or by a feeding tube or intravenously.

5. **Toileting** – getting to and from the toilet, getting on and off the toilet, and performing associated hygiene.

6. **Transferring** – moving into or out of a bed, chair or wheelchair.

**Elimination period**

Benefits are payable for covered services once the elimination period for that covered service has been met. Elimination periods vary by covered service and are listed below.

The elimination period for all covered services starts on the first day that the insured is determined to be a chronically ill individual and incurs a covered expense. The same calendar days can be used to meet the elimination period for all covered services. As long as the insured is a chronically ill individual, he or she does not need to continue to incur covered expenses during that occurrence to satisfy the elimination period.

The elimination period needs to be met only once during the life of the rider.

<table>
<thead>
<tr>
<th>Covered service</th>
<th>Elimination period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facility care</td>
<td>90 days</td>
</tr>
<tr>
<td>Home and community care</td>
<td>0 days</td>
</tr>
<tr>
<td>Hospice care</td>
<td>0 days</td>
</tr>
<tr>
<td>Care coordination services</td>
<td>0 days</td>
</tr>
<tr>
<td>Respite care</td>
<td>0 days</td>
</tr>
<tr>
<td>International benefit</td>
<td>90 days</td>
</tr>
<tr>
<td>Informal caregiver training</td>
<td>0 days</td>
</tr>
</tbody>
</table>

**Payment period/calendar month**

The **calendar month** begins at 12:01 am on the first day of the month. The payment period is based on a consecutive day period (28, 29, 30 or 31 days) of that particular month.

Any amounts paid for covered expenses incurred in a calendar month will reduce that calendar month’s available monthly maximum ABR benefit, the remaining Lifetime ABR limit and the policy’s specified amount.
**Benefits after lapse if confined**

If the insured is confined to a nursing home, assisted living or hospice care facility, and the policy and rider lapse, benefits for that confinement may still be payable.

If the confinement began while the rider was in force and continues without interruption after the lapse, RiverSource Life may continue to pay benefits until the earliest of the following:

1. The date the insured’s continuous confinement ends; or
2. The date when the lifetime ABR limit, less indebtedness as of the end of the grace period has been exhausted due to benefit payment; or
3. The date of death of the insured. Any increases under the inflation protection option will stop as of the date of lapse. Any indebtedness at the end of the grace period will impact the monthly maximum ABR benefit paid.

If benefits are paid under this provision, there will be no death benefits paid at the death of the insured, as the policy is in a lapsed status.

**Rider charges**

The cost of the ABR is deducted as part of the policy’s monthly deduction. The monthly charge is equal to the ABR monthly rider charge plus the ABR monthly inflation charge, if applicable. The ABR rates are based on issue age, gender, couple status and inflation protection option.

If there is a reduction in the base policy specified amount due to a partial surrender, both the ABR monthly rider charge and the ABR monthly inflation charge will be reduced. They will reduce in the same proportion as the reduction in specified amount. Any other change to the specified amount will not impact the rider charges.

**Period of coverage**

The period of coverage is the period of time the insured receives services that are covered under the rider. A period of coverage will end on the earliest of the following:

1. The date the insured is no longer receiving qualified LTC services covered under the rider and pursuant to the plan of care; or
2. The date RiverSource Life determines the insured is no longer eligible to receive benefits in accordance with the terms of the rider because the insured no longer meets the requirements under the benefit eligibility section; or
3. The date the policy owner requests benefit payments be terminated; or
4. The date the lifetime ABR limit is exhausted; or
5. The date the rider is terminated; or
6. The date of death of the insured.

**Rider termination**

The rider will terminate and no further benefits under the rider will be paid (except as provided under the guaranteed benefit provision or the Benefits after lapse if confined provision), on the earlier of:

1. The date the policy is terminated; or
2. The date of death of the insured

**Effect of rider claim and benefit payments on the base policy**

Note: If the policy is collaterally assigned, a release of assignment must be received in good order before any claim payments can be paid.

Certain policy provisions and values are affected upon notice of claim and once benefit payments begin.

A rider claim and benefit payments will impact the following:

1. Once notice of claim is received, partial surrenders are not allowed.
2. The return of premium will be reduced dollar for dollar by the sum of the gross benefits paid to date, but will never be less than zero.
3. The return of premium upon death will be reduced dollar for dollar by the sum of the gross benefits paid to day, but will never be less than zero.
4. After a benefit payment for a calendar month, the policy’s specified amount will be reduced by the lesser of:
   a. The amount of the gross benefit payment; or
   b. The monthly ABR base benefit or the remaining available monthly ABR base benefit amount if a benefit payment had been previously made for the calendar month, immediately prior to the benefit payment; or
   c. The lifetime ABR base limit immediately prior to the benefit payment.

5. Immediately after each benefit payment, policy value less indebtedness, surrender charges and the administrative charge will be recalculated as follows:

   Recalculated amounts = \( A \times \frac{B}{C} \)
   where:
   
   A) Is the amount immediately prior to the benefit payment
   B) Is the new policy specified amount after the benefit payment adjustment
   C) Is the policy specified amount immediately prior to the benefit payment

6. If there is an outstanding loan (indebtedness) on the policy at the time of benefit payment, the monthly benefit amount will be reduced to repay a portion of the policy loan. See the “Impact of loan on benefit payment” section below for more detail.

7. If the insured dies while receiving benefits under the ABR or EBR (if applicable), RiverSource Life reserves the right to withhold payment of policy proceeds to the beneficiary payable at the insured’s death until it is verified that all remaining claims for covered services have been submitted. No additional rider benefit will be paid once the policy proceeds have been paid to the beneficiary.

Impact of loan on benefit payment

If there is an outstanding loan (indebtedness) on the policy at the time of benefit payment, the benefit payment will be reduced to repay a portion of the policy loan. The amount of the loan repayment will equal \( A \times \frac{B}{C} \)

A) Is the amount of outstanding indebtedness at the time of the benefit payment; and
B) Is the lesser of:

i. The amount of the gross benefit payment (benefit payment prior to reduction of any loan payments); or
ii. The monthly ABR base benefit, or the remaining available monthly ABR base benefit amount if a benefit payment has previously been made for that calendar month, immediately prior to the benefit payment; or
iii. The lifetime ABR base limit immediately prior to the benefit payment.

C) Is the policy specified amount immediately prior to the benefit payment

Example:

Policy specified amount immediately prior to the benefit payment: $125,000
Loan balance: $50,000
Gross benefit payment: $3,000
Monthly ABR base benefit: $6,250
Lifetime ABR base limit: $125,000

Loan repayment = \( 50,000 \times \frac{3,000}{125,000} \) = $1,200

The benefit payment to the owner would be the gross benefit payment less the loan repayment ($3,000 - $1,200 = $1,800)

Policy service

Changes to the ABR

- The ABR is required to be attached to the TrioSource insurance product at time of application; the policy will not be issued without the rider attached.
- The policy owner cannot request the rider to be removed.
- The lifetime ABR base limit cannot be changed after issue (except as the result of a partial surrender or benefit payment).
- The monthly ABR base benefit cannot be changed (except as the result of a partial surrender).
Effect of partial surrender of the policy on rider benefits

A partial surrender of the base policy will reduce all monthly benefit amounts and lifetime limits under the ABR.

The lifetime ABR base limit immediately prior to the partial surrender will be reduced by an amount equal to A x (B/C) where:

A) Is the lifetime ABR base limit immediately prior to the partial surrender; and
B) Is the partial surrender amount; and
C) Is the policy value immediately prior to the partial surrender.

Example:

Lifetime ABR base limit immediately prior to the partial surrender: $150,000
Partial surrender amount: $50,000
Policy value immediately prior to the partial surrender: $100,000

$150,000 x ($50,000/$100,000) = $75,000

In this example the policy specified amount and the lifetime ABR base limit amount would be decreased by $75,000.

The lifetime ABR inflation limit, the monthly ABR base benefit and the monthly ABR inflation benefit immediately prior to the partial surrender will also be reduced in the same proportion as the lifetime ABR base limit.

The reduction in the monthly maximum ABR benefit amount will apply only to expenses incurred on or following the date of the partial surrender.

Reinstatement

If the base policy is reinstated due to lapse, the ABR may also be reinstated provided that:

1. The rider was in force on the date of lapse; and
2. Satisfactory evidence of insurability is provided (in Arizona, in lieu of receipt of evidence of insurability, proof satisfactory to RiverSource Life that the insured was cognitively impaired or had a loss of functional capacity before the expiration of the grace period); and
3. The request for reinstatement is received within six months from the end of the policy grace period.

Once the rider is reinstated, it will only provide benefits for covered services that are received on or after the date of reinstatement, subject to the terms and conditions of the policy and rider.

If the insured is a chronically ill individual at the time of lapse, the policy and rider may be reinstated provided the required reinstatement premium payment is made and subject to the following:

1. The rider was in force on the date of lapse; and
2. Satisfactory proof that the insured was a chronically ill individual on the date of lapse is received; and
3. The reinstatement request and satisfactory proof is received within five months of the date of lapse.

If the policy and rider are reinstated under these conditions, the rider will provide benefits for covered services as if the rider had never lapsed, subject to the terms and conditions of the policy and rider.

Guaranteed benefit provision

A guaranteed benefit provision is available if the policy and rider lapse. This provision provides for paid-up coverage limited to those benefits that would have been paid under the ABR in the same manner they would have been paid if the policy and rider had not lapsed. The benefit is not available if the policy and rider are terminated by the policy owner.

Benefits incurred on or after the date of lapse will continue until the death of the insured or the date the guaranteed benefit provision limit, less indebtedness at the end of the grace period, has been exhausted.

Guaranteed benefit provision ABR limit

The amount of the guaranteed benefit provision limit is equal to the lesser of:

1. An amount equal to A minus B (but will never be less than zero), where:
   A) Is the greater of:
i. The maximum monthly ABR benefit on the date of lapse; or

ii. The sum of all monthly charges paid for the ABR and the inflation protection option on the ABR.

And

B) Is the sum of all benefits paid while the ABR was in force plus any benefits paid under the Benefits after lapse if confined provision.

Or;

2. The lifetime ABR limit in effect on the date of lapse.

The guaranteed benefit provision limit will be reduced dollar for dollar by any benefits paid under the provision.

Increases under the inflation protection option, if applicable, will stop once the guaranteed benefit provision becomes effective.

Unless reimbursement for a specific covered expense is limited by the terms and conditions of the ABR, the total amount that RiverSource Life will pay for a claim in a calendar month will not exceed the lesser of:

1. The guaranteed benefit provision monthly benefit for the calendar month; or

2. The guaranteed benefit provision limit immediately prior to the benefit payment; or

3. The actual covered expenses incurred during that calendar month.

Any amounts paid for covered expenses in a calendar month will reduce the guaranteed benefit provision monthly benefit and guaranteed benefit provision limit amount available for that calendar month.

Extension of benefits rider for long-term care (EBR)

Rider overview

The extension of benefits rider for long-term care is an optional rider available at time of application only. There is an additional charge for this rider. The EBR will extend the benefits for covered LTC services and expenses under the ABR for an additional benefit period selected at time of application.

The benefits of the EBR become effective once benefit payments under the ABR have exhausted the Lifetime ABR limit.

All rider features of the ABR apply to the EBR except as noted below in the “Covered services and expenses” section.

Benefit period

The benefit period is chosen at time of application and can be: 1, 2, 3 or 4 years of benefit duration. If less than the maximum monthly benefit is used, the benefit period will extend until the entire benefit pool is depleted.

Covered services and expenses

The EBR extends the benefits for the same covered services and expenses incurred by the insured as the ABR except as listed below:

Certain services that are covered under the ABR are adjusted as follows under the EBR:

1. International benefit provision is not applicable.

2. During the calendar year in which the lifetime ABR limit is exhausted, any days of bed reservation or respite care used during that calendar year on ABR will reduce the number of days those benefits are covered under the EBR for the same calendar year.

3. During the calendar year in which the lifetime ABR limit is exhausted, the non-continual alternative care calendar year maximum (as shown in the policy data pages) will be reduced by the amounts paid for those expenses under ABR.

4. Informal caregiver training benefits will not be covered if the lifetime benefit maximum for that training has been exhausted under the ABR.

Non-duplication and exclusions

The non-duplication provision under the ABR (see page 15) and the exclusions under the ABR (see the “Qualified long-term care services” section on page 9) also apply to the EBR.
Eligibility for benefits
The eligibility requirements for the payment of benefits under the EBR are the same as the requirements under the ABR plus the following:
1. Payments for covered services under the ABR have exhausted the lifetime ABR limit; and
2. Total payments paid to date have not exhausted the lifetime EBR limit.

Elimination period
There is no elimination period for the EBR.

Rider benefit amount
The monthly EBR base benefit amount is based on the lifetime EBR base limit and number of years of benefit duration that was selected at time of application. To determine the initial maximum monthly benefit amount available, divide the lifetime EBR base limit amount by the number of months of the duration period.

Example:
Lifetime EBR base limit amount: $300,000
Benefit duration: Four years (48 months)

$300,000/48 = $6,250 Initial maximum monthly EBR benefit amount

If an inflation protection option is selected at time of application, the monthly maximum EBR amount will be increased in the same proportion as under the ABR.

The actual amount reimbursed to the policy owner will be the lesser of:
1. The monthly maximum EBR benefit amount available for that calendar month; or
2. The lifetime EBR limit immediately prior to the benefit payment; or
3. The actual covered expenses incurred during that calendar month.

If benefits become payable under both the ABR and the EBR in a calendar month due to the lifetime ABR limit being exhausted, the maximum of all benefits reimbursed will be the greater of:
1. The monthly maximum ABR benefit; or
2. The monthly maximum EBR benefit.

Any amounts paid for covered expenses incurred in a calendar month will reduce that calendar month’s available monthly maximum EBR benefit and the remaining lifetime EBR limit.

Impact of benefit payments on lifetime limits
After a benefit payment for a calendar month has been paid the lifetime EBR base limit will be reduced as follows:

1. The lifetime EBR base limit will be reduced by the lesser of:
   a. The amount of the gross benefit payment (benefit payment prior to reduction of any loan payments); or
   b. The monthly EBR base benefit amount, or the remaining available monthly EBR base benefit amount if a benefit payment had previously been made for the calendar month immediately prior to the benefit payment; or
   c. The lifetime EBR base limit immediately prior to the benefit payment.

2. The lifetime EBR inflation limit, if applicable, will be reduced by the amount the gross benefit payment exceeds the reduction of the lifetime EBR base limit.

Inflation protection option
The inflation protection option increases the benefit amounts payable under the rider. The inflation protection option chosen at time of application for the ABR also applies to the EBR.

The inflation protection option will terminate once the lifetime EBR limit has been reached, upon the insured’s death or request of the policy owner to terminate the policy. If the inflation protection option is terminated from the ABR at the policy owner’s request, it will also be terminated from the EBR.
Effect of partial surrender of the policy on rider benefits

A partial surrender of the base policy will reduce all monthly benefit amounts and lifetime limits under the EBR in the same manner they are reduced in the ABR.

Effect of rider claim and benefit payments on the base policy

Benefit payments under the EBR impact certain policy provisions and values:

1. The return of premium will be reduced dollar for dollar by the sum of the gross benefits paid to date, but will never be less than zero. The reduction includes benefit payments made before the return of premium was effective.

2. The return of premium upon death will be reduced dollar for dollar by the sum of the gross benefits paid to date, but will never be less than zero. The reduction includes benefit payments made before the return of premium was effective.

Effect of policy lapse or termination

If the policy and EBR rider lapse or are terminated by the policy owner after the policy and rider have been in force for at least three years, the proceeds received by the policy owner will be one of the following:

1. If A is less than B, the proceeds will be equal to the Net Surrender Value as described in the base policy, and coverage will continue under the Nonforfeiture provision; or

2. If A is greater than or equal to B, one of the following options can be chosen:
   a. Receive proceeds equal to the net surrender value as described in the policy unless the policy owner requests otherwise in writing; or
   b. Receive proceeds equal to the cash surrender value less any indebtedness on the policy, and coverage will continue under the Nonforfeiture provision.

where:

- A) is the value of the return of premium in effect at the time of lapse or Termination; and
- B) is the sum of the cash surrender value and the Nonforfeiture EBR Limit described in the rider.

Nonforfeiture provision

A nonforfeiture benefit is available at any time upon lapse, or upon surrender if the policy and rider have been in force for at least three years. There is no additional charge for this benefit.

This benefit provides for paid-up coverage limited to those benefits that would have been paid under the EBR in the same manner they would have been paid if the policy and rider had not lapsed or terminated.

Benefits incurred on or after the date of lapse or termination will continue until the death of the insured or the date the nonforfeiture EBR limit has been exhausted.

The nonforfeiture monthly EBR benefit is the monthly maximum EBR benefit in effect on the date of the lapse.

Nonforfeiture EBR limit

The amount of the nonforfeiture EBR limit is equal to the lesser of:

1. An amount equal to A minus B (but will never be less than zero), where:
   - A) is the greater of:
     i. The maximum monthly EBR benefit on the date of lapse; or
     ii. The sum of all monthly charges paid for the EBR and the inflation protection option on the EBR.
   And
   - B) is the sum of all benefits paid while the EBR was in force plus any benefits paid under the Benefits after lapse if confined provision.
   Or;
   2. The lifetime EBR limit in effect on the date of lapse.
The nonforfeiture EBR limit will be reduced dollar for dollar by any benefits paid under the nonforfeiture provision. Increases under the inflation protection option, if applicable, will stop once the nonforfeiture benefit becomes effective.

Unless reimbursement for a specific covered expense is limited by the terms and conditions of the EBR, the total amount that RiverSource Life will pay for a claim in a calendar month will not exceed the lesser of:

1. The nonforfeiture monthly EBR benefit for the calendar month; or
2. The nonforfeiture EBR limit immediately prior to the benefit payment; or
3. The actual covered expenses incurred during that calendar month.

Any amounts paid for covered expenses in a calendar month will reduce the nonforfeiture monthly EBR benefit and nonforfeiture EBR limit amount available for that calendar month.

**Rider charges**

The cost of the EBR is deducted as part of the policy’s monthly deduction. The monthly charge is equal to the EBR monthly rider charge plus the EBR monthly inflation charge, if applicable. The EBR rates are based on issue age, gender, couple status, EBR duration and inflation protection option.

If there is a reduction in the base policy specified amount due to a partial surrender, both the EBR monthly rider charge and the EBR monthly inflation charge will be reduced. They will reduce in the same proportion as the reduction in specified amount. Any other change to the specified amount will not impact the rider charges.

**Policy service**

**Changes to the EBR**

- The lifetime EBR base limit cannot be changed after issue (except as the result of a partial surrender).
- The monthly EBR base benefit cannot be changed (except as the result of a partial surrender).

**Rider termination**

The EBR will terminate upon the earliest of the following:

1. The date the base policy terminates; or
2. The date of the insured’s death.

**Reinstatement**

If the ABR is reinstated under the reinstatement provision for that rider, the EBR will also be reinstated provided that:

1. The EBR was in force on the date of lapse; and
2. Satisfactory evidence of insurability is provided (in Arizona, in lieu of receipt of evidence of insurability, proof satisfactory to RiverSource Life that the insured was cognitively impaired or had a loss of functional capacity before the expiration of the grace period; and
3. The request for reinstatement is received within six months from the end of the policy grace period.

Once the rider is reinstated, it will only provide benefits for covered services that are received on or after the date of reinstatement, subject to the terms and conditions of the policy and rider.

If the insured is a chronically ill individual at the time of lapse, the policy and rider may be reinstated provided the required reinstatement premium payment is made and subject to the following:

1. The rider was in force on the date of lapse; and
2. Satisfactory proof that the insured was a chronically ill individual on the date of lapse is received; and
3. The reinstatement request and satisfactory proof is received within five months of the date of lapse.

If the policy and EBR are reinstated under these conditions, the rider will provide benefits for covered services as if the rider had never lapsed, subject to the terms and conditions of the policy and rider.

**Benefits after lapse if confined**

If the insured is confined to a nursing home, assisted living or hospice care facility, and the policy and rider lapse, benefits for that confinement may still be payable.
If the confinement began while the EBR was in force and continues without interruption after the lapse, RiverSource Life may continue to pay benefits until the earliest of the following:

1. The date the insured’s continuous confinement ends; or

2. The date when the lifetime EBR limit, as of the date of the lapse, has been exhausted due to benefit payment; or

3. The date of death of the insured.

Any increases under the inflation protection option will stop as of the date of lapse.

If benefits are paid under this provision, there will be no death benefits paid at the death of the insured, as the policy is in a lapsed status.

Required forms

The following forms must be completed and submitted to the corporate office or left with the client. Use the eForms-insurance workflow on the AdvisorCompass site to identify all of the correct forms for your state.

- **Riversource TrioSource** insurance new business application, varies by state. Form must be completed and submitted to the corporate office. Be sure to complete the “Protection against unintended lapse” designee section.

- **Outline of coverage** for the TrioSource insurance product, form varies by state. Form must be left with the policy owner at the time of application. Outline of coverage provides a brief description of the benefits of the ABR and EBR. The policy owner acknowledges receipt of the outline of coverage when signing the TrioSource insurance application.

- **HIPAA Notice of Privacy Practices** disclosure form is required to be left with both the applicant and the policy owner at time of application. This disclosure will also be mailed to the last known address of the insured every three years.

- **HIPAA Authorization** form is required to be signed by the insured, authorizes release of protected health information to RiverSource Life to assist in the underwriting process.

- **The Long-Term Care Personal Worksheet** helps the applicant and RiverSource Life determine the appropriateness of the purchase of the TrioSource insurance product. The applicant signs and returns a copy to the corporate office along with the new business application. Client should keep a copy for their records.

- **Things you should know before you buy long-term care insurance** helps applicants determine if this type of insurance is appropriate for them. Required disclosure in most states, leave with applicant.

- **Shopper’s Guide to Long-Term Care** most states require the guide be left with the policy owner at the time of application.

- **Guide to Health Insurance for People with Medicare** all states (except Wisconsin and Massachusetts) require that the guide be available to the policy owner upon request.

- **RiverSource Supplement to Guide to Health Insurance – Massachusetts** Optional state disclosure. Provide to client when the Guide to Health Insurance for People with Medicare is requested. Guide is included with this disclosure.

- **Guide to Health Insurance for people with Medicare** for Wisconsin. State requires that the guide be available to the policy owner upon request. Guide describes the Medicare program and health insurance available to those on Medicare.

- **Replacement forms** are required in many states when the policy is intended to replace existing life insurance, long-term care insurance, hybrid life/LTC insurance, life insurance with an accelerated benefit rider for LTC expenses or other health insurance policies.

- **Life Insurance Buyer’s Guide** is delivered with the policy, except in the state of New Hampshire where it is a time of application requirement.
Marketing brochure

The TrioSource insurance client brochure (form ICC13 291612 is available for use with clients.

Policy delivery

The policy is required to be delivered to the policy owner promptly following policy issuance. To meet this requirement, deliver the policy upon receipt.

Completing the application

Use the eForm-insurance workflow in eForms Manager on the AdvisorCompass site to identify, complete and submit the proper insurance forms for a specific sale, including the insurance application, other state required forms and to create a submission ticket.

Complete the correct application for TrioSource insurance for your state in its entirety.

Note for applications completed in the state of Minnesota:
The advisor must provide a copy of the completed application to applicants age 65 and older. To comply with this requirement, a photocopy of the full new business application must be sent to the applicant within 24 hours of completing the application. If the application is submitted to the client for eSignature, this requirement is met by the submission for electronic signature.

1. Complete the insured Information section. The questions under “2. Coverage Questions” must be answered.
2. Complete the Owner Information section if policy owner is other than the insured.
3. Complete the Policy Information section. If only the ABR is elected, select the total long-term care benefit duration of “2 years.” If the EBR is also elected, select the total long-term care benefit duration equal to the EBR duration plus two years.

Example: If the three year EBR duration is desired, select the total long-term care benefit duration of “5 years” (two years ABR plus three years EBR).

Select either an inflation protection option or “Reject All Inflation Protection Options”. If any option other than the 5% compound is chosen, the owner must check the box in the Agreement and Signature section that confirms the applicant rejects the 5% compound inflation protection option.

4. Complete the Beneficiary section and Medical Information sections.
5. Complete the Existing Life Insurance or Annuities section and the existing long-term care insurance section.
6. Provide the name and address of a third party to be notified if the policy has entered the grace period and is in danger of lapsing, or select “I do not elect to designate” in the Protection Against Unintended Lapse section.

Agreement and Signature section

The owner should read the entire Agreement and Signature section before signing the application. If the 5% compound inflation protection option has not been selected, the policy owner must check the box under the “Compound Inflation Protection at Five Percent” section, rejecting the compound inflation protection at 5%.

The insured and policy owner (if different than the insured) must sign and date the application once they have read the Agreement and Signature section. The advisor must complete the Receipt and the Advisor’s Report sign and date the application and provide the “Client Copy” of the Agreement and Signature section and “Insurance Products Disclosure” to the applicant.

Licensing

All selling advisors and members of teams must be appropriately licensed and be current with their long-term care continuing education credentials prior to any solicitation of the TrioSource insurance product. Generally, life insurance license, and in some states accident and health license, are required. Requirements vary by state.

For details, refer to the Long-Term Care Training Requirements by State chart available on the
Quarterly reports

*TrioSource* insurance policy owners are provided with quarterly status reports on their policies. Included with these reports are summaries of all transactions, monthly deductions, earned interest, policy value, LTC benefits paid and death benefits.
Before the clients purchase, it’s important that they understand the life insurance policy’s features, benefits, and fees, to help them determine if it is appropriate for them, based upon their financial situation and objectives.


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