

The RiverSource® Variable Universal Life Insurance III policy, issued by RiverSource Life Insurance Company, provides life insurance protection while allowing for potential cash value accumulation. The policy features a death benefit payable to the beneficiary upon the insured's death and offers flexible premium allocation to a Fixed Account or various subaccounts that invest in underlying funds. Investments are subject to market risks, and there is a "free look" period of 10 days for new investors to cancel the policy for a full refund of premiums paid, minus any indebtedness. Policyholders are responsible for understanding the policy's features, benefits, risks, and fees, and are encouraged to consult with a financial advisor. Premium payments are flexible, but the policy includes various charges such as surrender charges, transaction fees, and monthly deductions. Accessing cash value through loans or surrenders may reduce the policy's cash value and death benefit, with potential tax implications, especially if classified as a modified endowment contract (MEC).

The policy outlines conditions for maintaining coverage, including a grace period for missed payments and options for reinstatement. The death benefit can be adjusted, and there are specific provisions regarding misstatements of age or sex, as well as exclusions related to suicide within the first two years. The policy includes a No Lapse Guarantee (NLG) feature, ensuring it will not lapse before the insured reaches a certain age, provided premium payment requirements are met. Key terms such as "Attained Insurance Age," "Indebtedness," and "Good Order" are defined to clarify the policy's operation. Surrender charges apply if the policy is surrendered or lapses within the first ten years or after an increase in the Specified Amount, with maximum charges detailed in the policy data. Additional transaction fees may apply for various actions, including premium expense charges and loan interest rates.

The policy is designed for long-term financial goals, providing a death benefit to beneficiaries upon the insured's death, and is not suitable for short-term investments or those needing immediate cash access. The policyholder bears expenses associated with the funds offered, with transaction fees

ranging from 0.38% to 2.38% of fund assets. Insufficient premium payments or poor investment performance can lead to policy lapse, although the No Lapse Guarantee may prevent this under certain conditions. Policyholders can choose between two death benefit options and may take loans against the policy, subject to limits and conditions. Optional riders are available for additional benefits, but they may have specific eligibility requirements and termination dates.

The policy allows for automated transfers and asset rebalancing, which can help manage investments effectively. Premium payments include a premium expense charge covering state premium taxes, and a maximum deferred sales charge applies if the policy is surrendered for its full cash surrender value or lapses within the first ten years. Periodic charges include a base policy charge deducted monthly, varying based on the initial specified amount, and a cost of insurance charge, which also varies by individual characteristics. The policy includes various benefits and riders, each with specific conditions and limitations, such as the Accelerated Benefit Rider for Terminal Illness and the Waiver of Monthly Deduction Rider.

The policyholder can make changes and request transactions involving policy value, with beneficiary designations changeable through written notice. Transfers between the fixed account and subaccounts are allowed, subject to restrictions to prevent market timing. The policy also outlines conditions for maximum transfer amounts and prohibits transfers after the insured reaches age 100. The insurer reserves the right to substitute funds if regulations change or if existing funds become unavailable, with policyholders notified of any changes.

The policy is structured to qualify as life insurance for federal tax purposes, and policyholders should consult tax advisors regarding ownership and beneficiary designations, as these can impact tax liabilities. Tax implications include that death benefits are generally not taxable, but amounts received after the insured reaches age 100 may be subject to tax if they exceed the investment in the policy. Pre-death proceeds from surrenders or loans may be taxable as ordinary income,

depending on the policy's status as a MEC. The policy outlines the implications of MECs and the conditions surrounding premium payments, benefit changes, and tax considerations.

Overall, the RiverSource Variable Universal Life III policy is designed as a long-term investment vehicle, providing a death benefit to beneficiaries upon the insured's death, and is subject to various fees and charges that can impact its overall value. The policy emphasizes the importance of understanding the tax consequences and regulatory requirements associated with life insurance contracts and related financial strategies.