

## California Financial Products Disclosure

Associated Brokerage Account Number

133

**The State of California requires that persons age 65 and older receive disclosures relating to financial product purchases.**

Disclosure 1 below, is for any life insurance or annuity product purchase. Disclosure 2 is applicable for any financial product offered on the basis of the product's treatment under the California Medi-Cal Program.

### Disclosure 1

*Please read the disclosure below and keep a copy for your records.*

#### Impact of Liquidation of Assets

The sale or liquidation of any stock, bond, IRA, certificate of deposit, mutual fund, annuity or other asset to fund the purchase of this product may have tax consequences, early withdrawal penalties, or other costs or penalties as a result of the sale or liquidation. The elder or elder's agent may wish to consult independent legal or financial advice before selling or liquidating any assets prior to the purchase of any life or annuity products being solicited, offered for sale, or sold.

### Disclosure 2

*If applicable, please read and sign the notice below, and return a copy to your agent and a copy to RiverSource Life Insurance Company.*

#### Notice Regarding Standards For Medi-Cal Eligibility and Recovery

**IF YOU OR YOUR SPOUSE ARE CONSIDERING PURCHASING A FINANCIAL PRODUCT BASED ON ITS TREATMENT UNDER THE MEDI-CAL PROGRAM, READ THIS IMPORTANT MESSAGE!**

You or your spouse do not have to use up all of your savings before applying for Medi-Cal.

#### Recovery

An annuity purchased on or after September 1, 2004, shall be subject to recovery by the state upon the annuitant's death under the regulations of the Medi-Cal Recovery Program. Income derived from the annuity must be used to meet the annuitant's share of costs and, if the annuitant is married, the income derived from the annuity may impact the minimum monthly maintenance needs of the annuitant's community spouse. An annuity purchased by a community spouse on or after September 1, 2004, may also be subject to recovery if that spouse is the recipient of past or future Medi-Cal benefits.

#### Unmarried Resident

An unmarried resident may be eligible for Medi-Cal benefits if he/she has less than \$2,000 in countable resources. The Medi-Cal recipient is allowed to keep from his/her monthly income a personal allowance of \$35 plus the amount of any health insurance premiums paid. The remainder of the monthly income is paid to the nursing facility as a monthly share of cost.

#### Married Resident

Community spouse resource allowance: If one spouse lives in a nursing facility and the other spouse does not live in a facility, the Medi-Cal program will pay some or all of the nursing facility costs as long as the couple together does not have more than \$119,220.

Minimum monthly maintenance needs allowance: If a spouse is eligible for Medi-Cal payment of nursing facility costs, the spouse living at home is allowed to keep a monthly income of at least his/her individual monthly income, or \$2,981 in monthly income, whichever is greater.

**Disclosure 2 continued on next page...**

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**Disclosure 2** continued

**Fair Hearings and Court Orders**

Under certain circumstances, an at home spouse can obtain an order from an administrative law judge or court that will allow the at-home spouse to retain additional resources or income. The order may allow the couple to retain more than \$119,220 in countable resources. The order also may allow the at-home spouse to retain more than \$2,981 in monthly income.

**Real and Personal Property Exemptions**

Many of your assets may already be exempt. Exempt means that the assets are not counted when determining eligibility for Medi-Cal.

**Real Property Exemptions**

- *One principal residence.* One property used as a home is exempt. The home will remain exempt in determining eligibility if the applicant intends to return home someday.  
The home also continues to be exempt if the applicant's spouse or dependent relative continues to live in it. Money received from the sale of a home can be exempt for up to six months if the money is going to be used for the purchase of another home.
- *Real property used in a business or trade.* Real estate used in a trade or business is exempt regardless of its equity value and whether it produces income.

**Personal Property and Other Exempt Assets**

- *IRAs, Keoghs, and other work related pension plans.* These funds are exempt if the family member whose name it is in does not want Medi-Cal. If held in the name of a person who wants Medi-Cal, and payments of principal and interest are being received, the balance is considered unavailable and is not counted. It is not necessary to annuitize, convert to an annuity, or otherwise change the form of the assets in order for them to be unavailable.
- *Personal property used in a trade or business.*
- *One motor vehicle.*
- *Irrevocable burial trusts or irrevocable pre-paid burial contracts.*

*There may be other assets that may be exempt.*

This is only a brief description of the Medi-Cal eligibility rules. For more detailed information, you should call your county welfare department. Also, you are advised to contact a legal services program for seniors or an attorney that is not connected with the sale of this product.

I have read the above notice and have received a copy.

Purchaser Signature

Date (MMDDYYYY)

**X**

Joint Purchaser's Signature

Date (MMDDYYYY)

**X**

Spouse's Signature

Date (MMDDYYYY)

**X**

Legal Representative Signature

Date (MMDDYYYY)

**X**