

SECURITIES AND EXCHANGE COMMISSION

FORM 10-K

Annual report pursuant to section 13 and 15(d)

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FILER

RIVERSOURCE LIFE INSURANCE CO

CIK: **727892** | IRS No.: **410823832** | State of Incorporation: **MN** | Fiscal Year End: **1231**
Type: **10-K** | Act: **34** | File No.: **033-28976** | Film No.: **07657212**

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER 333-114888

RIVERSOURCE LIFE INSURANCE COMPANY
(Exact name of registrant as specified in its charter)

<TABLE>

<CAPTION>

MINNESOTA

41-0823832

<S>

(State or other jurisdiction of incorporation or organization)

<C>

(I.R.S. Employer Identification No.)

<CAPTION>

55 AMERIPRISE FINANCIAL CENTER, MINNEAPOLIS, MINNESOTA

55474

<S>

(Address of principal executive offices)

<C>

(Zip Code)

</TABLE>

Registrant's telephone number, including area code (612) 671-3131

Securities registered pursuant to Section 12(b) of the Act: NONE

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes | | No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes | | No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No | |

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [Not Applicable]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer | | Accelerated filer | | Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes | | No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

CLASS

OUTSTANDING AT FEBRUARY 28, 2007

Common Stock (par value \$30 per share)

100,000 shares

All outstanding shares of the registrant are directly owned by Ameriprise Financial, Inc.

THE REGISTRANT MEETS THE CONDITIONS SET FORTH IN GENERAL INSTRUCTIONS I(1) (a)

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PART I

ITEM 1. BUSINESS

INTRODUCTION

RiverSource Life Insurance Company, formerly known as IDS Life Insurance Company, is a stock life insurance company with one wholly-owned operating subsidiary, RiverSource Life Insurance Co. of New York ("RiverSource Life of NY"). RiverSource Life Insurance Company is a wholly-owned subsidiary of Ameriprise Financial, Inc. ("Ameriprise Financial").

- o RiverSource Life Insurance Company is domiciled in Minnesota and holds Certificates of Authority in American Samoa, the District of Columbia and all states except New York. RiverSource Life Insurance Company issues insurance and annuity products.
- o RiverSource Life of NY is a stock life insurance company domiciled in New York, which holds Certificates of Authority in New York and North Dakota. RiverSource Life of NY issues insurance and annuity products.

On December 31, 2006, IDS Life Insurance Company completed an Agreement and Plan of Merger with both American Enterprise Life Insurance Company ("American Enterprise Life") and American Partners Life Insurance Company ("American Partners Life") whereby both companies merged with and into IDS Life Insurance Company. As a result of the merger, American Enterprise Life and American Partners Life ceased to exist. Prior to the merger, both companies were wholly-owned operating subsidiaries of IDS Life Insurance Company. Immediately following the merger, IDS Life Insurance Company changed its name to RiverSource Life Insurance Company.

Also on December 31, 2006, American Centurion Life Assurance Company ("American Centurion Life") merged with and into IDS Life Insurance Company of New York ("IDS Life of New York"). As a result of the merger, American Centurion Life ceased to exist. Prior to the merger, American Centurion Life was a wholly-owned operating subsidiary of IDS Life Insurance Company. Immediately following the merger, IDS Life of New York changed its name to RiverSource Life Insurance Co. of New York.

RiverSource Life Insurance Company and its subsidiary are referred to collectively in this Form 10-K as "RiverSource Life".

A majority of RiverSource Life's business is sold through the retail distribution channel of Ameriprise Financial Services, Inc., a subsidiary of Ameriprise Financial. RiverSource Distributors, Inc., a subsidiary of Ameriprise Financial, serves as the principal underwriter and distributor of variable annuity and life insurance products issued by RiverSource Life.

No material effect on consolidated financial condition and results of operations is expected for RiverSource Life as a result of the mergers.

Ameriprise Financial was formerly a wholly-owned subsidiary of American Express Company ("American Express"). On February 1, 2005, the American Express Board of Directors announced its intention to pursue the disposition of 100% of its shareholdings in Ameriprise Financial (the "Separation") through a tax-free distribution to American Express shareholders. Effective as of the close of business on September 30, 2005, American Express completed the Separation and the distribution of Ameriprise Financial common shares to American Express shareholders (the "Distribution"). In connection with the Distribution, Ameriprise Financial entered into certain agreements with American Express to effect the Separation and to define the responsibility for obligations arising before and after the date of the Distribution, including, among others, obligations relating to transition services, taxes, and employees. Ameriprise Financial has incurred \$654 million of pretax non-recurring separation costs since the Separation announcement through December 31, 2006 and expects to incur a total of approximately \$875 million. RiverSource Life was allocated certain expenses incurred as a result of Ameriprise Financial becoming an independent company. RiverSource Life has been allocated \$252 million in total pretax non-recurring separation costs since the Separation announcement through December 31, 2006 and expects to be allocated a significant portion of the remaining separation costs in 2007. RiverSource Life received a capital contribution of \$650 million from Ameriprise Financial during the third quarter of 2005 to support its financial strength ratings and to cover separation costs.

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AMERIPRISE FINANCIAL'S NEW BRAND -----

In 2005, in connection with the Separation, Ameriprise Financial launched a new brand name strategy for its businesses. In October 2005, it began marketing products, including life insurance and annuities, under the RiverSource(SM) brand. The transition of the life insurance and annuity products to the RiverSource(SM) brand was substantially complete as of December 31, 2006.

As described above, Ameriprise Financial streamlined the organizational structure of its life insurance business by consolidating its five life insurance subsidiaries into two as of December 31, 2006, RiverSource Life Insurance Company and RiverSource Life of NY. RiverSource Life of NY is a wholly-owned subsidiary of RiverSource Life Insurance Company. This reorganization incorporated the RiverSource(SM) branding strategy into the names of Ameriprise Financial's life insurance company subsidiaries and is expected to result in certain expense and capital-deployment efficiencies.

ANNUITIES: PRODUCT FEATURES AND RISKS -----

RiverSource Life offers both fixed and variable deferred annuity products to a broad range of consumers through multiple distribution channels. Fixed and variable deferred annuities are products where assets accumulate until the contract is surrendered, the contractholder (or in some contracts, the annuitant) dies, or the contractholder or annuitant begins receiving benefits under an annuity payout option. RiverSource Life also offers immediate annuities in which payments begin within one year of issue and continue for life or for a fixed period of time.

RiverSource Life is one of the largest issuers of annuities in the United States. For the year ended December 31, 2006, on a consolidated basis, its variable annuity products ranked eighth in new sales of variable annuities according to VARDS(R). RiverSource Life had fixed and variable annuity cash sales in 2006 of \$12.9 billion, up from \$9.3 billion in 2005. Variable annuities cash sales increased 46%, partially offset by a 13% decrease in cash sales of fixed annuities. The relative proportion between fixed and variable annuity sales is generally driven by the relative performance of the equity and fixed income markets. In times of lackluster performance in equity markets, fixed sales are generally stronger. In times of superior performance in equity markets, variable sales are generally stronger. The relative proportion between fixed and variable annuity sales is also influenced by product design and other factors.

RiverSource Life receives fees charged on assets allocated to its separate accounts. Investment management performance is also critical to the profitability of the annuity business.

VARIABLE ANNUITIES

A variable annuity provides a contract owner with investment returns linked to underlying investment accounts of the contract owner's choice. Most variable annuity products in force offer a fixed account investment option with guaranteed minimum interest crediting rates ranging up to 4.0% as of December 31, 2006.

Contract purchasers can choose to add various optional benefit provisions to their contracts to meet their needs. These include enhanced guaranteed minimum death benefit ("GMDB"), guaranteed minimum withdrawal benefit ("GMWB"), guaranteed minimum income benefit ("GMIB") and guaranteed minimum accumulation benefit ("GMAB") provisions. In general, these provisions can help protect contract owners and beneficiaries from a shortfall in death or living benefits due to a decline in the value of their underlying investment accounts.

The majority of the variable annuity contracts RiverSource Life offers contain GMDB provisions. RiverSource Life's largest-selling variable annuities are the RiverSource Retirement Advisor Plus(SM) series of variable annuities, which include the RiverSource Retirement Advisor Advantage Plus(SM) Variable Annuity and the RiverSource Retirement Advisor Select Plus(SM) Variable Annuity (the "Retirement Advisor Plus(SM) Variable Annuities"). Under the Retirement Advisor Plus(SM) Variable Annuities, the standard GMDB provides that if the contract owner is age 75 or younger on the date the contract is issued, the beneficiary will receive the greater of (i) contract value less any purchase payment credits subject to recapture less a pro-rata portion of any rider fees, or (ii) purchase payments minus adjusted partial surrenders. If the contract owner is age 76 or older at contract issue, the beneficiary will receive the contract value, less any purchase payment credits subject to recapture and less a pro-rata portion of any rider fees.

Additional optional GMDBs are also available. For example, RiverSource Retirement Advisor Advantage Plus(SM) Variable Annuity contract owners age 76 or older at contract issue may purchase the optional Return of Purchase Payment Death Benefit for an additional charge which adds the return of purchase payments less adjusted partial surrenders to the standard death benefit.

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Contract owners may also purchase a maximum anniversary value death benefit or a five-year maximum anniversary value death benefit for an additional charge. These death benefit riders guarantee to pay the beneficiary the maximum account value on any contract anniversary or any fifth contract anniversary, plus subsequent purchase payments less adjusted partial surrenders.

RiverSource Life's contract owners also may purchase an enhanced earnings death benefit or an enhanced earnings plus death benefit for an additional charge. These death benefit riders are intended to provide additional benefits to offset expenses after the contract owner's death.

Available features for annuity products also include the GMWB and GMWB for life. The GMWB is designed to protect the contract owner's principal by allowing the client to withdraw the principal over a period of time, regardless of the investment performance of the contract. The GMWB for life is an enhanced benefit that also allows periodic withdrawals for the life of the policyholder, regardless of the investment performance of the contract.

Variable annuity contract owners can also obtain a lump sum principal-back guarantee by purchasing the optional GMAB rider for an additional charge. The GMAB provides a guaranteed contract value at the end of a ten-year waiting period regardless of the investment performance of the contract. The guarantee is equal to the greater of the total amount of purchase payments made or 80% of the highest anniversary value, adjusted for any withdrawals.

Certain variable annuity contracts contain a GMIB feature which, if elected by the contract owner and after a stipulated waiting period from contract issuance, guarantees a minimum lifetime annuity based on predetermined annuity purchase rates that may be in excess of what the contract account value can purchase at then-current annuity purchase rates. RiverSource Life bears the risk that protracted under-performance of the financial markets could result in GMIB being higher than what accumulated contract owner account balances would support.

RiverSource Life earns fee-based revenue in the form of mortality and expense risk charges and fees charged for optional features elected by the contract owner and the other contract charges.

The general account assets of RiverSource Life support the contractual obligations under the guaranteed benefit riders RiverSource Life issues (see

"General and Variable Account Assets-The General Account" below). As a result, RiverSource Life bears the risk that protracted under-performance of the financial markets could result in guaranteed benefit payments being higher than what current account values would support. RiverSource Life's exposure to risk from guaranteed benefits generally will increase when equity markets decline.

FIXED ANNUITIES

RiverSource Life's fixed annuity products provide a contract owner with cash value that increases by a fixed or indexed interest rate. Fixed rates are periodically reset at the discretion of RiverSource Life, subject to certain policy terms establishing minimum guaranteed interest crediting rates. RiverSource Life's earnings from fixed annuities are based upon the spread between rates earned on assets purchased with fixed annuity deposits and the rates at which interest is credited to its fixed annuity contracts.

RiverSource Life resets interest rates based on a number of factors, including interest rate scenario models and risk/return measures. The fixed annuity contracts in force provide guaranteed minimum interest crediting rates ranging from 1.5% to 5.0% as of December 31, 2006. In 2003, and in response to a declining interest rate environment, several states adopted an interim regulation allowing for a guaranteed minimum interest crediting rate of 1.5% and/or a model regulation providing for a guaranteed indexed rate and have now adopted regulations that mirror the National Association of Insurance Commissioners ("NAIC") model regulation for a guaranteed index rate. In response, RiverSource Life filed a number of contract changes in recent years to implement lower minimum guarantees. RiverSource Life will continue to implement contract changes as states continue to adopt the new model regulation or as the interim regulation expires according to its terms.

INSURANCE: PRODUCT FEATURES AND RISKS

RiverSource Life issues both variable and fixed universal life insurance, traditional life insurance including whole life and term life and disability income ("DI") insurance. (RiverSource Life discontinued underwriting new long term care ("LTC") policies as of December 31, 2002). Universal life insurance is a form of permanent life insurance characterized by its flexible premiums, its flexible death benefit amounts and its unbundling of the pricing factors (i.e., mortality, interest and expenses). Traditional life insurance refers to whole and term life insurance policies that pay a specified sum to a beneficiary upon death of the insured for a fixed premium. Variable universal life insurance combines the premium and death benefit flexibility of universal life with underlying fund investment flexibility and the risks associated therewith.

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RiverSource Life's sales of individual life insurance in 2006, as measured by scheduled annual premiums, excluding lump sum and excess premiums, consisted of 82% variable universal life, 9% fixed universal life and 9% traditional life. RiverSource Life issues only non-participating life insurance policies, which do not pay dividends to policyholders from the insurers' earnings. One of the major risks inherent in life insurance is the risk that mortality will be greater than anticipated. As discussed below, reinsurance is critical for RiverSource Life to mitigate this risk.

VARIABLE UNIVERSAL LIFE INSURANCE

RiverSource Life's best-selling life insurance products are variable universal life insurance policies. Variable universal life insurance provides life insurance coverage along with investment returns linked to underlying investment accounts of the policyholder's choice. Options include RiverSource Variable Portfolio Funds as well as funds of other companies. Variable universal life insurance products in force offered a fixed account investment option with guaranteed minimum interest crediting rates ranging from 3.0% to 4.5% as of December 31, 2006. RiverSource Life Insurance Company ranked first in sales of variable universal life based on total premiums (according to the Tillinghast Towers-Perrin Value(TM) Survey, dated September 30, 2006, the most recent report available). RiverSource Life's major source of revenue from variable universal life insurance is cost of insurance and other charges.

FIXED UNIVERSAL LIFE INSURANCE AND TRADITIONAL WHOLE LIFE INSURANCE

Fixed universal life and traditional whole life insurance policies do not subject the policyholder to the investment risks associated with variable universal life insurance.

RiverSource Life's fixed universal life insurance products provide life insurance coverage and cash value that increases by a fixed interest rate. The rate is periodically reset at the discretion of RiverSource Life subject to certain policy terms relative to minimum interest crediting rates. Universal life insurance products in force provided guaranteed minimum interest crediting rates ranging from 3.0% to 5.0% as of December 31, 2006.

RiverSource Life also offers non-participating traditional whole life insurance, which combines a death benefit with a cash value that generally increases gradually in amount over a period of years and does not pay a dividend. RiverSource Life has sold very little traditional whole life insurance in recent years.

TERM LIFE INSURANCE

RiverSource Life also offers term life insurance. Term life insurance only provides a death benefit, does not build up cash value and does not pay a dividend. The policyholder chooses the term of coverage with guaranteed premiums at the time of issue. During the chosen term, RiverSource Life cannot raise premium rates even if claims experience were to deteriorate. At the end of the chosen term, coverage may continue with higher premiums until the maximum age is attained, at which point the policy expires with no value.

DISABILITY INCOME INSURANCE

RiverSource Life also issues DI insurance. For the nine months ended September 30, 2006, RiverSource Life was ranked as the seventh largest provider of individual (non-cancelable) DI insurance based on premiums (according to LIMRA International(R)). DI insurance provides monthly benefits to individuals who are unable to earn income at either their occupation at time of disability ("own occupation") or at any suitable occupation ("any occupation") for premium payments that are guaranteed not to change. Depending upon occupational and medical underwriting criteria, applicants for DI insurance can choose "own occupation" and "any occupation" coverage for varying benefit periods up to age 65. In some states, applicants may also choose various benefit riders to help them integrate individual DI insurance benefits with social security or similar benefit plans and to help them protect their DI insurance benefits from the risk of inflation.

LONG TERM CARE INSURANCE

As of December 31, 2002, RiverSource Life discontinued underwriting LTC insurance. Although new product sales were discontinued in the fourth quarter of 2002, RiverSource Life retained 50% of the risk on existing contracts and the remaining 50% of the risk was ceded on a coinsurance basis to affiliates of Genworth Financial, Inc. ("Genworth"). In addition, in May 2003, RiverSource Life began outsourcing claims administration on its existing block of LTC policies to Genworth.

Beginning in 2004, RiverSource Life filed for approval to implement rate increases on its existing block of nursing home-only indemnity LTC insurance policies. Implementation of these rate increases began in early 2005, and approvals have been received in 47 states, covering 86% of the eligible premiums, with an average approved rate increase of 33.2%. Implementation of rate increases is expected to continue in 2007 and may be sought with respect to other existing blocks of long term care insurance policies, in each case subject to regulatory approval.

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GENERAL AND VARIABLE ACCOUNT ASSETS

Depending on the life insurance and annuity product purchased, the assets of RiverSource Life's policyholders and contractholders may be placed in the general account of RiverSource Life (the "general account") for fixed products and for the fixed account options under certain variable products or, in the case of variable life insurance and variable annuity products, in separate accounts that invest in underlying investment options (the "variable account").

THE GENERAL ACCOUNT

Assets in the general account support all obligations of RiverSource Life other than those supported by the separate accounts. RiverSource Life bears the investment risk of the general account assets.

In the general account, RiverSource Life, through its investment manager, RiverSource Investments, LLC, primarily invests in fixed maturity securities over a broad range of maturities for the purpose of providing a targeted rate of return on its investments while controlling risk. The majority of these fixed maturity securities are interest-bearing investments such as government obligations, mortgage-backed obligations and various corporate debt instruments. RiverSource Life does not invest in securities to generate trading profits.

In accordance with regulatory investment guidelines, RiverSource Life Insurance Company and RiverSource Life of NY, through their respective boards of directors or board of directors' investment committees or staff functions, review models projecting different interest rate scenarios, risk/return measures, and their effect on profitability in order to guide the management of the general account assets. They also review the distribution of assets in the portfolio by type and credit risk sector. The objective is to structure the investment securities portfolio in the general account to meet contractual

obligations under the insurance and annuity products and achieve targeted levels of profitability within defined risk parameters.

RiverSource Life has the discretion to set the rate of interest credited to contract owners' accounts subject to each contract's guaranteed minimum interest crediting rate. As of December 31, 2006, this rate varied among fixed accounts and was as low as 1.5% and as high as 7.4%. To the extent the yield on RiverSource Life's invested general account asset portfolio declines below its target spread plus the minimum guarantee, RiverSource Life's profitability would be negatively affected.

The interest rates credited to contract owners' fixed accounts generally reset towards new business rates; therefore, margins may be negatively impacted by increases in the general level of interest rates. Part of RiverSource Life's strategy includes the use of derivatives, such as interest rate swaptions, for risk management purposes. These derivatives help protect margins by increasing investment returns if there is a sudden and severe rise in interest rates, thereby lessening the impact of an increase in rates credited to contract owners' fixed accounts. Conversely, in a low interest rate environment, margins may be negatively impacted as the interest rates available on RiverSource Life's invested assets approach guaranteed minimum interest rates on the insurance or annuity contracts in force. This negative impact may be compounded by the fact that many of these interest-bearing investments are callable or pre-payable by the issuer and calls and prepayments are more likely to occur in a low interest rate environment.

THE VARIABLE ACCOUNT

Variable annuity and insurance products offer variable account investment options. In addition, many of these products offer fixed account options. Under the variable account option, contract owners bear the investment risk. The variable accounts are registered as unit investment trusts under the Investment Company Act of 1940. State insurance law prescribes that variable accounts constitute a separate operation from the general account and as such are only available to fund the liabilities of the separate accounts. Under the subaccounts of each variable account, RiverSource Life credits or charges income, capital gains and losses only to that subaccount.

Generally, the variable accounts consist of a number of subaccounts, each of which invests in shares of a particular fund. Contract owners can allocate their payments among these variable subaccounts. The underlying funds are managed both by affiliated and unaffiliated third-party money managers. These funds invest in portfolios containing a variety of securities including common stocks, bonds, managed assets and/or short-term securities. The value of the subaccounts fluctuates with the investment return of the underlying funds in which the subaccounts invest.

RiverSource Life's major source of revenue from the variable annuities it issues is the fees it receives under the terms of the variable annuity contracts. These fees include, for example, mortality and expense risk charges, administrative charges and fees for optional benefit riders and surrender or withdrawal charges. In addition, RiverSource Life receives payments from its affiliate, RiverSource Investments, LLC, for providing certain sponsor and related servicing activity for the RiverSource Variable Portfolio Funds which are available as investment options under the variable annuity and life insurance products. Prior to the fourth quarter of 2005, Ameriprise Financial was the investment manager for the RiverSource Variable Portfolio Funds.

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In the fourth quarter of 2005, RiverSource Investments, LLC replaced Ameriprise Financial as the investment manager. As a result, RiverSource Life now receives internal allocation payments as compensation from RiverSource Investments, LLC for providing these non-investment advisory services to the RiverSource Variable Portfolio Funds.

In addition to the revenues described above, RiverSource Life receives shareholder servicing payments from other companies' funds included as investment options under its variable annuity and life insurance products. It also receives marketing and administrative support payments from the affiliates of other companies' funds which are included as investment options in its variable annuity and life insurance products. These fees are generally based on the level of variable account assets held in a particular fund and accordingly will vary based on market conditions.

COMPETITION

RiverSource Life competes with other insurers and product manufacturers including insurance companies, such as Hartford, MetLife, Lincoln National and Nationwide, as well as certain banks, securities brokerage firms, independent financial advisors and other financial intermediaries that market insurance, annuities, mutual funds, retirement accounts and other financial products.

Competitive factors affecting the sale of RiverSource Life's annuity and/or insurance products include:

- o financial strength ratings from agencies such as A.M. Best;
- o the breadth, quality, design and pricing of products and services offered;
- o guaranteed benefit features;
- o the quality of underwriting;
- o the effectiveness of advertising and promotion campaigns;
- o reputation and recognition in the marketplace;
- o distribution capabilities and compensation; and
- o the quality of customer service.

REGULATION

The Minnesota Department of Commerce regulates RiverSource Life Insurance Company, and the New York State Insurance Department (together with the Minnesota Department of Commerce, the "Domiciliary Regulators") regulates RiverSource Life of NY.

In addition to being regulated by their Domiciliary Regulators, RiverSource Life Insurance Company and RiverSource Life of NY are regulated by each of the insurance regulators in the states where each is authorized to transact the business of insurance. Other states also regulate such matters as the licensing of sales personnel and, in some cases, the marketing and contents of insurance policies and annuity contracts. The primary purpose of such regulation and supervision is to protect the interests of contractholders and policyholders. Financial regulation of RiverSource Life is extensive and its financial and intercompany transactions (such as intercompany dividends, capital contributions and investment activity) are often subject to pre-notification and continuing evaluation by the Domiciliary Regulators. Virtually all states require participation in insurance guaranty associations which assess fees to insurance companies in order to fund claims of policyholders and contractholders of insolvent insurance companies.

Because RiverSource Life issues variable annuity and life insurance products required to be registered under federal and state securities laws, many aspects of its business are subject to extensive regulation and examination by the Securities and Exchange Commission, the National Association of Securities Dealers and other federal and state regulatory bodies.

Insurance companies have recently been the subject of increasing regulatory, legislative and judicial scrutiny. Numerous state and federal regulatory agencies have commenced investigations regarding sales and marketing practices, compensation arrangements and anticompetitive activities, and market timing and late trading in connection with insurance, annuity and mutual fund products. RiverSource Life has been contacted by regulatory agencies for information relating to some of these investigations and is cooperating with those inquiries. RiverSource Life has reviewed its compensation arrangements and other operations that may be affected by these regulatory investigations. In addition, RiverSource Life is reviewing the legal precedents and new industry-wide legislation, rules and regulations that may arise from ongoing investigations.

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At the federal level, there is periodic interest in enacting new regulations relating to various aspects of the insurance industry, including taxation of annuities and life insurance policies, accounting procedures, and the treatment of persons differently because of gender, with respect to terms, conditions, rates or benefits of an insurance policy. Adoption of any new federal regulation in any of these areas or other areas could potentially have an adverse effect upon RiverSource Life. Also, recent federal legislative proposals aimed at the promotion of tax-advantaged savings may adversely impact RiverSource Life's sales of annuity and life insurance products if enacted.

FINANCIAL STRENGTH RATINGS

RiverSource Life Insurance Company receives ratings from independent rating agencies. Ratings are important to maintaining public confidence in RiverSource Life. Lowering of RiverSource Life's ratings could have a material adverse effect on its ability to market its products and could lead to increased surrenders. Rating agencies continually evaluate the financial soundness and claims-paying ability of insurance companies based on a number of different factors.

More specifically, the ratings assigned are developed from an evaluation of a company's balance sheet strength, operating performance and business profile. Balance sheet strength reflects a company's ability to meet its current and

ongoing obligations to its policyholders and includes analysis of a company's capital adequacy. The evaluation of operating performance centers on the stability and sustainability of a company's source of earnings. The analysis of a business profile reviews a company's mix of business, market position and depth and experience of management. The ratings relate to an insurer's general account and not to the management or performance of the variable accounts.

RiverSource Life Insurance Company is currently rated "A+" (Superior) by A.M. Best Company, Inc. and its claims-paying ability/financial strength was rated "Aa3" (Excellent) by Moody's Investors Service, Inc. (Moody's), "AA-" (Very Strong) by Fitch, and "AA-" (Very Strong) by Standard & Poor's. RiverSource Life of NY does not receive an individual rating, but receives the same rating as RiverSource Life Insurance Company.

REINSURANCE

RiverSource Life reinsures a portion of the risks associated with its life and LTC insurance products through reinsurance agreements with unaffiliated insurance companies. Reinsurance is used in order to limit losses, minimize exposure to large risks, provide additional capacity for future growth and to effect business-sharing arrangements. To minimize exposure to significant losses from reinsurer insolvencies, RiverSource Life evaluates the financial condition of its reinsurers prior to entering into new reinsurance treaties and on a periodic basis during the terms of the treaties. RiverSource Life remains primarily liable as the direct insurer on all risks reinsured.

Generally, RiverSource Life reinsures 90% of the death benefit liability related to individual fixed and variable universal life and term life insurance products. As a result, RiverSource Life retains and is at risk for, at most, 10% of each policy's death benefit from the first dollar of coverage for new sales of these policies subject to the reinsurer actually paying. RiverSource Life began reinsuring risks at this level beginning in 2001 for term life insurance and 2002 for variable and universal life insurance. Policies issued prior to these dates are not subject to these same reinsurance levels. The maximum amount of life insurance risk retained by RiverSource Life is \$750,000 on any policy insuring a single life and \$1.5 million on any flexible premium survivorship variable life policy. For existing LTC policies, RiverSource Life retained 50% of the risk and the remaining 50% of the risk was ceded on a coinsurance basis to affiliates of Genworth Financial, Inc. Risk on variable life and universal life policies is reinsured on a yearly renewable term basis. Starting in 2001, risk on most term life policies is reinsured on a coinsurance basis.

RiverSource Life retains all risk for new claims on DI contracts. Risk is currently managed by limiting the amount of disability insurance written on any one individual. RiverSource Life also retains all risk on accidental death benefit and almost all waiver of premium risk.

RISK-BASED CAPITAL

The NAIC defines Risk-Based Capital ("RBC") requirements for life insurance companies. The RBC requirements are used by the NAIC and state insurance regulators to identify companies that merit regulatory action designed to protect policyholders. The NAIC RBC report is completed as of December 31 and filed annually, along with the statutory financial statements.

RiverSource Life Insurance Company would be subject to various levels of regulatory intervention if its total adjusted statutory capital were to fall below the RBC requirement. At the "company action level," defined as total adjusted capital level between 100% and 75% of the RBC requirement, an insurer must submit a plan for corrective action with its primary state regulator.

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The "regulatory action level," which is between 75% and 50% of the RBC requirement, subjects an insurer to examination, analysis and specific corrective action prescribed by the primary state regulator. If a company's total adjusted capital falls between 50% and 35% of its RBC requirement, referred to as "authorized control level," the insurer's primary state regulator may place the insurer under regulatory control. Insurers with total adjusted capital below 35% of the requirement will be placed under regulatory control.

At December 31, 2006, RiverSource Life Insurance Company's company action level RBC was \$590 million, and the corresponding total adjusted capital was \$3.5 billion, which represents 595% of the company action level RBC.

As described above, RiverSource Life Insurance Company maintains capital well in excess of the company action level required by the Minnesota Department of Commerce, its primary regulator.

ITEM 1A. RISK FACTORS

If any of the following risks and uncertainties develops into actual events, these events could have a material adverse effect on RiverSource Life's business, financial condition or results of operations. Based on current information, the following information identifies the most significant risk factors affecting RiverSource Life in each of these categories of risk. However, the risks and uncertainties RiverSource Life faces are not limited to those described below. Additional risks and uncertainties which are not presently known or which are currently believed to be immaterial may also adversely affect RiverSource Life's business.

RISKS RELATING TO RIVERSOURCE LIFE'S BUSINESS

RIVERSOURCE LIFE'S RESULTS OF OPERATIONS MAY BE ADVERSELY AFFECTED BY INTEREST RATE FLUCTUATIONS AND BY ECONOMIC AND OTHER FACTORS.

RiverSource Life's financial condition and results of operations may be materially affected by economic and other factors. Many such factors of a global or localized nature include: political, economic and market conditions; technological changes and events; inflation; investor sentiment and confidence in the financial markets; terrorism events and armed conflicts; and natural disasters such as weather catastrophes and widespread health emergencies. In addition, during periods of unfavorable market or economic conditions, the level of consumer investing and insuring activity may also decrease, which may negatively impact the results of RiverSource Life's businesses. Moreover, fluctuations in economic and market activity could impact the way then-existing customers allocate their available resources, which could affect RiverSource Life's persistency, surrender and product cash value loan experience and could negatively impact its business.

RiverSource Life's insurance and annuity products are sensitive to interest rate fluctuations, and its future costs associated with such variations may differ from its historical costs. In addition, interest rate fluctuations could result in fluctuations in the valuation of certain minimum guaranteed benefits contained in some of its variable annuity products.

During periods of increasing market interest rates, RiverSource Life must offer higher crediting rates on interest-sensitive products, such as fixed universal life insurance and fixed annuities, and it must increase crediting rates on insurance and annuity products to keep these products competitive. Because returns on invested assets may not increase as quickly as current interest rates, RiverSource Life may have to accept a lower "spread," or the difference between the returns it earns on the investments that support its obligations under these products and the amounts that it must pay policyholders and contractholders, and thus lower profitability or face a decline in sales and greater loss of existing contracts and related assets. In addition, increases in market interest rates may cause increased policy surrenders, withdrawals from life insurance policies and annuity contracts and requests for policy loans, as policyholders and contractholders seek to shift assets to products with perceived higher returns. This process may lead to an earlier than expected flow of cash out of the business. Also, increases in market interest rates may result in extension of the maturity of some of RiverSource Life's investment assets. These earlier outflows and asset maturity extensions may require investment assets to be sold at a time when the prices of those assets are lower because of the increase in market interest rates, which may result in realized investment losses. Increases in crediting rates, as well as surrenders and withdrawals, could have an adverse effect on RiverSource Life's financial condition and results of operations. An increase in policy surrenders and withdrawals also may require RiverSource Life to accelerate amortization of deferred acquisition costs ("DAC"), which would increase its expenses and reduce its net earnings.

During periods of falling interest rates, RiverSource Life's "spread" or the difference between the returns it earns on the investments that support its obligations under these products and the amounts that it must pay policyholders and contractholders, may be reduced or could become negative, primarily because some of these products have guaranteed minimum crediting rates.

Interest rate fluctuations also could have an adverse effect on the results of RiverSource Life's investment portfolio. During periods of declining market interest rates, the interest RiverSource Life receives on variable interest rate investments decreases. In addition, during those periods, RiverSource Life is forced to reinvest the cash it receives as interest or return of principal on its investments in lower-yielding high-grade instruments or in lower-credit instruments to maintain comparable returns. Issuers of fixed income securities also may decide to prepay their obligations in order to borrow at lower market rates, which exacerbates the risk that RiverSource Life may have to invest the cash proceeds of these securities in lower-yielding or

lower-credit instruments.

For additional information regarding the sensitivity of the fixed income securities in RiverSource Life's investment portfolio to interest rate fluctuations, see "Item 7-Management's Discussion and Analysis of Financial Condition and Results of Operations-Risk Management."

POOR INVESTMENT PERFORMANCE IN RIVERSOURCE LIFE'S PRODUCTS COULD ADVERSELY AFFECT ITS FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

RiverSource Life believes that investment performance is an important factor in the growth of its variable annuity and variable life insurance business. Poor investment performance could impair revenues and earnings, as well as RiverSource Life's prospects for growth, because:

- o sales of variable products might decrease;
- o existing clients might withdraw assets from RiverSource Life's variable products in favor of better performing products of other companies, which would result in lower revenues; and
- o RiverSource Life's ability to attract funds from existing and new clients might diminish.

A DOWNGRADE OR A POTENTIAL DOWNGRADE IN RIVERSOURCE LIFE'S FINANCIAL STRENGTH RATINGS COULD RESULT IN A LOSS OF BUSINESS AND ADVERSELY AFFECT ITS FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Financial strength ratings, which various ratings organizations publish as a measure of an insurance company's ability to meet contractholder and policyholder obligations, are important to maintaining public confidence in RiverSource Life's products, the ability to market its products and its competitive position. Any downgrade in RiverSource Life's financial strength ratings, or the announced potential for a downgrade, could have a significant adverse effect on its financial condition and results of operations in many ways, including:

- o reducing new sales of insurance and annuity products;
- o adversely affecting RiverSource Life's relationships with distributors of its products;
- o materially increasing the number or amount of policy surrenders and withdrawals by contractholders and policyholders;
- o requiring RiverSource Life to reduce prices for many of its products to remain competitive; and
- o adversely affecting RiverSource Life's ability to obtain reinsurance or obtain reasonable pricing on reinsurance.

INTENSE COMPETITION AND THE ECONOMICS OF CHANGES IN RIVERSOURCE LIFE'S PRODUCT REVENUE MIX AND DISTRIBUTION CHANNELS COULD NEGATIVELY AFFECT RIVERSOURCE LIFE'S ABILITY TO MAINTAIN OR INCREASE ITS MARKET SHARE AND PROFITABILITY.

RiverSource Life operates in an intensely competitive industry. RiverSource Life competes based on a number of factors including name recognition, service, product performance and features, price, perceived financial strength, and claims-paying ratings. RiverSource Life's competitors include insurers and other financial institutions. RiverSource Life may face competitors that have greater market share, offer a broader range of products, have greater financial resources or offer higher claims-paying ratings than RiverSource Life does.

Currently, Ameriprise Financial's branded advisor network distributes annuity and insurance products issued almost exclusively by RiverSource Life. If Ameriprise Financial's branded advisor network opened or expanded its distribution of annuity and insurance products of other companies, RiverSource Life could experience lower sales of its products or other developments, which could have a material adverse effect on RiverSource Life's financial condition and results of operations.

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DOWNTURNS AND VOLATILITY IN EQUITY MARKETS COULD ADVERSELY AFFECT RIVERSOURCE LIFE'S BUSINESS AND PROFITABILITY.

Significant downturns and volatility in equity markets could have an adverse effect on RiverSource Life's financial condition and results of operations. Market downturns and volatility may cause potential new purchasers to refrain from purchasing RiverSource Life's variable annuities and variable universal life insurance products that have returns linked to the performance of the equity markets. Downturns may also cause contractholders in annuity products

and policyholders in insurance products to withdraw cash values from those products.

Additionally, downturns and volatility in equity markets can have an adverse effect on RiverSource Life's revenues because the value of investments under management will be reduced. Some of its variable annuity products contain GMDB, GMWB, GMI B and GMAB riders. A significant market decline could result in guaranteed minimum benefits being higher than what current account values would support, which could have an adverse effect on RiverSource Life's financial condition and results of operations. Although RiverSource Life has hedged a portion of the guarantees for the variable annuity contracts in order to mitigate the financial risk of an equity market decline, there can be no assurance that such a decline would not materially impact the profitability of certain products or product lines.

For additional information regarding the sensitivity of RiverSource Life's business results to equity market fluctuations, see "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations-Risk Management."

DEFAULTS IN RIVERSOURCE LIFE'S FIXED INCOME SECURITIES PORTFOLIO WOULD ADVERSELY AFFECT ITS EARNINGS.

Issuers of the fixed income securities that RiverSource Life owns may default on principal and interest payments. At both December 31, 2006 and 2005, 7% of RiverSource Life's investment portfolio had ratings below investment grade. Moreover, economic downturns and corporate malfeasance can increase the number of companies, including those with investment grade ratings that default on their debt obligations. As of December 31, 2006, RiverSource Life had fixed income securities in or near default (where the issuer had missed payment of principal or interest or entered bankruptcy) with a fair value of \$33 million. Default-related declines in the value of RiverSource Life's fixed income securities portfolio could cause its net earnings to decline and could weaken its capital position.

SOME OF RIVERSOURCE LIFE'S INVESTMENTS ARE RELATIVELY ILLIQUID.

RiverSource Life invests a portion of its owned assets in certain privately placed fixed income securities, mortgage loans, policy loans, and collateralized debt obligations, among others, all of which are relatively illiquid. These asset classes represented 15.8% of the carrying value of RiverSource Life's investment portfolio as of December 31, 2006. If RiverSource Life requires significant amounts of cash on short notice in excess of its normal cash requirements, it may have difficulty selling these investments in a timely manner, or be forced to sell them for an amount less than it would otherwise have been able to realize, or both. For example, if an unexpected number of contractholders of its annuity products exercise their surrender right and RiverSource Life is unable to access other liquidity sources, it may have to quickly liquidate assets. Any inability to quickly dispose of illiquid investments could have an adverse effect on RiverSource Life's financial condition and results of operations.

RIVERSOURCE LIFE'S AFFILIATED DISTRIBUTOR MAY BE UNABLE TO ATTRACT AND RETAIN FINANCIAL ADVISORS.

RiverSource Life is dependent on the branded financial advisors of its affiliated broker-dealer selling firm for a significant portion of the sales of its annuity and insurance products. A significant number of its branded financial advisors operate as independent contractors under a franchise agreement with its affiliated selling firm. There can be no assurance that RiverSource Life's affiliated selling firm will be successful in its efforts to recruit and retain new advisors to its network. If RiverSource Life's affiliated selling firm is unable to attract and retain quality financial advisors, fewer advisors would be available to sell RiverSource Life's annuity and insurance products and RiverSource Life's financial condition and results of operations could be materially adversely affected.

RIVERSOURCE LIFE AND ITS AFFILIATES FACE INTENSE COMPETITION IN ATTRACTING AND RETAINING KEY TALENT.

RiverSource Life's continued success depends to a substantial degree on its and its affiliates' ability to attract and retain qualified personnel to conduct its business. The market for qualified talent is extremely competitive and has grown more so in recent periods due to industry growth. There can be no assurance that RiverSource Life will be successful in its efforts to recruit and retain the required personnel. If RiverSource Life is unable to attract and retain qualified individuals or its recruiting and retention costs increase significantly, its financial condition and results of operations could be materially adversely affected.

IF THE COUNTERPARTIES TO RIVERSOURCE LIFE'S REINSURANCE ARRANGEMENTS OR TO THE DERIVATIVE INSTRUMENTS IT USES TO HEDGE ITS BUSINESS RISKS DEFAULT, RIVERSOURCE LIFE MAY BE EXPOSED TO RISKS IT HAD SOUGHT TO MITIGATE, WHICH COULD ADVERSELY AFFECT ITS FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

RiverSource Life uses reinsurance to mitigate its risks in various circumstances. See "Item 1 - Business-Reinsurance." Reinsurance does not relieve RiverSource Life of its direct liability to its policyholders, even when the reinsurer is liable to RiverSource Life. Accordingly, RiverSource Life bears credit risk with respect to its reinsurers. RiverSource Life cannot provide assurance that its reinsurers will pay the reinsurance recoverable owed to it now or in the future or that they will pay these recoverables on a timely basis. A reinsurer's insolvency or its inability or unwillingness to make payments under the terms of its reinsurance agreement could have an adverse effect on RiverSource Life's financial condition and results of operations that could be material.

In addition, RiverSource Life uses derivative instruments to hedge various business risks. RiverSource Life enters into a variety of derivative instruments with a number of counterparties. If RiverSource Life's counterparties fail to honor their obligations under the derivative instruments, RiverSource Life's hedges of the related risk will be ineffective. That failure could have an adverse effect on RiverSource Life's financial condition and results of operations that could be material.

RIVERSOURCE LIFE'S BUSINESS IS HEAVILY REGULATED, AND CHANGES IN REGULATION MAY REDUCE ITS PROFITABILITY AND LIMIT ITS GROWTH.

RiverSource Life operates in a highly regulated industry, and is required to obtain and maintain licenses for its business in addition to being subject to regulatory oversight. Regulators have significantly increased the level of regulation in recent years and have several outstanding proposals for additional regulation. Various regulatory and governmental bodies have the authority to review its products and business practices and those of its employees and to bring regulatory or other legal actions against RiverSource Life if, in their view, its practices, or those of its employees are improper.

Compliance with applicable laws and regulations is time consuming and personnel-intensive. Changes in these laws and regulations may increase materially RiverSource Life's direct and indirect compliance and other expenses of doing business. The costs of the compliance requirements RiverSource Life faces, and the constraints they impose on its operations, could have a material adverse effect on RiverSource Life's financial condition and results of operations. For a further discussion of the regulatory framework in which RiverSource Life operates, see "Item 1 - Business-Regulation." For more information regarding ongoing investigations, see "Item 3-Legal Proceedings."

LEGAL AND REGULATORY ACTIONS ARE INHERENT IN RIVERSOURCE LIFE'S BUSINESS AND COULD RESULT IN FINANCIAL LOSSES OR HARM ITS BUSINESS.

RiverSource Life is, and in the future may be, subject to legal and regulatory actions in the ordinary course of its operations. Substantial legal liability in legal or regulatory actions could have a material financial effect or cause significant reputational harm, which in turn could seriously harm its business prospects.

COMPETITIVE AND REGULATORY PRESSURES MAY REQUIRE RIVERSOURCE LIFE TO REDUCE THE LEVELS OF ITS FEES.

RiverSource Life's profit margins and earnings are dependent in part on its ability to maintain current fee levels for the products and services that it offers. Competition within the financial services industry could lead RiverSource Life to reduce the fees that it charges its clients for products and services. See the risk factor entitled "Intense competition and the economics of changes in RiverSource Life's product revenue mix and distribution channels could negatively affect RiverSource Life's ability to maintain or increase its market share and profitability." In addition, RiverSource Life may be required to reduce its fee levels, or restructure the fees it charges, as a result of regulatory initiatives or proceedings that are either industry-wide or specifically targeted at RiverSource Life. See the risk factor entitled "RiverSource Life's business is heavily regulated, and changes in regulation may reduce its profitability and limit its growth" and "Item 3-Legal Proceedings" for more information regarding this and other regulatory matters. Reductions or other changes in the fees that RiverSource Life charges for its products and services could reduce its revenues and earnings.

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MISCONDUCT BY RIVERSOURCE LIFE'S EMPLOYEES AND ITS AFFILIATES' EMPLOYEES IS DIFFICULT TO DETECT AND DETER AND COULD HARM RIVERSOURCE LIFE'S BUSINESS, RESULTS OF OPERATIONS OR FINANCIAL CONDITION.

Misconduct by RiverSource Life's employees and its affiliates' employees could result in violations of law, regulatory sanctions and/or serious reputational or financial harm. Misconduct can occur in each of RiverSource Life's businesses and could include:

- o attempting to bind RiverSource Life to transactions that exceed authorized limits;
- o hiding unauthorized or unsuccessful activities resulting in unknown and unmanaged risks or losses;
- o improperly using, disclosing, or otherwise compromising confidential information;
- o engaging in fraudulent or otherwise improper activity;
- o engaging in unauthorized or excessive trading to the detriment of customers; or
- o otherwise not complying with laws or RiverSource Life's control procedures.

RiverSource Life cannot always deter misconduct by employees and agents and the precautions RiverSource Life takes to prevent and detect this activity may not be effective in all cases. RiverSource Life also cannot provide assurance that misconduct by employees and agents will not lead to a material adverse effect on its business, financial condition or results of operations.

IF RIVERSOURCE LIFE'S RESERVES FOR FUTURE POLICY BENEFITS AND CLAIMS ARE INADEQUATE, IT MAY BE REQUIRED TO INCREASE ITS RESERVE LIABILITIES, WHICH COULD ADVERSELY AFFECT ITS RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

RiverSource Life establishes reserves as estimates of its liabilities for future obligations under its products. Reserves do not represent an exact calculation of liability, but rather are estimates of contract benefits and related expenses RiverSource Life expects to incur over time. The assumptions and estimates RiverSource Life makes in establishing reserves require certain judgments about future experience and, therefore, are inherently uncertain. RiverSource Life cannot determine with precision the actual amounts that it will pay for contract benefits, the timing of payments, or whether the assets supporting its stated reserves will increase to the levels it estimates before payment of benefits or claims. RiverSource Life continually monitors its reserve levels. If RiverSource Life were to conclude that its reserves are insufficient to cover actual or expected contract benefits, it would be required to increase its reserves and potentially incur income statement charges for the period in which it makes the determination, which could adversely affect its financial condition and results of operations. For more information on how RiverSource Life sets its reserves, see Note 1 to the Consolidated Financial Statements.

RIVERSOURCE LIFE MAY FACE LOSSES IF MORBIDITY RATES OR MORTALITY RATES DIFFER SIGNIFICANTLY FROM ITS PRICING EXPECTATIONS.

RiverSource Life sets prices for its life, DI and LTC insurance and some annuity products based upon expected claim payment patterns, derived from assumptions RiverSource Life makes about the morbidity rates, or likelihood of sickness, and the mortality rates, or likelihood of death, of its policyholders and contractholders. The long-term profitability of these products depends upon how RiverSource Life's actual experience compares with its pricing assumptions. For example, if morbidity rates are higher, or mortality rates are lower, than its pricing assumptions, RiverSource Life could be required to make greater payments under DI and LTC insurance policies and immediate annuity contracts than it had projected. The same holds true for LTC policies RiverSource Life previously underwrote to the extent they are not fully reinsured. If mortality rates are higher than its pricing assumptions, RiverSource Life could be required to make greater payments under its life insurance policies and annuity contracts with GMDBs than it had projected.

The risk that RiverSource Life's claims experience may differ significantly from its pricing assumptions is particularly significant for its LTC insurance products. Although RiverSource Life has the ability to seek and implement future rate increases, such increases are subject to regulatory approval. As with life insurance, LTC insurance policies provide for long-duration coverage and its actual claims experience will emerge over many years. However, as a relatively new product in the market, LTC insurance does not have the extensive claims experience history of life insurance, and, as a result, RiverSource Life's ability to forecast future claim rates for LTC insurance is more limited than for life insurance. RiverSource Life has sought to moderate these uncertainties to some extent by partially reinsuring LTC policies that it had previously underwritten and by discontinuing underwriting LTC insurance.

RIVERSOURCE LIFE MAY FACE LOSSES IF THERE ARE SIGNIFICANT DEVIATIONS FROM ITS ASSUMPTIONS REGARDING THE FUTURE PERSISTENCY OF ITS INSURANCE POLICIES AND ANNUITY CONTRACTS.

The prices and expected future profitability of RiverSource Life's insurance and deferred annuity products are based in part upon expected patterns of premiums, expenses and benefits, using a number of assumptions, including those related to persistency, which is the probability that a policy or contract will remain in force from one period to the next. The effect of persistency on profitability varies for different products. For most of its life insurance and deferred annuity products, actual persistency that is lower than its persistency assumptions could have an adverse impact on profitability, especially in the early years of a policy or contract, primarily because RiverSource Life would be required to accelerate the amortization of expenses it deferred in connection with the acquisition of the policy or contract.

For RiverSource Life's LTC insurance, actual persistency that is higher than its persistency assumptions could have a negative impact on profitability. If these policies remain in force longer than RiverSource Life assumed, then RiverSource Life could be required to make greater benefit payments than it had anticipated when it priced or partially reinsured these products. Some of its LTC insurance policies have experienced higher persistency and higher morbidity rates than RiverSource Life had assumed, which led it to increase premium rates on certain of these policies.

Because RiverSource Life's assumptions regarding persistency experience are inherently uncertain, reserves for future policy benefits and policy claims and other policyholders' funds may prove to be inadequate if actual persistency experience is different from those assumptions. Although some of its products permit RiverSource Life to increase premiums during the life of the policy or contract, RiverSource Life cannot guarantee that these increases would be sufficient to maintain profitability. Additionally, some of these pricing changes require regulatory approval, which may not be forthcoming. Moreover, many of RiverSource Life's products do not permit premium increases or limit those increases during the life of the policy or contract. Significant deviations in experience from pricing expectations regarding persistency could have an adverse effect on the profitability of RiverSource Life's products.

RIVERSOURCE LIFE MAY BE REQUIRED TO ACCELERATE THE AMORTIZATION OF DAC, WHICH WOULD INCREASE ITS EXPENSES AND REDUCE PROFITABILITY.

DAC represent the costs of acquiring new business, principally direct sales commissions and other distribution and underwriting costs that have been deferred on the sale of annuity, life, DI and LTC insurance. For annuity and universal life products, DAC are amortized based on projections of estimated gross profits over amortization periods equal to the approximate life of the business. For other insurance products, DAC are generally amortized as a percentage of premiums over amortization periods equal to the premium-paying period.

RiverSource Life's projections underlying the amortization of DAC require the use of certain assumptions, including interest margins, mortality rates, persistency rates, maintenance expense levels and customer asset value growth rates for variable products. RiverSource Life periodically reviews and, where appropriate, adjusts its assumptions. When RiverSource Life changes its assumptions, it may be required to accelerate the amortization of DAC or to record a charge to increase benefit reserves.

As of December 31, 2006 and 2005, RiverSource Life had \$4.4 billion and \$4.0 billion of DAC, respectively, and it amortized \$356 million and \$316 million, respectively, of DAC as a current period expense for the years ended December 31, 2006 and 2005, respectively. For more information regarding DAC, see "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies - Deferred Acquisition Costs" and "- Recent Accounting Pronouncements."

STATE INSURANCE REGULATORS MAY ADOPT NEW RESERVE OR CAPITAL REQUIREMENTS, POTENTIALLY IMPACTING RIVERSOURCE LIFE'S FINANCIAL STRENGTH RATINGS.

RiverSource Life must comply with statutory reserve and capital requirements. State regulators are continually reviewing and updating these requirements. There continues to be active discussion at the NAIC of moving to a principles-based reserving system. Capital requirements for fixed and variable annuities and fixed single pay life insurance products are currently principles-based and the NAIC is discussing similar requirements for other products. This could change statutory reserve requirements significantly, and it is not possible to estimate the impact at this time.

CHANGES IN U.S. FEDERAL INCOME OR ESTATE TAX LAW COULD MAKE SOME OF RIVERSOURCE LIFE'S PRODUCTS LESS ATTRACTIVE TO CLIENTS.

Many of the products RiverSource Life issues or on which its business is based (including both insurance products and non-insurance products) enjoy favorable treatment under current U.S. federal income or estate tax law. Changes in U.S. federal income or estate tax law could make some of its products less attractive to clients.

RIVERSOURCE LIFE'S RISK MANAGEMENT POLICIES AND PROCEDURES MAY NOT BE FULLY EFFECTIVE IN MITIGATING ITS RISK EXPOSURE IN ALL MARKET ENVIRONMENTS OR AGAINST ALL TYPES OF RISK.

RiverSource Life has devoted significant resources toward developing its risk management policies and procedures and expects to continue to do so in the future. Nonetheless, RiverSource Life's policies and procedures to identify, monitor and manage risks may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk. Many of its methods of managing risk and exposures are based upon its use of observed historical market behavior or statistics based on historical models. As a result, these methods may not accurately predict future exposures, which could be significantly greater than what its models indicate. Other risk management methods depend upon the evaluation of information regarding markets, clients, catastrophe occurrence or other matters that are publicly available or otherwise accessible to RiverSource Life, which may not always be accurate, complete, up-to-date or properly evaluated. Management of operational, legal and regulatory risks requires, among other things, policies and procedures to properly record and verify a large number of transactions and events, and these policies and procedures may not be fully effective in mitigating RiverSource Life's risk exposure in all market environments or against all types of risk.

RIVERSOURCE LIFE IS SUBJECT TO TAX CONTINGENCIES THAT COULD ADVERSELY AFFECT THE PROVISION FOR INCOME TAXES.

RiverSource Life is subject to the income tax laws of the U.S., its states and municipalities and those of the foreign jurisdictions in which it has significant business operations. These tax laws are complex and subject to different interpretations by the taxpayer and the relevant governmental taxing authorities. RiverSource Life must make judgments and interpretations about the application of these inherently complex tax laws when determining the provision for income taxes and must also make estimates about when in the future certain items affect taxable income in the various tax jurisdictions. Disputes over interpretations of the tax laws may be settled with the taxing authority upon examination or audit.

RISKS RELATING TO AMERIPRISE FINANCIAL'S SEPARATION FROM AMERICAN EXPRESS

CLIENT ACQUISITION AND RETENTION MAY BE ADVERSELY AFFECTED BY RIVERSOURCE LIFE'S SEPARATION FROM AMERICAN EXPRESS.

Although RiverSource Life generally operated independently of American Express' other operations with respect to client services prior to the Separation and Distribution, RiverSource Life relied on the American Express brand and cardmember relationships in acquiring clients as part of its growth strategy. As part of a marketing and branding arrangement between Ameriprise Financial and American Express, RiverSource Life has a limited right to continue until September 30, 2007 to market its products in a manner similar to the methods it used prior to the Separation. However, overall response rates, marginal costs and profitability from these efforts may be negatively affected as a result of the loss of this affiliation. RiverSource Life cannot provide assurance that the clients it gained as a result of being affiliated with American Express will not move some or all of their existing business from RiverSource Life to another company. Loss of a significant portion of these clients could negatively impact RiverSource Life's business.

AMERIPRISE FINANCIAL AND RIVERSOURCE LIFE HAVE EXPERIENCED INCREASED COSTS IN CONNECTION WITH THE SEPARATION.

Ameriprise Financial is in the process of developing certain independent facilities, systems, infrastructure and personnel to replace services it had access to from American Express. Ameriprise Financial has also made significant investments to develop its new brands and establish its ability, and the ability of its subsidiaries, to operate without access to American Express operational and administrative infrastructure. These initiatives have been costly to implement. In 2005, Ameriprise Financial developed an allocation policy for separation costs resulting in the allocation of certain costs to RiverSource Life that it considered to be a reasonable reflection of separation costs benefiting RiverSource Life. These costs generally consist of allocated financial advisor and employee retention program costs, re-branding and marketing costs and costs to separate and reestablish technology platforms related to the Separation and Distribution. RiverSource Life has been

allocated \$252 million in total pretax non-recurring separation costs since the Separation announcement through December 31, 2006 and expects to incur significant additional separation costs in 2007. This risk has been partly offset by the contribution of capital from American Express to Ameriprise Financial, and in turn, from Ameriprise Financial to RiverSource Life.

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As a result of the Separation, Ameriprise Financial (and hence, RiverSource Life) do not have the same purchasing power they had through American Express and, in some cases, may not have as favorable terms or prices as those obtained prior to the Separation, which could decrease its overall profitability.

RIVERSOURCE LIFE MAY NOT HAVE SUFFICIENT CAPITAL GENERATION ABILITY TO MEET ITS OPERATING AND REGULATORY CAPITAL REQUIREMENTS.

As a stand-alone company, Ameriprise Financial (and hence, RiverSource Life) is required to maintain higher capital ratios to retain its credit ratings. In addition, RiverSource Life needs to cover volatility associated with variations in its operating, risk-based and regulatory capital requirements, including separation costs and contingent exposures, for example, in connection with its ongoing legal and regulatory matters. See "Item 1 - Business-Risk-Based Capital" for more information regarding capital requirements and see "Item 3-Legal Proceedings" for more information regarding pending regulatory and legal proceedings. Although Ameriprise Financial made a \$650 million capital contribution to RiverSource Life to cover, among other things, allocated separation costs, RiverSource Life cannot be certain that this capital contribution will be sufficient to cover all of the additional costs. If it is not sufficient, RiverSource Life's financial condition could be adversely affected and its financial strength ratings may be downgraded. RiverSource Life has been allocated \$252 million in total pretax non-recurring separation costs since the Separation announcement through December 31, 2006 and expects to be allocated a significant portion of the remaining separation costs in 2007.

AS AMERIPRISE FINANCIAL BUILDS ITS INFORMATION TECHNOLOGY INFRASTRUCTURE AND TRANSITIONS ITS DATA AND THAT OF ITS AFFILIATES, SUCH AS RIVERSOURCE LIFE, TO ITS OWN SYSTEMS, IT COULD EXPERIENCE TEMPORARY BUSINESS INTERRUPTIONS AND INCUR SUBSTANTIAL ADDITIONAL COSTS.

Ameriprise Financial (and hence, RiverSource Life) is in the process of installing and implementing an information technology infrastructure to support its business functions, including accounting and reporting, customer service and distribution. RiverSource Life anticipates this will involve significant costs. RiverSource Life may incur temporary interruptions in business operations if it cannot transition effectively from American Express' existing technology infrastructure (which covers hardware, applications, network, telephony, databases, backup and recovery solutions), as well as the people and processes that support them. RiverSource Life may not be successful in implementing its new technology infrastructure and transitioning its data, and RiverSource Life may incur substantially higher costs for implementation than currently anticipated. RiverSource Life's failure to avoid operational interruptions as it implements the new infrastructure and transitions its data, or its failure to implement the new infrastructure and transition its data successfully, could disrupt its business and have a material adverse effect on its profitability. In addition, technology service failures could have adverse regulatory consequences for RiverSource Life's business and make it vulnerable to its competitors.

Ameriprise Financial (and hence, RiverSource Life) continues to rely on American Express' disaster recovery capabilities as part of its business continuity processes. RiverSource Life will only have the right to use American Express' disaster recovery resources until September 30, 2007. RiverSource Life will be required to develop and implement its own disaster recovery infrastructure and develop business continuity for its operations, which it anticipates will involve significant costs. RiverSource Life may not be successful in developing stand-alone disaster recovery capabilities and business continuity processes, and may incur substantially higher costs for implementation than currently anticipated. RiverSource Life's failure to avoid operational interruptions as it implements new business continuity processes, or its failure to implement the new processes successfully, could disrupt its business and have a material adverse effect on its profitability in the event of a significant business disruption.

AMERIPRISE FINANCIAL'S SEPARATION FROM AMERICAN EXPRESS COULD INCREASE RIVERSOURCE LIFE'S U.S. FEDERAL INCOME TAX COSTS.

Due to the Separation, RiverSource Life will not be able to file a consolidated U.S. federal income tax return with the other members of the Ameriprise Financial affiliated group for five tax years following the Distribution. As a consequence, during this period, net operating and capital

losses, credits, and other tax attributes generated by one group will not be available to offset income earned or taxes owed by the other group for U.S. federal income tax purposes. As a result of these and other inefficiencies, the aggregate amount of U.S. federal income tax that RiverSource Life pays may increase and RiverSource Life may, in addition, not be able to fully realize certain of its deferred tax assets.

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ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

RiverSource Life Insurance Company occupies office space in Minneapolis, Minnesota, which is leased or owned by Ameriprise Financial. RiverSource Life Insurance Company reimburses Ameriprise Financial for rent based on direct and indirect allocation methods. RiverSource Life of NY rents office space in Albany, New York. RiverSource Life believes that the facilities occupied suit its needs.

ITEM 3. LEGAL PROCEEDINGS

The Securities and Exchange Commission, the National Association of Securities Dealers and several state authorities have brought proceedings challenging several mutual fund and variable product financial practices, generally including suitability, late trading, market timing, compensation and disclosure of revenue sharing arrangements. RiverSource Life has received requests for information concerning some of these practices and is cooperating fully with these inquiries.

RiverSource Life is involved in a number of other legal and arbitration proceedings concerning matters arising in connection with the conduct of its business activities. RiverSource Life believes that it is not a party to, nor are any of its properties the subject of, any pending legal, arbitration or regulatory proceedings that would have a material adverse effect on its consolidated financial condition, results of operations or liquidity. However, it is possible that the outcome of any such proceedings could have a material impact on results of operations in any particular reporting period as the proceedings are resolved.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Item omitted pursuant to General Instructions I(2) (c) of Form 10-K.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

All of RiverSource Life Insurance Company's outstanding common stock is owned by Ameriprise Financial, Inc. There is no established public trading market for RiverSource Life Insurance Company's common stock.

For discussion regarding RiverSource Life Insurance Company's payment of dividends and restrictions on dividends, see "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources - Capital Strategy" and Note 11 of the Notes to Consolidated Financial Statements.

ITEM 6. SELECTED FINANCIAL DATA

Item omitted pursuant to General Instructions I(2) (a) of Form 10-K.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

RiverSource Life Insurance Company, formerly known as IDS Life Insurance Company, is a stock life insurance company with one wholly-owned operating subsidiary, RiverSource Life Insurance Co. of New York ("RiverSource Life of NY"). RiverSource Life Insurance Company is a wholly-owned subsidiary of Ameriprise Financial, Inc. ("Ameriprise Financial").

- o RiverSource Life Insurance Company is domiciled in Minnesota and holds Certificates of Authority in American Samoa, the District of Columbia and all states except New York. RiverSource Life Insurance

Company issues insurance and annuity products.

- o RiverSource Life of NY is a stock life insurance company domiciled in New York, which holds Certificates of Authority in New York and North Dakota. RiverSource Life of NY issues insurance and annuity products.

On December 31, 2006, IDS Life Insurance Company completed an Agreement and Plan of Merger with both American Enterprise Life Insurance Company ("American Enterprise Life") and American Partners Life Insurance Company ("American Partners Life") whereby both companies merged with and into IDS Life Insurance Company. As a result of the merger, American Enterprise Life and American Partners Life ceased to exist. Prior to the merger, both companies were wholly-owned operating subsidiaries of IDS Life Insurance Company. Immediately following the merger, IDS Life Insurance Company changed its name to RiverSource Life Insurance Company.

Also on December 31, 2006, American Centurion Life Assurance Company ("American Centurion Life") merged with and into IDS Life Insurance Company of New York ("IDS Life of New York"). As a result of the merger, American Centurion Life ceased to exist. Prior to the merger, American Centurion Life was a wholly-owned operating subsidiary of IDS Life Insurance Company. Immediately following the merger, IDS Life of New York changed its name to RiverSource Life Insurance Co. of New York.

RiverSource Life Insurance Company and its subsidiary are referred to collectively in this Form 10-K as "RiverSource Life".

No material effect on the United States generally accepted accounting principles ("U.S. GAAP") consolidated financial condition and results of operations is expected for RiverSource Life as a result of the mergers.

The following discussion and management's narrative analysis of the financial condition and results of operations should be read in conjunction with the "Forward-Looking Statements," "Item 1A - Risk Factors" and the Consolidated Financial Statements and Notes. Management's narrative analysis is presented pursuant to General Instructions I(2) (a) of Form 10-K in lieu of Management's Discussion and Analysis of Financial Condition and Results of Operations.

Ameriprise Financial was formerly a wholly-owned subsidiary of American Express Company ("American Express"). On February 1, 2005, the American Express Board of Directors announced its intention to pursue the disposition of 100% of its shareholdings in Ameriprise Financial (the "Separation") through a tax-free distribution to American Express shareholders. Effective as of the close of business on September 30, 2005, American Express completed the Separation and the distribution of Ameriprise Financial common shares to American Express shareholders (the "Distribution"). In connection with the Distribution, Ameriprise Financial entered into certain agreements with American Express to effect the Separation and to define the responsibility for obligations arising before and after the date of the Distribution, including, among others, obligations relating to transition services, taxes, and employees. Ameriprise Financial has incurred \$654 million of pretax non-recurring separation costs since the Separation announcement through December 31, 2006 and expects to incur a total of approximately \$875 million. RiverSource Life was allocated certain expenses incurred as a result of Ameriprise Financial becoming an independent company. RiverSource Life has been allocated \$252 million in total pretax non-recurring separation costs since the Separation announcement through December 31, 2006 and expects to be allocated a significant portion of the remaining separation costs in 2007. RiverSource Life received a capital contribution of \$650 million from Ameriprise Financial during the third quarter of 2005 to support its financial strength ratings and to cover separation costs.

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RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2006 COMPARED TO THE YEAR ENDED DECEMBER 31, 2005

Overview

Consolidated net income was \$486 million for the year ended December 31, 2006 compared to \$459 million for the year ended December 31, 2005, an increase of \$27 million. The net income growth was positively impacted by strong growth in separate account assets, both from variable annuity net flows and market appreciation. Net flows of client assets are a measure of new sales of, or deposits into, RiverSource Life's products offset by redemptions of, or withdrawals from, RiverSource Life's products. Net flows can have a significant impact on RiverSource Life's results of operations due to their impact on revenues and expenses. These positive impacts were partially offset by lower account balances and spread compression in the fixed annuity products.

Revenues

Total revenues for the year ended December 31, 2006 were \$3.4 billion, an increase of \$106 million from the year ended December 31, 2005 of \$3.3 billion. Total premiums increased \$24 million or 6.5% to \$394 million for the year ended December 31, 2006.

Premiums for disability income ("DI") and long term care ("LTC") insurance increased \$27 million or 9.2% including \$15 million as a result of a review of RiverSource Life's LTC reinsurance arrangements during the third quarter of 2006. Higher DI insurance in force levels also contributed to the increase in premiums.

Net investment income decreased \$128 million or 7.2% to \$1.7 billion for the year ended December 31, 2006 reflecting a decrease in both the average yield and the average level of invested assets. The lower level of invested assets reflects declining fixed annuity account values due to a shift in sales from fixed to variable products. Also, the decrease reflects unfavorable mark-to-market adjustments on derivatives economically hedging guaranteed minimum withdrawal benefit ("GMWB") riders and equity method investments in hedge funds. Fluctuations in the value of the GMWB embedded derivative which partially offsets the mark-to-market of the GMWB hedges are reported in the death and other benefits for investment contracts and universal life-type insurance line item on RiverSource Life's Consolidated Statements of Income. These changes were partially offset by favorable mark-to-market adjustments on derivatives economically hedging equity index annuities ("EIA"). Fluctuations in the EIA embedded derivative are reported in interest credited to account values on RiverSource Life's Consolidated Statements of Income.

Contractholder and policyholder charges increased \$60 million or 10.4% to \$637 million for the year ended December 31, 2006 primarily due to an increase in the cost of insurance charges on variable universal life products and charges for variable annuity GMWB riders as well as \$18 million from recognizing previously deferred cost of insurance revenues.

Mortality and expense risk and other fees increased \$147 million or 30.1% to \$636 million for the year ended December 31, 2006 reflecting higher average values of separate account assets due to positive net flows and market appreciation.

Net realized investment gains were \$51 million for the year ended December 31, 2006 compared to \$48 million for the year ended December 31, 2005. For the year ended December 31, 2006, \$61 million of gross realized investment gains were partially offset by \$10 million of gross realized investment losses classified as Available-for-Sale.

For the year ended December 31, 2005, \$108 million of gross realized investment gains were partially offset by \$39 million of gross realized investment losses, as well as \$19 million of other-than-temporary impairment losses on investments, classified as Available-for-Sale. Included in net realized investment gains classified as Available-for-Sale for the year ended December 31, 2005 were gross realized investment gains and losses of \$39 million and \$14 million, respectively, related to the sale of all of RiverSource Life's retained interest in a collateralized debt obligation ("CDO") securitization trust.

Benefits and Expenses

Total benefits and expenses for the year ended December 31, 2006 were \$2.7 billion, an increase of \$69 million from the year ended December 31, 2005 total of \$2.6 billion.

Death and other benefits for traditional life insurance decreased \$14 million or 33.3% to \$28 million for the year ended December 31, 2006 reflecting lower claims volume.

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Death and other benefits for investment contracts and universal life-type insurance increased \$35 million or 15.1% to \$267 million for the year ended December 31, 2006 reflecting a net increase in guaranteed minimum death benefit ("GMDB") costs of \$17 million, \$26 million of additional claims expense (including \$7 million in connection with the recognition of the previously deferred cost of insurance revenues discussed above), the impact of \$12 million in deferred acquisition costs ("DAC") unlocking reserve for certain variable plans, higher sales inducement costs of \$6 million and other increases in costs and benefits of \$5 million, partially offset by a net decrease in GMWB costs of \$31 million.

Death and other benefits for DI and LTC insurance increased \$7 million or 9.2% to \$83 million for the year ended December 31, 2006 reflecting unfavorable claims experience relative to 2005.

Interest credited to account values decreased by \$59 million or 5.3% to \$1.1

billion for the year ended December 31, 2006 primarily due to lower interest crediting rates and lower average accumulation values of annuities, partially offset by the effect of appreciation on EIA linked to the S&P 500 Index in 2006 versus depreciation in 2005.

Amortization of DAC increased \$40 million to \$356 million for the year ended December 31, 2006 from \$316 million for the year ended December 31, 2005.

For the year ended December 31, 2006, RiverSource Life recorded a net benefit from DAC unlocking of \$26 million, primarily resulting in a \$38 million benefit in DAC amortization expense and a \$12 million increase in death and other benefits for investment contracts and universal life-type insurance. DAC unlocking for the third quarter of 2005 resulted in a \$67 million reduction to DAC amortization.

The DAC unlocking net benefit for the third quarter of 2006 primarily reflected a \$25 million benefit from modeling increased product persistency and a \$15 million benefit from modeling improvements in mortality, offset by negative impacts of \$8 million from modeling lower variable product fund fee revenue and \$8 million from model changes related to variable life second to die insurance.

The DAC unlocking net benefit for the third quarter of 2005 primarily reflected a \$32 million benefit from modeling improvements in mortality, a \$33 million benefit from lower than previously assumed surrender rates and higher associated surrender charges and a \$2 million net benefit from other changes in DAC valuation assumptions.

For the years ended December 31, 2006 and 2005, RiverSource Life incurred \$131 million and \$121 million, respectively, in separation costs. Separation costs incurred during 2006 and 2005 primarily related to technology costs and marketing and rebranding. Separation costs incurred during 2005 also included costs related to advisor retention programs.

Other insurance and operating expenses increased \$53 million or 9.0% to \$641 million for the year ended December 31, 2006 primarily reflecting increased corporate overhead expenses, business reinvestment initiatives and compensation costs offset by a decrease in business services expenses.

Income Taxes

RiverSource Life's effective tax rate was 28.3% and 28.4% for the years ended December 31, 2006 and 2005, respectively.

CRITICAL ACCOUNTING POLICIES

The accounting and reporting policies that RiverSource Life uses affect its Consolidated Financial Statements. Certain accounting and reporting policies are critical to an understanding of RiverSource Life's financial condition and results of operations and, in some cases, the application of these policies can be significantly affected by the estimates, judgments and assumptions made by management during the preparation of the Consolidated Financial Statements. The accounting and reporting policies RiverSource Life has identified as fundamental to a full understanding of its financial condition and results of operations are described below. See Note 2 to the Consolidated Financial Statements for further information about RiverSource Life's accounting policies.

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VALUATION OF INVESTMENTS

The most significant component of investments is Available-for-Sale securities, which RiverSource Life generally carries at fair value within its Consolidated Balance Sheets. The fair value of approximately 95% of RiverSource Life's Available-for-Sale securities at December 31, 2006 was determined by quoted market prices. RiverSource Life records unrealized securities gains (losses) in accumulated other comprehensive income (loss), net of income tax provision (benefit) and net of adjustments in other asset and liability balances, such as DAC, to reflect the expected impact on their carrying values had the unrealized securities gains (losses) been realized as of the respective balance sheet dates. At December 31, 2006, RiverSource Life had net unrealized pretax losses on Available-for-Sale securities of \$293 million. RiverSource Life recognizes gains and losses in results of operations upon disposition of the securities. RiverSource Life also recognizes losses in results of operations when management determines that a decline in value is other-than-temporary. This determination requires the exercise of judgment regarding the amount and timing of recovery. Indicators of other-than-temporary impairment for debt securities include issuer downgrade, default or bankruptcy. RiverSource Life also considers the extent to which cost exceeds fair value and the duration of that difference and management's judgment about the issuer's current and prospective financial condition, as well as its ability and intent to hold until recovery. As of December 31,

2006, there were \$514 million in gross unrealized losses that related to \$18.7 billion of Available-for-Sale securities, of which \$16.4 billion has been in a continuous unrealized loss position for 12 months or more. These investment securities had a ratio of 97% of fair value to cost at December 31, 2006. As part of RiverSource Life's ongoing monitoring process, management determined that a majority of the gross unrealized losses on these securities is attributable to changes in interest rates. Additionally, because RiverSource Life has the ability as well as the intent to hold these securities for a time sufficient to recover its cost, RiverSource Life concluded that none of these securities was other-than-temporarily impaired at December 31, 2006.

DEFERRED ACQUISITION COSTS

For RiverSource Life's annuity and life, DI and LTC insurance products, the DAC balances at any reporting date are supported by projections that show that management expects there to be adequate premiums or estimated gross profits after that date to amortize the remaining DAC balances. These projections are inherently uncertain because they require management to make assumptions about financial markets, anticipated mortality and morbidity levels and policyholder behavior over periods extending well into the future. Projection periods used for RiverSource Life's annuity products are typically 10 to 25 years, while projection periods for RiverSource Life's life, DI and LTC insurance products are often 50 years or longer. Management regularly monitors financial market conditions and actual policyholder behavior experience and compares them to its assumptions.

For annuity and universal life insurance products, the assumptions made in projecting future results and calculating the DAC balance and DAC amortization expense are management's best estimates. Management is required to update these assumptions whenever it appears that, based on actual experience or other evidence, earlier estimates should be revised. When assumptions are changed, the percentage of estimated gross profits used to amortize DAC might also change. A change in the required amortization percentage is applied retrospectively; an increase in amortization percentage will result in a decrease in the DAC balance and an increase in DAC amortization expense, while a decrease in amortization percentage will result in an increase in the DAC balance and a decrease in DAC amortization expense. The impact on results of operations of changing assumptions can be either positive or negative in any particular period and is reflected in the period in which such changes are made.

For other life, DI and LTC insurance products, the assumptions made in calculating the DAC balance and DAC amortization expense are consistent with those used in determining the liabilities and, therefore are intended to provide for adverse deviations in experience and are revised only if management concludes experience will be so adverse that DAC is not recoverable or if premium rates charged for the contract are changed. If management concludes that DAC is not recoverable, DAC is reduced to the amount that is recoverable based on best estimate assumptions and there is a corresponding expense recorded in consolidated results of operations.

For annuity and life, DI and LTC insurance products, key assumptions underlying these long-term projections include interest rates (both earning rates on invested assets and rates credited to policyholder accounts), equity market performance, mortality and morbidity rates and the rates at which policyholders are expected to surrender their contracts, make withdrawals from their contracts and make additional deposits to their contracts. Assumptions about interest rates are the primary factor used to project interest margins, while assumptions about rates credited to policyholder accounts and equity market performance are the primary factors used to project client asset value growth rates, and assumptions about surrenders, withdrawals and deposits comprise projected persistency rates. Management must also make assumptions to project maintenance expenses associated with servicing its annuity and insurance business during the DAC amortization period.

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The client asset value growth rate is the rate at which variable annuity and variable universal life insurance contract values are assumed to appreciate in the future. The rate is net of asset fees and anticipates a blend of equity and fixed income investments. Management reviews and, where appropriate, adjusts its assumptions with respect to client asset value growth rates on a regular basis. RiverSource Life uses a mean reversion method as a guideline in setting near-term client asset value growth rates based on a long-term view of financial market performance as well as actual historical performance. In periods when market performance results in actual contract value growth at a rate that is different than that assumed, RiverSource Life reassesses the near-term rate in order to continue to project its best estimate of long-term growth. The near-term growth rate is reviewed to ensure consistency with management's assessment of anticipated equity market performance. DAC amortization expense recorded in a period when client asset value growth rates exceed our near-term estimate will typically be less than in a period when growth rates fall short of our near-term estimate. The long-term client asset

value growth rate is based on an equity return assumption of 8%, net of management fees, with adjustments made for fixed income allocations. If RiverSource Life increased or decreased its assumption related to this growth rate by 100 basis points, the impact on the DAC balance would be an increase or decrease of approximately \$35 million.

Management monitors other principal DAC amortization assumptions, such as persistency, mortality, morbidity, interest margin and maintenance expense levels each quarter and, when assessed independently, each could impact RiverSource Life's DAC balances. For example, if RiverSource Life increased or decreased its interest margin on its universal life insurance and on the fixed portion of its variable universal life insurance products by 10 basis points, the impact on the DAC balance would be an increase or decrease of approximately \$5 million. Additionally, if RiverSource Life extended or reduced the amortization periods by one year for variable annuities to reflect changes in premium paying persistency and/or surrender assumptions, the impact on the DAC balance would be an increase or decrease of approximately \$32 million. The amortization impact of extending or reducing the amortization period any additional years is not linear.

The analysis of DAC balances and the corresponding amortization is a dynamic process that considers all relevant factors and assumptions described previously. Unless management identifies a significant deviation over the course of the quarterly monitoring, management reviews and updates these DAC amortization assumptions annually in the third quarter of each year. An assessment of sensitivity associated with changes in any single assumption would not necessarily be an indicator of future results.

In periods prior to 2007, RiverSource Life's policy has been to treat certain internal replacement transactions as continuations and to continue amortization of DAC associated with the existing contract against revenues from the new contract. RiverSource Life will account for many of these transactions differently as a result of adopting American Institute of Certified Public Accountants ("AICPA") Statement of Position ("SOP") 05-1, "Accounting by Insurance Enterprises for Deferred Acquisition Costs in Connection With Modifications or Exchanges of Insurance Contracts" ("SOP 05-1") effective January 1, 2007. See Note 3 to the Consolidated Financial Statements for additional information about the effect of RiverSource Life's adoption of SOP 05-1.

For additional information about RiverSource Life's accounting policies for amortization and capitalization of DAC, see Note 2 and Note 3 to the Consolidated Financial Statements. For details regarding the balances of and changes in DAC for the years ended December 31, 2006, 2005 and 2004, see Note 6 to the Consolidated Financial Statements.

LIABILITIES FOR FUTURE POLICY BENEFITS AND POLICY CLAIMS AND OTHER POLICYHOLDERS' FUNDS

Fixed Annuities and Variable Annuity Guarantees

Future policy benefits and policy claims and other policyholders' funds related to fixed annuities and variable annuity guarantees include liabilities for fixed account values on fixed and variable deferred annuities, guaranteed benefits associated with variable annuities, equity indexed annuities and fixed annuities in a payout status.

Liabilities for fixed account values on fixed and variable deferred annuities are equal to accumulation values, which are the cumulative gross deposits and credited interest less withdrawals and various charges.

The majority of the variable annuity contracts offered by RiverSource Life contain GMDB provisions. When market values of the customer's accounts decline, the death benefit payable on a contract with a GMDB may exceed the contract accumulation value. RiverSource Life also offers variable annuities with death benefit provisions that gross up the amount payable by a certain percentage of contract earnings; these are referred to as gain gross-up ("GGU") benefits. In addition, RiverSource Life offers contracts containing guaranteed minimum income benefit ("GMIB"), GMWB and guaranteed minimum accumulation benefit ("GMAB") provisions.

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In determining the liabilities for variable annuity death benefits and GMIB, RiverSource Life projects these benefits and contract assessments using actuarial models to simulate various equity market scenarios. Significant assumptions made in projecting future benefits and assessments relate to customer asset value growth rates, mortality, persistency and investment margins and are consistent with those used for DAC asset valuation for the same contracts. As with DAC, management will review, and where appropriate, adjust its assumptions each quarter. Unless management identifies a material deviation over the course of quarterly monitoring, management will review and update these assumptions annually in the third quarter of each year. The

variable annuity death benefit liability is determined by estimating the expected value of death benefits in excess of the projected contract accumulation value and recognizing the excess over the estimated meaningful life based on expected assessments (e.g., mortality and expense fees, contractual administrative charges and similar fees).

If elected by the contract owner and after a stipulated waiting period from contract issuance, a GMIB guarantees a minimum lifetime annuity based on a specified rate of contract accumulation value growth and predetermined annuity purchase rates. The GMIB liability is determined each period by estimating the expected value of annuitization benefits in excess of the projected contract accumulation value at the date of annuitization and recognizing the excess over the estimated meaningful life based on expected assessments.

GMWB and GMAB provisions are considered embedded derivatives and are recorded at fair value. The fair value of these embedded derivatives is based on the present value of future benefits less applicable fees charged for the provision. Changes in fair value are reflected in death and other benefits for investment contracts and universal life-type insurance.

Liabilities for equity indexed annuities are equal to the accumulation of host contract values covering guaranteed benefits and the market value of embedded equity options.

Liabilities for fixed annuities in a benefit or payout status are based on future estimated payments using established industry mortality tables and interest rates, ranging from 4.6% to 9.5% at December 31, 2006, depending on year of issue, with an average rate of approximately 5.9%.

Life, Disability Income and Long Term Care Insurance

Future policy benefits and policy claims and other policyholders' funds related to life, DI and LTC insurance include liabilities for fixed account values on fixed and variable universal life policies, liabilities for unpaid amounts on reported claims, estimates of benefits payable on claims incurred but not yet reported and estimates of benefits that will become payable on term life, whole life, DI and LTC policies as claims are incurred in the future.

Liabilities for fixed account values on fixed and variable universal life insurance are equal to accumulation values. Accumulation values are the cumulative gross deposits and credited interest less various contractual expense and mortality charges and less amounts withdrawn by policyholders.

Liabilities for unpaid amounts on reported life insurance claims are equal to the death benefits payable under the policies. Liabilities for unpaid amounts on reported DI and LTC claims include any periodic or other benefit amounts due and accrued, along with estimates of the present value of obligations for continuing benefit payments. These amounts are calculated based on claim continuance tables which estimate the likelihood an individual will continue to be eligible for benefits. Present values are calculated at interest rates established when claims are incurred. Anticipated claim continuance rates are based on established industry tables, adjusted as appropriate for RiverSource Life's experience. Interest rates used with DI claims range from 3.0% to 8.0% at December 31, 2006, with an average rate of 5.0%. Interest rates used with LTC claims range from 4.0% to 7.0% at December 31, 2006, with an average rate of 4.4%.

Liabilities for estimated benefits payable on claims that have been incurred but not yet reported are based on periodic analysis of the actual time lag between when a claim occurs and when it is reported.

Liabilities for estimates of benefits that will become payable on future claims on term life, whole life, DI and LTC policies are based on the net level premium method, using anticipated premium payments, mortality and morbidity rates, policy persistency and interest rates earned on assets supporting the liability. Anticipated mortality and morbidity rates are based on established industry mortality and morbidity tables, with modifications based on RiverSource Life's experience. Anticipated premium payments and persistency rates vary by policy form, issue age, policy duration and certain other pricing factors. Anticipated interest rates for term and whole life range from 4.0% to 10.0% at December 31, 2006, depending on policy form, issue year and policy duration. Anticipated interest rates for DI are 7.5% at policy issue grading to 5.0% over 5 years. Anticipated discount rates for LTC are currently 5.4% at December 31, 2006 grading up to 9.4% over 40 years.

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Where applicable, benefit amounts expected to be recoverable from other insurers who share in the risk are separately recorded as reinsurance recoverable within receivables.

RiverSource Life issues only non-participating life and health insurance

policies, which do not pay dividends to policyholders from realized policy margins.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

The fair value of RiverSource Life's derivative financial instruments is determined using either market quotes or valuation models that are based upon the net present value of estimated future cash flows and incorporate current market data inputs. In certain instances, the fair value includes structuring costs incurred at the inception of the transaction. The accounting for the change in the fair value of a derivative financial instrument depends on its intended use and the resulting hedge designation, if any. RiverSource Life currently designates derivatives as cash flow hedges or, in certain circumstances, does not designate derivatives as accounting hedges.

For derivative financial instruments that qualify as cash flow hedges, the effective portions of the gain or loss on the derivative instruments are reported in accumulated other comprehensive income (loss) and reclassified into earnings when the hedged item or transactions impact earnings. Any ineffective portion of the gain or loss is also reported currently in earnings as a component of net investment income.

For derivative financial instruments that do not qualify for hedge accounting or are not designated as hedges, changes in fair value are recognized in current period earnings, generally as a component of net investment income. These derivatives primarily provide economic hedges to equity market exposures. Examples include structured derivatives and options and futures that economically hedge the equity components of certain annuities.

For further details on the types of derivatives RiverSource Life uses and how it accounts for them, see Note 14 to the Consolidated Financial Statements.

INCOME TAX ACCOUNTING

Income taxes, as reported in the Consolidated Financial Statements, represent the net amount of income taxes that RiverSource Life expects to pay to or receive from various taxing jurisdictions in connection with its operations. RiverSource Life provides for income taxes based on amounts that it believes it will ultimately owe. Inherent in the provision for income taxes are estimates and judgments regarding the tax treatment of certain items and the realization of certain offsets and credits. In the event that the ultimate tax treatment of items or the realization of offsets or credits differs from RiverSource Life's estimates, it may be required to significantly change the provision for income taxes recorded in its Consolidated Financial Statements.

In connection with the provision for income taxes, the Consolidated Financial Statements reflect certain amounts related to deferred tax assets and liabilities, which result from temporary differences between the assets and liabilities measured for financial statement purposes versus the assets and liabilities measured for tax return purposes. Among RiverSource Life's deferred tax assets is a significant deferred tax asset relating to capital losses realized for tax return purposes and capital losses that have been recognized for financial statement purposes but not yet for tax return purposes. Under current U.S. federal income tax law, capital losses generally must be used against capital gain income within five years of the year in which the capital losses are recognized for tax purposes.

RiverSource Life will not be able to file a consolidated U.S. federal income tax return with the other members of the Ameriprise Financial affiliated group for five tax years following the Distribution, which will result in net operating and capital losses, credits and other tax attributes generated by one group not being available to offset income earned or taxes owed by the other group during the period of non-consolidation. This lack of consolidation could affect RiverSource Life's ability to fully realize certain deferred tax assets, including the capital losses.

RiverSource Life is required to establish a valuation allowance for any portion of deferred tax assets that management believes will not be realized. It is likely that management will need to identify and implement appropriate planning strategies to ensure its ability to realize deferred tax assets relating to capital losses and avoid the establishment of a valuation allowance with respect to it. In the opinion of management, it is currently more likely than not that RiverSource Life will realize the benefit of deferred tax assets, including capital loss deferred tax assets; therefore, no such valuation allowance has been established.

RECENT ACCOUNTING PRONOUNCEMENTS

For information regarding recent accounting pronouncements and their expected impact on future consolidated financial condition or results of operations, see Note 3 to the Consolidated Financial Statements.

FINANCIAL CONDITION

RiverSource Life's total assets and liabilities increased in 2006 primarily due to higher separate account assets and liabilities, which increased as a result of positive variable annuity net flows and market appreciation.

Investments primarily include corporate debt securities and mortgage and other asset-backed securities. At December 31, 2006, RiverSource Life's corporate debt securities comprise a diverse portfolio with the largest concentrations accounting for approximately 67% of the portfolio in the following industries: banking and finance, utilities, and communications and media. Investments also include \$3.7 billion and \$4.0 billion of mortgage loans on real estate, policy loans and other investments at December 31, 2006 and 2005, respectively. Investments are principally funded by sales of insurance and annuities and by reinvested income. Maturities of these investment securities are largely matched with the expected future payments of insurance and annuity obligations.

Investments include \$1.7 billion and \$2.1 billion of below investment grade securities classified as Available-for-Sale securities (excluding net unrealized appreciation and depreciation) at December 31, 2006 and 2005, respectively. These investments represent 7% of RiverSource Life's investment portfolio at both December 31, 2006 and 2005.

Separate account assets represent funds held for the exclusive benefit of variable annuity contractholders and variable life insurance policyholders. These assets are generally carried at market value, and separate account liabilities are equal to separate account assets. RiverSource Life earns administration and other fees from the related accounts. The increase in separate account assets and liabilities to \$49.3 billion as of December 31, 2006 compared to \$37.9 billion as of December 31, 2005, resulted from net inflows of \$5.3 billion and market appreciation.

RiverSource Life holds reserves for current and future obligations that are related to fixed annuities, certain guaranteed payments under variable annuities and life, DI and LTC insurance. Reserves related to fixed annuities, guarantees under variable annuities and life, DI and LTC insurance are reflected in future policy benefits in the Consolidated Balance Sheets. Reserves for fixed annuities and universal life contracts are equal to the underlying contract accumulation values. Reserves for other life, DI and LTC insurance products are based on various assumptions, including mortality rates, morbidity rates and policy persistency.

LIQUIDITY AND CAPITAL RESOURCES

LIQUIDITY STRATEGY

The liquidity requirements of RiverSource Life are generally met by funds provided by investment income, maturities and periodic repayments of investments, deposits, premiums and proceeds from sales of investments as well as capital contributions from Ameriprise Financial. Other liquidity sources RiverSource Life has established are repurchase agreements and an available line of credit with Ameriprise Financial aggregating \$200 million. The primary uses of funds are policy benefits, commissions, other product-related acquisition and sales inducement costs, operating expenses, policy loans, dividends to Ameriprise Financial and investment purchases. RiverSource Life routinely reviews its sources and uses of funds in order to meet its ongoing obligations. RiverSource Life of NY paid ordinary dividends to RiverSource Life during the second quarter of 2006 of \$23 million.

At December 31, 2006 and 2005, RiverSource Life had securities sold under repurchase agreements totaling nil and \$25 million, respectively and no amounts were outstanding on the line of credit with Ameriprise Financial.

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CAPITAL ACTIVITY

RiverSource Life paid \$300 million of dividends to Ameriprise Financial during 2006 comprised of \$100 million of extraordinary cash dividends in each of the second and third quarters of 2006 and \$100 million of ordinary cash dividends in the fourth quarter of 2006. Prior to the payment of the extraordinary cash dividends, RiverSource Life made the required advance notices to the Minnesota Department of Commerce, its primary state regulator, and received responses stating there were no objections to the payment of these dividends. In connection with the Separation, RiverSource Life received a capital contribution of \$650 million from Ameriprise Financial during the third quarter of 2005 to support its current financial strength ratings and to cover the allocated separation costs. During the fourth quarter of 2005, RiverSource Life paid dividends to Ameriprise Financial of \$380 million.

As a result of the mergers described in the Overview, both RiverSource Life

Insurance Company and RiverSource Life of NY were able to release certain statutory reserves previously held as a result of asset adequacy testing. RiverSource Life Insurance Company and RiverSource Life of NY reduced statutory reserves by \$112 million and \$22 million, respectively, as of December 31, 2006.

REGULATORY CAPITAL

RiverSource Life Insurance Company and RiverSource Life of NY are subject to regulatory capital requirements. Actual capital, determined on a statutory basis, and regulatory capital requirements for each of the life insurance entities are as follows:

<TABLE>
<CAPTION>

	ACTUAL CAPITAL (a) DECEMBER 31,		REGULATORY CAPITAL REQUIREMENT (b)
	2006	2005	
(IN MILLIONS)			
<S>	<C>	<C>	<C>
RiverSource Life Insurance Company.....	\$ 3,511	\$ 3,270	\$ 590
RiverSource Life Insurance Co. of New York.....	348	308	38

(a) Actual capital, as defined by the NAIC for purposes of meeting regulatory capital requirements, includes statutory capital and surplus, plus certain statutory valuation reserves.

(b) Regulatory capital requirement is based on the most recent statutory risk-based capital filing as of December 31, 2006.

</TABLE>

CONTRACTUAL COMMITMENTS

The contractual obligations identified in the table below include balance sheet transactions that represent material expected or contractually committed future obligations of RiverSource Life. Payments due by period as of December 31, 2006 are as follows:

<TABLE>
<CAPTION>

	PAYMENTS DUE IN YEAR ENDING				
	TOTAL	2007	2008- 2009	2010- 2011	2012 AND THEREAFTER
(IN MILLIONS)					
<S>	<C>	<C>	<C>	<C>	<C>
Insurance and annuities (1)	\$ 44,599	\$ 3,517	\$ 6,329	\$ 5,506	\$ 29,247

(1) These scheduled payments are represented by reserves of approximately \$30 billion at December 31, 2006 and are based on interest credited, mortality, morbidity, lapse, surrender and premium payment assumptions. Actual payment obligations may differ if experience varies from these assumptions. Separate account liabilities have been excluded as associated contractual obligations would be met by separate account assets.

</TABLE>

OFF-BALANCE SHEET ARRANGEMENTS

Consolidated Variable Interest Entities

During the years ended December 31, 2005 and 2004, RiverSource Life consolidated three secured loan trusts ("SLTs") which provided returns to investors primarily based on the performance of an underlying portfolio of high-yield loans and which were managed by an affiliate. One SLT was liquidated in 2004, resulting in a cumulative pretax charge of \$24 million. An additional \$4 million pretax charge was incurred in 2004 due to the expected liquidation of the two remaining SLTs in 2005. Those remaining SLTs were liquidated in 2005, resulting in a \$14 million pretax gain for the year ended December 31, 2005. There was no remaining exposure in 2006 related to these SLTs as a result of their liquidation.

Retained Interest in Assets Transferred to Unconsolidated Entities

In 2001, RiverSource Life placed a majority of its rated CDO securities and related accrued interest, as well as a relatively minor amount of other liquid securities, having an aggregate book value of \$675 million, into a

securitization trust. In return, RiverSource Life received \$90 million in cash (excluding transaction expenses) relating to sales to unaffiliated investors and retained interests with allocated book amounts aggregating \$586 million. During the second quarter of 2005, RiverSource Life sold all of its retained interest in the CDO-related securitization trust and realized a net pretax gain of \$25 million.

RECENT DEVELOPMENTS

RiverSource Life is assessing a comment from the Minnesota Department of Commerce related to the actuarial calculation of disability income insurance unpaid claims, received as part of its routine financial examination of RiverSource Life Insurance Company for each of the five years in the period ended December 31, 2005. RiverSource Life's management does not believe that there will be a material adverse effect on its consolidated financial condition and results of operations upon resolution of this comment.

RISK MANAGEMENT

In accordance with regulatory investment guidelines, RiverSource Life Insurance Company and RiverSource Life of NY, through their respective boards of directors or board of directors' investment committees or staff functions, review models projecting different interest rate scenarios, risk/return measures, and their effect on profitability in order to guide the management of the general account assets. They also review the distribution of assets in the portfolio by type and credit risk sector. The objective is to structure the investment securities portfolio in the general account to meet contractual obligations under the insurance and annuity products and achieve targeted levels of profitability within defined risk parameters.

RiverSource Life has developed an asset/liability management approach with separate investment objectives to support specific product liabilities, such as insurance and annuities. As part of this approach, RiverSource Life develops specific investment guidelines that are designed to optimize trade offs between risk and return and help ensure RiverSource Life is able to support future benefit payments under its insurance and annuity obligations. These same objectives must be consistent with management's overall investment objectives for the general account investment portfolio.

RiverSource Life's owned investment securities are primarily invested in long-term and intermediate-term fixed maturity securities to provide clients with a competitive rate of return on their investments while managing risk. Investment in fixed maturity securities is designed to provide RiverSource Life with a targeted margin between the yield earned on investments and the interest rate credited to clients' accounts. RiverSource Life does not trade in securities to generate short-term profits for its own account.

As part of RiverSource Life's investment process, management, with the assistance of its investment advisors, conducts a quarterly review of investment performance. The review process involves the review of certain invested assets which the committee evaluates to determine whether or not any investments are other-than-temporarily impaired and/or which specific interest earning investments should be put on an interest non-accrual basis.

RiverSource Life has two principal components of market risk: interest rate risk and equity market risk. Interest rate risk results from investing in assets that are somewhat longer and reset less frequently than the liabilities they support. RiverSource Life manages interest rate risk through the use of a variety of tools that include modifying the maturities of investments supporting its fixed annuities and insurance products. Additionally, RiverSource Life enters into derivative financial instruments, such as interest rate swaps, caps, floors and swaptions, which change the interest rate characteristics of client liabilities or investment assets. Because certain of its investment activities are impacted by the value of its managed equity-based portfolios, from time to time RiverSource Life enters into risk management strategies that may include the use of equity derivative financial instruments, such as equity options, to mitigate its exposure to volatility in the equity markets.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

Interest rate and equity price risks are the market risks to which RiverSource Life has material exposure. To evaluate interest rate and equity price risk RiverSource Life performs sensitivity testing which measures the impact on pretax income from the sources listed below for a 12 month period following a 100 basis point increase in interest rates and a 10% decline in equity markets.

At December 31, 2006, aggregating RiverSource Life's exposure from all sources of interest rate risk net of financial derivatives hedging that exposure detailed below, RiverSource Life estimates a negative impact of \$23 million on

pretax income for the 12 month period if, hypothetically, interest rates had increased by 100 basis points and remain at that level for 12 months. This compares with an estimate of \$27 million made at December 31, 2005 for 12 months following a 100 basis point increase in interest rates at December 31, 2005.

At December 31, 2006, aggregating RiverSource Life's exposure from all sources of equity price risk net of financial derivatives hedging that exposure detailed below, RiverSource Life estimates a negative impact of \$79 million on pretax income for the 12 month period if, hypothetically, equity markets had declined by 10% and remain at that level for 12 months. This compares with an estimate of \$51 million made at December 31, 2005 for 12 months following a hypothetical 10% drop in equity markets at December 31, 2005.

The numbers below show RiverSource Life's estimate of the pretax impact of these hypothetical market moves, net of hedging, as of December 31, 2006. Following the table is a discussion by source of risk and the portfolio management techniques and derivative financial instruments RiverSource Life uses to mitigate these risks.

<TABLE>
<CAPTION>

SOURCES OF MARKET RISK	NET RISK EXPOSURE TO PRETAX INCOME	
	INTEREST RATE	EQUITY PRICE
	(IN MILLIONS)	
<S>	<C>	<C>
Variable annuities and variable universal life ("VUL") products....	\$ 7	\$ (95)
Fixed annuities, fixed portion of variable annuities, fixed portion of VUL and fixed insurance products.....	(22)	-
Deferred acquisition costs ("DAC") reserves.....	(8)	16
Total.....	\$ (23)	\$ (79)

</TABLE>

Actual results could differ materially from those illustrated above as they are based on a number of estimates and assumptions. These include assuming the composition of invested assets and liabilities does not change in the 12 month period following the market shock and assuming the increase in interest rates produces a parallel shift in the yield curve. The selection of a 100 basis point interest rate increase and a 10% equity market decline should not be construed as a prediction of future market events.

VARIABLE ANNUITIES AND VUL PRODUCTS

With variable annuities and VUL products, the policyholder chooses how the premiums are invested. They can choose equity or non-equity investments and those investments are carried in separate account assets. Annuity payouts, VUL cash value and death benefits fluctuate with the performance of the investments that the policyholder chooses. Therefore, for these products, policyholders assume the bulk of the investment risk. RiverSource Life faces interest rate and equity price risk on these products from two primary sources: the guaranteed benefits associated with variable annuities and the management fees earned on separate account assets.

The guaranteed benefits associated with the variable annuities are GMWB, GMAB, GMDB and GMIB options. Each of the guaranteed benefits mentioned above guarantees payouts to the annuity holder under certain specific conditions regardless of the performance of the underlying investment assets.

The total value of all variable annuity contracts has grown from \$39.8 billion at December 31, 2005 to \$49.2 billion at December 31, 2006. These contract values include GMWB contracts which have grown from \$2.5 billion at December 31, 2005 to \$7.2 billion at December 31, 2006. Reserve liabilities for the guaranteed benefits are recorded in future policy benefits on RiverSource Life's Consolidated Balance Sheets. At December 31, 2006, the reserve for the GMWB was a negative \$12 million compared with a reserve of a positive \$9 million at December 31, 2005. The negative reserve indicates that RiverSource Life expects the GMWB fees charged to more than offset the future benefits to be paid to policyholders under the guaranteed benefit provisions. At December 31, 2006, the reserve for the other variable annuity guaranteed benefits, GMAB, GMDB and GMIB, was \$26 million compared with \$21 million at December 31, 2005.

RiverSource Life manages the market risk on the guaranteed benefits by product design and by the use of financial derivatives which hedge the GMWB. The design of the GMWB is an example of how RiverSource Life uses product design to manage risk. First, the GMWB provision requires that policyholders invest

their funds in one of five asset allocation models, thus ensuring diversification across asset classes and underlying funds, reducing the likelihood that payouts from the guaranteed benefits will be required to compensate policyholders for investment losses. Second, the GMWB provision does not offer automatic annual percentage increases to the guaranteed amount, thus preventing the guaranteed amount from growing during a down market.

In addition to product design, RiverSource Life has implemented a comprehensive hedging program which utilizes a primarily static hedging approach. A primarily static approach improves mitigation of market dislocation and operational risks as compared to a primarily dynamic hedging approach. Currently, RiverSource Life only hedges GMWB. The notional amounts and fair value assets (liabilities) of derivatives hedging GMWB were as follows:

<TABLE>
<CAPTION>

		DECEMBER 31,			
		2006		2005	
		NOTIONAL AMOUNT	FAIR VALUE	NOTIONAL AMOUNT	FAIR VALUE
		(IN MILLIONS)			
<S>	<C>				
Purchased puts.....	\$	1,410	\$ 171	\$ 629	\$ 95
Interest rate swaps.....		359	(1)	-	-
Written S&P 500 futures(1).....		(111)	-	-	-

(1) These Standard & Poor's ("S&P") 500 futures are cash settled daily and, therefore, have no fair value.

</TABLE>

INTEREST RATE RISK - VARIABLE ANNUITIES

The GMWB create obligations which are carried at fair value separately from the underlying host variable annuity contract. Changes in fair value of the GMWB are recorded through earnings with fair value calculated based on projected, discounted cash flows over the life of the contract, including projected, discounted benefits and fees. Increases in interest rates reduce the fair value of the GMWB liability. At December 31, 2006, if interest rates had increased by 100 basis points and remain at that level for 12 months, RiverSource Life estimates that the fair value would decrease by \$57 million with a favorable impact to pretax income. The GMWB interest rate exposure is hedged with a portfolio of customized equity index puts and interest rate swaps. At December 31, 2006, RiverSource Life had equity puts with a notional amount of \$1.4 billion, and interest rate swaps with a notional amount of \$359 million. Terms of the swaps designate RiverSource Life as the variable rate payor. If interest rates were to increase, RiverSource Life would have to pay more to the swap counterparty, and the fair value of equity puts would decrease, resulting in a negative impact to pretax income. For a hypothetical 100 basis point increase in interest rates sustained for a 12 month period, RiverSource Life estimates that the negative impact of the derivatives on pretax income would be \$53 million. The net impact on pretax income after hedging would be a favorable \$4 million.

GMAB creates interest rate risk in the same way as the GMWB discussed above - the fair value of the guaranteed benefits changes with changes in interest rates. For a hypothetical 100 basis point increase in interest rates at December 31, 2006, sustained for 12 months, the fair value of the GMAB would decrease by \$8 million, with a corresponding favorable impact on pretax income. RiverSource Life does not hedge the interest rate exposure on GMAB.

Separate account assets are held for the exclusive benefit of variable annuity and VUL contract holders. RiverSource Life does, however, receive asset-based investment management fees on fixed income investments the annuity and VUL policyholders have in the separate accounts. An increase in interest rates would decrease fixed rate separate account assets and decrease related fees with a negative impact to pretax income. At December 31, 2006, RiverSource Life estimates the interest rate risk from this exposure on pretax income if, hypothetically, interest rates had increased immediately by 100 basis points and remain at that level for 12 months to be a negative \$5 million for the 12 month period. RiverSource Life does not hedge this exposure.

EQUITY PRICE RISK - VARIABLE ANNUITIES AND VUL PRODUCTS

The variable annuity guaranteed benefits guarantee payouts to the annuity holder under certain specific conditions, regardless of the performance of the investment assets. For this reason, when equity markets decline, the returns

from the separate account assets coupled with guaranteed benefit fees from annuity holders may not be sufficient to fund expected payouts. In that case, reserves must be increased with a negative impact to earnings. RiverSource Life estimates the negative impact on pretax income before hedging to be \$42 million if, hypothetically, equity markets had declined by 10% at December 31, 2006 and remain at that level for 12 months. Of the \$42 million, \$7 million is attributable to GMWB.

Currently RiverSource Life only hedges GMWB. RiverSource Life's hedging program is static which reduces risk to major disruptions in the market and severe liquidity events because its program does not rely on frequent dynamic rebalancing and the ability to trade in the market. In addition, the primarily static nature of the hedge reduces the likelihood of operational and execution errors. The core derivative instrument with which RiverSource Life hedges the equity price risk of GMWB is a long-dated structured equity put contract; this core instrument is supplemented with equity futures. The equity put contracts had a notional amount of \$1.4 billion at December 31, 2006. If, hypothetically, equity markets had declined by 10% at December 31, 2006 and remain at that level for 12 months, RiverSource Life estimates a positive impact to pretax income of \$4 million from the puts and futures. The net equity price exposure to pretax income from all variable annuity guarantee benefits would be a negative \$38 million.

A decline in equity markets would also reduce the asset-based management fees RiverSource Life earns on equity market investments that its annuity and VUL policyholders have in separate accounts. At December 31, 2006, RiverSource Life estimates the equity price risk from this exposure on pretax income if, hypothetically, equity markets decreased immediately by 10% and remain at that level for 12 months to be a negative impact of \$57 million for the 12 month period.

FIXED ANNUITIES, FIXED PORTION OF VARIABLE ANNUITIES, FIXED PORTION OF VUL AND FIXED INSURANCE PRODUCTS

Interest rate exposures arise primarily with respect to the fixed account portion of RiverSource Life's annuity and insurance products and its investment portfolio. RiverSource Life guarantees an interest rate to the holders of these products. Premiums collected from clients are primarily invested in fixed rate securities to fund the client credited rate with the spread between the rate earned from investments and the rate credited to clients recorded as earned income. Client liabilities and investment assets generally differ as it relates to basis, repricing or maturity characteristics. Rates credited to clients' accounts generally reset at shorter intervals than the yield on underlying investments.

Therefore, in an increasing rate environment, higher interest rates are reflected in crediting rates to clients sooner than in rates earned on invested assets resulting in a reduced spread between the two rates, reduced earned income and a negative impact on pretax income. RiverSource Life had \$26.5 billion in reserves in future policy benefits on its Consolidated Balance Sheets at December 31, 2006 to recognize liabilities created by these products. To hedge against the risk of higher interest rates, RiverSource Life has purchased swaption contracts which had the notional amounts and fair value assets as follows:

<TABLE>
<CAPTION>

	DECEMBER 31,			
	2006		2005	
	NOTIONAL AMOUNT	FAIR VALUE	NOTIONAL AMOUNT	FAIR VALUE
	(IN MILLIONS)			
<S>	<C>	<C>	<C>	<C>
Purchased swaptions.....	\$ 1,200	\$ 2	\$ 1,200	\$ 8

If interest rates had increased by 100 basis points at December 31, 2006 and remain at that level for 12 months, RiverSource Life estimates the impact on pretax income for the 12 month period to be a negative \$22 million.

EQUITY INDEXED ANNUITIES

RiverSource Life's equity indexed annuity product is a single premium annuity issued with an initial term of seven years. The annuity guarantees the contractholder a minimum return of 3% on 90% of the initial premium or end of prior term accumulation value upon renewal plus a return that is linked to the performance of the S&P 500 Index.

The equity-linked return is based on a participation rate initially set at between 50% and 90% of the S&P 500 Index which is guaranteed for the initial seven-year term when the contract is held to full term. Of the \$29.6 billion in future policy benefits at December 31, 2006, \$317 million relates to the liabilities created by this product. The notional amounts and fair value assets (liabilities) of derivatives hedging this product were as follows:

<TABLE>
<CAPTION>

	DECEMBER 31,			
	2006		2005	
	NOTIONAL AMOUNT	FAIR VALUE	NOTIONAL AMOUNT	FAIR VALUE
	(IN MILLIONS)			
<S>	<C>	<C>	<C>	<C>
Purchased calls.....	\$ 151	\$ 37	\$ 197	\$ 27
Purchased Knock-in-Puts.....	86	3	129	3
Written Knock-in-Puts.....	(67)	(1)	(101)	(1)
Purchased S&P 500 futures(1).....	34	-	32	-

(1) These S&P 500 futures are cash settled daily and, therefore, have no fair value.

</TABLE>

INTEREST RATE RISK - EQUITY INDEXED ANNUITIES

Most of the proceeds from the sale of equity indexed annuities are invested in fixed income securities with the return on those investments intended to fund the 3% guarantee. RiverSource Life earns income from the difference between the return earned on invested assets and the 3% guarantee rate credited to customer accounts. The spread between return earned and amount credited is affected by changes in interest rates. RiverSource Life estimates that if, hypothetically, interest rates had increased by 100 basis points at December 31, 2006 and remain at that level for 12 months, the unhedged exposure would be a negative impact of \$2 million on pretax income for the 12 month period offset by a positive impact of nearly \$2 million from its hedging strategy for an immaterial net exposure.

EQUITY PRICE RISK - EQUITY INDEXED ANNUITIES

The equity-linked return to investors creates equity price risk as the amount credited depends on changes in equity markets. To hedge this exposure, a portion of the proceeds from the sale of equity indexed annuities are used to purchase futures, calls and puts which generate returns to replicate what RiverSource Life must credit to client accounts. In conjunction with purchasing puts, RiverSource Life also writes puts. Pairing purchased puts with written puts allows RiverSource Life to better match the characteristics of the liability. For this product, RiverSource Life estimates that if, hypothetically, the equity markets had declined by 10% at December 31, 2006 and remain at that level for 12 months, the impact to pretax income for the 12 month period without hedging would be a positive \$15 million. The impact of its hedging strategy offsets that gain for an immaterial net exposure.

DAC

For annuity and universal life products, DAC are amortized on the basis of estimated gross profits. Estimated gross profits are a proxy for pretax income prior to the recognition of DAC amortization expense. When events occur that reduce or increase current period estimated gross profits, DAC amortization expense is typically reduced or increased as well, somewhat mitigating the impact of the event on pretax income.

INTEREST RATE RISK - DAC

An increase in interest rates would result in a significant decrease in guaranteed living benefit reserves associated with RiverSource Life's variable annuity products, with the decrease partially offset by changes in hedge asset values. This would result in increased estimated gross profits and increased DAC amortization. RiverSource Life estimates that if, hypothetically, interest rates had increased by 100 basis points at December 31, 2006 and remain at that level for 12 months, the negative impact to pretax income from increased DAC amortization would be \$8 million.

EQUITY PRICE RISK - DAC

A decline in equity markets would result in reduced fee revenue and an increase in guaranteed death and living benefit reserves associated with RiverSource Life's variable annuity products, with the increase partly offset by changes in hedge asset values. This would result in decreased estimated gross profits and decreased DAC amortization. RiverSource Life estimates that if, hypothetically, equity markets declined by 10% at December 31, 2006, the positive impact to pretax income from decreased DAC amortization would be \$16 million over a 12 month period.

CREDIT RISK

RiverSource Life's potential derivative credit exposure to each counterparty is aggregated with all of its other exposures to the counterparty to determine compliance with established credit and market risk limits at the time RiverSource Life enters into a derivative transaction. Credit exposures may take into account enforceable netting arrangements. Before executing a new type or structure of derivative contract, RiverSource Life determines the variability of the contract's potential market and credit exposures and whether such variability might reasonably be expected to create exposure to a counterparty in excess of established limits.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that reflect RiverSource Life's plans, estimates and beliefs. RiverSource Life's actual results could differ materially from those described in these forward-looking statements. The words "believe," "expect," "anticipate," "optimistic," "intend," "plan," "aim," "will," "may," "should," "could," "would," "likely" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Forward-looking statements are subject to risks and uncertainties which could cause actual results to differ materially from such statements. RiverSource Life cautions the reader that the following list of factors is not exhaustive. There may also be other risks that RiverSource Life is unable to predict at this time that may cause actual results to differ materially from those in forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. RiverSource Life undertakes no obligation to update or revise any forward-looking statements.

Factors that could cause actual results to differ materially from these forward-looking statements include, but are not limited to, the following:

- o changes in the interest rate, equity market and other financial market environments;
- o changes in the regulatory environment and judicial or legislative developments, including the increasing focus on customer suitability, sales practices and disclosure, as well as ongoing legal proceedings and regulatory actions;
- o RiverSource Life's investment management performance;
- o effects of competition in the financial services industry and changes in RiverSource Life's product distribution mix and distribution channels;
- o RiverSource Life's capital structure as a subsidiary of Ameriprise Financial, including the ability of its parent to support its financial strength and ratings;
- o risks of default by issuers of investments RiverSource Life owns or by counterparties to derivative or reinsurance arrangements;
- o experience deviations from RiverSource Life's assumptions regarding morbidity, mortality and persistency in certain annuity and insurance products;
- o successfully cross-selling insurance and annuity products and services to Ameriprise Financial's customer base;
- o RiverSource Life's ability to effectively hedge risks relating to guaranteed benefit riders and certain other products;
- o the impact of the separation of Ameriprise Financial from American Express;
- o the impact of intercompany allocations to RiverSource Life from Ameriprise Financial and its affiliates;
- o Ameriprise Financial's ability to attract, recruit and retain qualified advisors and employees and its ability to distribute its products through current and future distribution channels;
- o RiverSource Life's ability to establish its new brands;
- o changes in U.S. federal income or estate tax laws potentially making RiverSource Life's products less attractive to clients;
- o RiverSource Life's ability to recover from catastrophes, both natural and man-made; and
- o general economic and political factors, including consumer confidence in the economy.

A further description of these and other risks and uncertainties can be found under "Item 1A - Risk Factors".

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Items required under this section are included in "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations - Risk Management."

<TABLE>

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

<CAPTION>

	PAGE NUMBER
<S>	<C>
CONSOLIDATED FINANCIAL STATEMENTS:	
Report of Independent Registered Public Accounting Firm	33
Consolidated Balance Sheets at December 31, 2006 and 2005	34
Consolidated Statements of Income for each of the three years ended December 31, 2006, 2005 and 2004	35
Consolidated Statements of Cash Flows for each of the three years ended December 31, 2006, 2005 and 2004	36 to 37
Consolidated Statements of Shareholder's Equity for each of the three years ended December 31, 2006, 2005 and 2004	38
Notes to Consolidated Financial Statements	39 to 70

</TABLE>

SCHEDULES:

All information on schedules to the Consolidated Financial Statements required by Rule 7-05 in Article 7 of Regulation S-X is included in the Consolidated Financial Statements and notes thereto or is not required. Therefore, all schedules have been omitted.

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Report of Independent Registered Public Accounting Firm

The Board of Directors
RiverSource Life Insurance Company

We have audited the accompanying consolidated balance sheets of RiverSource Life Insurance Company, formerly IDS Life Insurance Company, (a wholly-owned subsidiary of Ameriprise Financial, Inc.) as of December 31, 2006 and 2005, and the related consolidated statements of income, shareholder's equity, and cash flows for each of the three years in the period ended December 31, 2006. These financial statements are the responsibility of RiverSource Life Insurance Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of RiverSource Life Insurance Company at December 31, 2006 and 2005, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2006, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

<TABLE>

RIVERSOURCE LIFE INSURANCE COMPANY

CONSOLIDATED BALANCE SHEETS
(in millions, except share amounts)

<CAPTION>

	DECEMBER 31,	
	2006	2005
<S>	<C>	<C>
ASSETS		
Investments:		
Available-for-Sale:		
Fixed maturities, at fair value (amortized cost: 2006, \$25,289; 2005, \$27,817).....	\$ 24,995	\$ 27,753
Common and preferred stocks, at fair value (cost: 2006, \$30; 2005, \$0).....	31	-
Mortgage loans on real estate, at cost (less allowance for loan losses: 2006, \$37; 2005, \$41)..	2,790	2,842
Policy loans.....	642	605
Trading securities and other investments.....	241	548
Total investments.....	28,699	31,748
Cash and cash equivalents.....	160	272
Reinsurance recoverables.....	1,137	983
Amounts due from brokers.....	7	4
Other accounts receivable.....	90	63
Accrued investment income.....	309	329
Deferred acquisition costs.....	4,411	4,036
Deferred sales inducement costs.....	452	370
Other assets.....	321	220
Separate account assets.....	49,287	37,930
Total assets.....	\$ 84,873	\$ 75,955
LIABILITIES AND SHAREHOLDER'S EQUITY		
Liabilities:		
Future policy benefits.....	\$ 29,561	\$ 32,312
Policy claims and other policyholders' funds.....	93	90
Amounts due to brokers.....	132	32
Deferred income taxes, net.....	90	9
Other liabilities.....	440	421
Separate account liabilities.....	49,287	37,930
Total liabilities.....	79,603	70,794
Shareholder's equity:		
Common stock, \$30 par value;		
100,000 shares authorized, issued and outstanding.....	3	3
Additional paid-in capital.....	2,021	2,020
Retained earnings.....	3,455	3,269
Accumulated other comprehensive loss, net of tax:		
Net unrealized securities losses	(168)	(91)
Net unrealized derivative losses	(41)	(40)
Total accumulated other comprehensive loss.....	(209)	(131)
Total shareholder's equity.....	5,270	5,161
Total liabilities and shareholder's equity.....	\$ 84,873	\$ 75,955

See Notes to Consolidated Financial Statements.

</TABLE>

<TABLE>

RIVERSOURCE LIFE INSURANCE COMPANY

CONSOLIDATED STATEMENTS OF INCOME
(in millions)

<CAPTION>

	YEARS ENDED DECEMBER 31,		
	2006	2005	2004
	<C>	<C>	<C>
<S>			
REVENUES			
Premiums:			
Traditional life insurance.....	\$ 72	\$ 75	\$ 68
Disability income and long term care insurance.....	322	295	284
Total premiums.....	394	370	352
Net investment income.....	1,661	1,789	1,775
Contractholder and policyholder charges.....	637	577	555
Mortality and expense risk and other fees.....	636	489	430
Net realized investment gain.....	51	48	27
Total revenues.....	3,379	3,273	3,139
BENEFITS AND EXPENSES			
Death and other benefits:			
Traditional life insurance.....	28	42	37
Investment contracts and universal life-type insurance.....	267	232	228
Disability income and long term care insurance.....	83	76	67
Increase in liabilities for future policy benefits:			
Traditional life insurance.....	-	5	1
Disability income and long term care insurance.....	143	141	123
Interest credited to account values.....	1,052	1,111	1,128
Amortization of deferred acquisition costs.....	356	316	261
Separation costs.....	131	121	-
Other insurance and operating expenses.....	641	588	502
Total benefits and expenses.....	2,701	2,632	2,347
Income before income tax provision and accounting change.....	678	641	792
Income tax provision.....	192	182	226
Income before accounting change.....	486	459	566
Cumulative effect of accounting change, net of tax.....	-	-	(70)
Net income.....	\$ 486	\$ 459	\$ 496

See Notes to Consolidated Financial Statements.

</TABLE>

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<TABLE>

RIVERSOURCE LIFE INSURANCE COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

<CAPTION>

	YEARS ENDED DECEMBER 31,		
	2006	2005	2004
	<C>	<C>	<C>
<S>			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 486	\$ 459	\$ 496
Adjustments to reconcile net income to net cash provided by operating activities:			
Cumulative effect of accounting change, net of tax.....	-	-	70
Amortization of deferred acquisition costs.....	356	316	261
Amortization of deferred sales inducement costs.....	48	40	34
Capitalization of deferred acquisition costs.....	(687)	(633)	(534)
Capitalization of deferred sales inducement costs.....	(126)	(94)	(71)
Amortization of premium, net.....	75	83	93
Deferred income taxes.....	123	122	70
Contractholder and policyholder charges, non-cash.....	(220)	(232)	(232)
Net realized investment gain.....	(51)	(48)	(27)
Net realized gain on trading securities and equity method investments in hedge funds.....	(16)	(24)	(38)
Change in operating assets and liabilities:			
Trading securities and equity method investments in hedge funds, net.....	297	247	7

Future policy benefits for traditional life, disability income and long term care insurance.....	274	230	235
Policy claims and other policyholders' funds.....	2	20	2
Policy loans, excluding universal life-type insurance:			
Repayment.....	35	36	37
Issuance.....	(39)	(39)	(39)
Reinsurance recoverables.....	(154)	(106)	(122)
Other accounts receivable.....	(27)	(10)	16
Accrued investment income.....	20	23	4
Other assets and liabilities, net.....	(280)	47	(3)
	-----	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES.....	\$ 116	\$ 437	\$ 259
	-----	-----	-----

See Notes to Consolidated Financial Statements.

</TABLE>

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<TABLE>

RIVERSOURCE LIFE INSURANCE COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(in millions)

<CAPTION>

	YEARS ENDED DECEMBER 31,		
	2006	2005	2004
	-----	-----	-----
	<C>	<C>	<C>
<S>			
CASH FLOWS FROM INVESTING ACTIVITIES			
Available-for-Sale securities:			
Proceeds from sales.....	\$ 1,897	\$ 3,124	\$ 1,603
Maturities, sinking fund payments and calls.....	2,014	2,242	1,931
Purchases.....	(1,433)	(5,780)	(4,393)
Other investments, excluding policy loans:			
Proceeds from sales, maturities, sinking fund payments and calls.....	519	653	690
Purchases.....	(441)	(543)	(402)
Change in amounts due to and from brokers, net.....	98	(128)	(71)
Change in restricted cash.....	-	536	299
	-----	-----	-----
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES.....	2,654	104	(343)
	-----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES			
Activity related to investment contracts and universal life-type insurance:			
Considerations received.....	1,267	1,532	2,351
Interest credited to account values.....	1,052	1,111	1,128
Surrenders and other benefits.....	(4,869)	(3,330)	(2,716)
Policy loans:			
Repayment.....	108	89	84
Issuance.....	(140)	(103)	(93)
Capital contribution from Ameriprise Financial, Inc.	-	650	-
Cash dividend to Ameriprise Financial, Inc.	(300)	(380)	(930)
	-----	-----	-----
NET CASH USED IN FINANCING ACTIVITIES.....	(2,882)	(431)	(176)
	-----	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	(112)	110	(260)
Cash and cash equivalents at beginning of year.....	272	162	422
	-----	-----	-----
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 160	\$ 272	\$ 162
	=====	=====	=====
Supplemental disclosures:			
Income taxes paid, net.....	\$ 64	\$ 96	\$ 196
Interest paid on borrowings.....	\$ 1	\$ -	\$ -

See Notes to Consolidated Financial Statements.

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<TABLE>

RIVERSOURCE LIFE INSURANCE COMPANY

CONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY
THREE YEARS ENDED DECEMBER 31, 2006
(in millions)

	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME/ (LOSS)	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>
BALANCES AT DECEMBER 31, 2003.....	\$ 3	\$ 1,370	\$ 3,624	\$ 399	\$ 5,396
Comprehensive income:					
Net income.....	-	-	496	-	496
Change in unrealized holding losses on securities, net.....	-	-	-	(35)	(35)
Change in unrealized derivative losses, net.....	-	-	-	(23)	(23)
Total comprehensive income.....	-	-	-	-	438
Cash dividends to Ameriprise Financial, Inc.....	-	-	(930)	-	(930)
BALANCES AT DECEMBER 31, 2004.....	\$ 3	\$ 1,370	\$ 3,190	\$ 341	\$ 4,904
Comprehensive loss:					
Net income.....	-	-	459	-	459
Change in unrealized holding losses on securities, net.....	-	-	-	(461)	(461)
Change in unrealized derivative losses, net.....	-	-	-	(11)	(11)
Total comprehensive loss.....	-	-	-	-	(13)
Capital contribution from Ameriprise Financial, Inc.....	-	650	-	-	650
Cash dividend to Ameriprise Financial, Inc.....	-	-	(380)	-	(380)
BALANCES AT DECEMBER 31, 2005.....	\$ 3	\$ 2,020	\$ 3,269	\$ (131)	\$ 5,161
Comprehensive income:					
Net income.....	-	-	486	-	486
Change in unrealized holding losses on securities, net.....	-	-	-	(77)	(77)
Change in unrealized derivative losses, net.....	-	-	-	(1)	(1)
Total comprehensive income.....	-	-	-	-	408
Tax adjustment of share-based incentive employee compensation plan.....	-	1	-	-	1
Cash dividend to Ameriprise Financial, Inc.....	-	-	(300)	-	(300)
BALANCES AT DECEMBER 31, 2006.....	\$ 3	\$ 2,021	\$ 3,455	\$ (209)	\$ 5,270

See Notes to Consolidated Financial Statements.

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RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

Nature of Business

RiverSource Life Insurance Company, formerly known as IDS Life Insurance Company, is a stock life insurance company with one wholly-owned operating subsidiary, RiverSource Life Insurance Co. of New York ("RiverSource Life of NY"). RiverSource Life Insurance Company is a wholly-owned subsidiary of Ameriprise Financial, Inc. ("Ameriprise Financial").

- o RiverSource Life Insurance Company is domiciled in Minnesota and holds Certificates of Authority in American Samoa, the District of Columbia and all states except New York. RiverSource Life Insurance Company issues insurance and annuity products.
- o RiverSource Life of NY is a stock life insurance company domiciled in New York, which holds Certificates of Authority in New York and North Dakota. RiverSource Life of NY issues insurance and annuity products.

On December 31, 2006, IDS Life Insurance Company completed an Agreement and Plan of Merger with both American Enterprise Life Insurance Company ("American Enterprise Life") and American Partners Life Insurance Company ("American Partners Life") whereby both companies merged with and into

IDS Life Insurance Company. As a result of the merger, American Enterprise Life and American Partners Life ceased to exist. Prior to the merger, both companies were wholly-owned operating subsidiaries of IDS Life Insurance Company. Immediately following the merger, IDS Life Insurance Company changed its name to RiverSource Life Insurance Company.

Also on December 31, 2006, American Centurion Life Assurance Company ("American Centurion Life") merged with and into IDS Life Insurance Company of New York ("IDS Life of New York"). As a result of the merger, American Centurion Life ceased to exist. Prior to the merger, American Centurion Life was a wholly-owned operating subsidiary of IDS Life Insurance Company. Immediately following the merger, IDS Life of New York changed its name to RiverSource Life Insurance Co. of New York.

RiverSource Life Insurance Company and its subsidiary are referred to collectively in this Form 10-K as "RiverSource Life".

No material effect on the consolidated financial condition and results of operations is expected for RiverSource Life as a result of the mergers.

Ameriprise Financial was formerly a wholly-owned subsidiary of American Express Company ("American Express"). On February 1, 2005, the American Express Board of Directors announced its intention to pursue the disposition of 100% of its shareholdings in Ameriprise Financial (the "Separation") through a tax-free distribution to American Express shareholders. Effective as of the close of business on September 30, 2005, American Express completed the Separation and the distribution of Ameriprise Financial common shares to American Express shareholders (the "Distribution"). In connection with the Distribution, Ameriprise Financial entered into certain agreements with American Express to effect the Separation and to define the responsibility for obligations arising before and after the date of the Distribution, including, among others, obligations relating to transition services, taxes, and employees. Ameriprise Financial has incurred \$654 million of pretax non-recurring separation costs since the Separation announcement through December 31, 2006 and expects to incur a total of approximately \$875 million. RiverSource Life was allocated certain expenses incurred as a result of Ameriprise Financial becoming an independent company. RiverSource Life has been allocated \$252 million in total pretax non-recurring separation costs since the Separation announcement through December 31, 2006 and expects to be allocated a significant portion of the remaining separation costs in 2007. RiverSource Life received a capital contribution of \$650 million from Ameriprise Financial during the third quarter of 2005 to support its financial strength ratings and to cover separation costs.

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RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION (CONTINUED)

RiverSource Life's principal products are variable deferred annuities and variable universal life insurance which are issued primarily to individuals. It also offers fixed annuities where assets accumulate until the contract is surrendered, the contractholder (or in some contracts, the annuitant) dies, or the contractholder or annuitant begins receiving benefits under an annuity payout option. It also offers immediate annuities in which payments begin within one year of issue and continue for life or for a fixed period of time. RiverSource Life's fixed deferred annuities guarantee a relatively low annual interest rate during the accumulation period (the time before annuity payments begin). However, RiverSource Life has the option of paying a higher rate set at its discretion. In addition, persons owning one type of annuity may have their interest calculated based on an increase in a broad-based stock market index. RiverSource Life issues both variable and fixed universal life insurance, traditional life insurance including whole life and term life and disability income insurance. (RiverSource Life discontinued underwriting new long term care ("LTC") policies as of December 31, 2002). Universal life insurance is a form of permanent life insurance characterized by its flexible premiums, its flexible death benefit amounts and its unbundling of the pricing factors (i.e., mortality, interest and expenses). Traditional life insurance refers to whole and term life insurance policies that pay a specified sum to a beneficiary upon death of the insured for a fixed premium. Variable universal life insurance combines the premium and death benefit flexibility of universal life with underlying fund investment flexibility and the risks associated therewith. Waiver of premium and accidental death benefit riders are generally available with these life insurance products.

Under RiverSource Life's variable life insurance and variable annuity products described above, the purchaser may choose among investment

options that include RiverSource Life's "general account" as well as from a variety of portfolios including common stocks, bonds, managed assets and/or short-term securities.

Basis of Presentation

The accompanying Consolidated Financial Statements include the accounts of RiverSource Life Insurance Company and, its wholly-owned subsidiary, RiverSource Life of NY. All significant intercompany accounts and transactions have been eliminated in consolidation.

The accompanying Consolidated Financial Statements are prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") which vary in certain respects from reporting practices prescribed or permitted by state insurance regulatory authorities as described in Note 11. Certain reclassifications of prior period amounts have been made to conform to the current presentation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

RiverSource Life consolidates all entities in which it holds a greater than 50% voting interest, except for variable interest entities which are consolidated when certain conditions are met and immaterial seed money investments in separate accounts, which are accounted for as trading securities. Entities in which RiverSource Life holds a greater than 20% but less than 50% voting interest are accounted for under the equity method. Additionally, other investments in hedge funds in which RiverSource Life holds an interest that is less than 50% are accounted for under the equity method. All other investments are accounted for under the cost method where RiverSource Life owns less than a 20% voting interest and does not exercise significant influence, or as Available-for-Sale securities, as applicable.

RiverSource Life also consolidates all variable interest entities ("VIEs") for which it is considered to be the primary beneficiary. The determination as to whether an entity is a VIE is based on the amount and characteristics of the entity's equity. The determination as to whether RiverSource Life is considered to be the primary beneficiary is based on whether RiverSource Life will absorb a majority of the VIE's expected losses, receive a majority of the VIE's expected residual return, or both. RiverSource Life liquidated its interest in all consolidated VIEs during 2004 and 2005. There were no consolidated VIEs as of December 31, 2006 and 2005.

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RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Qualifying Special Purpose Entities ("QSPEs") are not consolidated. Such QSPEs included a securitization trust containing a majority of RiverSource Life's rated collateralized debt obligations ("CDOs") for which RiverSource Life sold all of its retained interests in 2005.

AMOUNTS BASED ON ESTIMATES AND ASSUMPTIONS

Accounting estimates are an integral part of the Consolidated Financial Statements. In part, they are based upon assumptions concerning future events. Among the more significant are those that relate to investment securities valuation and recognition of other-than-temporary impairments, valuation of deferred acquisition costs ("DAC") and the corresponding recognition of DAC amortization, derivative financial instruments and hedging activities, income taxes and recognition of deferred tax assets and liabilities. These accounting estimates reflect the best judgment of management and actual results could differ.

BALANCE SHEET

INVESTMENTS

Investments consist of the following:

Available-for-Sale Securities

Available-for-Sale securities are carried at fair value with unrealized gains (losses) recorded in accumulated other comprehensive income (loss), net of income tax provision (benefit) and net of adjustments in other asset and liability balances, such as DAC, to reflect the expected impact on their carrying values had the unrealized gains (losses) been realized as of the respective balance sheet date. Gains and losses are recognized in consolidated results of operations upon disposition of the securities.

In addition, losses are also recognized when management determines that a decline in value is other-than-temporary, which requires judgment regarding the amount and timing of recovery. Indicators of other-than-temporary impairment for debt securities include issuer downgrade, default or bankruptcy. RiverSource Life also considers the extent to which amortized cost exceeds fair value, the duration of that difference and management's judgment about the issuer's current and prospective financial condition, as well as its ability and intent to hold until recovery. Other-than-temporary impairment charges are recorded in net realized gains (losses) on investments within the Consolidated Statements of Income. Fair value is generally based on quoted market prices.

Commercial Mortgage Loans on Real Estate, Net

Commercial mortgage loans on real estate, net, reflect principal amounts outstanding less allowance for losses. The allowance for loan losses is measured as the excess of the loan's recorded investment over the present value of its expected principal and interest payments discounted at the loan's effective interest rate, or the fair value of collateral. Additionally, the level of the allowance for loan losses considers other factors, including historical experience, economic conditions and geographic concentrations. Management regularly evaluates the adequacy of the allowance for loan losses and believes it is adequate to absorb estimated losses in the portfolio.

RiverSource Life generally stops accruing interest on commercial mortgage loans for which interest payments are delinquent more than three months. Based on management's judgment as to the ultimate collectibility of principal, interest payments received are either recognized as income or applied to the recorded investment in the loan.

Policy Loans

Policy loans include life insurance policy and annuity loans. These loans are carried at the aggregate of the unpaid loan balances, which do not exceed the cash surrender values of the related policies.

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RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Trading Securities and Other Investments

Included in trading securities and other investments are hedge fund investments, separate account and mutual fund seed money and syndicated loans. Separate account and mutual fund seed money is carried at fair market value with changes in value recognized within net investment income. The carrying value of equity method investments in hedge funds reflects RiverSource Life's original investment and its share of earnings or losses of the hedge funds subsequent to the date of investment, and approximate fair value. Syndicated loans reflect amortized cost less allowance for losses.

CASH AND CASH EQUIVALENTS

RiverSource Life has defined cash equivalents to include highly liquid investments with original maturities of 90 days or less.

REINSURANCE

RiverSource Life reinsures a portion of the risks associated with its life and LTC insurance products through reinsurance agreements with unaffiliated insurance companies. Reinsurance is used in order to limit losses, minimize exposure to large risks, provide additional capacity for future growth and to effect business-sharing arrangements. To minimize exposure to significant losses from reinsurer insolvencies, RiverSource Life evaluates the financial condition of its reinsurers prior to entering into new reinsurance treaties and on a periodic basis during the terms of the treaties. RiverSource Life remains primarily liable as the direct insurer on all risks reinsured.

Generally, RiverSource Life reinsures 90% of the death benefit liability related to individual fixed and variable universal life and term life insurance products. RiverSource Life began reinsuring risks at this level beginning in 2001 for term life insurance and 2002 for variable and universal life insurance. Policies issued prior to these dates are not subject to the same reinsurance levels. The maximum amount of life insurance risk retained by RiverSource Life is \$750,000 on any policy insuring a single life and \$1.5 million on any flexible premium survivorship variable life policy. For existing LTC policies except those sold by RiverSource Life of NY prior to 1996, RiverSource Life retained 50% of the risk and the remaining 50% of the risk was ceded on a coinsurance basis to affiliates of Genworth Financial, Inc. ("Genworth").

Reinsurance recoverable from Genworth related to RiverSource Life's long term care liabilities was \$945 million at December 31, 2006, while amounts recoverable from each other reinsurer were much smaller. Risk on variable life and universal life policies is reinsured on a yearly renewable term basis. Starting in 2001, risk on most term life policies is reinsured on a coinsurance basis.

RiverSource Life retains all risk for new claims on disability income ("DI") contracts. Risk is currently managed by limiting the amount of disability insurance written on any one individual. RiverSource Life also retains all accidental death benefit and almost all waiver of premium risk.

DEFERRED ACQUISITION COSTS

DAC represent the costs of acquiring new business, principally direct sales commissions and other distribution and underwriting costs that have been deferred on the sale of annuity and insurance products. These costs are deferred to the extent they are recoverable from future profits or premiums.

DEFERRED SALES INDUCEMENT COSTS

Deferred sales inducement costs ("DSIC") consist of bonus interest credits and premium credits added to certain annuity contract and insurance policy values. These benefits are capitalized to the extent they are incremental to amounts that would be credited on similar contracts without the applicable feature. The amounts capitalized are amortized using the same methodology and assumptions used to amortize DAC.

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RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivative financial instruments are recorded at fair value within other assets or liabilities. The fair value of RiverSource Life's derivative financial instruments is determined using either market quotes or valuation models that are based upon the net present value of estimated future cash flows and incorporate current market data inputs. In certain instances, the fair value includes structuring costs incurred at the inception of the transaction. The accounting for the change in the fair value of a derivative financial instrument depends on its intended use and the resulting hedge designation, if any. RiverSource Life generally designates its hedges as cash flows hedges or accounts for them as economic hedges.

For derivative financial instruments that qualify as cash flow hedges, the effective portions of the gain or loss on the derivative instruments are reported in accumulated other comprehensive income (loss) and reclassified into earnings when the hedged item or transaction impacts earnings. The amount that is reclassified into earnings is presented in the Consolidated Statements of Income with the hedged instrument or transaction impact. Any ineffective portion of the gain or loss is reported currently in earnings as a component of net investment income. If a hedge is de-designated or terminated prior to maturity, the amount previously recorded in accumulated other comprehensive income (loss) is recognized into earnings over the period that the hedged item impacts earnings. For any hedge relationships that are discontinued because the forecasted transaction is not expected to occur according to the original strategy, any related amounts previously recorded in accumulated other comprehensive income (loss) are recognized in earnings immediately.

Derivative financial instruments that are entered into for hedging purposes are designated as such at the time RiverSource Life enters into the contract. For all derivative financial instruments that are designated for hedging activities, RiverSource Life formally documents all of the hedging relationships between the hedge instruments and the hedged items at the inception of the relationships. Management also formally documents its risk management objectives and strategies for entering into the hedge transactions. RiverSource Life formally assesses, at inception and on a quarterly basis, whether derivatives designated as hedges are highly effective in offsetting the fair value or cash flows of hedged items. If it is determined that a derivative is not highly effective as a hedge, RiverSource Life will discontinue the application of hedge accounting.

RiverSource Life currently has economic hedges that either do not qualify or are not designated as accounting hedges. For derivative financial instruments that do not qualify for hedge accounting, or are not

designated as hedges, changes in fair value are reported in current period earnings generally as a component of net investment income.

SEPARATE ACCOUNT ASSETS AND LIABILITIES

Separate account assets and liabilities are primarily funds held for exclusive benefit of variable annuity and variable life insurance contractholders. RiverSource Life receives mortality and expense risk and other fees, guarantee fees and cost of insurance charges from the related accounts.

FUTURE POLICY BENEFITS AND POLICY CLAIMS AND OTHER POLICYHOLDERS' FUNDS

Fixed Annuities and Variable Annuity Guarantees

Future policy benefits and policy claims and other policyholders' funds related to fixed annuities and variable annuity guarantees include liabilities for fixed account values on fixed and variable deferred annuities, guaranteed benefits associated with variable annuities, equity indexed annuities and fixed annuities in a payout status.

Liabilities for fixed account values on fixed and variable deferred annuities are equal to accumulation values, which are the cumulative gross deposits and credited interest less withdrawals and various charges.

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RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The majority of the variable annuity contracts offered by RiverSource Life contain guaranteed minimum death benefit ("GMDB") provisions. When market values of the customer's accounts decline, the death benefit payable on a contract with a GMDB may exceed the contract accumulation value. RiverSource Life also offers variable annuities with death benefit provisions that gross up the amount payable by a certain percentage of contract earnings, which are referred to as gain gross-up ("GGU") benefits. In addition, RiverSource Life offers contracts containing guaranteed minimum income benefit ("GMIB"), guaranteed minimum withdrawal benefit ("GMWB") and guaranteed minimum accumulation benefit ("GMAB") provisions.

In determining the liabilities for variable annuity death benefits and GMIB, RiverSource Life projects these benefits and contract assessments using actuarial models to simulate various equity market scenarios. Significant assumptions made in projecting future benefits and assessments relate to customer asset value growth rates, mortality, persistency and investment margins and are consistent with those used for DAC asset valuation for the same contracts. As with DAC, management will review and where appropriate, adjust its assumptions each quarter. Unless management identifies a material deviation over the course of quarterly monitoring, management will review and update these assumptions annually in the third quarter of each year.

The variable annuity death benefit liability is determined by estimating the expected value of death benefits in excess of the projected contract accumulation value and recognizing the excess over the estimated meaningful life based on expected assessments (e.g., mortality and expense fees, contractual administrative charges and similar fees).

If elected by the contract owner and after a stipulated waiting period from contract issuance, a GMIB guarantees a minimum lifetime annuity based on a specified rate of contract accumulation value growth and predetermined annuity purchase rates. The GMIB liability is determined each period by estimating the expected value of annuitization benefits in excess of the projected contract accumulation value at the date of annuitization and recognizing the excess over the estimated meaningful life based on expected assessments.

GMWB and GMAB provisions are considered embedded derivatives and are recorded at fair value. The fair value of these embedded derivatives is based on the present value of future benefits less applicable fees charged for the provision. Changes in fair value are reflected in death and other benefits for investment contracts and universal life-type insurance.

Liabilities for equity indexed annuities are equal to the accumulation of host contract values covering guaranteed benefits and the market value of embedded equity options.

Liabilities for fixed annuities in a benefit or payout status are based

on future estimated payments using established industry mortality tables and interest rates, ranging from 4.6% to 9.5% at December 31, 2006, depending on year of issue, with an average rate of approximately 5.9%.

Life, Disability Income and Long Term Care Insurance

Future policy benefits and policy claims and other policyholders' funds related to life, DI and LTC insurance include liabilities for fixed account values on fixed and variable universal life policies, liabilities for unpaid amounts on reported claims, estimates of benefits payable on claims incurred but not yet reported and estimates of benefits that will become payable on term life, whole life, DI and LTC policies as claims are incurred in the future.

Liabilities for fixed account values on fixed and variable universal life insurance are equal to accumulation values. Accumulation values are the cumulative gross deposits and credited interest less various contractual expense and mortality charges and less amounts withdrawn by policyholders.

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RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Liabilities for unpaid amounts on reported life insurance claims are equal to the death benefits payable under the policies. Liabilities for unpaid amounts on reported DI and LTC claims include any periodic or other benefit amounts due and accrued, along with estimates of the present value of obligations for continuing benefit payments. These amounts are calculated based on claim continuance tables which estimate the likelihood an individual will continue to be eligible for benefits. Present values are calculated at interest rates established when claims are incurred. Anticipated claim continuance rates are based on established industry tables, adjusted as appropriate for RiverSource Life's experience. Interest rates used with DI claims range from 3.0% to 8.0% at December 31, 2006, with an average rate of 5.0%. Interest rates used with LTC claims range from 4.0% to 7.0% at December 31, 2006, with an average rate of 4.4%.

Liabilities for estimated benefits payable on claims that have been incurred but not yet reported are based on periodic analysis of the actual time lag between when a claim occurs and when it is reported.

Liabilities for estimates of benefits that will become payable on future claims on term life, whole life, DI and LTC policies are based on the net level premium method, using anticipated premium payments, mortality and morbidity rates, policy persistency and interest rates earned on assets supporting the liability. Anticipated mortality and morbidity rates are based on established industry mortality and morbidity tables, with modifications based on RiverSource Life's experience. Anticipated premium payments and persistency rates vary by policy form, issue age, policy duration and certain other pricing factors. Anticipated interest rates for term and whole life range from 4.0% to 10.0% at December 31, 2006, depending on policy form, issue year and policy duration. Anticipated interest rates for DI are 7.5% at policy issue grading to 5.0% over five years. Anticipated discount rates for LTC are currently 5.4% at December 31, 2006 grading up to 9.4% over 40 years.

Where applicable, benefit amounts expected to be recoverable from other insurers who share in the risk are separately recorded as reinsurance recoverable within receivables.

RiverSource Life issues only non-participating life and health insurance policies, which do not pay dividends to policyholders from realized policy margins.

REVENUES AND EXPENSES

RiverSource Life's principal sources of revenue include premium revenues, net investment income, contractholder and policyholder charges and mortality and expense risk and other fees.

Premium Revenues

Premium revenues include premiums on traditional life, DI and LTC insurance products. Such premiums are net of reinsurance ceded and are recognized as revenue when due.

Net Investment Income

Net investment income primarily includes interest income earned on fixed maturity securities classified as Available-for-Sale; commercial mortgage

loans on real estate and policy loans; mark-to-market of trading securities and certain derivatives; and pro-rata share of net income or loss of equity method investments in hedge funds. Interest income is accrued as earned using the effective interest method, which makes an adjustment of the yield for security premiums and discounts on all performing fixed maturity securities classified as Available-for-Sale, and commercial mortgage loans on real estate so that the related security or loan recognizes a constant rate of return on the outstanding balance throughout its term.

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RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contractholder and Policyholder Charges

Contractholder and policyholder charges include certain charges assessed on annuities and fixed and variable universal life insurance, such as cost of insurance and administrative and surrender charges. Cost of insurance charges on fixed and variable universal life insurance are recognized as revenue when earned, whereas contract charges and surrender charges on annuities and universal and variable universal life insurance are recognized as revenue when collected.

Mortality and Expense Risk and Other Fees

Mortality and expense risk and other fees include risk, management and administration fees, which are generated directly and indirectly from RiverSource Life's separate account assets. RiverSource Life's management and other fees are generally computed as a contractual rate based on the underlying asset values and are generally received monthly.

Net Realized Investment Gain

Realized gains and losses are recognized using the specific identification method, on a trade date basis, and charges are recorded when securities are determined to be other-than-temporarily impaired.

Death and Other Benefits

Death and other benefits expenses consist of amounts paid under insurance policies and annuity contracts, including benefits paid under optional variable annuity guaranteed benefit riders. Amounts are net of benefit payments recovered or expected to be recovered under reinsurance contracts. Death and other benefits expenses also include amortization of DSIC.

Interest Credited to Account Values

Interest credited to account values represents amounts earned on fixed account values associated with fixed and variable universal life and annuity contracts and equity indexed annuities in accordance with contract provisions.

Amortization of Deferred Acquisition Costs

Direct sales commissions and other costs deferred as DAC associated with the sale of annuity and insurance products are amortized over time. For annuity and universal life contracts, DAC are amortized based on projections of estimated gross profits over amortization periods equal to the approximate life of the business. For other insurance products, DAC are generally amortized as a percentage of premiums over amortization periods equal to the premium-paying period.

For annuity and universal life insurance products, the assumptions made in projecting future results and calculating the DAC balance and DAC amortization expense are management's best estimates. Management is required to update these assumptions whenever it appears that, based on actual experience or other evidence, earlier estimates should be revised. When assumptions are changed, the percentage of estimated gross profits used to amortize DAC might also change. A change in the required amortization percentage is applied retrospectively; an increase in amortization percentage will result in a decrease in the DAC balance and an increase in DAC amortization expense, while a decrease in amortization percentage will result in an increase in the DAC balance and a decrease in DAC amortization expense. The impact on results of operations of changing assumptions can be either positive or negative in any particular period and is reflected in the period in which such changes are made.

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RIVERSOURCE LIFE INSURANCE COMPANY

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For other life, DI and LTC insurance products, the assumptions made in calculating the DAC balance and DAC amortization expense are consistent with those used in determining the liabilities and, therefore are intended to provide for adverse deviations in experience and are revised only if management concludes experience will be so adverse that DAC is not recoverable or if premium rates charged for the contract are changed. If management concludes that DAC is not recoverable, DAC is reduced to the amount that is recoverable based on best estimate assumptions and there is a corresponding expense recorded in RiverSource Life's consolidated results of operations.

For annuity, life, DI and LTC insurance products, key assumptions underlying those long-term projections include interest rates (both earning rates on invested assets and rates credited to policyholder accounts), equity market performance, mortality and morbidity rates and the rates at which policyholders are expected to surrender their contracts, make withdrawals from their contracts and make additional deposits to their contracts. Assumptions about interest rates are the primary factor used to project interest margins, while assumptions about rates credited to policyholder accounts and equity market performance are the primary factors used to project client asset value growth rates, and assumptions about surrenders, withdrawals and deposits comprise projected persistency rates. Management must also make assumptions to project maintenance expenses associated with servicing annuity and insurance business during the DAC amortization period.

The client asset value growth rate is the rate at which variable annuity and variable universal life insurance contract values are assumed to appreciate in the future. The rate is net of asset fees and anticipates a blend of equity and fixed income investments. Management reviews and, where appropriate, adjusts its assumptions with respect to client asset value growth rates on a regular basis. RiverSource Life uses a mean reversion method as a guideline in setting near-term client asset value growth rates based on a long-term view of financial market performance as well as actual historical performance. In periods when market performance results in actual contract value growth at a rate that is different than that assumed, RiverSource Life reassesses the near-term rate in order to continue to project its best estimate of long-term growth. The near-term growth rate is reviewed to ensure consistency with management's assessment of anticipated equity market performance. DAC amortization expense recorded in a period when client asset value growth rates exceed near-term estimate will typically be less than in a period when growth rates fall short of near-term estimate.

The analysis of DAC balances and the corresponding amortization is a dynamic process that considers all relevant factors and assumptions described previously. Unless management identifies a significant deviation over the course of the quarterly monitoring, management reviews and updates these DAC amortization assumptions annually in the third quarter of each year.

Separation Costs

Separation costs generally consist of allocated financial advisor and employee retention program costs, re-branding and marketing costs and costs to separate and reestablish technology platforms related to the Separation.

Other Insurance and Operating Expenses

Other insurance and operating expenses primarily includes expenses allocated to RiverSource Life from its parent, Ameriprise Financial for RiverSource Life's share of compensation, professional and consultant fees, information technology and communications, facilities and equipment, advertising and promotion and legal and regulatory.

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RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

As a result of the Separation of Ameriprise Financial from American Express, RiverSource Life was required to file a short period income tax return through September 30, 2005 which was included as part of the American Express consolidated income tax return for the year ending December 31, 2005. Additionally, RiverSource Life will not be able to file a consolidated U.S. federal income tax return with other members of

Ameriprise Financial's affiliated group for five tax years following the Distribution. Therefore, RiverSource Life was also required to file a separate short period consolidated life insurance company income tax return for the period October 1, 2005 through December 31, 2005. RiverSource Life's provision for income taxes represents the net amount of income taxes that it expects to pay or receive from various taxing jurisdictions in connection with its operations. Inherent in the provision for income taxes are estimates and judgment regarding the tax treatment of certain offsets and credits.

3. RECENT ACCOUNTING PRONOUNCEMENTS

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 157, "Fair Value Measurements" ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS 157 applies under other accounting pronouncements that require or permit fair value measurements. Accordingly, SFAS 157 does not require any new fair value measurements. SFAS 157 is effective for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. Early adoption is permitted provided that the entity has not issued financial statements for any period within the year of adoption. The provisions of SFAS 157 are required to be applied prospectively as of the beginning of the fiscal year in which SFAS 157 is initially applied, except for certain financial instruments as defined in SFAS 157 which will require retrospective application of SFAS 157. The transition adjustment, if any, will be recognized as a cumulative-effect adjustment to the opening balance of retained earnings for the fiscal year of adoption. RiverSource Life is currently evaluating the impact of SFAS 157 on its consolidated financial condition and results of operations.

In September 2006, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin ("SAB") No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements" ("SAB 108"). SAB 108 addresses quantifying the financial statement effects of misstatements, specifically, how the effects of prior year uncorrected errors must be considered in quantifying misstatements in the current year financial statements. SAB 108 does not change the SEC staff's previous positions in SAB No. 99, "Materiality," regarding qualitative considerations in assessing the materiality of misstatements. SAB 108 was effective for fiscal years ending after November 15, 2006. The effect of adopting SAB 108 on RiverSource Life's consolidated financial condition and results of operations was insignificant.

In June 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109" ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in accordance with FASB Statement No. 109, "Accounting for Income Taxes." FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. RiverSource Life adopted FIN 48 as of January 1, 2007. The effect of adopting FIN 48 on RiverSource Life's consolidated financial condition and results of operations was not material.

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RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. RECENT ACCOUNTING PRONOUNCEMENTS (CONTINUED)

In February 2006, the FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments" ("SFAS 155"). SFAS 155 amends SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133") and SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities" ("SFAS 140"). SFAS 155: (i) permits fair value remeasurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation; (ii) clarifies which interest-only and principal-only strips are not subject to the requirements of SFAS 133; (iii) establishes a requirement to evaluate interests in securitized financial assets to identify interests that are freestanding derivatives or that are hybrid financial instruments that contain an embedded derivative requiring bifurcation; (iv) clarifies that concentrations of credit risk in the form of subordination are not embedded derivatives; and (v) amends SFAS 140 to eliminate the prohibition on a qualifying special-purpose entity from holding a derivative financial instrument

that pertains to a beneficial interest other than another derivative financial instrument. RiverSource Life adopted SFAS 155 as of January 1, 2007. The effect of adopting SFAS 155 on its consolidated financial condition and results of operations is not expected to be significant.

Effective January 1, 2006, RiverSource Life adopted SFAS No. 154, "Accounting Changes and Error Corrections," ("SFAS 154"). This Statement replaced APB Opinion No. 20, "Accounting Changes," and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements," and changed the requirements for the accounting for and reporting of a change in accounting principle. The effect of adopting SFAS 154 on RiverSource Life's consolidated financial condition and results of operations was insignificant.

Effective January 1, 2006, RiverSource Life adopted FASB Staff Position ("FSP") FAS 115-1 and FAS 124-1, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments" ("FSP FAS 115-1 and FAS 124-1"). FSP FAS 115-1 and FAS 124-1 address the determination as to when an investment is considered impaired, whether that impairment is other-than-temporary and the measurement of loss. It also includes accounting considerations subsequent to the recognition of an other-than-temporary impairment and requires certain disclosures about unrealized losses that have not been recognized as other-than-temporary impairments. The impact of the adoption of FSP FAS 115-1 and FAS 124-1 on RiverSource Life's consolidated financial condition and results of operations was not material.

In September 2005, the American Institute of Certified Public Accountants ("AICPA") issued Statement of Position ("SOP") 05-1, "Accounting by Insurance Enterprises for Deferred Acquisition Costs in Connection With Modifications or Exchanges of Insurance Contracts," ("SOP 05-1"). SOP 05-1 provides clarifying guidance on accounting by insurance enterprises for DAC associated with any insurance or annuity contract that is internally replaced with another contract or significantly modified. SOP 05-1 is effective for transactions occurring in fiscal years beginning after December 15, 2006. RiverSource Life has accounted for many of these transactions as contract continuations and has continued amortization of existing DAC against revenue from the new or modified contract. In addition, RiverSource Life has not anticipated these transactions in establishing amortization periods or other DAC valuation assumptions. Many of these transactions no longer qualify as continuations under SOP 05-1. Effective with RiverSource Life's adoption of SOP 05-1 as of January 1, 2007, RiverSource Life will account for such transactions as contract terminations which will result in accelerated DAC amortization. As a result of adopting SOP 05-1, RiverSource Life has determined that in the first quarter of 2007 it will record as a cumulative change in accounting principle a pretax reduction to DAC of approximately \$210 million and an after-tax decrease to retained earnings of approximately \$137 million. The adoption of SOP 05-1 is also expected to result in an increase in DAC amortization in 2007. The expected increase to amortization expense may vary depending upon future changes in underlying valuation assumptions.

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RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. RECENT ACCOUNTING PRONOUNCEMENTS (CONTINUED)

Effective January 1, 2004, RiverSource Life adopted SOP 03-1, "Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts" ("SOP 03-1"). SOP 03-1 provides guidance on; (i) the classification and valuation of long-duration contract liabilities; (ii) the accounting for sales inducements; and (iii) separate account presentation and valuation. The adoption of SOP 03-1 resulted in a cumulative effect of accounting change that reduced first quarter 2004 results by \$71 million (\$109 million pretax). The cumulative effect of accounting change consisted of: (i) \$43 million pretax from establishing additional liabilities for certain variable annuity guaranteed benefits (\$33 million) and from considering these liabilities in valuing DAC and DSIC associated with those contracts (\$10 million); and (ii) \$66 million pretax from establishing additional liabilities for certain variable universal life and single pay universal life insurance contracts under which contractual costs of insurance charges are expected to be less than future death benefits (\$92 million) and from considering these liabilities in valuing DAC associated with those contracts (\$26 million offset). Prior to RiverSource Life's adoption of SOP 03-1, amounts paid in excess of contract value were expensed when payable. Amounts expensed in 2004 to establish and maintain additional liabilities for certain variable annuity guaranteed benefits were \$53 million (of which \$33 million was part of the adoption charges

described previously). RiverSource Life's accounting for separate accounts was already consistent with the provisions of SOP 03-1 and, therefore, there was no impact related to this requirement.

The AICPA released a series of technical practice aids ("TPAs") in September 2004, which provide additional guidance related to, among other things, the definition of an insurance benefit feature and the definition of policy assessments in determining benefit liabilities, as described within SOP 03-1. The TPAs did not have a material effect on RiverSource Life's calculation of liabilities that were recorded in the first quarter of 2004 upon adoption of SOP 03-1.

4. INVESTMENTS

AVAILABLE-FOR-SALE SECURITIES

The following is a summary of Available-for-Sale securities by type:

<TABLE>
<CAPTION>

DECEMBER 31, 2006	AMORTIZED COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	FAIR VALUE
(IN MILLIONS)				
<S>	<C>	<C>	<C>	<C>
Fixed maturities:				
Corporate debt securities.....	\$ 12,232	\$ 119	\$ (262)	\$ 12,089
Mortgage and other asset-backed securities....	9,398	27	(175)	9,250
Foreign corporate bonds and obligations.....	3,080	39	(68)	3,051
U.S. government and agencies obligations.....	295	13	(5)	303
State and municipal obligations.....	165	4	(4)	165
Foreign government bonds and obligations.....	117	18	-	135
Structured investments (a).....	2	-	-	2
Total fixed maturities.....	25,289	220	(514)	24,995
Common and preferred stocks.....	30	1	-	31
Total	\$ 25,319	\$ 221	\$ (514)	\$ 25,026

(a) Includes unconsolidated collateralized debt obligations.

</TABLE>

<TABLE>

RIVERSOURCE LIFE INSURANCE COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. INVESTMENTS (CONTINUED)

<CAPTION>

DECEMBER 31, 2005	AMORTIZED COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	FAIR VALUE
(IN MILLIONS)				
<S>	<C>	<C>	<C>	<C>
Fixed maturities:				
Corporate debt securities.....	\$ 13,319	\$ 208	\$ (199)	\$ 13,328
Mortgage and other asset-backed securities....	10,805	46	(159)	10,692
Foreign corporate bonds and obligations.....	3,149	67	(55)	3,161
U.S. government and agencies obligations.....	300	16	(5)	311
State and municipal obligations.....	114	3	(3)	114
Foreign government bonds and obligations.....	128	17	-	145
Structured investments (a).....	2	-	-	2
Total fixed maturities.....	27,817	357	(421)	27,753
Common and preferred stocks.....	-	-	-	-
Total	\$ 27,817	\$ 357	\$ (421)	\$ 27,753

(a) Includes unconsolidated collateralized debt obligations.

</TABLE>

At December 31, 2006 and 2005, fixed maturity securities, excluding net unrealized appreciation and depreciation, comprised approximately 87% of RiverSource Life's total investments. These securities are rated by Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's ("S&P"), except for approximately \$1.2 billion and \$1.0 billion of securities at December 31, 2006 and 2005, respectively, which are rated by RiverSource Investments, LLC's internal analysts using criteria similar to Moody's and S&P. Ratings on investment grade securities are

presented using S&P's convention and, if the two agencies' ratings differ, the lower rating is used. A summary by rating, excluding net unrealized appreciation and depreciation, on December 31 is as follows:

<TABLE> <CAPTION> RATING	2006	2005
<S>	<C>	<C>
AAA.....	38%	40%
AA.....	9	6
A.....	19	21
BBB.....	27	26
Below investment grade.....	7	7
Total.....	100%	100%

</TABLE>

At December 31, 2006 and 2005, approximately 47% of the securities rated AAA are GNMA, FNMA and FHLMC mortgage-backed securities. No holdings of any other issuer were greater than 10% of stockholder's equity.

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RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. INVESTMENTS (CONTINUED)

The following table provides information about Available-for-Sale securities with gross unrealized losses and the length of time that individual securities have been in a continuous unrealized loss position as of December 31, 2006:

<TABLE> <CAPTION>	LESS THAN 12 MONTHS		12 MONTHS OR MORE		TOTAL	
DESCRIPTION OF SECURITIES:	FAIR VALUE	UNREALIZED LOSSES	FAIR VALUE	UNREALIZED LOSSES	FAIR VALUE	UNREALIZED LOSSES
	(IN MILLIONS)					
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Corporate debt securities...	\$ 1,166	\$ (16)	\$ 7,680	\$ (246)	\$ 8,846	\$ (262)
Mortgage and other asset-backed securities.	862	(5)	6,616	(170)	7,478	(175)
Foreign corporate bonds and obligations.....	196	(3)	1,834	(65)	2,030	(68)
U.S. government and agencies obligations....	5	-	214	(5)	219	(5)
State and municipal obligations.....	3	-	81	(4)	84	(4)
Foreign government bonds and obligations.....	-	-	3	-	3	-
Structured investments.....	1	-	-	-	1	-
Total.....	\$ 2,233	\$ (24)	\$ 16,428	\$ (490)	\$ 18,661	\$ (514)

</TABLE>

The following table provides information about Available-for-Sale securities with gross unrealized losses and the length of time that individual securities have been in a continuous unrealized loss position as of December 31, 2005:

<TABLE> <CAPTION>	LESS THAN 12 MONTHS		12 MONTHS OR MORE		TOTAL	
DESCRIPTION OF SECURITIES:	FAIR VALUE	UNREALIZED LOSSES	FAIR VALUE	UNREALIZED LOSSES	FAIR VALUE	UNREALIZED LOSSES
	(IN MILLIONS)					
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Corporate debt securities...	\$ 6,184	\$ (133)	\$ 1,619	\$ (66)	\$ 7,803	\$ (199)
Mortgage and other asset-backed securities.	6,002	(88)	2,059	(71)	8,061	(159)
Foreign corporate bonds and obligations.....	1,204	(31)	535	(24)	1,739	(55)

U.S. government and agencies obligations....	149	(3)	72	(2)	221	(5)
State and municipal obligations.....	67	(2)	15	(1)	82	(3)
Foreign government bonds and obligations.....	13	-	-	-	13	-
Structured investments.....	2	-	-	-	2	-
Total.....	\$ 13,621	\$ (257)	\$ 4,300	\$ (164)	\$ 17,921	\$ (421)

</TABLE>

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RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. INVESTMENTS (CONTINUED)

In evaluating potential other-than-temporary impairments, RiverSource Life considers the extent to which amortized costs exceed fair value and the duration of that difference. A key metric in performing this evaluation is the ratio of fair value to amortized cost. The following table summarizes the unrealized losses by ratio of fair value to amortized cost as of December 31, 2006:

<TABLE>
<CAPTION>

RATIO OF FAIR VALUE TO AMORTIZED COST	LESS THAN 12 MONTHS			12 MONTHS OR MORE			TOTAL		
	NUMBER OF SECURITIES	FAIR VALUE	GROSS UNREALIZED LOSSES	NUMBER OF SECURITIES	FAIR VALUE	GROSS UNREALIZED LOSSES	NUMBER OF SECURITIES	FAIR VALUE	GROSS UNREALIZED LOSSES
(IN MILLIONS, EXCEPT NUMBER OF SECURITIES)									
<S> 95% - 100%.....	<C> 178	<C> \$ 2,233	<C> \$ (24)	<C> 657	<C> \$ 15,304	<C> \$ (407)	<C> 835	<C> \$ 17,537	<C> \$ (431)
90% - 95%.....	-	-	-	59	1,035	(69)	59	1,035	(69)
80% - 90%.....	-	-	-	6	89	(14)	6	89	(14)
Total.....	178	\$ 2,233	\$ (24)	722	\$ 16,428	\$ (490)	900	\$ 18,661	\$ (514)

</TABLE>

A majority of the gross unrealized losses related to corporate debt securities and substantially all of the gross unrealized losses related to mortgage and other asset-backed securities were attributable to changes in interest rates. A portion of the gross unrealized losses particularly related to corporate debt securities was also attributed to credit spreads and specific issuer credit events. As noted in the table above, a significant portion of the gross unrealized losses relates to securities that have a fair value to amortized cost ratio of 95% or above resulting in an overall 97% ratio of fair value to amortized cost for all securities with an unrealized loss. From an overall perspective, the gross unrealized losses were not concentrated in any individual industries or with any individual securities. However, the securities with a fair value to amortized cost ratio of 80%-90% primarily relate to the auto and paper industries. The largest unrealized loss associated with an individual issuer, excluding GNMA, FNMA and FHLMC mortgage-backed securities, was \$5 million. The securities related to this issuer have a fair value to amortized cost ratio of 95%-100% and have been in an unrealized loss position for more than 12 months. There were no securities with a fair value to amortized cost ratio less than 80% in the portfolio.

RiverSource Life monitors the investments and metrics described previously on a quarterly basis to identify and evaluate investments that have indications of possible other-than-temporary impairments. See the Investments section of Note 2 for information regarding RiverSource Life's policy for determining when an investment's decline in value is other-than-temporary. As stated earlier, RiverSource Life's ongoing monitoring process has revealed that a significant portion of the gross unrealized losses on its Available-for-Sale securities are attributable to changes in interest rates. Additionally, RiverSource Life has the ability and intent to hold these securities for a time sufficient to recover its amortized cost and has, therefore, concluded that none had other-than-temporary impairment at December 31, 2006.

The change in net unrealized securities gains (losses) in other comprehensive income includes three components, net of tax: (i) unrealized gains (losses) that arose from changes in the market value of

securities that were held during the period (holding gains (losses)); (ii) (gains) losses that were previously unrealized, but have been recognized in current period net income due to sales and other-than-temporary impairments of Available-for-Sale securities (reclassification of realized gains (losses)) and (iii) other items primarily consisting of adjustments in asset and liability balances, such as DAC, DSIC and annuity liabilities to reflect the expected impact on their carrying values had the unrealized gains (losses) been realized as of the respective balance sheet dates.

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RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. INVESTMENTS (CONTINUED)

The following table presents the components of the change in net unrealized securities gains (losses), net of tax, included in other comprehensive income (loss):

<TABLE>
<CAPTION>

	2006	2005	2004
	(IN MILLIONS)		
<S>	<C>	<C>	<C>
Holding (losses) gains, net of tax of \$63, \$261 and \$23, respectively.....	\$ (116)	\$ (485)	\$ 42
Reclassification of realized gains, net of tax of \$17, \$17 and \$11, respectively.....	(33)	(32)	(20)
DAC, net of tax of \$15, \$28 and \$3, respectively.....	29	53	6
DSIC, net of tax of \$2, \$5 and \$4, respectively.....	3	8	(7)
Fixed annuity liabilities, net of tax of \$22, \$3 and \$30, respectively.....	40	(5)	(56)
Net unrealized securities losses.....	\$ (77)	\$ (461)	\$ (35)

</TABLE>

Available-for-Sale securities by maturity at December 31, 2006 were as follows:

<TABLE>
<CAPTION>

	AMORTIZED COST	FAIR VALUE
	(IN MILLIONS)	
<S>	<C>	<C>
Due within one year.....	\$ 521	\$ 522
Due after one year through five years.....	6,625	6,592
Due after five years through 10 years.....	7,558	7,395
Due after 10 years.....	1,185	1,234
	15,889	15,743
Mortgage and other asset-backed securities.....	9,398	9,250
Structured investments.....	2	2
Common and preferred stocks.....	30	31
Total	\$ 25,319	\$ 25,026

</TABLE>

The expected payments on mortgage and other asset-backed securities and structured investments may not coincide with their contractual maturities. As such, these securities, as well as common and preferred stocks, were not included in the maturities distribution.

The table below includes sales, maturities, and purchases of investments classified as Available-for-Sale for the years ended December 31:

<TABLE>
<CAPTION>

	2006	2005	2004
	(IN MILLIONS)		
<S>	<C>	<C>	<C>
Sales.....	\$ 1,897	\$ 3,124	\$ 1,603
Maturities, sinking fund payments and calls.....	\$ 2,014	\$ 2,242	\$ 1,931

Purchases..... \$ (1,433) \$ (5,780) \$ (4,393)
 </TABLE>

RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. INVESTMENTS (CONTINUED)

Net realized gains and losses on Available-for-Sale securities, using the specific identification method, are noted in the following table for the years ended December 31:

<TABLE>
 <CAPTION>

	2006	2005	2004
	-----	-----	-----
	(IN MILLIONS)		
<S>	<C>	<C>	<C>
Gross realized gains from sales.....	\$ 60	\$ 108	\$ 48
Gross realized losses from sales.....	\$ (10)	\$ (39)	\$ (18)
Other-than-temporary impairments.....	\$ -	\$ (19)	\$ -

</TABLE>

The \$19 million of other-than-temporary impairments in 2005 primarily related to corporate debt securities within the auto industry which were downgraded in 2005 and subsequently deteriorated throughout the year in terms of their fair value to amortized cost ratio.

During the second quarter of 2005, RiverSource Life sold all of its retained interest in a CDO securitization trust and realized a net pretax gain of \$25 million.

At December 31, 2006 and 2005, bonds carried at \$18 and \$16 million, respectively, were on deposit with various states as required by law.

COMMERCIAL MORTGAGE LOANS ON REAL ESTATE AND SYNDICATED LOANS, NET

The following is a summary of commercial mortgage loans on real estate and syndicated loans at December 31:

<TABLE>
 <CAPTION>

	2006	2005
	-----	-----
	(IN MILLIONS)	
<S>	<C>	<C>
Commercial mortgage loans on real estate.....	\$ 2,827	\$ 2,883
Less: allowance for loan losses.....	(37)	(41)
Commercial mortgage loans on real estate, net.....	\$ 2,790	\$ 2,842
	=====	=====
Syndicated loans.....	\$ 112	\$ 131
Less: allowance for loan losses.....	(4)	(4)
Net syndicated loans.....	\$ 108	\$ 127
	=====	=====

</TABLE>

Commercial mortgage loans are first mortgages on real estate. RiverSource Life holds the mortgage documents, which gives it the right to take possession of the property if the borrower fails to perform according to the terms of the agreements. Commercial mortgage loan fundings are restricted by state insurance regulatory authorities to 80% or less of the market value of the real estate at the time of origination of the loan. Commitments to fund mortgages are made in the ordinary course of business. The funding commitments at December 31, 2006 and 2005 approximate fair value.

Syndicated loans, which are included as a component of other investments, represent loans in which a group of lenders provide funds to borrowers. There is usually one originating lender which retains a small percentage and syndicates the remainder.

At December 31, 2006 and 2005, RiverSource Life's recorded investment in impaired commercial mortgage loans on real estate was nil and \$14 million, respectively, with related allowances for commercial mortgage loan losses of nil and \$4 million, respectively. During 2006 and 2005,

the average recorded investment in impaired commercial mortgage loans on real estate was \$3 million and \$6 million, respectively. RiverSource Life recognized nil, nil, and \$1 million of interest income related to impaired commercial mortgage loans on real estate for the years ended December 31, 2006, 2005 and 2004, respectively.

RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. INVESTMENTS (CONTINUED)

The balances of and changes in the allowance for commercial mortgage loan losses were as follows:

<TABLE>
<CAPTION>

	2006	2005	2004
	(IN MILLIONS)		
<S>	<C>	<C>	<C>
BALANCE AT JANUARY 1.....	\$ 41	\$ 45	\$ 47
Provision for commercial mortgage loan losses.....	-	-	9
Foreclosures, write-offs and loan sales.....	(4)	(4)	(11)
BALANCE AT DECEMBER 31.....	\$ 37	\$ 41	\$ 45

</TABLE>

Concentrations of credit risk of commercial mortgage loans on real estate by region at December 31 were:

<TABLE>
<CAPTION>

	2006		2005	
	ON-BALANCE SHEET	FUNDING COMMITMENTS	ON-BALANCE SHEET	FUNDING COMMITMENTS
	(IN MILLIONS)			
<S>	<C>	<C>	<C>	<C>
Atlantic.....	\$ 859	\$ 41	\$ 852	\$ 22
North Central.....	739	22	843	6
Pacific.....	397	15	364	27
Mountain.....	298	13	352	9
South Central.....	337	1	308	22
New England.....	197	2	164	21
	2,827	94	2,883	107
Less: allowance for loan losses.....	(37)	-	(41)	-
Total.....	\$ 2,790	\$ 94	\$ 2,842	\$ 107

</TABLE>

Concentrations of credit risk of commercial mortgage loans on real estate by property type at December 31 were:

<TABLE>
<CAPTION>

	2006		2005	
	ON-BALANCE SHEET	FUNDING COMMITMENTS	ON-BALANCE SHEET	FUNDING COMMITMENTS
	(IN MILLIONS)			
<S>	<C>	<C>	<C>	<C>
Office buildings.....	\$ 962	\$ 4	\$ 1,048	\$ 36
Shopping centers and retail.....	718	71	704	37
Apartments.....	470	2	454	11
Industrial buildings.....	458	12	454	12
Hotels and motels.....	89	4	92	6
Medical buildings.....	45	-	47	3
Mixed use.....	44	-	39	-
Retirement homes.....	-	-	5	-
Other.....	41	1	40	2

	2,827	94	2,883	107
Less: allowance for loan losses.....	(37)	-	(41)	-
Total.....	\$ 2,790	\$ 94	\$ 2,842	\$ 107

</TABLE>

Commitments to fund commercial mortgages were made in the ordinary course of business. The funding commitments at December 31, 2006 and 2005 approximate fair value.

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RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. INVESTMENTS (CONTINUED)

SOURCES OF INVESTMENT INCOME AND NET REALIZED INVESTMENT GAIN

Net investment income for the years ended December 31 is summarized as follows:

<TABLE>

<CAPTION>

	2006	2005	2004
	(IN MILLIONS)		
<S>	<C>	<C>	<C>
Income on fixed maturities.....	\$ 1,408	\$ 1,449	\$ 1,451
Income on commercial mortgage loans on real estate	181	197	221
Trading securities and other investments.....	89	164	138
	1,678	1,810	1,810
Less: investment expenses.....	17	21	35
Total.....	\$ 1,661	\$ 1,789	\$ 1,775

</TABLE>

Net realized investment gain for the years ended December 31 is summarized as follows:

<TABLE>

<CAPTION>

	2006	2005	2004
	(IN MILLIONS)		
<S>	<C>	<C>	<C>
Fixed maturities.....	\$ 50	\$ 50	\$ 31
Commercial mortgage loans on real estate.....	1	(2)	(3)
Trading securities and other investments.....	-	-	(1)
Total.....	\$ 51	\$ 48	\$ 27

</TABLE>

5. VARIABLE INTEREST ENTITIES

During the years ended December 31, 2005 and 2004, RiverSource Life consolidated three secured loan trusts ("SLTs") which provided returns to investors primarily based on the performance of an underlying portfolio of high-yield loans and which were managed by an affiliate. One SLT was liquidated in 2004, resulting in a cumulative pretax charge of \$24 million. An additional \$4 million pretax charge was incurred in 2004 due to the expected liquidation of the two remaining SLTs in 2005. Those remaining SLTs were liquidated in 2005, resulting in a \$14 million pretax gain for the year ended December 31, 2005. Consolidated results of operations for the year ended December 31, 2004 included non-cash charges related to the liquidated SLTs of \$28 million that included a \$24 million charge related to the complete liquidation of an SLT in 2004.

RiverSource Life has other significant variable interests for which it is not considered the primary beneficiary and, therefore, does not consolidate. These interests are represented by carrying values of \$2 million of CDO residual tranches managed by an affiliate where RiverSource Life is not the primary beneficiary. RiverSource Life's maximum exposure to loss as a result of its investment in the CDO residual tranches is represented by the carrying value.

RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. DEFERRED ACQUISITION COSTS AND DEFERRED SALES INDUCEMENT COSTS

The balances of and changes in DAC were as follows:

<TABLE>
<CAPTION>

	2006	2005	2004
	(IN MILLIONS)		
<S>	<C>	<C>	<C>
Balance, beginning of year.....	\$ 4,036	\$ 3,638	\$ 3,336
Impact of SOP 03-1.....	-	-	20
Capitalization of acquisition costs.....	687	633	534
Amortization, excluding impact of changes in assumptions.....	(409)	(383)	(341)
Amortization, impact of annual third quarter changes in DAC-related assumptions.....	38	67	24
Amortization, impact of other quarter changes in DAC-related assumptions(a)	15	-	56
Impact of changes in net unrealized securities losses..	44	81	9
Balance, end of year.....	\$ 4,411	\$ 4,036	\$ 3,638

(a) Amount in 2004 was primarily related to a \$66 million reduction in DAC amortization expense to reflect the lengthening of the amortization periods for certain annuity and life insurance products impacted by RiverSource Life's adoption of SOP 03-1 on January 1, 2004, partially offset by a \$10 million increase in amortization expense due to a LTC DAC valuation system conversion.

</TABLE>

The balances of and changes in DSIC were as follows:

<TABLE>
<CAPTION>

	2006	2005	2004
	(IN MILLIONS)		
<S>	<C>	<C>	<C>
Balance, beginning of year.....	\$ 370	\$ 303	\$ 279
Impact of SOP 03-1.....	-	-	(3)
Capitalization of sales inducements.....	126	94	71
Amortization.....	(48)	(40)	(34)
Impact of changes in net unrealized securities losses (gains)	4	13	(10)
Balance, end of year.....	\$ 452	\$ 370	\$ 303

</TABLE>

7. LINES OF CREDIT

RiverSource Life has available a committed line of credit with Ameriprise Financial aggregating \$200 million. The interest rate for any borrowings is established by reference to LIBOR plus 28 basis points. There were no amounts outstanding on this line of credit at December 31, 2006.

Also, RiverSource Life has a collateral loan agreement with Ameriprise Financial aggregating up to \$75 million. The interest rate for any borrowings is equal to the preceding month's effective new money rate for RiverSource Life's permanent investments. There were no amounts outstanding at December 31, 2006 and 2005.

8. VARIABLE ANNUITY GUARANTEES

The majority of the variable annuity contracts offered by RiverSource Life contain GMDB provisions. RiverSource Life also offers GGU provisions on variable annuities with death benefit provisions and contracts containing GMIB provisions. RiverSource Life has established additional liabilities for these variable annuity death benefits and GMIB provisions. The variable annuity contracts offered by RiverSource Life may also contain GMWB and GMAB provisions, which are considered embedded derivatives. RiverSource Life has established additional liabilities for

RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. VARIABLE ANNUITY GUARANTEES (CONTINUED)

The variable annuity contracts with GMWB riders typically have account values that are based on an underlying portfolio of mutual funds, the values of which fluctuate based on financial market performance. Most of the GMWB in-force guarantee that over a period of approximately 14 years the client can withdraw an amount equal to what has been paid into the contract, regardless of the performance of the underlying funds. In May 2006, RiverSource Life began offering an enhanced withdrawal benefit that gives policyholders a choice to withdraw 6% per year for the life of the policyholder or 7% per year until the amount withdrawn is equal to the guaranteed amount. At issue, the guaranteed amount is equal to the amount deposited, but the guarantee can be increased annually to the account value (a "step-up") in the case of favorable market performance.

Variable annuity contract owners age 79 or younger at contract issue can also obtain the principal-back guarantee by purchasing the optional GMAB rider for an additional charge, which provides a guaranteed contract value at the end of a 10-year waiting period.

The following table provides summary information related to all variable annuity guarantees for which RiverSource Life has established additional liabilities as of December 31:

<TABLE>
<CAPTION>

VARIABLE ANNUITY GUARANTEES BY BENEFIT TYPE(1)	2006	2005
	(IN MILLIONS, EXCEPT AGE)	
<S>	<C>	<C>
CONTRACTS WITH GMDB PROVIDING FOR RETURN OF PREMIUM:		
Total contract value.....	\$ 17,418	\$ 9,107
Contract value in separate accounts.....	\$ 15,859	\$ 7,410
Net amount at risk(2).....	\$ 13	\$ 17
Weighted average attained age.....	61	60
CONTRACTS WITH GMDB PROVIDING FOR SIX-YEAR RESET:		
Total contract value.....	\$ 23,544	\$ 24,608
Contract value in separate accounts.....	\$ 20,058	\$ 20,362
Net amount at risk(2).....	\$ 227	\$ 763
Weighted average attained age.....	61	61
CONTRACTS WITH GMDB PROVIDING FOR ONE-YEAR RATCHET:		
Total contract value.....	\$ 6,729	\$ 5,129
Contract value in separate accounts.....	\$ 5,902	\$ 4,211
Net amount at risk(2).....	\$ 26	\$ 45
Weighted average attained age.....	61	61
CONTRACTS WITH GMDB PROVIDING FOR FIVE-YEAR RATCHET:		
Total contract value.....	\$ 907	\$ 537
Contract value in separate accounts.....	\$ 870	\$ 502
Net amount at risk(2).....	\$ -	\$ -
Weighted average attained age.....	57	56
CONTRACTS WITH OTHER GMDB:		
Total contract value.....	\$ 586	\$ 456
Contract value in separate accounts.....	\$ 530	\$ 390
Net amount at risk(2).....	\$ 11	\$ 16
Weighted average attained age.....	64	63
CONTRACTS WITH GGU DEATH BENEFIT:		
Total contract value.....	\$ 811	\$ 620
Contract value in separate accounts.....	\$ 730	\$ 536
Net amount at risk(2).....	\$ 62	\$ 35
Weighted average attained age.....	62	61

</TABLE>

RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. VARIABLE ANNUITY GUARANTEES (CONTINUED)

<TABLE>
<CAPTION>

DECEMBER 31,

VARIABLE ANNUITY GUARANTEES BY BENEFIT TYPE(1) (CONTINUED)

 2006 2005

 (IN MILLIONS, EXCEPT AGE)

<u><S></u>	<u><C></u>	<u><C></u>
CONTRACTS WITH GMIB:		
Total contract value.....	\$ 928	\$ 793
Contract value in separate accounts.....	\$ 853	\$ 712
Net amount at risk(2).....	\$ 14	\$ 16
Weighted average attained age.....	61	60
CONTRACTS WITH GMWB:		
Total contract value.....	\$ 4,791	\$ 2,542
Contract value in separate accounts.....	\$ 4,761	\$ 2,510
Benefit amount in excess of account value.....	\$ -	\$ 1
Weighted average attained age.....	61	60
CONTRACTS WITH GMWB FOR LIFE:		
Total contract value.....	\$ 2,396	\$ -
Contract value in separate accounts.....	\$ 2,349	\$ -
Benefit amount in excess of account value.....	\$ -	\$ -
Weighted average attained age.....	63	-
CONTRACTS WITH GMAB:		
Total contract value.....	\$ 1,350	\$ 161
Contract value in separate accounts.....	\$ 1,340	\$ 161
Benefit amount in excess of account value.....	\$ -	\$ 1
Weighted average attained age.....	55	56

- (1) Individual variable annuity contracts may have more than one guarantee and therefore may be included in more than one benefit type.
 (2) Represents current death benefit less total contract value for GMDB, amount of gross up for GGU and accumulated guaranteed minimum benefit base less total contract value for GMIB and assumes the actuarially remote scenario that all claims become payable on the same day.

</TABLE>

For the year ended December 31, 2006, additional liabilities (assets) and incurred claims (adjustments) were:

<TABLE>
 <CAPTION>

	GMDB & GGU	GMIB	GMWB	GMAB

	(IN MILLIONS)			
<u><S></u>	<u><C></u>	<u><C></u>	<u><C></u>	<u><C></u>
Liability balance at January 1.....	\$ 16	\$ 4	\$ 9	\$ 1
Reported claims.....	8	-	-	-
Liability (asset) balance at December 31.....	26	5	(12)	(5)
Incurring claims (adjustments) (sum of reported and change in liability (assets)).....	18	1	(21)	(6)

</TABLE>

For the year ended December 31, 2005, additional liabilities and incurred claims (adjustments) were:

<TABLE>
 <CAPTION>

	GMDB & GGU	GMIB	GMWB	GMAB

	(IN MILLIONS)			
<u><S></u>	<u><C></u>	<u><C></u>	<u><C></u>	<u><C></u>
Liability balance at January 1.....	\$ 29	\$ 3	\$ -	\$ -
Reported claims.....	12	-	-	-
Liability balance at December 31.....	16	4	9	1
Incurring claims (adjustments) (sum of reported and change in liability).....	(1)	1	9	1

</TABLE>

The liabilities for guaranteed benefits are supported by general account assets. Changes in these liabilities are included in death and other benefits.

Contract values in separate accounts were invested in various equity, bond and other funds as directed by the contractholder. No gains or losses were recognized on assets transferred to separate accounts for the periods presented.

9. FUTURE POLICY BENEFITS, POLICY CLAIMS AND OTHER POLICYHOLDERS' FUNDS AND SEPARATE ACCOUNT LIABILITIES

Future policy benefits and policy claims and other policyholders' funds as of December 31, consisted of the following:

<TABLE>
<CAPTION>

	2006	2005
	(IN MILLIONS)	
<S>	<C>	<C>
Fixed annuities.....	\$ 16,841	\$ 18,793
Equity indexed annuities accumulated host values.....	267	296
Equity indexed annuities embedded derivative reserve.....	50	38
Variable annuities, with fixed sub-accounts.....	5,975	6,999
GMWB variable annuity guarantees.....	(12)	9
Other variable annuity guarantees.....	26	21
	-----	-----
Total annuities.....	23,147	26,156
VUL/UL insurance contract fixed sub-account.....	2,562	2,552
Other life, disability income and long term care insurance.....	3,852	3,604
	-----	-----
Total future policy benefits.....	29,561	32,312
Policy claims and other policyholders' funds.....	93	90
	-----	-----
Total future policy benefits and policy claims and other policyholders' funds	\$ 29,654	\$ 32,402
	=====	=====

</TABLE>

Separate account liabilities as of December 31, consisted of the following:

<TABLE>
<CAPTION>

	2006	2005
	(IN MILLIONS)	
<S>	<C>	<C>
Variable annuity contract reserves.....	\$ 43,515	\$ 33,155
VUL insurance contract reserves.....	5,772	4,775
	-----	-----
Total separate account liabilities.....	\$ 49,287	\$ 37,930
	=====	=====

</TABLE>

Fixed Annuities

Fixed annuities include both deferred and payout contracts. Deferred contracts offer a guaranteed minimum rate of interest and security of the principal invested. Payout contracts guarantee a fixed income payment for life or the term of the contract. RiverSource Life generally invests the proceeds from the annuity payments in fixed rate securities. The interest rate risks under these obligations are partially hedged with derivative instruments. These derivatives are cash flow hedges of interest credited on forecasted sales rather than a hedge of in-force risk. These derivatives consisted of interest rate swaptions with a notional value of \$1.2 billion at both December 31, 2006 and 2005. The fair value of these swaptions was \$2 million and \$8 million at December 31, 2006 and 2005, respectively.

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RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. FUTURE POLICY BENEFITS, POLICY CLAIMS AND OTHER POLICYHOLDERS' FUNDS AND SEPARATE ACCOUNT LIABILITIES (CONTINUED)

Equity Indexed Annuities

The Index 500 Annuity, RiverSource Life's equity indexed annuity product, is a single premium deferred fixed annuity. The contract is issued with an initial term of seven years and interest earnings are linked to the S&P 500 Index. This annuity has a minimum interest rate guarantee of 3% on 90% of the initial premium, adjusted for any surrenders. RiverSource Life generally invests the proceeds from the annuity deposits in fixed rate securities and hedges the equity risk with derivative instruments. The equity component of these annuities is considered an embedded

derivative and is accounted for separately. The change in fair value of the embedded derivative reserve is reflected in interest credited to account values. As a means of economically hedging its obligation under the stock market return provision, RiverSource Life purchases and writes index options and enters into futures contracts. The changes in the fair value of these hedge derivatives are included in net investment income. The notional amounts and fair value assets (liabilities) of these options and futures as of December 31 were as follows:

<TABLE>
<CAPTION>

	2006		2005	
	NOTIONAL AMOUNT	FAIR VALUE	NOTIONAL AMOUNT	FAIR VALUE
(IN MILLIONS)				
Purchased options and futures.....	\$ 271	\$ 40	\$ 358	\$ 30
Written options.....	\$ (67)	\$ (1)	\$ (101)	\$ (1)

Variable Annuities

Purchasers of variable annuities can select from a variety of investment options and can elect to allocate a portion to a fixed account. A vast majority of the premiums received for variable annuity contracts are held in separate accounts where the assets are held for the exclusive benefit of those contractholders.

Most of the variable annuity contracts issued by RiverSource Life contain one or more guaranteed benefits, including GMWB, GMAB, GMDB, GGU and GMIB provisions. The GMWB and GMAB provisions are considered embedded derivatives and are accounted for separately. The changes in fair values of these embedded derivative reserves are reflected in death and other benefits for investment contracts and universal life-type insurance. The negative reserve in GMWB at December 31, 2006 reflects that under current conditions and expectations, RiverSource Life believes the applicable fees charged for the rider will more than offset the future benefits paid to policyholders under the rider provisions. RiverSource Life does not currently hedge its risk under the GMAB, GMDB, GGU and GMIB provisions. The total value of variable annuity contracts with GMWB riders increased from \$2.5 billion at December 31, 2005 to \$7.2 billion at December 31, 2006. As a means of economically hedging its obligation under the GMWB provisions, RiverSource Life purchases structured equity put options, enters into interest rate swaps and trades equity futures contracts. The changes in the fair value of these hedge derivatives are included in net investment income. The notional amounts and fair value assets (liabilities) of these options, swaps and futures as of December 31, were as follows:

<TABLE>
<CAPTION>

	2006		2005	
	NOTIONAL AMOUNT	FAIR VALUE	NOTIONAL AMOUNT	FAIR VALUE
(IN MILLIONS)				
Purchased options.....	\$ 1,410	\$ 171	\$ 629	\$ 95
Interest rate swaps.....	\$ 359	\$ (1)	\$ -	\$ -
Sold equity futures.....	\$ (111)	\$ -	\$ -	\$ -

RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. FUTURE POLICY BENEFITS, POLICY CLAIMS AND OTHER POLICYHOLDERS' FUNDS AND SEPARATE ACCOUNT LIABILITIES (CONTINUED)

Insurance Liabilities

Variable universal life ("VUL") and universal life ("UL") is the largest group of policies written by RiverSource Life. Purchasers of VUL can select from a variety of investment options and can elect to allocate a portion to a fixed account. A vast majority of the premiums received for VUL contracts are held in separate accounts where the assets are held for the exclusive benefit of those contractholders. RiverSource Life also

offers term and whole life insurance as well as disability products. RiverSource Life no longer offers long term care products but has in-force policies from prior years. Insurance liabilities include accumulation values, unpaid reported claims, incurred but not reported claims, and obligations for anticipated future claims.

10. INCOME TAXES

RiverSource Life qualifies as a life insurance company for federal income tax purposes. As such, RiverSource Life is subject to the Internal Revenue Code provisions applicable to life insurance companies.

Provisions (benefits) for income taxes for the years ended December 31 were:

<TABLE>
<CAPTION>

	2006	2005	2004
	(IN MILLIONS)		
<S>	<C>	<C>	<C>
Current income tax:			
Federal.....	\$ 66	\$ 56	\$ 160
State.....	3	4	(4)
Total current income tax.....	69	60	156
Deferred federal income tax.....	123	122	70
Income tax provision.....	\$ 192	\$ 182	\$ 226

</TABLE>

The principal reasons that the aggregate income tax provision is different from that computed by using the U.S. statutory rate of 35% for the years ended December 31 are as follows:

<TABLE>
<CAPTION>

	2006	2005	2004
<S>	<C>	<C>	<C>
Tax at U.S. statutory rate.....	35.0%	35.0%	35.0%
Changes in taxes resulting from:			
Tax-exempt interest and dividend income.....	(6.5)	(9.4)	(4.0)
State taxes, net of federal benefit.....	0.3	0.4	(0.3)
Taxes applicable to prior years.....	-	3.2	(2.6)
Other, net.....	(0.5)	(0.8)	0.4
Income tax provision.....	28.3%	28.4%	28.5%

</TABLE>

RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. INCOME TAXES (CONTINUED)

Deferred income tax assets and liabilities result from temporary differences between the assets and liabilities measured for U.S. GAAP reporting versus income tax return purposes. The significant components of RiverSource Life's deferred income tax assets and liabilities as of December 31, 2006 and 2005 are reflected in the following table:

<TABLE>
<CAPTION>

	2006	2005
	(IN MILLIONS)	
<S>	<C>	<C>
Deferred income tax assets:		
Liabilities for future policy benefits.....	\$ 1,146	\$ 1,102
Investment related.....	75	70
Net unrealized losses on Available-for Sale securities and derivatives.....	115	71
Other.....	45	62
Gross deferred income tax assets.....	1,381	1,305

Deferred income tax liabilities:

Deferred acquisition costs.....	1,253	1,154
Deferred sales inducement costs.....	158	130
Other.....	60	30
	-----	-----
Gross deferred income tax liabilities.....	1,471	1,314
	-----	-----
Net deferred income tax liabilities.....	\$ 90	\$ 9
	=====	=====

</TABLE>

A portion of RiverSource Life's income earned prior to 1984 was not subject to current taxation but was accumulated, for tax purposes, in a "policyholders' surplus account." At December 31, 2006, RiverSource Life no longer had a policyholders' surplus account balance. The American Jobs Creation Act of 2004, which was enacted on October 22, 2004, provides a two-year suspension of the tax on policyholders' surplus account distributions. RiverSource Life has made distributions of \$1 million in 2006, which will not be subject to tax under the two-year suspension. Previously, the policyholders' surplus account was only taxable if dividends to shareholders exceeded the shareholders' surplus account and/or RiverSource Life is liquidated. Deferred income taxes had not been previously established.

RiverSource Life is required to establish a valuation allowance for any portion of the deferred tax assets that management believes will not be realized. Included in RiverSource Life's deferred tax assets is a significant deferred tax asset relating to capital losses realized for tax return purposes and capital losses that have been recognized for financial statement purposes but not yet for tax return purposes. Under current U.S. federal income tax law, capital losses generally must be used against capital gain income within five years of the year in which the capital losses are recognized for tax purposes. RiverSource Life has \$156 million in capital loss carryforwards that expire December 31, 2009 for which the deferred tax benefit is reflected in the investment related deferred tax assets, net of other related items. Additionally, RiverSource Life has \$45 million in capital loss carryforwards that expire December 31, 2009 as a result of the 2005 first short period tax return filed with American Express. Based on analysis of RiverSource Life's tax position, management believes it is more likely than not that the results of future operations and implementation of tax planning strategies will generate sufficient taxable income to enable RiverSource Life to utilize all of its deferred tax assets. Accordingly, no valuation allowance for deferred tax assets has been established as of December 31, 2006 and 2005.

As a result of the Distribution, RiverSource Life was required to file a short period income tax return through September 30, 2005 which was included as part of the American Express consolidated income tax return for the year ended December 31, 2005. Additionally, RiverSource Life will not be able to file a consolidated U.S. federal income tax return with other members of the Ameriprise Financial affiliated group for five tax years following the Distribution. Therefore, RiverSource Life was also required to file a separate short period income tax return for the period October 1, 2005 through December 31, 2005.

RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. INCOME TAXES (CONTINUED)

The items comprising other comprehensive loss in the Consolidated Statements of Shareholder's Equity are presented net of the following income tax benefit amounts:

<TABLE>

<CAPTION>

	2006	2005	2004
	-----	-----	-----
	(IN MILLIONS)		
<S>	<C>	<C>	<C>
Net unrealized securities losses.....	\$ 41	\$ 248	\$ 19
Net unrealized derivative losses.....	1	6	12
	-----	-----	-----
Net income tax benefit.....	\$ 42	\$ 254	\$ 31
	=====	=====	=====

</TABLE>

11. STATUTORY CAPITAL AND SURPLUS

State insurance statutes contain limitations as to the amount of dividends or distributions that insurers may make without providing prior

notification to state regulators. For RiverSource Life Insurance Company, dividends or distributions in excess of unassigned surplus, as determined in accordance with accounting practices prescribed by the State of Minnesota, require advance notice to the Minnesota Department of Commerce, RiverSource Life Insurance Company's primary regulator, and are subject to potential disapproval. RiverSource Life Insurance Company's statutory unassigned surplus aggregated \$1.2 billion and \$925 million as of December 31, 2006 and 2005, respectively.

In addition, dividends or distributions, whose fair market value, together with that of other dividends or distributions made within the preceding 12 months, exceed the greater of the previous year's statutory net gain from operations or 10% of the previous year-end statutory capital and surplus are referred to as "extraordinary dividends." Extraordinary dividends also require advance notice to the Minnesota Department of Commerce, and are subject to potential disapproval. For 2007, dividends or distributions in excess of \$469 million would be extraordinary.

Statutory net gain from operations and net income for the years ended December 31 and capital and surplus as of December 31 are summarized as follows:

<TABLE>
<CAPTION>

	2006	2005	2004
	-----	-----	-----
	(IN MILLIONS)		
<S>	<C>	<C>	<C>
Statutory net gain from operations.....	\$ 469	\$ 327	\$ 438
Statutory net income.....	514	339	438
Statutory capital and surplus.....	3,258	2,942	2,277

</TABLE>

12. RELATED PARTY TRANSACTIONS

Ameriprise Financial was the investment manager for the proprietary mutual funds used as investment options by RiverSource Life's variable annuity and variable life insurance contract owners for the period from the third quarter of 2003 through the third quarter of 2005. In the fourth quarter of 2005, RiverSource Investments, LLC replaced Ameriprise Financial as the investment manager. RiverSource Life provides all fund management services, other than investment management and is compensated for the administrative services it provides. For the year ended December 31, 2006, RiverSource Life received \$76 million from RiverSource Investments, LLC for administrative services RiverSource Life provided. For the year ended December 31, 2005, RiverSource Life received \$56 million from Ameriprise Financial and \$20 million from RiverSource Investments, LLC for services provided for the periods they each were investment managers. For the year ended December 31, 2004, RiverSource Life received \$82 million from Ameriprise Financial for administrative services.

RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. RELATED PARTY TRANSACTIONS (CONTINUED)

RiverSource Life participates in the Ameriprise Financial Retirement Plan which covers all permanent employees age 21 and over who have met certain employment requirements. RiverSource Life contributions to the plan are based on participants' age, years of service and total compensation for the year. Funding of retirement costs for this plan complies with the applicable minimum funding requirements specified by ERISA. RiverSource Life's share of the total net periodic pension cost was approximately \$1 million for each of the years ended December 31, 2006, 2005 and 2004.

RiverSource Life participates in the Ameriprise Financial 2005 Incentive Compensation Plan. Employees, directors and independent contractors are eligible to receive incentive awards including stock options, restricted stock awards, restricted stock units, performance shares and similar awards designed to comply with the applicable federal regulations and laws of jurisdiction. The expense for incentive awards was \$2 million in 2006, \$1 million in 2005 and \$1 million in 2004.

RiverSource Life also participates in the defined contribution pension plans of Ameriprise Financial which cover all employees who have met certain employment requirements. RiverSource Life contributions to the plans are a percent of either each employee's eligible compensation or basic contributions. Costs of these plans charged to operations in 2006,

2005 and 2004 were \$3 million, \$2 million and \$2 million, respectively.

RiverSource Life participates in the defined benefit health care plans of Ameriprise Financial that provide health care and life insurance benefits to retired employees and retired financial advisors. The plans include participant contributions and service related eligibility requirements. Upon retirement, such employees are considered to have been employees of Ameriprise Financial. Ameriprise Financial expenses these benefits and allocates the expenses to its subsidiaries. The cost of these plans charged to operations in 2006, 2005 and 2004 was approximately \$1 million each year.

Charges by Ameriprise Financial and affiliated companies for use of joint facilities, technology support, marketing services and other services aggregated \$755 million, \$725 million and \$601 million for 2006, 2005 and 2004, respectively. Certain of these costs are included in DAC. Expenses allocated to RiverSource Life may not be reflective of expenses that would have been incurred by RiverSource Life on a stand-alone basis.

RiverSource Life paid \$300 million of dividends to Ameriprise Financial during 2006, comprised of \$100 million of extraordinary cash dividends in each of the second and third quarters of 2006 and \$100 million of ordinary cash dividends in the fourth quarter of 2006. Prior to the payment of the extraordinary cash dividends, RiverSource Life made the required advance notices to the Minnesota Department of Commerce, its primary state regulator, and received responses stating there were no objections to the payment of these dividends. The ordinary cash dividends paid in the fourth quarter 2006 did not require prior notification and response from the Minnesota Department of Commerce. RiverSource Life of NY paid ordinary dividends to RiverSource Life during the second quarter of 2006 of \$23 million. In connection with the Separation, RiverSource Life received a capital contribution of \$650 million from Ameriprise Financial during the third quarter of 2005 to support its current financial strength ratings and to cover the allocated separation costs. During the fourth quarter of 2005, RiverSource Life approved and paid dividends to Ameriprise Financial of \$380 million.

Included in other liabilities at December 31, 2006 and 2005 are \$1 million and \$8 million, respectively, payable to Ameriprise Financial for federal income taxes.

RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. REINSURANCE

At December 31, 2006, 2005 and 2004, traditional life and universal life insurance in force aggregated \$174.1 billion, \$160.1 billion and \$147.5 billion, respectively, of which \$102.4 billion, \$86.3 billion and \$70.9 billion was reinsured at the respective year ends. Life insurance in force is reported on a statutory basis. RiverSource Life also reinsures a portion of the risks assumed under LTC policies.

The effect of reinsurance on premiums for the years ended December 31, is as follows:

<TABLE>
<CAPTION>

	2006	2005	2004
	-----	-----	-----
	(IN MILLIONS)		
<S>	<C>	<C>	<C>
Direct premiums.....	\$ 561	\$ 544	\$ 508
Reinsurance assumed.....	3	2	4
Reinsurance ceded.....	(170)	(176)	(160)
	-----	-----	-----
Net premiums.....	\$ 394	\$ 370	\$ 352
	=====	=====	=====

</TABLE>

Reinsurance recovered from reinsurers amounted to \$115 million, \$106 million and \$73 million, for the years ended December 31, 2006, 2005 and 2004, respectively. Reinsurance contracts do not relieve RiverSource Life from its primary obligation to policyholders.

14. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivative financial instruments enable the end users to manage exposure to credit and various market risks. The value of such instruments is derived from an underlying variable or multiple variables, including

equity and interest rate indices or prices. RiverSource Life enters into various derivative financial instruments as part of its ongoing risk management activities. RiverSource Life does not engage in any derivative instrument trading activities. Credit risk associated with RiverSource Life's derivatives is limited to the risk that a derivative counterparty will not perform in accordance with the terms of the contract. To mitigate such risk, counterparties are all required to be preapproved. Additionally, RiverSource Life may, from time to time, enter into master netting agreements wherever practical. As of December 31, 2006 and 2005, the total net fair values, excluding accruals, of derivative product assets were \$212 million and \$133 million, respectively, and derivative liabilities were \$7 million at both balance sheet dates. The net notional amount of derivatives as of December 31, 2006 was \$3.1 billion, consisting of \$3.2 billion purchased and \$0.1 billion written.

Cash Flow Hedges

RiverSource Life uses interest rate products, primarily interest rate swaptions, to hedge the risk of increasing interest rates on forecasted fixed premium product sales. During 2006, 2005 and 2004, no amounts were reclassified into earnings from accumulated other comprehensive income. At December 31, 2006, RiverSource Life expects to reclassify approximately \$1 million of net pretax losses on derivative instruments from accumulated other comprehensive income (loss) to earnings during the next 12 months. Currently, the longest period of time over which RiverSource Life is hedging exposure to the variability in future cash flows is 12 years and relates to forecasted fixed annuity sales. There were losses of \$4 million for the year ended December 31, 2006, \$2 million for the year ended December 31, 2005 and no gains or losses for the year ended December 31, 2004 on derivative transactions or portions thereof that were ineffective as hedges or excluded from the assessment of hedge effectiveness.

RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (CONTINUED)

During 2006, 2005 and 2004, RiverSource Life recognized the following impacts in other comprehensive income related to its cash flow hedging activity, net of tax:

<TABLE>
<CAPTION>

	2006	2005	2004
	(IN MILLIONS)		
	<C>	<C>	<C>
Holding losses, net of tax of \$6, \$11 and \$11, respectively... \$	(10)	\$ (21)	\$ (21)
Reclassification of realized losses (gains), net of tax of \$5, \$5 and \$1, respectively	9	10	(2)
Net change in unrealized derivative losses..... \$	(1)	\$ (11)	\$ (23)

</TABLE>

Derivatives Not Designated as Hedges

RiverSource Life has economic hedges that either do not qualify or are not designated for hedge accounting treatment. The fair value assets (liabilities) of these purchased and written derivatives for the years ended December 31 were as follows:

<TABLE>
<CAPTION>

	2006		2005	
	PURCHASED	WRITTEN	PURCHASED	WRITTEN
	(IN MILLIONS)			
	<C>	<C>	<C>	<C>
Equity indexed annuities..... \$	40	\$ (1)	\$ 30	\$ (1)
GMWB.....	170	-	95	-
Total..... \$	210	\$ (1)	\$ 125	\$ (1)

</TABLE>

Futures contracts are settled daily by exchanging cash with the counterparty and gains and losses are reported in earnings. Accordingly,

there are no amounts on the balance sheet related to these contracts.

Certain annuity products have returns tied to the performance of equity markets. As a result of fluctuations in equity markets, the amount of expenses incurred by RiverSource Life related to equity indexed annuities will positively or negatively impact earnings. As a means of economically hedging its obligations under the provisions of these products, RiverSource Life writes and purchases index options and occasionally enters into futures contracts. Purchased options used in conjunction with these products are reported in other assets and written options are included in other liabilities. Additionally, certain annuity products contain GMWB provisions, which guarantee the right to make limited partial withdrawals each contract year regardless of the volatility inherent in the underlying investments. The GMWB provision is considered an embedded derivative and is valued each period by estimating the present value of future benefits less applicable fees charged for the rider using actuarial models, which simulate various economic scenarios. RiverSource Life economically hedges the exposure related to the GMWB provision using various equity futures, interest rate swaps and structured derivatives.

Embedded Derivatives

As noted above, certain annuity products have returns tied to the performance of equity markets. The equity component of the annuity product obligations are considered embedded derivatives. Additionally, certain annuities contain GMWB and GMAB provisions, which are also considered embedded derivatives. The fair value of the embedded derivative is included as part of the equity indexed annuities. The changes in fair value of the equity indexed annuities are reflected in interest credited to account values and the changes in fair value of the GMWB and GMAB features are reflected in death and other benefits for investment contracts and universal life-type insurance. The fair value of the embedded derivatives for equity indexed annuities and the fair value of the embedded options for GMWB and GMAB are recognized in future policy benefits in the Consolidated Balance Sheets. The total fair value of these instruments, excluding the host contract, was \$33 million and \$48 million at December 31, 2006 and 2005, respectively.

RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of financial instruments are estimates based upon market conditions and perceived risks at December 31, 2006 and 2005, and require management judgment to estimate such values. These figures may not be indicative of future fair values. Additionally, management believes the value of excluded assets and liabilities is significant. The fair value of RiverSource Life, therefore, cannot be estimated by aggregating the amounts presented herein. The following table discloses carrying values and fair values for financial instruments at December 31:

<TABLE>
<CAPTION>

	2006		2005	
	CARRYING VALUE	FAIR VALUE	CARRYING VALUE	FAIR VALUE
	(IN MILLIONS)			
<S>	<C>	<C>	<C>	<C>
Financial Assets				

Assets for which carrying values approximate fair values.....	\$ 75,336	\$ 75,336	\$ 66,718	\$ 66,718
Commercial mortgage loans on real estate, net..	2,790	2,875	2,842	2,977
Other investments.....	108	112	127	131
Financial Liabilities				

Liabilities (assets) for which carrying values approximate fair values.....	\$ (10)	\$ (10)	\$ 32	\$ 32
Fixed annuity reserves.....	21,626	20,981	24,638	23,841
Separate account liabilities.....	43,516	41,623	33,154	31,743

</TABLE>

As of December 31, 2006 and 2005, the carrying and fair values of off-balance sheet financial instruments are not material. The following methods were used to estimate the fair values of financial assets and financial liabilities:

FINANCIAL ASSETS

Assets for which carrying values approximate fair values include cash and cash equivalents, Available-for-Sale securities, policy loans, trading securities, separate account assets and derivative financial instruments. Generally these assets are short-term in duration, variable rate in nature or are recorded at fair value on the Consolidated Balance Sheets.

The fair value of commercial mortgage loans on real estate, except those with significant credit deterioration, was estimated using discounted cash flow analysis, based on current interest rates for loans with similar terms to borrowers of similar credit quality. For loans with significant credit deterioration, fair values are based on estimates of future cash flows discounted at rates commensurate with the risk inherent in the revised cash flow projections, or for collateral dependent loans, on collateral values.

Other investments include RiverSource Life's interest in syndicated loans, which are carried at amortized cost less allowance for losses. Fair values were based on quoted market prices.

FINANCIAL LIABILITIES

Liabilities for which carrying values approximate fair values include certain other liabilities and derivative liabilities. Generally these liabilities are either short-term in duration, variable rate in nature or are recorded at fair value on the Consolidated Balance Sheets.

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RIVERSOURCE LIFE INSURANCE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair values of fixed annuities in deferral status are estimated as the accumulated value less applicable surrender charges. For annuities in payout status, fair value is estimated using discounted cash flows based on current interest rates. The fair value of these reserves excluded life insurance-related elements of \$1.5 billion as of both December 31, 2006 and 2005. If the fair value of the fixed annuities were realized, the surrender charges received would be offset by the write-off of DAC and DSIC associated with the fixed annuities of \$422 million and \$496 million as of December 31, 2006 and 2005, respectively.

Fair values of separate account liabilities, excluding life insurance-related elements of \$5.8 billion and \$4.8 billion as of December 31, 2006 and 2005, respectively, are estimated as the accumulated value less applicable surrender charges. If the fair value of the separate account liabilities were realized, the surrender charges received would be offset by the write-off of DAC and DSIC associated with separate account liabilities of \$2.3 billion and \$2.0 billion as of December 31, 2006 and 2005, respectively.

16. COMMITMENTS AND CONTINGENCIES

At December 31, 2006 and 2005, RiverSource Life had no material commitments to purchase investments other than mortgage loan fundings (see Note 4).

RiverSource Life's annuity and life products all have minimum interest rate guarantees in their fixed accounts. As of December 31, 2006, these guarantees range up to 5.0%. To the extent the yield on RiverSource Life's invested assets portfolio declines below its target spread plus the minimum guarantee, RiverSource Life's profitability would be negatively affected.

The SEC, the National Association of Securities Dealers and several state authorities have brought proceedings challenging several mutual fund and variable product financial practices, generally including suitability, late trading, market timing, compensation and disclosure of revenue sharing arrangements. RiverSource Life has received requests for information and has been contacted by regulatory authorities concerning its practices and is cooperating fully with these inquiries.

RiverSource Life is involved in the normal course of business in a number of other legal and arbitration proceedings concerning matters arising in connection with the conduct of its business activities. RiverSource Life believes that it is not a party to, nor are any of its properties the subject of, any pending legal, arbitration or regulatory proceedings that would have a material adverse effect on its consolidated financial condition, results of operations or liquidity. However, it is possible that the outcome of any such proceedings could have a material impact on

results of operations in any particular reporting period as the proceedings are resolved.

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

RiverSource Life's Consolidated Financial Statements for the years ended December 31, 2006, 2005 and 2004 have been audited by Ernst & Young LLP, RiverSource Life's independent registered public accounting firm.

Through 2004, Ernst & Young LLP provided audit services to RiverSource Life as part of the audit services it provided to American Express Company ("American Express"). In 2004, the American Express Audit Committee of its Board of Directors determined to request proposals from auditing firms for their 2005 audit. This request was made pursuant to the American Express Audit Committee charter, which requires a detailed review of the outside audit firm at least every 10 years. At a meeting held on November 22, 2004, the American Express Audit Committee approved the future engagement of PricewaterhouseCoopers LLP as the independent registered public accountants for the fiscal year ending December 31, 2005 and dismissed Ernst & Young LLP for 2005. This decision also applied to RiverSource Life. Ernst & Young LLP continued as auditors of American Express and RiverSource Life for the year ended December 31, 2004.

Ernst & Young LLP's reports on RiverSource Life's Consolidated Financial Statements for the fiscal years ended December 31, 2004, did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope, or accounting principles.

In connection with the audits of RiverSource Life's Consolidated Financial Statements for the year ended December 31, 2004, there were no disagreements with Ernst & Young LLP on any matters of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which, if not resolved to the satisfaction of Ernst & Young LLP, would have caused Ernst & Young LLP to make reference to the matter in their report. During the two most recent fiscal years and subsequent interim period proceeding the dismissal of Ernst & Young LLP, there were no "reportable events" (as defined in Regulation S-K, Item 304(a)(1)(v)).

In connection with the Separation and Distribution from American Express, on February 18, 2005, the American Express Audit Committee of its Board of Directors dismissed PricewaterhouseCoopers LLP and engaged Ernst & Young LLP to be the independent registered public accountants of RiverSource Life for the year ended December 31, 2005. PricewaterhouseCoopers LLP continued as the independent registered public accountants for the consolidated financial statements of American Express for 2005.

PricewaterhouseCoopers LLP did not issue any report on RiverSource Life's Consolidated Financial Statements for either of 2005 or 2004. During the period from November 22, 2004 and through February 18, 2005, there were no disagreements between RiverSource Life and PricewaterhouseCoopers LLP on any matter of accounting principles or practices, financial statement disclosures or auditing scope or procedures, which, if not resolved to the satisfaction of PricewaterhouseCoopers LLP, would have caused PricewaterhouseCoopers LLP to make reference to the matter in their report. There have been no "reportable events," as defined in Item 304(a)(1)(v) of Regulation S-K, during the period between November 22, 2004 to February 18, 2005.

ITEM 9A. CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

RiverSource Life maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) designed to provide reasonable assurance that the information required to be reported in the Exchange Act filings is recorded, processed, summarized and reported within the time periods specified and pursuant to SEC regulations, including controls and procedures designed to ensure that this information is accumulated and communicated to RiverSource Life's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding the required disclosure. It should be noted that, because of inherent limitations, RiverSource Life's disclosure controls and procedures, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the disclosure controls and procedures are met.

RiverSource Life's management, with the participation of RiverSource Life's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, RiverSource Life's Chief Executive Officer and Chief Financial Officer have concluded that

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have not been any changes in RiverSource Life's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fourth fiscal quarter of the year to which this report relates that have materially affected, or are reasonably likely to materially affect, RiverSource Life's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Item omitted pursuant to General Instructions I(2) (c) of Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

Item omitted pursuant to General Instructions I(2) (c) of Form 10-K.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Item omitted pursuant to General Instructions I(2) (c) of Form 10-K.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Item omitted pursuant to General Instructions I(2) (c) of Form 10-K.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The Audit Committee of the Board of Directors of Ameriprise Financial has appointed Ernst & Young LLP ("Ernst & Young") as independent auditors to audit the Consolidated Financial Statements of RiverSource Life for the years ended December 31, 2006 and 2005.

FEES PAID TO THE REGISTRANT'S INDEPENDENT AUDITOR

The following table presents fees for professional services rendered by Ernst & Young for the audit of RiverSource Life's financial statements for the years ended December 31, 2006 and 2005 and other fees billed for other services rendered by Ernst & Young during those periods.

<TABLE>
<CAPTION>

	2006	2005
	-----	-----
	(IN THOUSANDS)	
<S>	<C>	<C>
Audit Fees (1)	\$ 1,469	\$ 1,423
Tax Fees (2)	-	-
All Other Fees (3)	-	-
	-----	-----
Total	\$ 1,469	\$ 1,423
	=====	=====

(1) Audit fees included audit work performed in the review and preparation of the financial statements, as well as services that generally only the independent auditor can be expected to provide, such as comfort letters, statutory audits, attest services, consents and assistance with and review of documents filed with the Securities and Exchange Commission.

(2) Tax fees included all services performed by the independent auditor's tax personnel.

(3) All other fees included miscellaneous out-of-pocket expenses.

</TABLE>

POLICY ON PRE-APPROVAL OF SERVICES PROVIDED BY INDEPENDENT AUDITOR

Pursuant to the requirements of the Sarbanes-Oxley Act of 2002, the terms of the engagement of Ernst & Young are subject to the specific pre-approval of the Audit Committee of Ameriprise Financial. All audit and permitted non-audit services to be performed by Ernst & Young for RiverSource Life require pre-approval by the Audit Committee of Ameriprise Financial in accordance with pre-approval procedures established by the Audit Committee of Ameriprise Financial. The procedures require all proposed engagements of Ernst & Young for services to RiverSource Life of any kind to be directed to the General Auditor of Ameriprise Financial, and then submitted for approval to the Audit Committee of Ameriprise Financial prior to the beginning of any services.

In 2006, 100% of the services provided by Ernst & Young for RiverSource Life were pre-approved by the Audit Committee of Ameriprise Financial. In 2005, 100% of the services provided by Ernst & Young for RiverSource Life were pre-approved by the Audit Committee of American Express prior to the Distribution and, thereafter, by the Audit Committee of Ameriprise Financial.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) (1) and (2) Financial Statements and Financial Statement Schedules

The information required herein has been provided in Item 8.

(3) Exhibits

See Exhibit Index on pages E-1 through E-2 hereof.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

RIVERSOURCE LIFE INSURANCE COMPANY

Registrant

February 28, 2007 By /s/ Mark E. Schwarzmann

Date Mark E. Schwarzmann, Chairman of the Board and
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been duly signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

February 28, 2007 /s/ Gumer C. Alvero

Date Gumer C. Alvero, Director and Executive Vice
President - Annuities

February 28, 2007 /s/ Timothy V. Bechtold

Date Timothy V. Bechtold, Director and President

February 28, 2007 /s/ Brian J. McGrane

Date Brian J. McGrane, Director, Executive Vice
President and Chief Financial Officer

February 28, 2007 /s/ David K. Stewart

Date David K. Stewart, Vice President and Controller

February 28, 2007 /s/ Kevin E. Palmer

Date Kevin E. Palmer, Director, Vice President and
Chief Actuary

February 28, 2007 /s/ Mark E. Schwarzmann

Date Mark E. Schwarzmann, Director, Chairman
of the Board and Chief Executive Officer

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EXHIBIT INDEX

The following exhibits are filed as part of this Annual Report or, where indicated, were already filed and are hereby incorporated by reference.

- 2.1 Copy of Articles of Merger by and between IDS Life Insurance Company and American Enterprise Life Insurance Company dated March 17, 2006, filed electronically as Exhibit 99.1 to Form 8-K filed on Jan. 5, 2007 is incorporated by reference.
- 2.2 Copy of Articles of Merger by and between IDS Life Insurance Company and American Partners Life Insurance Company dated March 17, 2006, filed electronically as Exhibit 99.2 to Form 8-K filed on Jan. 5, 2007 is incorporated by reference.
- 3.1 Copy of Certificate of Incorporation of IDS Life Insurance Company filed as Exhibit 3.1 to Post-Effective Amendment No. 5 to Registration Statement No. 33-28976 is incorporated by reference.
- 3.1.1 Copy of Certificate of Amendment of Certificate of Incorporation of IDS Life Insurance Company dated June 22, 2006, filed electronically as Exhibit 3.1 to Form 8-K filed on Jan. 5, 2007 is incorporated by reference.
- 3.2 Copy of Amended and Restated By-Laws of RiverSource Life Insurance Company dated June 22, 2006, filed electronically as Exhibit 27(f)(2) to Post-Effective Amendment No. 28 to Registration Statement No. 333-69777 is incorporated by reference.
- 4.1 Instruments defining the rights of security holders, including indentures, are incorporated by reference to Registration Statement Nos. 333-92297, 333-139763, 333-73958, 333-139759, 333-74865, 333-139760, 333-82149, 333-139761, 333-85567, 333-139762, 33-47302, 333-79311, 333-114888 and 33-28976.
- *10.1 Copy of Principal Underwriter Agreement for Variable Annuities and Variable Life Insurance between RiverSource Life Insurance Company and RiverSource Distributors, Inc. effective Jan. 1, 2007.
- *10.2 Copy of Selling Agreement by and among RiverSource Life Insurance Company, RiverSource Distributors, Inc. and Ameriprise Financial Services, Inc. effective Jan. 1, 2007.
- *10.3 Copy of Marketing Support Services Agreement between Ameriprise Financial Services, Inc. and RiverSource Life Insurance Company effective Jan. 1, 2007.
- *10.4 Copy of Investment Management and Services Agreement between RiverSource Investments, LLC and RiverSource Life Insurance Company effective Jan. 1, 2007.
- *10.5 Form of Federal Income Tax Sharing Agreement by and among RiverSource Life Insurance Company, RiverSource Life Insurance Co. of New York and Ameriprise Financial, Inc. effective Jan. 1, 2007.
- *10.6 Copy of Agreement by and among RiverSource Life Insurance Company, Ameriprise India Private Limited, and Ameriprise Financial, Inc. (a/k/a/ Supplementary Agreement No. 1) effective Jan. 1, 2007.
- *10.7 Copy of Management, Service & Marketing Support Agreement by and between RiverSource Investments, LLC, RiverSource Service Corporation and RiverSource Life Insurance Company effective Jan. 1, 2007.
- *10.8 Copy of RiverSource Variable Portfolio Funds Service Agreement by and between RiverSource Distributors, Inc. and RiverSource Life Insurance Company effective Jan. 1, 2007.

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EXHIBIT INDEX (CONTINUED)

- *31.1 Certification of Mark E. Schwarzmann, Chief Executive Officer, pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
- *31.2 Certification of Brian J. McGrane, Chief Financial Officer, pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
- *32.1 Certification of Mark E. Schwarzmann, Chief Executive Officer, and Brian J. McGrane, Chief Financial Officer, pursuant to 18 U.S.C.

Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed electronically herewith.

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PRINCIPAL UNDERWRITER AGREEMENT

FOR

VARIABLE ANNUITIES AND VARIABLE LIFE INSURANCE

BETWEEN

RIVERSOURCE DISTRIBUTORS, INC.

AND

RIVERSOURCE LIFE INSURANCE COMPANY

This Principal Underwriter Agreement for Variable Annuities and Variable Life Insurance ("Agreement") is entered into by and between RiverSource Life Insurance Company ("RSLIC"), a Minnesota corporation, and RiverSource Distributors, Inc. ("RDI"), a Delaware Corporation, effective this first (1st) day of January 2007 ("Effective Date").

Whereas, RSLIC is a life insurance company duly organized and validly existing under the laws of the state of Minnesota and is subject to supervision by the Minnesota Department of Commerce;

Whereas, RSLIC maintains certain separate accounts named in Exhibit A to this Agreement as may be amended from time to time ("Separate Accounts");

Whereas, the Separate Accounts were duly created and established by RSLIC or by its affiliated life insurance companies domiciled outside of New York prior to December 31, 2006;

Whereas, the Separate Accounts of American Enterprise Life Insurance Company and American Partners Life Insurance Company (such companies together the "Affiliated Insurers") were transferred to RSLIC by operation of law and incident to the mergers of the Affiliated Insurers with and into RSLIC on December 31, 2006, and simultaneously, IDS Life Insurance Company was renamed RSLIC;

Whereas, each Separate Account is registered as a unit investment trust under the Investment Company Act of 1940 ("1940 Act");

Whereas, the Separate Accounts serve as segregated investment accounts for certain variable annuity contracts and variable life insurance policies ("Contracts") named in Exhibit A to this Agreement and issued by RSLIC and its Affiliated Insurers prior to December 31, 2006;

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Whereas, the Contracts are registered under the Securities Act of 1933 (1933 Act);

Whereas, RSLIC desires to retain RDI to act as principal underwriter for the distribution and sale of the Contracts in order to satisfy the requirements of the federal securities laws, and such future and additional Contracts as may be issued after the Effective Date ("Future Contracts");

Whereas, RDI is registered as a broker dealer under the 1934 Act and is a member of the National Association of Securities Dealers Inc. ("NASD");

NOW, THEREFORE, In consideration of the mutual promises contained herein the parties agree as follows:

1. REPRESENTATIONS OF RDI.

RDI represents and warrants that it is registered with the National Association of Securities Dealers, Inc. ("NASD") and Securities Exchange Commission ("SEC") as a broker-dealer under the 1934 Act and is qualified to do business in those jurisdictions where RSLIC is licensed and qualified to do business and the Contracts are offered. RDI represents and warrants that it is and shall remain during the term of this Agreement in compliance with Section 9(a) of the 1940 Act.

2. APPOINTMENT OF PRINCIPAL UNDERWRITER.

On the Effective Date of the Agreement, RSLIC appoints RDI and RDI accepts the appointment to serve as principal underwriter of the Contracts and the Future Contracts in all jurisdictions where the Contracts and the Future Contracts may be lawfully sold, subject to the registration requirements of the 1933 Act, the 1934 Act and the 1940 Act.

3. SELLING AGREEMENTS.

In order to accomplish the distribution of the Contracts and the Future Contracts, RDI is authorized to enter into selling agreements, substantially in the form attached hereto as Exhibit B ("Selling Agreements"), with other broker dealer firms that are registered under the 1934 Act and are members of the NASD ("Selling Firms").

RSLIC may refuse to appoint any Selling Firm, affiliated or networked insurance agency of the Selling Firm and any affiliated person of any of the foregoing entities as its agent under the insurance laws of the jurisdictions in which the Contracts and the Future Contracts may be offered and may terminate such appointment as provided for in the Selling Agreement.

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4. DUTIES OF RDI.

(a) Compliance

RDI will fully comply with the requirements of the NASD, the SEC and all other federal and state laws applicable to the underwriting and distribution of the Contracts and the Future Contracts through Selling Firms. Upon request by RSLIC, RDI will furnish such records as may be necessary to establish such compliance.

(b) Prospectuses, Sales Literature and Advertising.

In accordance with the requirements of the laws of several states, and rules of the NASD and SEC, RDI will act in conformity with final disclosure documents describing the Contracts and the Future Contracts. RDI will not give any information or make any representations or statements on behalf of or concerning RSLIC in connection with the Contracts and the Future Contracts other than information or representations contained in the registration statement, prospectus or statement of additional information pertaining to the Separate Accounts and the Contracts and the Future Contracts, as such materials may be amended from time to time or as may be contained in sales literature prepared and approved by RSLIC. RDI will not use, and will take reasonable steps to ensure that no Selling Firm uses any sales promotion or advertising materials in connection with the offering and sale of the Contracts and the Future Contracts which has not been approved in writing by RSLIC prior to such use.

(c) Purchase Payments

RDI agrees that all payments tendered with or in respect of any application for a Contract or a Future Contract and the Contract or a Future Contract when issued is the property of RSLIC. All payments made for or under the Contracts (including Future Contracts) shall be made by check payable to RSLIC, or by such other method RSLIC specifies as acceptable. In the event RDI receives any payment in respect of a Contract or a Future Contract, RDI shall hold such payment in a fiduciary capacity and shall promptly transmit such payment to RSLIC.

(d) Books, Records and Reports

RDI will comply with all applicable requirements of the 1934 Act and the NASD including the requirements to maintain and preserve books and records pursuant to Section 17(a) of the 1934 Act and the rules thereunder.

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(e) Indemnification

RDI hereby agrees to hold harmless and indemnify RSLIC against any and all claims, liabilities and expenses which RSLIC may incur from liabilities arising out of or based upon any breach of this Agreement by RDI.

(f) Assistance to Selling Firms

RDI may assist RSLIC in obtaining sales of the Contracts and Future Contracts through Selling Firms by providing Selling Firms (and with the consent of the Selling Firms, their registered personnel) with wholesaling support services including but not limited to the following:

- o product information regarding the Contracts (and Future Contracts) which has been prepared by or approved in advance of its use by RSLIC
- o sales strategies and sales materials for the Contracts (and Future Contracts) which have been prepared by or approved in advance of their use by RSLIC
- o sponsoring informational events regarding the Contracts (and Future Contracts) for Selling Firms and their registered personnel
- o answering technical product questions about the Contracts (and Future Contracts) for the Selling Firm and its registered personnel

5. REPRESENTATIONS OF RSLIC.

- (a) RSLIC represents and warrants that it is domiciled in the State of Minnesota and licensed by the Minnesota Department of Commerce to offer the Contracts (including Future Contracts) and is licensed in other jurisdictions in which the Contracts (including Future Contracts) may be offered.
- (b) RSLIC, as issuer of the Contracts and Future Contracts, and on behalf of the Separate Accounts, has registered each Separate Account as a unit investment trust under the 1940 Act and has registered each Contract under the 1933 Act, and will register each Future Contract under the 1933 Act.
- (c) RSLIC will meet any requirements of the departments of insurance in the jurisdictions in which the Contracts and Future Contracts are available for sale regarding filing of advertising and sales literature.
- (d) RSLIC represents and warrants that it is and shall remain during the term of this Agreement in compliance with Section 9(a) of the 1940 Act.

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6. DUTIES OF RSLIC.

- (a) Prospectuses, Sales Literature and Advertising
 - (i) RSLIC will provide RDI prospectuses relating to the Contracts and Future Contracts and such other sales literature and advertising materials as RSLIC determines is necessary or desirable for use in connection with sales of the Contracts and Future Contracts.
 - (ii) RSLIC represents and warrants that the prospectus(es) and registration statement(s) relating to the Contracts and Future Contracts will contain no untrue statements of material fact or omission to state a material fact, the omission of which makes any statement contained in the prospectus(es) and registration statement(s) misleading.
- (b) Applications for Contracts and Future Contracts

All applications for Contracts and Future Contracts are subject to acceptance or rejection by RSLIC at its sole discretion. If rejected, RSLIC will refund the initial payment to the Selling Firm for the benefit of the purchaser if the Selling Agreement so provides, otherwise, RSLIC will refund the purchase payment directly to the purchaser.
- (c) Variable Contract Delivery

RSLIC will transmit Contracts and Future Contracts to Selling Firms for delivery to the owner if the Selling Agreement so provides, otherwise RSLIC will mail the Contract or Future Contract directly to the owner.
- (d) Retention of Rights by RSLIC

RSLIC reserves the right to reject any and all applications and payments submitted, discontinue writing any form of Contract or Future Contract, take possession of and cancel any Contract or

Future Contract and return the payment or any part of it, and make any compromise or settlement in respect of a Contract or Future Contract. RSLIC may in its sole discretion and without notice to RDI, suspend sales of any Contract or Future Contract or amend any policies or contracts evidencing such Contracts or Future Contracts if, in RSLIC's opinion, such suspension or amendment is (1) necessary for compliance with federal, state or local laws, regulations or administrative order(s); or, (2) necessary to prevent administrative or financial hardship to RSLIC. In all other situations, RSLIC will provide 30 days notice to RDI prior to suspending sales of any Contract, Future Contract or amending any policies or contracts evidencing such Contracts or Future Contracts.

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(e) Payment of Amounts Due Selling Firms under Selling Agreements

If requested by RDI, and as an administrative convenience to RDI, RSLIC may pay compensation due to one or more Selling Firms (including Selling Firms which are affiliated with RDI and RSLIC) in accordance with the terms of the Selling Agreement with each Selling Firm ("Commission Processing Services"). RSLIC shall have no discretion as to either the timing or the amount of such payments to any Selling Firm. RSLIC will pay all such compensation to the Selling Firms in the name of RDI. If RSLIC provides these Commission Processing Services to RDI, then RSLIC's books and records will reflect all transactions performed on behalf of RDI in connection with these services. RSLIC will preserve and maintain these books and records in conformity with the requirements of Rules 17a-3 and 17a-4 under the 1934 Act. RDI will retain overall responsibility for the records kept for it by RSLIC in providing these services, exactly as if RDI rather than RSLIC made these payments. RSLIC acknowledges that it holds all books and records with respect to these services on behalf of and as agent for RDI whose property they are and shall remain.

If RSLIC provides Commission Processing Services to RDI, then RDI shall pay RSLIC its allocated cost of the Commission Processing Services using the same allocation procedures and methods set forth in section 7 below, except such allocations shall be made by RSLIC and paid by RDI, and provided further that all such allocated costs and expenses: a) shall be equitable among all parties to this Agreement; b) shall be in conformance with all state insurance regulatory requirements applicable to RSLIC; and, c) shall be accounted for by RDI in accordance with guidance issued by the Securities and Exchange Commission and by the NASD in Notice To Members 03-63.

(f) Indemnification

RSLIC hereby agrees to hold harmless and indemnify RDI against any and all claims, liabilities and expenses which RDI may incur from liabilities arising out of or based upon RSLIC's breach of any of its duties under this Agreement.

(g) Books, Records and Reports

RSLIC will comply with all applicable requirements of the 1934 Act and the NASD including the requirements to maintain and preserve books and records pursuant to Section 17(a) of the 1934 Act and the rules thereunder regarding confirmations RSLIC sends on behalf of the Selling Firms for payments RSLIC receives under the Contracts and the Future Contracts, for transactions RSLIC processes under the Contracts and the Future Contracts, and for commissions related to the Contracts and Future which RSLIC pays to Selling Firms on behalf

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of RDI. RSLIC shall hold such books and records on behalf of and as agent for RDI whose property they are and shall remain, and acknowledges that such books and records are at all times subject to inspection by the SEC in accordance with Section 17(a) of the 1934 Act.

7. COMPENSATION OF PRINCIPAL UNDERWRITER.

RSLIC agrees to reimburse RDI at cost for services provided by RDI pursuant to this Agreement. The charge to RSLIC for such services shall include all direct and indirectly allocable expenses. The methods for allocating expenses to RSLIC shall be in accordance with the requirements of the Minnesota insurance holding company system laws.

Such methods shall be modified and adjusted by mutual agreement where necessary or appropriate to reflect fairly and equitably the actual incidence of expense incurred by RDI on behalf of RSLIC. The method of allocating costs hereunder and the payment thereof shall be determined in the following manner:

- (a) The cost of services performed by RDI that are identifiable as expenses incurred directly and exclusively for the benefit of the RSLIC shall be charged to RSLIC.
- (b) The cost of services performed by RDI that are not identifiable as expenses incurred directly and exclusively for the benefit of RSLIC shall be allocated and charged to RSLIC in conformity with customary insurance accounting practices.
- (c) At the request of RSLIC, and at RDI's expense, RDI shall produce records and provide access to enable RSLIC to verify that such cost allocations are performed in accordance with the practices referenced above.
- (d) For services rendered under this Agreement, payment shall be made by RSLIC to RDI on a monthly basis within thirty (30) days of invoice or other notice. The parties agree that during the course of any given month RSLIC may make reasonable estimated payments for part or all of the monthly cost in which case such payment shall be offset against the actual amount otherwise due at the end of the month under this Agreement. The parties also agree that, at the option of RSLIC, RSLIC may reimburse RDI based upon RDI's good faith estimate of the monthly costs for some or all of the services provided hereunder, in which case there shall be a final adjustment made within thirty (30) days after completion of RDI's cost analysis performed at least annually.

For purposes of allocating costs under this Agreement, RSLIC and RDI shall rely on their internal accounting and allocation system then in effect, that system currently being the Management Accounting and Reporting System ("MARS"), which utilizes a product factor methodology for certain services and rate-volume formulas for other services, in order to ensure fair and reasonable allocations of income and expenses among affiliated entities. Allocation of such costs under this Agreement shall be accounted for by RDI in

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accordance with applicable requirements of the Securities and Exchange Commission and by the NASD including guidance provided in Notice To Members 03-63.

8. TERMINATION.

This Agreement may be terminated, without cause, by either party upon sixty (60) days prior written notice, without penalty; and may be terminated immediately, by either party for failure to perform satisfactorily or other cause; and will be terminated immediately if RDI ceases to be registered as a broker dealer under the 1934 Act and a member of the NASD. This Agreement will also terminate immediately upon assignment without the prior written consent of both parties.

9. GENERAL PROVISIONS.

(a) Amendment and Entirety

This is the entire Agreement between RSLIC and RDI with respect to the subject matter of this Agreement. No additions, amendments or modifications of this Agreement or any waiver of any provision will be valid unless approved, in writing, by authorized representatives of RSLIC and RDI. In addition, no waiver of any default or failure of performance by either party will affect the other party's rights with respect to a subsequent default or failure.

(b) Independent Contractor Relationship

This Agreement does not create the relationship of employer and employee between the parties to this Agreement. RSLIC and RDI are independent contractors with respect to each other, and their respective employees and agents.

(c) Assignment

Neither RSLIC nor RDI will assign or transfer, in whole or in part, this Agreement or any of the benefits accrued or to accrue hereunder, without prior written consent of an authorized representative of each party.

(d) Governing Law

It is agreed by the parties that this Agreement will be governed by the laws of the State of Minnesota.

(e) Severability

It is understood and agreed by the parties that if any part, term or provision of this Agreement is held to be invalid or in conflict with any law or regulation, the

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validity of the remaining part, terms or provisions will not be affected and the parties' rights and obligations will be construed and enforced as if this Agreement did not contain the part, term or provision held to be invalid.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and attested as of the Effective Date.

RIVERSOURCE LIFE INSURANCE COMPANY

By: /s/ Timothy V. Bechtold

Name: Timothy V. Bechtold
Title: President

RIVERSOURCE DISTRIBUTORS INC.

By: /s/ Mark Schwarzmann

Name: Mark Schwarzmann
Title: CEO

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EXHIBIT A

Separate Accounts:

RiverSource Account F
RiverSource Variable Account 10
RiverSource Variable Annuity Fund A
RiverSource Variable Annuity Fund B
RiverSource Variable Annuity Account 1
RiverSource Variable Annuity Account
RiverSource Variable Life Account
RiverSource Account SBS
RiverSource of New York Account SBS
RiverSource Variable Account for Smith Barney
RiverSource Variable Life Separate Account

Contracts:

IDS Life Variable Retirement & Combination Retirement Annuities
(File No. 2-73114)
IDS Life Employee Benefit Annuity (File No. 33-52518)
IDS Life Flexible Annuity (File No. 33-4173)
IDS Life Group Variable Annuity Contract (File No. 33-47302)
IDS Flexible Portfolio Annuity (File No. 33-62407)
RiverSource Retirement Advisor Variable Annuity (File No. 333-79311)
RiverSource Retirement Advisor Variable Annuity - Band 3 (File No. 333-79311)
RiverSource Retirement Advisor Advantage Variable Annuity/RiverSource
Retirement Advisor Select Variable Annuity (File No. 333-79311)
RiverSource Retirement Advisor Advantage Variable Annuity - Band 3
(File No. 333-79311)
RiverSource Retirement Advisor Advantage Plus Variable Annuity/RiverSource
Retirement Advisor Select Plus Variable Annuity (File No. 333-79311)
RiverSource Retirement Advisor 4 Advantage Plus VA/RiverSource Retirement
Advisor 4 Select Plus VA (S) (File No. 333-79311)
Single Premium Variable Life Insurance Policy (File No. 33-5210)
IDS Life Variable Annuity Fund A (File No. 2-29081)
IDS Life Variable Annuity Fund B-Individual (File No. 2-29358)
IDS Life Variable Annuity Fund A-Group (File No. 2-47430)
RiverSource Single Premium Variable Life Insurance (File No. 333-83456)

RiverSource Variable Universal Life IV/ RiverSource Variable Universal Life IV
- Estate Series (File No. 333-69777)
RiverSource Variable Second-To-Die Life Insurance (File No. 33-62457)
RiverSource Variable Universal Life Insurance (File No. 33-11165)
RiverSource Variable Universal Life III (File No. 333-69777)
RiverSource Succession Select Variable Life Insurance (File No. 33-62457)
Single Premium Variable Life Insurance Policy (File No. 2-97637)
Symphony Annuity (File No. 33-40779)

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AEL Personal Portfolio Plus(2) (File No. 33-54471) (no longer offered);
AEL Personal Portfolio Plus (File No. 33-54471) (no longer offered);
AEL Personal Portfolio (File No. 33-54471) (no longer offered);
AEL Preferred Variable Annuity (File No. 333-20217);
Evergreen Essential((SM)) Variable Annuity (File No. 333-92297);
Evergreen New Solutions Variable Annuity (File No. 333-92297);
Evergreen New Solutions Select Variable Annuity (File No. 333-92297);
Evergreen Privilege(SM) Variable Annuity (File No. 333-73958);
Evergreen Pathways(SM) Variable Annuity (File No. 333-73958);
Evergreen Pathways(SM) Select Variable Annuity (File No. 333-73958);
RiverSource(SM) AccessChoice Select(SM) Variable Annuity (File No. 333-92297);
RiverSource(SM) FlexChoice(SM) Variable Annuity (File No. 333-73958);
RiverSource(SM) FlexChoice(SM) Select Variable Annuity (File No. 333-73958);
RiverSource(SM) Endeavor Select(SM) Variable Annuity (File No. 333-92297);
RiverSource(SM) Galaxy Premier Variable Annuity (File No. 333-82149);
RiverSource(SM) Innovations Variable Annuity (File No. 333-92297);
RiverSource(SM) Innovations(R) Select Variable Annuity (File No. 333-92297);
RiverSource(SM) Innovations Classic Variable Annuity (File No. 333-92297);
RiverSource(SM) Innovations(R) Classic Select Variable Annuity
(File No. 333-92297);
RiverSource(SM) New Solutions Variable Annuity(SM) (File No. 333-92297);
RiverSource(SM) Pinnacle Variable Annuity(SM) (File No. 333-82149);
RiverSource(SM) Platinum Variable Annuity (File No. 333-72777)
(no longer offered);
RiverSource(SM) Signature Variable Annuity(SM) (File No. 333-74865);
RiverSource(SM) Signature Variable Select Annuity(R) (File 333-74865);
RiverSource(SM) Signature One Variable Annuity(SM) (File No. 333-85567);
RiverSource(SM) Signature One Select Variable Annuity (File No. 333-85567);
Wells Fargo Advantage(R) Variable Annuity (File No. 333-85567);
Wells Fargo Advantage(R) Builder Variable Annuity (File No. 333-85567);
Wells Fargo Advantage Choice(SM) Variable Annuity (File No. 333-73958);
Wells Fargo Advantage(R) Select Variable Annuity (File No. 333-92297);
Wells Fargo Advantage(R) Builder Select Variable Annuity (File No. 333-85567);
Wells Fargo Advantage Choice(SM) Select Variable Annuity (File No. 333-73958).
RiverSource(SM) Signature Variable Life Universal Life (File No. 333-84121)
(no longer offered).
Privileged Assets(R) Select Annuity (File No. 33-57731)

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EXHIBIT B

SELLING AGREEMENT FOR RIVERSOURCE LIFE INSURANCE COMPANY ANNUITY AND LIFE PRODUCTS

This AGREEMENT ("Agreement") dated _____, 2007("Effective Date") is among RIVERSOURCE LIFE INSURANCE COMPANY ("Company"), RIVERSOURCE DISTRIBUTORS, INC. ("Distributor", together with Company, "RiverSource") and _____ ("Broker-Dealer") and _____ ("Agency"), and its affiliated insurance agencies identified on Exhibit A who have also executed this Agreement or an Affiliate Participation Agreement (each an "Agency"). Distributor joins this Agreement in its role as principal underwriter of Company's variable annuity contracts and variable life insurance policies ("Variable Contracts") only.

RECITALS

The purpose of this Agreement is to establish the terms and conditions under which Broker-Dealer and Agency (collectively, "Authorized Selling Firm") will service Accounts and market and sell those insurance products issued by the Company, as set forth in one or more attached Product Exhibit(s), which may include variable annuity contracts, variable life insurance policies, fixed annuities, and fixed life insurance policies.

RiverSource and Authorized Selling Firm intend that Authorized Selling Firm will be responsible for managing and supervising Producers in marketing and selling Company's Products and servicing Company's Accounts pursuant to this Agreement.

In consideration of the mutual covenants contained herein, the parties agree

as follows:

1. DEFINITIONS. As used in this Agreement, the following terms shall

have the following meanings:

- 1.1 "ACCOUNTS" are those annuity and life insurance Contracts issued by Company that Company authorizes Agency, Broker-Dealer, and their Producers to service under this Agreement.
- 1.2 "AGENCY" is an insurance agency licensed in one or more states and affiliated with Broker-Dealer by ownership or contract with respect to the sale of Products under this Agreement. Broker-Dealer may also act as "Agency."
- 1.3 "AUTHORIZED SELLING FIRM" means the Broker-Dealer taken together with the Agency or Agencies, with respect to the sale of Products and servicing of Accounts under this Agreement, in accordance with the terms and conditions of the SEC no-action letter First of America Brokerage Service, -----
Inc. (dated September 28, 1995).

- 1.4 "BROKER-DEALER" is an entity duly registered as a broker-dealer with the Securities and Exchange Commission ("SEC"), the National Association of Securities Dealers ("NASD"), and states where required.
- 1.5 "COMPANY RULES" mean any written instructions, bulletins, manuals, training materials, and any underwriting or suitability guidelines provided to Authorized Selling Firm by the Company or that may be posted on the RiverSource Web Site located <http://www.riversource.com/distributors>.
- 1.6 "CONTRACT" or "Contracts" are those annuity or variable life insurance policy validly issued by Company to a purchaser meeting underwriting standards of the Company.
- 1.7 "HYPERLINK" shall mean a direct link from the Authorized Selling Firm's Internet or Intranet site to the RiverSource Web Site located <http://www.riversource.com/distributors>.

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- 1.8 "LICENSED ASSISTANT" is an individual who is appropriately registered with the NASD who assists Producer in providing service for Products and Accounts.
- 1.9 "PRODUCER" is a duly licensed individual who sells Products and services Accounts as an employee or independent contractor of Agency or Broker-Dealer and who is appropriately registered with the NASD and licensed and appointed in accordance with all applicable insurance laws.
- 1.10 "PRODUCTS" OR "PRODUCT" are those annuity and life insurance products issued by Company which will be marketed, sold, or serviced by Agency, Broker-Dealer, and their Producers under this Agreement, and which are set forth on attached Exhibit A and further detailed on Product Exhibits.
- 1.11 "REPLACEMENT" is the sale of a Product which is funded by the purchaser with money obtained from the liquidation of another life insurance policy or annuity contract.
- 1.12 "TERRITORY" may be any 49 of the 50 United States (all states other than New York), and the District of Columbia, but includes only those jurisdictions in which Agency is authorized to service Accounts and market and sell the Products under this Agreement. Exhibit A lists states where Company Products have been approved for sale.
2. TERM OF AGREEMENT. This Agreement, once fully executed by the parties hereto, shall remain in effect beginning upon the Effective Date until it is terminated in accordance with Section 9, "Termination."
3. APPOINTMENT AND AUTHORIZATION OF AGENCY AND BROKER-DEALER.
- 3.1 APPOINTMENT AND AUTHORIZATION OF AGENCY AND BROKER-DEALER.
Company and Distributor appoint Agency and authorize

Broker-Dealer to solicit sales of and sell Products and service Accounts in accordance with the terms and conditions of this Agreement as an Authorized Selling Firm. Agency and Broker-Dealer accept the appointment and authorization. These two appointments, taken together, constitute the appointment of Authorized Selling Firm. Authorized Selling Firm's authority is nonexclusive and is limited to the performance of the services and responsibilities set forth in this Agreement.

4. DUTIES, OBLIGATIONS AND LIMITATIONS OF AUTHORIZED SELLING FIRM. Beginning on the Effective Date, Authorized Selling Firm will faithfully perform all of Authorized Selling Firm's duties within the scope of the agency relationship created under this Agreement to the best of Authorized Selling Firm's knowledge, skill, and judgment. As Authorized Selling Firm, Agency and Broker-Dealer shall be jointly and severally responsible and liable to RiverSource for the faithful performance of all obligations and duties except those that this Agreement specifically identifies as duties of Broker-Dealer. Authorized Selling Firm's duties shall include, but not be limited to the following:
- 4.1 RECRUITMENT OF PRODUCERS. Authorized Selling Firm may recruit Producers to sell Products and/or service Accounts under the supervision of Authorized Selling Firm. A Producer so recruited may not solicit or sell Products or service Accounts prior to acquiring any required state insurance license(s) in the state(s) where such Producer will solicit or sell Products or Service Accounts, being registered with the NASD as a representative of the Broker-Dealer, being appointed by Company as an agent, and completing the training described in Section 4.5.15.
- 4.2 LICENSED ASSISTANT. Authorized Selling Firm may allow Producer's Licensed Assistants to perform telephone transactions authorized by the Contract owner if permitted by the current Product prospectus and Company Rules. Authorized Selling Firm is responsible for the supervision of Licensed Assistants. A Licensed Assistant may not perform telephone transactions for any Contract owner prior to being appropriately registered with the NASD as a representative of the Broker-Dealer.
- 4.3 LICENSING, REGISTRATION, AND APPOINTMENT OF AGENCY, PRODUCERS, AND LICENSED ASSISTANTS. Agency shall be responsible for the preparation and submission of licensing forms and the assurance that all Producers recruited by Authorized Selling Firm are appropriately licensed as insurance agents in the state(s) where such Producers will solicit and sell Products and service Accounts. Broker-Dealer shall be responsible for the preparation and submission to the NASD of representative registration forms and the assurance that all Producers and Licensed Assistants are and remain registered as representatives of Broker-Dealer with the NASD. Authorized Selling Firm shall be responsible for investigating the character, work experience, and background of any proposed Producer and upon request will provide Company with copies of such investigations. Authorized Selling Firm shall recommend Producers for appointment with Company, but Company shall retain sole authority to make appointments and may, at its discretion, refuse to permit any Producer to solicit Contracts for the sale of the Products or to service the Accounts. Company shall be responsible for the preparation and submission of appointment forms and the payment of appointment fees in those states that require the Company to appoint Producers.
- 4.4 COMPLIANCE WITH COMPANY RULES AND APPLICABLE LAWS. Authorized Selling Firm will comply with all Company Rules and with all applicable federal and state laws and regulations. Authorized Selling Firm must access the Company Rules at the RiverSource Web Site located <http://www.riversource.com/distributors>. The Company Rules may be changed by Company at its sole discretion.
- 4.5 SUPERVISION AND ADMINISTRATION. Authorized Selling Firm shall have full, joint and several responsibility for the training and supervision of all of its Producers who are engaged directly or indirectly in the solicitation or sale of the Products or the servicing of Accounts and the activities of all of its Licensed Assistants. Producers and

Licensed Assistants shall be subject to the control of Authorized Selling Firm with respect to their securities and insurance regulated activities in connection with the Products. Authorized Selling Firm shall be responsible for all acts or omissions of Producers and Licensed Assistants. Authorized Selling Firm's supervisory and administrative responsibilities include, but are not limited to:

- 4.5.1 ensuring that Producers and Licensed Assistants comply with Company Rules and all federal and state laws and regulations applicable to the Products and Accounts;
- 4.5.2 ensuring that Producers comply with all terms of this Agreement in soliciting and selling the Products and servicing the Accounts;
- 4.5.3 ensuring that Licensed Assistants comply with all terms of this Agreement in providing any service to the Contract owner;
- 4.5.4 supplying Producers with sales literature and application forms approved by Company;
- 4.5.5 assisting Producers and Licensed Assistants in responding to customer inquiries;
- 4.5.6 promptly delivering to Producers relevant Company communications and Company Rules concerning Products and/or Accounts, such as changes in rates, regulatory notices or new Product announcements;
- 4.5.7 on all Replacements, ensuring that Producers provide Product applicants sufficient information and disclosures to ensure the suitability of the Replacement. Such information shall include that which NASD Members and their affiliated persons are expected to provide in sales involving a Replacement, information required under applicable state insurance law and regulation and the following:
 - (a) all fees, expenses, and possible charges, such as surrender charges, on both the new and the surrendered investments;
 - (b) any change in the investment risk to the Product applicant;

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(c) any change in the nature or the provider of any guarantees associated with the Product and/or the surrendered product;

All such information will be retained by Agency for six years from the date of the completion and signature of any application, and will be made available to Company in accordance with Section 4.10, "Accurate Record; Audit," of this Agreement;

- 4.5.8 notifying Company if any Agency or Producer fails to maintain the required state insurance license or ceases to be a registered representative of Broker-Dealer;
- 4.5.9 promptly informing Company of any violation of law or Company Rules by Authorized Selling Firm, Producer or Licensed Assistant, or of any complaint by a Contract owner or regulatory agency regarding the activities of Authorized Selling Firm, Producer, Licensed Assistant or the Company or Distributor with respect to the Products or servicing of Accounts;
- 4.5.10 any other duties necessary or appropriate to perform Authorized Selling Firm's obligations under this Agreement;
- 4.5.11 on the use of electronic and automated Web-based order-entry, processing, servicing, and administration systems, ensuring that adequate supervision and security and access controls are in place to prevent the improper, unauthorized or

- fraudulent use of or access to the order-entry, servicing, or administration system(s);
- 4.5.12 notifying company of any suspected or actual improper, unauthorized or fraudulent use of or access to the order-entry, servicing, or administration system(s);
- 4.5.13 cooperating fully with Company in any investigation of any suspected or actual improper, unauthorized or fraudulent use of or access to the order-entry, servicing or administration system(s);
- 4.5.14 Broker-Dealer will fully comply with and will ensure Agency, Producers, and Licensed Assistant's compliance with the requirements of the NASD, the SEC, and all other applicable federal and state laws, and, with Agency, will establish and maintain such rules and procedures as may be necessary to cause diligent supervision of the securities activities of Agency, Producers, and Licensed Assistants. Broker-Dealer's duties with respect to Agency, Producers, and Licensed Assistant's securities activities, include, but are not limited to:
- (a) delivering to each person submitting an application a current prospectus for the Product to be furnished by RiverSource in the form required by the applicable federal and state law;
 - (b) reviewing all Product applications for accuracy and completeness, and determining the suitability of the sale, which includes reasonable efforts to obtain information concerning the applicant's financial and tax status, investment objectives, and any other information used or considered reasonable in making a Product recommendation;
 - (c) complying with all applicable requirements of the Securities Exchange Act of 1934 ("1934 Act") and the NASD, including the requirements to maintain and preserve books and records pursuant to Section 17(a) of the 1934 Act and the rules thereunder and making such records and files available to RiverSource and personnel of state insurance departments, the NASD, SEC or other regulatory agencies which have authority over RiverSource;
- 4.5.15 ensuring that their Producers who market and sell the Products and service the Accounts are trained on (i) the product specifications and features; (ii) all Company Rules and other requirements communicated to Authorized Selling Firm that RiverSource has adopted to satisfy insurance laws and regulations regarding replacements; (iii) standards that RiverSource has

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established for and communicated to Authorized Selling Firm and their Producers to use in meeting their respective duties to ensure suitable sales of the Products before they begin to solicit or sell Products; and (iv) completing all Company forms used in connection with servicing Accounts. If Authorized Selling Firm chooses not to use Company-provided materials in training their Representatives on (i), (ii), and (iii) above, then Authorized Selling Firm shall provide to RiverSource, for approval, documentation of its own form and content of training to be used, prior to the execution of this Agreement;

After the execution of this Agreement, to the extent that Authorized Selling Firm uses any training material related to the sale of the Products or the servicing of Accounts that differs

from that contained in the Company-provided training material, Authorized Selling Firm must provide that training material to RiverSource for approval prior to use. Authorized Selling Firm shall also be responsible for assuring that its Producers comply with all Company Rules and with the applicable suitability requirements of the National Association of Securities Dealers, Inc. ("NASD"), and any state or federal law, as amended from time to time, in selling the Products and servicing the Accounts; and

- 4.5.16 ensuring that Producers, in servicing Accounts, are performing only those services listed on Exhibit B hereto. Company may amend Exhibit B at any time upon written notice to Authorized Selling Firm.
- 4.6 COLLECTION AND SUBMISSION OF PREMIUMS. RiverSource and Authorized Selling Firm agree that Authorized Selling Firm will ensure that its Producers collection and timely remittance of premiums received from the sale of Products is as required by the Company Rules. All premiums associated with sales of variable life insurance policies will be remitted using the Check with Application method described in the Company Rules. Five methods of collection and remittance are available for variable annuity sales. Agency and Broker-Dealer will decide which method it will employ for variable annuity sales - Check with Application; Net Wire; Net Wire through clearing broker; Gross Sweep; or Gross ACH through clearing broker. See the Company Rules for a description of each method.
- 4.7 SOLICITATION. Authorized Selling Firm, through Producers, will solicit applicants who appear to meet Company's and Distributor's underwriting and suitability standards, provided that nothing in this Agreement shall be deemed to require Authorized Selling Firm to solicit any particular customer's application for a Product. Authorized Selling Firm is not allowed to solicit applications for or sell Products indicated under "Servicing Only" on the most current Exhibit A.
- 4.8 APPLICATION AND ELECTRONIC OR WEB-BASED ORDER ENTRY. Authorized Selling Firm is responsible for obtaining all signatures required on each application and must deliver to Company the application and all instruments necessary to establish and issue a Contract under this Agreement. Authorized Selling Firm must ensure that all information sent to Company by means of electronic or automated web-based order entry, processing, service or administration system is complete and accurate. Authorized Selling Firm agrees to pay Company for all expenses and as-of-costs reasonably incurred by Company in connection with incomplete or inaccurate information.
- 4.9 COMPANY PROPERTY. Authorized Selling Firm will safeguard, maintain, and account for all policies, forms, manuals, equipment, supplies, and advertising, sales, and servicing literature furnished to Authorized Selling Firm and Producers by RiverSource and will destroy or return the same to RiverSource, at its discretion and promptly upon request.
- 4.10 ACCURATE RECORD; AUDIT. As required by applicable laws and Company Rules, Authorized Selling Firm will keep identifiable and accurate records and accounts of all business and transactions effected pursuant to this Agreement. Upon reasonable notice and at reasonable times, continuing during a period of one year following the termination of this Agreement, Authorized Selling Firm will permit RiverSource to visit, inspect, examine, audit, and verify, at Authorized Selling Firms offices or elsewhere, all accounts, files, documents, books, reports, work papers, compliance manuals, compliance reports, compliance rules and procedures, and other records belonging to or in the possession or control of

Authorized Selling Firm relating to the business covered by this Agreement, and to make copies thereof and extracts therefrom, provided that such audit shall not unreasonably interfere with Authorized Selling Firm's normal course of business. Upon reasonable notice, Authorized Selling Firm

shall make and provide copies to RiverSource of such accounts, files, documents, books, reports, work papers, compliance manuals, compliance reports, compliance rules and procedures, and other records belonging to or in the possession or control of Authorized Selling Firm.

- 4.11 APPROVED ADVERTISING. No sales promotions, promotional materials, or any advertising relating to Products or Company or Distributor ("Sales Material") distributed to either customers or Producers shall be used by Authorized Selling Firm or Producers unless the specific item has been approved in writing by Company and/or Distributor before use. Any Sales Material developed by Authorized Selling Firm will become the sole property of Company and/or Distributor once approved. Any modification of the promotional materials to enable the use of such in a financial institution setting must also be approved in accordance with this section.
- 4.12 FIDELITY BOND. Authorized Selling Firm represents and warrants that all directors, officers, employees, and representatives of the Authorized Selling Firm who are appointed pursuant to this Agreement as Producers for Company or who have access to funds of Company, including but not limited to funds submitted with applications for Products or funds being returned to owners, are and shall be covered by a blanket fidelity bond, including coverage for larceny and embezzlement, issued by a reputable bonding company acceptable to Company. The bond shall be for at least the amount prescribed by the NASD rules. Broker-Dealer shall maintain the bond at its expense. Company may require evidence, satisfactory to it, that such coverage is in force. Authorized Selling Firm shall give prompt written notice to Company of cancellation or change of coverage.
- 4.13 LIMITATIONS. Authorized Selling Firm shall have no authority with respect to RiverSource, nor shall it represent itself as having such authority, other than as is specifically set forth in this Agreement. Without limiting the foregoing, neither Agency nor Broker-Dealer shall, without the express written consent of Company and/or Distributor, as applicable:
- 4.13.1 make, waive, alter or change any term, rate or condition stated in any Product, Contract or Company approved Sales Material or other approved forms, or discharge any Product in the name of Company;
 - 4.13.2 waive a forfeiture;
 - 4.13.3 extend the time for the payment of premiums or other monies due Company;
 - 4.13.4 accept service of process on behalf of Company or Distributor;
 - 4.13.5 make, accept or endorse notes, or endorse checks payable to Company or Distributor, or otherwise incur any expense or liability on behalf of Company or Distributor;
 - 4.13.6 offer to pay or pay, directly or indirectly, any rebate of premium or any other inducement not specified in the Products;
 - 4.13.7 give or offer to give any advice or opinion regarding the taxation of any customer's income or estate in connection with the purchase of any Product;
 - 4.13.8 enter into an agreement with any person or entity to market or sell the Products without the written consent of Company and Distributor;
 - 4.13.9 use Company's or Distributor's names, logos, trademarks, service marks or any other proprietary designation ("Company Marks") without the prior written permission of Company; or
 - 4.13.10 engage in, or permit any Producer to engage in, any systematic program that results in a surrender of Product(s) - sold either under this Agreement

or any other prior agreement between Authorized Selling Firm or any of their predecessors and RiverSource - at any time while this Agreement is in force; or provide data including Confidential Contract owner Information as defined in Section 11.2 of this Agreement to any other person or organization which would allow or facilitate the surrender of Company's Products. Nothing in this Agreement shall preclude the replacement of Company's annuity products with Company's own variable annuity or variable insurance products, so long as such sales are suitable and documented according to Section 4.5.7, Replacement Sales. (See also Section 9.3, Post Termination Limitations, and Section 11, Confidentiality, generally.).

4.14 CONTRACT DELIVERY TO CONTRACT OWNERS. Authorized Selling Firm shall return promptly to Company all receipts for delivered Contracts, all undelivered Contracts, and all receipts for cancellations, in accordance with Company Rules. Authorized Selling Firm will ensure prompt delivery of Contracts to Contract owners by Authorized Selling Firm or their Producers within 5 business days of receipt of the Contract by the Authorized Selling Firm or their Producers. Authorized Selling Firm agrees to indemnify and hold harmless Company for any loss incurred by Company that results from failure to deliver Contracts to Contract owners within such 5 business day period. This section will not apply if Company transmits the Contract directly to the Contract owner.

4.15 INDIVIDUAL RETIREMENT ACCOUNT. If Authorized Selling Firm establishes an individual retirement plan through which Company's Products may be offered, then this Section 4.15 applies to such transactions in addition to all other terms and conditions under this Agreement.

4.15.1 REPRESENTATIONS. Authorized Selling Firm represents and warrants to RiverSource that:

- (a) An affiliate of Authorized Selling Firm qualifies under the IRS Regulations 1.408-2 as custodian ("Custodian") for the individual retirement account ("Custodial IRAs"), and will administer the Custodial IRAs in accordance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code") and the rules, regulations, and rulings adopted in accordance with the Code;
- (b) The Custodial IRA qualifies as an individual retirement account under the Code;
- (c) it will not submit an application to Company for the purchase of a Product, on behalf of any Custodial IRA customer, until Authorized Selling Firm has received from the customer the completed documents necessary to establish the Custodial IRA account; and
- (d) Authorized Selling Firm or an affiliate will properly respond to any order, levy, summons or subpoena relating to a Custodial IRA issued in connection with a judicial or administrative proceeding, investigation or inquiry.

4.15.2 MONITORING. RiverSource is not responsible for monitoring Custodial IRAs with regard to compliance with the Code or other rules and regulations promulgated under the Code or applicable state law, including, but not limited to, those related to over-contributions, eligibility, income restrictions, timeliness of contribution, distributions upon death, state tax law reporting or any other matters related to the status of any Custodial IRA (as it relates to IRAs specifically or any ownership beneficiary rights in general). RiverSource is not responsible for Authorized Selling Firm's compliance with Authorized Selling Firm's procedures with respect

to the administration of any Custodial IRA.

- 4.15.3 TAX REPORTING. Authorized Selling Firm or an affiliate will provide such returns or filings and render such statements and reports as are required for federal regulatory and tax purposes.
- 4.15.4 ANNUAL FEE. The annual IRA custodial fee (if applicable) will be charged by Authorized Selling Firm and not by Company.

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- 4.15.5 ANNUITY DISCLOSURE STATEMENT. Agency must make the following disclosure in connection with the sale of individual retirement annuity products into the Custodial IRA:

"Your individual retirement annuity ("Annuity IRA") has a tax-deferred feature under the Internal Revenue Code, as does your Custodial IRA. As a result, when you transfer your annuity IRA to the Custodial IRA, your annuity will not provide any necessary or additional tax deferral. However, your annuity IRA has features other than tax deferral that may help you reach your retirement goals. Fees charged by the Insurance Company (if any) will still apply as outlined in the annuity prospectus and contract."

- 4.15.6 CUSTODIAN DISCLOSURE AND CHANGE OF CUSTODIAN. Authorized Selling Firm will provide RiverSource with the name of its Custodian so that RiverSource has an opportunity to conduct due diligence, should it choose to do so. Any change in Custodian or trustee does not take effect unless approved in writing by Company.

- 4.16 ACATS. If Authorized Selling Firm and Company agree to provide for the submission of customer account changes through an electronic process known as Automated Customer Account Transfer Service (ACATS) then this section 4.16 will apply.

- 4.16.1 REPRESENTATIONS AND WARRANTIES. RiverSource and Authorized Selling Firm have executed and filed the standard agreement(s) required for participation with the National Securities Clearing Corporation ("NSCC") ("Standard Agreements"), or have contracted with a third party service bureau to provide services through the NSCC. Company and Authorized Selling Firm agree to participate in the Automated Customer Account Transfer Service (ACATS) and/or Insurance Processing Services (IPS) under the applicable terms of the Standard Agreements and in accordance with the following terms:

- (a) Electronic Process for Customer Account Changes

(i) Authorized Selling Firm may submit customer account changes, including custodial account changes, to Company by electronic transmission ("Transmission") in accordance with the ACATS/IPS procedures established by NSCC in the Standard Agreements. Company and Authorized Selling Firm acknowledge that compliance with these Transmission procedures is a good order requirement (i.e. one that does not require a paper transmission). Authorized Selling Firm represents and warrants that the information contained in the Transmission is accurate and complete. Company and Authorized Selling Firm acknowledge that Company will rely upon the information provided by Authorized Selling Firm in making the requested changes.

(ii) Authorized Selling Firm will obtain all appropriate client authorizations on the Transfer Initiation Form (TIF). Such client authorizations include, but are not

limited to, those required from third Parties, such as custodians and trusts, among others. Authorized Selling Firm will maintain such TIFs for a period of no less than six (6) years from the date of the transfer initiation.

(iii) Company will notify the Authorized Selling Firm of any errors in requests to transfer customer accounts. Notification will be made by Transmission.

(iv) Company will notify the Authorized Selling Firm when good order requirements have been met. Notification will be made by Transmission.

(v) Each party to this Amendment shall promptly furnish to the other party any reports and copies of forms which the other party may request pursuant to that party's responsibilities under this Amendment and for the purpose of meeting its reporting and record keeping obligations under the insurance laws of any state and under the federal and state securities laws or the rules of the NASD or to facilitate the handling of

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customer complaints. Authorized Selling Firm shall provide Company with a copy of the TIF, upon request, no later than two (2) business days from the request date.

(b) General

Authorized Selling Firm shall indemnify and hold harmless RiverSource, its subsidiaries and affiliates and their respective officers, directors and employees against any and all losses, claims, damages, liabilities or expenses (including the reasonable costs of legal representation and investigation) to which RiverSource, its subsidiaries and affiliates and their respective officers, directors and employees may become subject which arise out of or are based upon incorrect information submitted to RiverSource in the Transmission by Authorized Selling Firm or its agent, or arising out of or based upon a breach or violation of the Authorized Selling Firm's representations, warranties, or covenants contained in this Agreement.

4.17. ANTI-MONEY LAUNDERING ("AML")

- 4.17.1 Authorized Selling Firm warrants and represents that it has implemented AML programs reasonably calculated to comply with the USA PATRIOT Act, Bank Secrecy Act, NASD Rule 3011, and the rules and regulations promulgated concerning AML.
- 4.17.2. Authorized Selling Firm represents and warrants that it has:
 - o Established AML policies and procedures, including but not limited to investigating, identifying, and reporting suspicious activity;
 - o Designated a compliance officer with oversight responsibility for the AML program;
 - o Implemented an ongoing AML training program, including appropriate updates, for Authorized Selling Firm's employees, Producers, and Agents with respect to insurance and annuity Products offered by the Company; and
 - o Implemented periodic independent testing of its AML program in compliance with applicable regulations.
- 4.17.3 Authorized Selling Firm agrees that if it detects

suspicious activity with respect to its sale or servicing of an insurance or annuity Product offered by Company it will provide such information to Company in accordance with 31 CFR 103.16(b)(3) by sending the appropriate documentation to: Attn.: Director of Anti-Money Laundering, 2934 Ameriprise Financial Center, Minneapolis, MN 55474.

- 4.17.4 Authorized Selling Firm agrees that in accordance with 31 CFR 103.137 (c) it will provide RiverSource, upon reasonable request, with access to information and records relating to its AML program and the right to inspect its AML program upon reasonable notice.

5. COMPANY AND DISTRIBUTOR REPRESENTATIONS AND RESPONSIBILITIES.

5.1 REPRESENTATIONS.

- 5.1.1 Company represents and warrants that (a) it is duly incorporated in the State of Minnesota and licensed in all states in the Territory; (b) all Products, and all Sales Material (as defined in Section 4.11, above) provided by Company or Distributor have been filed and approved as required by state insurance departments shown in the Product Exhibit(s); and (c) these materials comply with all applicable laws and regulations and rules of the NASD.

- 5.1.2 Distributor represents and warrants that it is duly registered as a broker-dealer with the SEC, the NASD, all fifty states and the District of Columbia, and is qualified to do business in all states in which Company is licensed and qualified to do business.

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- 5.1.3 Distributor and Company represent and warrant that Company, as issuer and on behalf of the underlying investment account(s), has registered the underlying investment account(s) of the Products with the SEC as a security under the Securities Act of 1933 ("1933 Act") and as a unit investment trust under the Investment Company Act of 1940.

- 5.1.4 Company represents and warrants that the prospectuses and registration statements relating to the Products do not contain any untrue statements of material fact or any omission to state a material fact, the omission of which makes any statement contained in the prospectuses and registration statements misleading.

- 5.2 PROSPECTUSES, SALES LITERATURE AND ADVERTISING. RiverSource will provide to Authorized Selling Firm, without any expense to Authorized Selling Firm, prospectuses for the Products and such other Sales Material (as defined in Section 4.11, above) as RiverSource determines is necessary or desirable for use in connection with sales of the Products.

- 5.3 TRANSMISSION OF CONTRACTS FOR DELIVERY TO CONTRACT OWNERS. Company shall send out all Contracts directly to Authorized Selling Firm or their Producers unless Authorized Selling Firm requests in writing that Company send out the Contract directly to the Contract owner. Within 5 business days of Authorized Selling Firm or their Producer's receipt of the Contract, Authorized Selling Firm or their Producer must deliver the Contract to the Contract owner.

- 5.4 CONFIRMATIONS. Upon Company's acceptance of any payment for a Product, Company as agent for Distributor will deliver to each Contract owner a statement confirming the transaction in accordance with Rule 10b-10 under the 1934 Act.

- 5.5 CONTRACT OWNER SERVICES. Company shall provide administrative, accounting, and other services to Contract owners as necessary and appropriate, in the same manner as such services are provided to Company's other Contract owners.

- 5.6 RESERVATION OF RIGHTS. Notwithstanding any other provision

of this Agreement or any other agreement between Company and/or Distributor and Agency and/or Broker-Dealer, Company reserves the unconditional right without prior notice to modify any of the Products in any respect whatsoever, to suspend the sale of any Products in whole or in part at any time and to contact Contract owners with a view to retaining their assets with the Company including the offering of other products sold by the Company. Company may in its sole discretion refuse to accept any application for a Contract or any purchase payment or additional purchase payment for a Contract.

5.7 COMPLIANCE WITH APPLICABLE LAWS. RiverSource will comply with all federal and state laws and regulations applicable to the Products and their distribution under this Agreement.

6. COMPENSATION. Company shall pay to Broker-Dealer or Agency, as applicable, a total compensation on premiums collected pursuant to this Agreement based on the rates of commission and limitations set forth on the Product Exhibit(s), Exhibit C hereto, and other compensation addendum(s), if any. No compensation will be paid on the sale of a Product under this Agreement if that sale involves replacement of a Contract or investment issued by Company or by another insurance company affiliated with RiverSource.

6.1 PRODUCT EXHIBITS. The Product Exhibit(s), including Exhibit A and commission rates, are subject to change by Company at anytime, but only upon written notice to Agency. Product Exhibits are duly given when sent by electronic mail or U.S. mail to the current or last known primary contact person at Authorized Selling Firm. No such change shall affect compensation for any premiums that are received and accepted by Company in Minneapolis, MN prior to effective date of such change. Any Product Exhibit(s) included in this Agreement or subsequently made a part of this Agreement may provide other or additional conditions regarding compensation and, if so, will be controlling to the extent of such other or additional conditions.

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6.2 EXPENSES. Except as otherwise provided in this Agreement, or subsequently agreed to in writing by RiverSource, Authorized Selling Firm will be responsible for all costs and expenses of any kind and nature incurred by Authorized Selling Firm in the performance of its duties under this Agreement.

6.3 FOR CAUSE TERMINATION COMPENSATION OBLIGATIONS. In the event of termination of this Agreement for one or more of the reasons specified below in Section 9.1, Termination for Cause, no further compensation shall thereafter be payable.

6.4 POST TERMINATION COMPENSATION OBLIGATIONS. Upon termination of this Agreement, Company's obligation to pay compensation to Broker-Dealer or to Agency as applicable will immediately cease except that:

6.4.1 Company will pay compensation, as the same become due and payable, upon Products for which the application has been taken and the required premium has been collected (or has become irrevocably collectable from a third party) as of the date of termination, and for which the Company subsequently issues a policy.

6.4.2 Company will charge back against those commissions due identified in Product Exhibit(s) in the event of surrenders of Products sold prior to the termination of this Agreement by Authorized Selling Firm or Producers. Company will invoice Agency unless Company and Agency agree upon another method of payment of such amounts.

6.5 COMPENSATION LIMITATIONS. Agency or Broker-Dealer shall pay cash or non-cash compensation for Product sales: (i) only to any person or entity that is appropriately licensed and appointed to sell Products; (ii) which are accepted by Company; and (iii) if such payment is in accordance with applicable laws, regulations, NASD or other self-regulatory organization rules and Company Rules.

6.6 ADVANCE COMMISSIONS ON INTERNAL REVENUE CODE SECTION 1035 EXCHANGES. If requested by Authorized Selling Firm, Company will advance commissions monthly, in accordance to the Base

Commission schedules identified in the variable annuity Product Exhibit(s), based on premium expected to be deposited with Company to effect an IRC Section 1035 exchange of one investment product for an annuity Product sold under this Agreement. In the event that the expected premium does not reach Company within 90 days of the date of the Product application, the entire commission for the transaction will be charged back during the next normal commission cycle.

- 6.7 COMMISSIONS DISCONTINUED. Notwithstanding anything herein to the contrary, Company will discontinue paying compensation to Authorized Selling Firm for Contracts that are no longer serviced by Authorized Selling Firm.

7. INDEMNIFICATION.

- 7.1 INDEMNIFICATION OF COMPANY AND DISTRIBUTOR. Broker-Dealer and Agency, jointly and severally, shall indemnify, defend and hold harmless RiverSource and any of its officers, directors, and employees, from and against any and all losses, claims, damages, liabilities, actions, costs or expenses to which RiverSource, or any of its officers, directors and employees, may become subject (including any legal or other expenses incurred by it in connection with investigating any claim against it and defending any action and, provided Authorized Selling Firm will have given prior written approval of such settlement or compromise, which consent will not be unreasonably withheld or delayed, any amounts paid in settlement or compromise) insofar as such losses, claims, damages, liabilities, actions, costs or expenses arise out of or are based upon:

- 7.1.1 The acts or omissions of Authorized Selling Firm or any of its employees, agents, Producers or Licensed Assistants, or Custodians while acting (whether under actual or apparent authority, or otherwise) on behalf of Authorized Selling Firm or RiverSource in connection with this Agreement;

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- 7.1.2 Any breach of any covenant or agreement made by Authorized Selling Firm under this Agreement;
- 7.1.3 The inaccuracy or breach of any representation or warranty made by Authorized Selling Firm under this Agreement;
- 7.1.4 The improper, unauthorized or fraudulent use of any electronic or Web-based order-entry, servicing or administration system(s) by any of its employees, agents, Producers or Licensed Assistants while acting (whether under actual or apparent authority, or otherwise) on behalf of Authorized Selling Firm or RiverSource in connection with this Agreement;
- 7.1.5 The acts or omissions of the clearing broker and any employee or agent of clearing broker while performing the activities covered by this Agreement, including, but not limited to, the use or handling of any confidential information or confidential Contract owner Information as described in Section 11 below. The indemnity obligation of this paragraph will extend to any regulatory penalties incurred by RiverSource as a result of said activities;

This indemnification obligation shall not apply to the extent that such alleged act or omission is attributable to RiverSource either because (1) RiverSource directed the act or omission, or (2) the act or omission by Authorized Selling Firm or any of its employees, agents, Producers or Licensed Assistants was the result of their compliance with the Company Rules;

- 7.1.6 (a) unauthorized use of Company Marks or Hyperlink
(b) violation of a third party's intellectual property rights with respect to Company Marks;
- 7.1.7 Any loss or misuse of Company data, including Contract owner Information, by Authorized Selling

Firm or its employees, agents, clearing brokers, custodians, or any third party that Authorized Selling Firm discloses the information to or has requested or instructed that Company disclose the information to.

7.2 INDEMNIFICATION OF AGENCY AND BROKER-DEALER. RiverSource shall indemnify, defend and hold harmless Authorized Selling Firm, any of its officers, directors and employees, from and against any and all losses, claims, damages, liabilities, actions, costs or expenses to which Authorized Selling Firm, or any of its officers, directors and employees, may become subject (including any legal or other expenses incurred by it in connection with investigating any claim against it and defending any action and, provided RiverSource will have given prior written approval of such settlement or compromise, which consent will not be unreasonably withheld or delayed, any amounts paid in settlement or compromise) insofar as such losses, claims, damages, liabilities, actions, costs or expenses arise out of or are based upon:

- 7.2.1 The acts or omissions of RiverSource, or any employee or agent of RiverSource, (excluding Authorized Selling Firm, Producers or Licensed Assistants) while acting (whether under actual or apparent authority or otherwise) on behalf of RiverSource in connection with this Agreement;
- 7.2.2 Any breach of any covenant or agreement made by RiverSource under this Agreement; or
- 7.2.3 The inaccuracy or breach of any representation or warranty made by RiverSource under this Agreement.

7.3 LIMITATION OF LIABILITY. Each party agrees that, as between the parties, in no event will any party to this Agreement be responsible to any other party for any incidental, indirect, consequential, special, punitive, or exemplary damages of any kind arising from this Agreement, including without limitation, lost revenues, loss of profits or loss of business. This limitation does not apply to third party claims for damages that are covered by the indemnification obligation under Section 7.

8. ARBITRATION. The parties agree to attempt to settle any misunderstandings or disputes arising out of this Agreement through consultation and negotiation in good faith and a spirit of mutual cooperation. However, if those attempts fail, the parties agree that any misunderstandings or disputes arising from this Agreement will

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be decided by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules and Title 9 of the U.S. Code. Judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. The number of arbitrators will be three (unless the parties to the dispute agree on a single arbitrator), one of whom will be appointed by the Company or an affiliate, one of whom will be appointed by Authorized Selling Firm; and the third of whom will be selected by mutual agreement, if possible, within 30 days of the selection of the second arbitrator and thereafter by the administering authority. The Arbitration shall be held in the city of the Company's principal place of business. The arbitrators will strictly observe the limitation of liability provisions set forth in Section 7.3 of this agreement in making any award and will have no authority to award punitive damages or any other damages not measured by the prevailing Party's actual damages, and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of this Agreement. The parties agree that the arbitrator(s) will decide which party must bear the expenses of the Arbitration. Any Party may make an application to the arbitrators seeking injunctive relief to maintain the status quo until such time as the arbitration award is rendered or the controversy is otherwise resolved. This agreement to arbitrate shall not preclude either party from obtaining provisional remedies such as injunctive relief or the appointment of a receiver from a court having jurisdiction, before, during or after the pendency of the arbitration. The institution and maintenance of such provisional remedies shall not constitute a waiver of the right of a party to submit a dispute to arbitration.

9. TERMINATION.

- 9.1 TERMINATION FOR CAUSE. At any time during the Term of this Agreement, RiverSource or Authorized Selling Firm may terminate this Agreement immediately for cause upon written notice of such termination to the other party. Such written notice shall state the cause with specificity. As used in this Section, the term "cause" shall include any one or more of the following:
- 9.1.1 the conviction of any party, its officers or supervisory personnel of any felony, of fraud, or of any crime involving dishonesty;
 - 9.1.2 the intentional misappropriation by a party of funds or property of any other party, or of funds received for it or for a Product owner or applicant for a Product;
 - 9.1.3 the cancellation, or the refusal to renew by the issuing insurance regulatory authority of, any license, certificate or other regulatory approval required in order for any party to perform its duties under this Agreement;
 - 9.1.4 any action by a regulatory authority with jurisdiction over the activities of a party that would place the party in receivership or conservatorship or otherwise substantially interfere or prevent such party from continuing to engage in the lines of business relevant to the subject matter hereof;
 - 9.1.5 a party becoming a debtor in bankruptcy (whether voluntary or involuntary) or the subject of an insolvency proceeding; or
 - 9.1.6 a material breach of the Agreement by a party.
- 9.2 TERMINATION WITHOUT CAUSE. RiverSource or Authorized Selling Firm may terminate this Agreement without cause upon 30 days prior written notice to the other parties.
- 9.3 POST TERMINATION LIMITATIONS. For a period of one year after termination of this Agreement, Broker-Dealer, Agency and Producers shall not knowingly induce or cause, or attempt to induce or cause, any systematic effort to recommend, promote, encourage or endorse the replacement, surrender, or cancellation of any Product sold under this Agreement or any prior agreement between or among Company and any of Broker-Dealer, Agency, or Producer (or any affiliates, predecessors, successors or assigns of Broker-Dealer, Agency or Producer) or provide data including Confidential Contract owner Information as defined by Section 11.2 of this Agreement to any person or organization that would allow or facilitate replacement, surrender or cancellation of Products.

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10. INDEPENDENT CONTRACTOR. This Agreement is not a contract of employment. Nothing contained in this Agreement shall be construed or deemed to create the relationship of joint venture, partnership, or employer and employee between RiverSource and Authorized Selling Firm. Each party is an independent contractor and shall be free, subject to the terms and conditions of this Agreement, to exercise judgment and discretion with regard to the conduct of business.
11. CONFIDENTIALITY.
- 11.1 Each party agrees that, during the term of this Agreement and at all times thereafter, it will not disclose to any unaffiliated person, firm, corporation or other entity any of the other parties' trade secrets or confidential information, including, without limitation, the terms of this Agreement; non-public program materials; member or customer lists; proprietary information; information as to the other party's business methods, operations or affairs, or the processes and systems used in its operations and affairs, or the processes and systems used in any aspect of the operation of its business; all whether now known or subsequently learned by it. If this Agreement is terminated, each party, within 60 days after such termination, will return to the other parties, respectively, any and all

copies, in whatever form or medium, of any material disclosing any of the other parties' trade secrets or confidential information as described above.

Nothing in this Agreement shall require a party to keep confidential any information that:

- 11.1.1 the party can prove was known to it prior to any disclosure by any other party;
 - 11.1.2 is or becomes publicly available through no fault of the party;
 - 11.1.3 the party can prove was independently developed by it outside the scope of this Agreement and with no access to any confidential or proprietary information of any other party;
 - 11.1.4 is required to be disclosed to governmental regulators or pursuant to judicial or administrative process or subpoena;
 - 11.1.5 is required in order to perform that party's obligation under this Agreement;
 - 11.1.6 is required to be disclosed by any applicable law; or
 - 11.1.7 is mutually agreed upon by all parties to this Agreement.
- 11.2 CONFIDENTIAL CONTRACT OWNER INFORMATION means any personally identifiable information including, but not limited to, customer account numbers, customer names, addresses, social security numbers or any information derived therefrom regarding Contract owners that Company collects or develops or requests Agency, Broker-Dealer or Producers to collect on behalf of Company in order for Company to provide the Products.
- 11.3 AUTHORIZED SELLING FIRM'S OBLIGATION NOT TO DISCLOSE CONFIDENTIAL CONTRACT OWNER INFORMATION. Despite anything in this Agreement to the contrary, Authorized Selling Firm must not use or disclose Confidential Contract owner Information for any purpose, including without limitation and by way of example those purposes prohibited under Sections 4.13.10 and 9.3 of this Agreement, except to perform its obligations under this Agreement. Additionally, Authorized Selling Firm must:
- 11.3.1 ensure all employees, Producers, Licensed Assistant, former Producers, agents, representatives, or any other party to whom Authorized Selling Firm provides access to, or discloses Confidential Contract owner Information to, limit the use and disclosure of Confidential Contract owner Information for the purpose of performing Authorized Selling Firm's obligations under this Agreement;
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- 11.3.2 provide RiverSource with copies of audits and test result information sufficient to assure RiverSource that Authorized Selling Firm has implemented information security measures consistent with this Section;
 - 11.3.3 implement appropriate measures designed to:
 - 11.3.3.1 ensure the security and confidentiality of Confidential Contract owner Information; protect Confidential Contract owner Information against any anticipated threats or hazards to the security or integrity of such information; and
 - 11.3.3.2 protect against unauthorized access to, or use of, Confidential Contract owner Information that could result in substantial harm or inconvenience to any customer of the Company or any of its subsidiaries, affiliates, or licensees; and

11.3.4 ensure all employees, Producers, agents, representatives, subcontractors, or any other party to whom Authorized Selling Firm provides access to or discloses Confidential Contract owner Information to, implement appropriate measures similar to those required to be implemented by Authorized Selling Firm under this Section 11.3.

11.4 EXCEPTION TO AUTHORIZED SELLING FIRM'S OBLIGATION NOT TO DISCLOSE CONFIDENTIAL CONTRACT OWNER INFORMATION. Authorized Selling Firm may independently collect and use personally identifiable information regarding Contract owners covered by the definition of Confidential Contract owner Information, other than Contract owner account numbers, to market or sell additional financial products and services sold by Authorized Selling Firm if Authorized Selling Firm and its Producers:

11.4.1 comply with Authorized Selling Firm's customer privacy notice, Company's privacy notice, the Gramm-Leach-Bliley Act of 1999 and regulations adopted thereunder, the Fair Credit Reporting Act, state insurance laws and regulations, and other applicable laws governing the use and disclosure of personal identification information.

12. ASSIGNMENT. The parties to this Agreement may not assign this Agreement without the written approval of RiverSource and Authorized Selling Firm, except that Distributor may assign this Agreement to another broker-dealer appropriately registered with the NASD and Company may assign this Agreement or any rights or obligations hereunder to any affiliate or company under common control with Company upon providing Authorized Selling Firm with a least 10 calendar days notice. Any affiliated insurance agency signing below or which has signed an Affiliate Participation Agreement agrees that RiverSource or Authorized Selling Firm may assign this Agreement without the written approval of the affiliated insurance agency.

13. AMENDMENT OF AGREEMENT. RiverSource reserves the right to amend this Agreement at any time, but no amendment shall be effective until approved in writing by Authorized Selling Firm, subject to the provisions of Section 4.5.16, Section 5.6, "Reservation of Rights," Section 6, "Compensation" and Section 12, "Assignment," under this Agreement. Any affiliated insurance agency signing below or that has executed an Affiliate Participation Agreement acknowledges and agrees that Agency shall be authorized to execute any amendment or addenda to this Agreement, on its behalf, and that such execution will be binding upon it.

14. SETOFFS AND CHARGEBACKS. Broker-Dealer and Agency authorize Distributor and Company to set off from all amounts otherwise payable to Broker-Dealer and Agency all liabilities of Broker-Dealer, Agency or Producers. Broker-Dealer and Agency are jointly and severally liable for the payment of all moneys due to Distributor or Company that may arise out of this Agreement or any other agreement between Broker-Dealer, Agency and Distributor and Company including, but not limited to, any liability for any chargebacks or for any amounts advanced by or otherwise due Distributor or Company. Broker-Dealer and Agency shall pay such amounts to Distributor and Company within 30 days of written request for payment. Distributor and Company do not waive any of its other rights to pursue collection of any indebtedness owed by Broker-

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Dealer or Agency or its Producers to Distributor or Company. If Distributor or Company initiates legal action to collect any indebtedness under this Agreement, Broker-Dealer and Agency must reimburse Distributor and Company for reasonable attorney fees and expenses in connection with such legal action.

15. MISCELLANEOUS.

15.1 APPLICABLE LAW. This Agreement shall be governed by and interpreted under the laws of the State of Minnesota.

15.2 SEVERABILITY. Should any part of this Agreement be declared invalid, the remainder of this Agreement shall remain in full force and effect, as if the Agreement had originally been executed without the invalid provisions.

15.3 NOTICE. Subject to Section 6.1 "Product Exhibits," any

notice must be in writing and will be deemed to have been duly given if sent by U.S. mail, postage prepaid, or via a national courier service with the capacity to track its shipments, to the following entities:

IF TO COMPANY:
RiverSource Life Insurance Company
1818 Ameriprise Financial Center
Minneapolis, MN 55474
Attn: Compliance Officer (Unit 1818)

IF TO DISTRIBUTOR:
RiverSource Distributors, Inc
1818 Ameriprise Financial Center
Minneapolis, MN 55474
Attn: Compliance Officer (Unit 1818)

IF TO AGENCY:

IF TO BROKER-DEALER:

- 15.4 BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, subject to the provisions of this Agreement limiting assignment.
- 15.5 HEADINGS. The headings in this Agreement are for convenience only and are not intended to have any legal effect.
- 15.6 DEFINED TERMS. The terms defined in this Agreement are to be interpreted in accordance with this Agreement. Such defined terms are not intended to conform to specific statutory definitions of any state.
- 15.7 ENTIRE AGREEMENT. This Agreement constitutes the entire agreement of the parties pertaining to the subject matter of this Agreement. It supersedes all prior communications, representations, understandings and agreements of the parties, whether oral or written, pertaining to the subject matter of this Agreement.
- 15.8 SURVIVAL. All terms and conditions of Section 5.6 "Reservation of Rights"; Section 6.4, "Post Termination Compensation Obligations"; Section 7, "Indemnification"; Section 9.3 "Post Termination Limitations"; Section 11, "Confidentiality,"; and Section 14, "Setoffs and Chargebacks." will survive termination of this Agreement.
- 15.9 NO WAIVER. No failure to enforce, nor any breach of any term or condition of this Agreement, shall operate as a waiver of such term or condition, or of any other term or condition, nor constitute nor be deemed a waiver or release of any other rights at law or in equity, or of claims which any party may have against any other party, for anything arising out of, connected with, or based upon this Agreement. Any waiver, including a waiver of this Section, must be in writing and signed by the parties to this Agreement.
- 15.10 RIGHTS AND REMEDIES ARE CUMULATIVE. The rights, remedies, and obligations contained in this Agreement are cumulative and are in addition to any and all rights, remedies, and obligations, at law or in equity, which the parties to this Agreement are entitled to under state and federal laws.
- 15.11 COUNTERPARTS. This Agreement may be executed in counterparts, each of which is an original and all of which together constitute one and the same instrument.

RIVERSOURCE LIFE INSURANCE COMPANY
Company

NAME
Broker Dealer

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

RIVERSOURCE DISTRIBUTORS, INC.
Distributor

NAME
Agency

By: _____ By: _____
Print Name: _____ Print Name: _____
Title: _____ Title: _____
Date: _____ Date: _____

NAME
Affiliated Agency
By: _____
Print Name: _____
Title: _____
Date: _____

NAME
Affiliated Agency
By: _____
Print Name: _____
Title: _____
Date: _____

EXHIBIT A

(TO SELLING AGREEMENT)

AGENCY AND AFFILIATED AGENCIES, PRODUCT DESCRIPTION AND STATES
IN WHICH PRODUCT IS FILED AND APPROVED

This Exhibit A to the Agreement for Annuity and Life Products, effective date _____, 2006, is among AMERICAN ENTERPRISE LIFE INSURANCE COMPANY ("Company"), AMERIPRISE FINANCIAL SERVICES, INC. ("Distributor" together with Company "RIVERSOURCE"), _____ ("Broker-Dealer") and _____ ("Agency") and its affiliated insurance agencies. This Exhibit A replaces and supersedes any previous Exhibit's A to this Agreement and is effective on the date listed below.

AMENDED DATE: New
PURPOSE OF AMENDMENT: New

SUMMARY:

This Exhibit is intended to summarize the Authorized Selling Firm's Agency and its affiliated insurance agencies, the Product Description and the States in which Product is Filed and Approved.

<TABLE>
<CAPTION>

AGENCY AEL PRODUCT DESCRIPTION
OR AFFILIATED AGENCIES (SEE PRODUCT EXHIBITS FOR DETAILS)

VARIABLE ANNUITY SELLING PRODUCTS

STATES IN WHICH VARIABLE PRODUCT IS FILED AND APPROVED

<S>	<C>	<C>
NAME (Agency)	RIVERSOURCE FlexChoice SELECT Variable Annuity - Option L - Option C	AK, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NJ, NM, NV, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, VT, WA, WI, WV, WY
AFFILIATED AGENCIES: Name Name	RIVERSOURCE Innovations SELECT Variable Annuity RIVERSOURCE Signature SELECT Variable Annuity	AK, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NJ, NM, NV, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, VT, WA, WI, WV, WY
BROKER DEALER IS:	RIVERSOURCE Signature One SELECT Variable Annuity	AK, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NJ, NM, NV, OH, OK, PA, RI, SC, SD, TN, TX, UT, VA, VT, WA, WI, WV, WY

<CAPTION>

AEL FIXED ANNUITY SELLING PRODUCTS

STATES IN WHICH FIXED PRODUCT IS FILED AND APPROVED

<S>	<C>	<C>
	Quantum Select Fixed Annuity	AK, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NJ, NM, NV, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, VT, WA, WI, WV, WY

<CAPTION>

AEL FIXED AND VARIABLE SERVICING PRODUCTS

N/A FOR SERVICE ONLY PRODUCTS

<S>	<C>	<C>
	None at this time.	

</TABLE>

EXHIBIT B

(TO SELLING AGREEMENT)

LIMITED SERVICE ACTIVITIES

PRODUCERS MAY:

- o accept additional premium payments (check with application only), if the Product allows for additional payments.

PRODUCERS AND LICENSED ASSISTANTS MAY:

- o Assist customers with all Company forms including;
 - o Annuitization
 - o beneficiary changes
 - o address change
 - o ownership changes or transfers
 - o withdrawal requests; or
 - o death claims.
- o Perform the following transactions by phone if Company has a signed telephone transaction authorization form on file:
 - o Asset Allocation
 - o DCA - set up, stop or change
 - o Sub-account Fund transfers
 - o Systematic withdrawals - stop or change date

Any other assistance requested by a Contract-owner and approved in writing by Company.

EXHIBIT C

(TO SELLING AGREEMENT)

LIMITATIONS AND CONDITIONS OF COMMISSION PAYMENT:

THE LIMITATIONS AND CONDITIONS BELOW APPLY TO THE COMMISSION PAYABLE ON ALL COMPANY ANNUITY PRODUCTS, AS REFERENCED IN THE AGREEMENT PRODUCT EXHIBITS - COMMISSION SCHEDULE(S) :

- A. No commission is payable on the sale of Products under this Agreement if that sale involves replacement of an asset or investment issued by Company or by any other insurance company affiliated with RiverSource unless Company agrees, in a separate addendum, to pay commission for such sales.
- B. The commission options in any VARIABLE annuity Product Exhibit - Commission Schedule may not apply for annuity contracts when total premium payments are \$1 million or more. The Company reserves the right to accept or reject such premium payment and to negotiate the base commission payable for each separate annuity contract when total premium payments equal \$1 million or more.
- C. The commission options in any FIXED annuity Product Exhibit - Commission Schedule may not apply for annuity contracts when total premium payments are \$500,000 or more. The Company reserves the right to accept or reject such premium payment and to negotiate the base commission payable for each separate annuity contract when total premium payments equal \$500,000 or more.
- D. Payment for each quarter's Supplemental Trail Commission shall be final, and no credits or additions or adjustments shall be made to it. Each quarter is evaluated independently. Chargebacks will be accounted for in the quarter in which the contract is returned to the Company.
- E. Company will supply supporting information for the calculation, along with payment, to Agency within 45 business days of the end of each calendar quarter.
- F. The Supplemental Trail Commission does not apply to sales which are otherwise excluded from normal commission payments under Product Exhibit(s) and/or any other addenda to this Agreement (e.g., unlicensed sales, sales for which Agency could not otherwise be compensated, etc.).
- G. If any party gives notice of termination of the entire Agreement, the obligation to pay the Supplemental Trail Commission will end on the first day of the calendar quarter in which the termination occurs. No Supplemental Trail Commission will be payable for the quarter in which the termination occurs, or thereafter.
- H. Subject to Conditions A and G above, Supplemental Trail Commission will be paid to the Agency for as long as each Eligible Contract continues to remain an Eligible Contract as defined in the Product Exhibit - Commission Schedule and for as long as the Agency continues to be licensed as an insurance agency and appointed with Company.
- I. The obligation to pay Supplemental Trail Commission runs from Company to Agency or Broker Dealer only. All distribution of Supplemental Trail Commission is the Agency's or Broker Dealer's responsibility, respectively. No claim made by or on behalf of any Producer or individual representative for Supplemental Trail Commission will be honored by Company, and no expense, including (without limitation) attorney fees, that an Agency or a Producer or individual representative may incur to determine the Producer's or the individual representative's entitlement to Supplemental Trail Commission, will be absorbed by or reimbursed by Company.

In all cases, the amount of commission described in the Product Exhibit - Commission Schedule is the total compensation available for distribution from Company, or any of its subsidiaries, affiliates, or other related entities owned or controlled by RiverSource, whether under this Agreement or under any other agreement between or among Company, Agency, or any other party.

SELLING AGREEMENT

BY AND AMONG

RIVERSOURCE LIFE INSURANCE COMPANY,

RIVERSOURCE DISTRIBUTORS, INC.

AND

AMERIPRISE FINANCIAL SERVICES, INC.

This SELLING AGREEMENT ("Agreement") dated January 1, 2007 ("Effective Date") is by and among RIVERSOURCE LIFE INSURANCE COMPANY ("Company"), RIVERSOURCE DISTRIBUTORS, INC. ("Distributor") (together with Company, "RiverSource"), and AMERIPRISE FINANCIAL SERVICES, INC. (referred to herein as "Broker-Dealer" and "Agency" depending on the capacity in which it is acting). Distributor joins this Agreement in its role as principal underwriter of Company's variable annuity and variable life insurance policies ("Variable Contracts") only.

RECITALS

The purpose of this Agreement is to establish the terms and conditions under which Broker-Dealer and Agency will market and sell those insurance products issued by the Company, as agreed to by the parties, which may include variable annuity contracts, variable life insurance policies, fixed annuity contracts, fixed life insurance policies, disability income insurance, long term care insurance, and other kinds of insurance products.

In consideration of the mutual covenants contained herein, the parties agree as follows:

1. DEFINITIONS. As used in this Agreement, the following terms shall have the following meanings:
 - 1.1 "AGENCY" is an insurance agency licensed in one or more states. For purposes of this Agreement, Agency and Broker-Dealer are the same corporate entity but obligations and duties are delineated as between Agency and Broker-Dealer where appropriate.
 - 1.2 "AUTHORIZED SELLING FIRM" means the Broker-Dealer taken together with the Agency, with respect to the sale of Products under this Agreement, in accordance with the terms and conditions of the SEC no-action letter First of America Brokerage Service, Inc. (dated

- 1.3 "BROKER-DEALER" is an entity duly registered as a broker-dealer with the Securities and Exchange Commission ("SEC"), the National Association of Securities Dealers ("NASD"), and states where required.
- 1.4 "COMPANY RULES" mean any written instructions, bulletins, manuals, training materials, and any underwriting or suitability guidelines provided to Authorized Selling Firm by the Company.
- 1.5 "CONTRACT" is the annuity or insurance policy validly issued by Company to a purchaser meeting underwriting standards of the Company.
- 1.6 "PRODUCER" is a duly licensed individual who sells Products as an employee or independent contractor of Agency and who is appropriately registered with the NASD and licensed and appointed in accordance with all applicable insurance laws; this definition includes, as applicable, a licensed assistant, who is appropriately registered with the NASD and who assists Producer in providing services for Products.
- 1.7 "PRODUCTS" are those annuity and insurance products issued by Company which will be marketed, sold, or serviced by Agency, Broker-Dealer and their Producers under this Agreement.

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- 1.8 "REPLACEMENT" is the sale of a Product which is funded by the purchaser with money obtained from the liquidation of another life insurance policy or annuity contract.
 - 1.9 "TERRITORY" may be any 49 of the 50 United States (all states other than New York), and the District of Columbia, but includes only those jurisdictions in which Agency is authorized to market and sell the Products under this Agreement.
2. TERM OF AGREEMENT. This Agreement shall remain in effect beginning upon the Effective Date until it is terminated in accordance with Section 9, "Termination."
 3. APPOINTMENT AND AUTHORIZATION OF AGENCY AND BROKER-DEALER.
 - 3.1 APPOINTMENT AND AUTHORIZATION OF AGENCY AND BROKER-DEALER. Company and Distributor appoint Agency and authorize Broker-Dealer to solicit sales of and sell Products in accordance with the terms and conditions of this Agreement as an Authorized Selling Firm. Agency and Broker-Dealer accept the appointment and authorization. These appointments, taken together, constitute the appointment of Authorized Selling Firm. Authorized Selling Firm's authority is nonexclusive and is limited to the performance of the services and responsibilities set forth in this Agreement.

4. DUTIES, OBLIGATIONS AND LIMITATIONS OF AUTHORIZED SELLING FIRM.
Authorized Selling Firm will perform all of Authorized Selling Firm's duties within the scope of the agency relationship created under this Agreement. Authorized Selling Firm's duties shall include, but not be limited to, the following:
- 4.1 Authorized Selling Firm will be responsible for managing and supervising Producers, including licensed assistants, in selling Company Products;
 - 4.2 Authorized Selling Firm may recruit additional Producers to sell under the supervision of Authorized Selling Firm and to perform telephone transactions for any Contract owner prior to being appropriately registered with the NASD as a representative of the Broker-Dealer;
 - 4.4 Agency shall be responsible for the preparation and submission of licensing forms and the assurance that all Producers recruited by Authorized Selling Firm are appropriately licensed as insurance agent in the state(s) where such Producers will solicit and sell Products. Broker-Dealer shall be responsible for the preparation and submission to the NASD of representative registration forms and the assurance that all Producers and licensed assistants are and remain registered as representatives of Broker-Dealer with the NASD. Authorized Selling Firm shall be responsible for investigating the character, work experience and background of any proposed Producer, in accordance with applicable rules and regulations, and upon request will provide Company with copies of such investigations. Authorized Selling Firm shall recommend Producers for appointment with Company, but Company shall retain sole authority to make appointments and may, at its discretion, refuse to permit any Producer to solicit contracts for the sale of the Products; provided that Company will notify Authorized Selling Firm of any such refusal in a timely manner. Company shall be responsible for the preparation and submission of appointment forms and the payment of appointment fees in those states that require the Company to appoint Producers;
 - 4.5 Authorized Selling Firm will comply with all Company Rules and with all applicable federal and state laws and regulations, and cause its Producers to do the same. Authorized Selling Firm will be provided with the Company Rules which may be changed by Company at its sole discretion, and Authorized Selling Firm shall have twenty days following being provided with changes to the Company Rules to comply with changes to the Company Rules;
 - 4.6 Authorized Selling Firm shall assist Producers in responding to customer inquiries on Products sold or serviced under this Agreement to ensure that Producers provide Product applicants sufficient information and disclosures to ensure the suitability of any Replacement. In addition to information required under applicable state insurance laws and regulations, the following information shall be disclosed to applicants: all fees,

- expenses and possible charges, such as surrender charges, on both the new and the surrendered investments; any change in the investment risk to the Product applicant; any change in the nature or the provider of any guarantees associated with the Product and/or the surrendered product;
- 4.7 notifying Company if any Agency or Producer fails to maintain the required state insurance license or ceases to be a registered representative of Broker-Dealer;
- 4.8 on the use of electronic and automated Web-based order-entry, processing, servicing and administration systems, Authorized Selling Firm shall ensure that adequate supervision and security and access controls are in place to prevent the improper, unauthorized or fraudulent use of or access to the order-entry, servicing or administration system(s);
- 4.9 Broker-Dealer's duties with respect to Agency, Producers and licensed assistant's securities activities, include, but are not limited to: delivering to each person who submits an application a current prospectus for the Product to be furnished by Company in the form required by the applicable federal and state laws; review all Product applications for accuracy and completeness, and determining the suitability of the sale, which includes reasonable efforts to obtain information concerning the applicant's financial and tax status, investment objectives and any other information used or considered reasonable in making a Product recommendation;
- 4.10 Authorized Selling Firm shall ensure that its Producers who market and sell the Products are trained on (i) the product specifications and features, and (ii) all Company Rules and standards that RiverSource has established for and communicated to Authorized Selling Firms and their Producers to use in meeting their respective duties to ensure suitable sales of the Products before they begin to solicit or sell Products. If Authorized Selling Firm chooses not to use Company-provided materials in training their Representatives on (i) and (ii) above, then Authorized Selling Firm shall provide to RiverSource, for its approval, documentation of its own form and content of training to be used;
- 4.11 Authorized Selling Firm, through Producers, will solicit applicants in accordance with suitability regulations and the Company's underwriting standards, provided that nothing in this Agreement shall be deemed to require Authorized Selling Firm to solicit any particular customer's application for a Product;
- 4.12 Authorized Selling Firm is responsible for obtaining all signatures required on each application and must deliver to Company the application and all instruments necessary to establish and issue a Contract under this Agreement;
- 4.13 Authorized Selling Firm will safeguard, maintain and account for all policies, forms, manuals, equipment, supplies, advertising and

sales literature furnished to Authorized Selling Firm and Producers by RiverSource, and will destroy or return the same to RiverSource promptly upon request;

- 4.14 Authorized Selling Firm will keep identifiable and accurate records and accounts of all business and transactions effected pursuant to this Agreement. Upon reasonable notice and at reasonable times, continuing during a period of one year following the termination of this Agreement, Authorized Selling Firm will permit RiverSource to visit, inspect, examine, audit and verify its records pertaining to this Agreement;
- 4.15 No sales promotions, promotional materials, or any advertising relating to Products or Company or Distributor ("Sales Material"), or modification thereof, distributed to either customers or Producers shall be used by Authorized Selling Firm or Producers unless the specific item has been approved in writing by Company or Distributor before use;
- 4.16 Authorized Selling Firm represents and warrants that all directors, officers, employees and representatives of the Authorized Selling Firm who are appointed pursuant to this Agreement as Producers for Company or who have access to funds of Company, including but not limited to funds submitted with applications for Products or funds being returned to owners, are and shall be covered by a blanket fidelity bond, including

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coverage for larceny and embezzlement, issued by a reputable bonding company acceptable to Company. Broker-Dealer shall maintain the bond at its expense;

- 4.17 Authorized Selling Firm shall have no authority with respect to RiverSource, nor shall it represent itself as having such authority, other than as is specifically set forth in this Agreement;
- 4.18 Authorized Selling Firm shall return promptly to Company all receipts for delivered Contracts, all undelivered Contracts and all receipts for cancellations, in accordance with Company Rules. Authorized Selling Firm will ensure prompt delivery of Contracts to Contract owners by Authorized Selling Firm or their Producers within 5 business days of receipt of the Contract by the Authorized Selling Firm or their Producers. Authorized Selling Firm agrees to indemnify and hold harmless Company for any loss incurred by Company that results from failure to deliver Contracts to Contract owners within such 5 business day period. This section will not apply if Company transmits the Contract directly to the Contract owner.
- 4.19 If Authorized Selling Firm establishes an individual retirement plan through which Products may be offered, then Section 4.19 applies to such transactions in addition to all other terms and

conditions under this Agreement.

4.19.1 Authorized Selling Firm represents and warrants to RiverSource that:

- (a) An affiliate of Authorized Selling Firm qualifies under the IRS Regulations 1.408-2 as Custodian for the individual retirement account ("Custodial IRAs"), and will administer the Custodial IRAs in accordance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code") and the rules, regulations and rulings adopted in accordance with the Code;
- (b) The Custodial IRA qualifies as an individual retirement account under the Code;
- (c) It will not submit an application to Company for the purchase of a Product, on behalf of any Custodial IRA customer, until Authorized Selling Firm has received from the customer the completed documents necessary to establish the Custodial IRA account; and
- (d) Authorized Selling Firm or an affiliate will properly respond to any order, levy, summons or subpoena relating to a Custodial IRA issued in connection with a judicial or administrative proceeding, investigation or inquiry.

4.19.2 RiverSource is not responsible for monitoring Custodial IRAs with regard to compliance with the Code or other rules and regulations promulgated under the Code or applicable state law, including, but not limited to, those related to over-contributions, eligibility, income restrictions, timeliness of contribution, distributions upon death, state tax law reporting or any other matters related to the status of any Custodial IRA (as it relates to IRAs specifically or any ownership or beneficiary rights in general). RiverSource is not responsible for Authorized Selling Firm's compliance with Authorized Selling Firm's procedures with respect to the administration of any Custodial IRA.

4.19.3 Authorized Selling Firm or an affiliate will provide such returns or filings and render such statements and reports as are required for federal regulatory and tax purposes.

4.19.4 The annual IRA custodial fee (if applicable) will be charged by Authorized Selling Firm and not by Company.

4.19.5 Agency must make the following, or substantively similar, disclosure in connection with the sale of individual retirement annuity products into any Custodial IRA:

"Your individual retirement annuity ("Annuity IRA") has a tax-deferred feature under the Internal Revenue Code, as does your Custodial IRA. As a result, when you transfer

your annuity IRA to the Custodial IRA, your annuity will not provide any necessary or additional tax deferral. However, your Annuity IRA has features other than tax deferral that may help you reach your retirement

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goals. Fees charged by the Insurance Company (if any) will still apply as outlined in the annuity prospectus and contract."

4.19.6 Authorized Selling Firm will provide RiverSource with the name of its Custodian at RiverSource's request. So that RiverSource has an opportunity to conduct due diligence, any change in custodian or trustee does not take effect unless approved in writing by RiverSource.

5. COMPANY AND DISTRIBUTOR REPRESENTATIONS AND RESPONSIBILITIES.

5.1 REPRESENTATIONS AND WARRANTIES:

5.1.1. Company represents and warrants that (a) it is duly incorporated in the State of Minnesota and licensed in all states in the Territory; (b) all Products, and all sales material provided by Company or Distributor have been filed and approved as required by state insurance departments, and (c) these materials comply with all applicable laws and regulations and rules of the NASD;

5.1.2. Distributor represents and warrants that it is duly registered as a broker-dealer with the SEC, the NASD, all fifty states and the District of Columbia, and is qualified to do business in all states in which Company is licensed and qualified to do business;

5.1.3. Distributor and Company represent and warrant that Company, as issuer and on behalf of the underlying investment account(s), has registered the underlying investment account(s) of the Products with the SEC as a security under the Securities Act of 1933 ("1933 Act") and as a unit investment trust under the Investment Company Act of 1940;

5.1.4. Company represents and warrants that the prospectuses and registration statements relating to the Products do not contain any untrue statements of material fact or any omission to state a material fact, the omission of which makes any statement contained in the prospectuses and registration statements misleading;

5.1.5. Company represents and warrants that its sales material complies with applicable law, and Company agrees to indemnify the Authorized Selling Firm for any loss or judgment as a result of any of Company's untrue

statements of material fact or any omission to state a material fact, the omission of which makes any statement contained in the Sales Material misleading.

- 5.2 Company shall send out all Contracts directly to Authorized Selling Firm or their Producers unless Authorized Selling Firm requests in writing that Company send out the Contract directly to the Contract owner.
- 5.3 Upon Company's acceptance of any payment for a Product, Company will deliver to each Contract owner a statement confirming the transaction in accordance with Rule 10b-10 under the 1934 Act.
- 5.4 Company shall provide administrative, accounting and other services to Contract owners as necessary and appropriate, in the same manner as such services are provided to Company's other Contract owners.
- 5.5 Notwithstanding any other provisions of this Agreement or any other agreement between Company and/or Distributor and Agency and/or Broker-Dealer, Company reserves the unconditional right without prior notice to modify any of the Products in any respect whatsoever, and to suspend the sale of any Products in whole or in part at any time. Company may in its sole discretion refuse to accept any application for a Contract or any purchase payment or additional purchase payment for a Contract.
- 5.6 Company will comply with all federal and state laws and regulations applicable to the Products and their distribution under this Agreement.

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6. COMPENSATION. Company shall pay to Authorized Selling Firm compensation in the form of commissions on premiums collected, gross dealer concession, or other appropriate methods pursuant to this Agreement in accordance with the rates and limitations as agreed to by the parties. Such amounts shall constitute payment in full to the Broker Dealer or Agency, as applicable, for all sales under this Agreement by the Authorized Selling Firm and its Producers. Company shall pay compensation to Authorized Selling Firm on a monthly basis within thirty (30) days following the end of the month based on sales activity occurring in the previous month including reversals for refunds or other necessary adjustments.
 - 6.1 Except as otherwise provided in this Agreement, or subsequently agreed to in writing by RiverSource, Authorized Selling Firm will be responsible for all costs and expenses of any kind and nature incurred by Authorized Selling Firm in the performance of its duties under this Agreement. The foregoing notwithstanding, it is understood there is a separate agreement between the parties pursuant to which the Company shall reimburse the Authorized Selling Firm for its share of expenses in connection with the establishment of sales offices, staffing of such offices, training

of Producers, and other related costs.

- 6.2 In the event of termination of this Agreement for one or more of the reasons specified below in Section 9.1, Termination for Cause, no further compensation shall thereafter be payable.
- 6.3 Upon termination of this Agreement, Company's obligation to pay compensation to Broker-Dealer or to Agency as applicable will immediately cease except that:
- 6.3.1. Company will pay compensation, as the same becomes due and payable, upon Products for which the application has been taken and the required premium has been collected (or has become irrevocably collectable from a third party) as of the date of termination, and for which the Company subsequently issues a policy.
- 6.3.2. Company will charge back against compensation due in the event of surrenders of Products sold prior to the termination of this Agreement by Authorized Selling Firm or Producers. Company will invoice Agency unless Company and Agency agree upon another method of payment of such amounts.
- 6.4 Authorized Selling Firm shall pay cash or non-cash compensation for Product sales: (i) only to any person or entity that is appropriately licensed and appointed to sell Products; (ii) which are accepted by Company; and (iii) if such payment is in accordance with applicable laws, regulations, NASD or other self-regulatory organization rules and Company Rules.
- 6.5 If requested by Authorized Selling Firm, Company will advance compensation monthly based on premium expected to be deposited with Company to effect an IRC Section 1035 exchange of one investment product for another product sold under this Agreement. In the event that the expected premium does not reach Company within 90 days of the date of the Product application, the entire compensation for the transaction will be charged back during the next normal compensation cycle.
- 6.6 The parties hereto agree that Company may act as paying agent for the Authorized Selling Firm for purposes of paying compensation to Producers (herein "Paying Agent Services"). In that event, Authorized Selling Firm authorizes Company, on behalf of the Broker-Dealer and Agency, to pay all compensation due to Producers in respect of the sales of Contracts by Producers.
- 6.6.1. In connection with Paying Agent Services, Company shall have no discretion as to either the timing or the amount of such payments to any Producer and all such payments shall be made in accordance with the Authorized Selling Firm's compensation schedule which shall be provided to the Company from time to time while this Agreement remains in effect. Company will make all such payments from its centralized payroll system. Company will

withhold all federal, state and local income and related employment taxes in respect of such payments, and shall timely report and deposit all such amounts with the appropriate revenue authorities.

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- 6.6.2. Company's books and records will reflect all transactions performed on behalf of Authorized Selling Firm. Authorized Selling Firm will retain overall responsibility for the records kept for it by Company hereunder, exactly as if Authorized Selling Firm rather than Company performed the Paying Agent Services. Company acknowledges that it holds all books and records with respect to the Paying Agent Services on behalf of and as agent for Authorized Selling Firm whose property they are and shall remain and Company acknowledges that it will provide access to Authorized Selling Firm upon Authorized Selling Firm's reasonable request.
- 6.6.3. In connection with the Paying Agent Services, each party agrees to cooperate with the other party and all appropriate government authorities (including without limitation the SEC, the NASD and state insurance regulators) and will permit each other and such authorities reasonable access to its books and records in connection with any investigation or inquiry relating to this Agreement or the transactions contemplated hereby. Each party agrees to permit the other party or the appropriate governmental authority to make copies of portions of its books and records that relate to the party's performance of its duties under this Agreement and which are the subject matter of the investigation or inquiry.
- 6.6.4. The Authorized Selling Firm agrees to reimburse Company at cost for Paying Agent Services provided by Company pursuant to this Agreement. The charge to the Authorized Selling Firm for such services shall include all direct and indirectly allocable expenses. The methods for allocating expenses to the Authorized Selling Firm shall be in accordance with the requirements of the Minnesota insurance holding company system laws. Such methods shall be modified and adjusted by mutual agreement where necessary or appropriate to reflect fairly and equitably the actual incidence of expense incurred by the Company on behalf of the Authorized Selling Firm. The method of allocating costs hereunder and the payment thereof shall be determined in the following manner:
- (a) The cost of services performed by the Company that are identifiable as expenses incurred directly and exclusively for the benefit of the Authorized Selling Firm shall be charged to the Authorized

Selling Firm.

- (b) The cost of services performed by the Company that are not identifiable as expenses incurred directly and exclusively for the benefit of the Authorized Selling Firm shall be allocated and charged to the Authorized Selling Firm in conformity with customary insurance accounting practices.
- (c) At the request of the Authorized Selling Firm, and at Company's expense, the Company shall produce records and provide access to enable the Authorized Selling Firm to verify that such cost allocations are performed in accordance with the practices referenced above.
- (d) For services rendered under this Agreement, payment shall be made by the Authorized Selling Firm to the Company on a monthly basis within thirty (30) days of invoice or other notice. The parties agree that during the course of any given month the Authorized Selling Firm may make reasonable estimated payments for part or all of the monthly cost in which case such payment shall be offset against the actual amount otherwise due at the end of the month under this Agreement. The parties also agree that, at the option of the Authorized Selling Firm, the Authorized Selling Firm may reimburse the Company based upon the Company's good faith estimate of the monthly costs for some or all of the services provided hereunder, in which case there shall be a final adjustment made within thirty (30) days after completion of the Company's cost analysis performed at least annually.

For purposes of allocating costs under this Agreement, the Authorized Selling Firm and Company shall rely on their internal accounting and allocation system then in effect, that system currently being the Management Accounting and Reporting System ("MARS"), which utilizes a product factor methodology for certain services and rate-volume formulas for other services, in order to

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ensure fair and reasonable allocations of income and expenses among affiliated entities. Allocation of costs in connection with Paying Agent Services shall be accounted for by Authorized Selling Firm in accordance with applicable requirements of the Securities and Exchange Commission and by the NASD including guidance provided in Notice To Members 03-63

6.6.5. It is understood that these Paying Agent Services may be terminated at any time upon mutual consent of the parties without otherwise affecting the terms of this Agreement.

7. INDEMNIFICATION.

7.1 INDEMNIFICATION OF COMPANY AND DISTRIBUTOR. Authorized Selling Firm shall indemnify, defend and hold harmless Company and Distributor and any of their respective officers, directors and employees, from and against any and all losses, claims, damages, liabilities, actions, costs or expenses to which Company or Distributor, or any of their respective officers, directors and employees, may become subject insofar as such losses, claims, damages, liabilities, actions, costs or expenses arise out of or are based upon: the acts or omissions of Authorized Selling Firm or any of its employees, agents, Producers or licensed assistants while acting on behalf of Authorized Selling Firm or RiverSource in connection with this Agreement; any breach of any covenant or agreement made by Authorized Selling Firm under this Agreement or any illegal action; the acts or omissions of the clearing broker or any employee or agent of clearing broker while performing the activities covered by this Agreement. The indemnity obligation of this paragraph will extend to any regulatory penalties incurred by Company or Distributor as a result of said activities.

This indemnification obligation shall not apply to the extent that such alleged act or omission is attributable to Company or Distributor either because (1) Company or Distributor directed the act or omission, or (2) the act or omission by Authorized Selling Firm or any of its employees, agents, Producers or licensed assistants was the result of their compliance with the Company Rules.

7.2 INDEMNIFICATION OF AGENCY AND BROKER-DEALER. Company or Distributor, as the case may be, shall indemnify, defend and hold harmless Authorized Selling Firm, and any of its officers, directors and employees, from and against any and all losses, claims, damages, liabilities, actions, costs or expenses to which Authorized Selling Firm, or any of its officers, directors and employees, may become subject insofar as such losses, claims, damages, liabilities, actions, costs or expenses arise out of or are based upon: the acts or omissions of Company or Distributor, respectively, or any employee or agent of Company or Distributor (excluding Authorized Selling Firm, Producers or licensed assistants) while acting on behalf of RiverSource in connection with this Agreement; any breach of any covenant or agreement made by Company or Distributor, respectively, under this Agreement; or the inaccuracy or breach of any representation or warranty made by Company or Distributor, respectively, under this Agreement.

7.3 LIMITATION OF LIABILITY. Each party agrees that, as between the parties, in no event will any party to this Agreement be responsible to any other party for any incidental, indirect, consequential, special, punitive, or exemplary damages of any kind arising from this Agreement, including without limitation, lost

revenues, loss of profits or loss of business. This limitation does not apply to third party claims for damages that are covered by the indemnification obligation under this Section 7.

8. ARBITRATION. The parties agree to attempt to settle any misunderstandings or disputes arising out of this Agreement through consultation and negotiation in good faith and a spirit of mutual cooperation. However, if those attempts fail, the parties agree that any misunderstandings or disputes arising from this Agreement will be decided by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules and Title 9 of the U.S. Code. Judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. The number of arbitrators will be three (unless the parties to the dispute agree on a single arbitrator), one of whom will be appointed by RiverSource or an affiliate other than Authorized Selling Firm, one of whom will be appointed by Authorized Selling Firm, and the third of whom will be selected by mutual agreement, if possible, within 30 days of the selection of the second arbitrator and thereafter by the administering authority.

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9. TERMINATION.

9.1 TERMINATION FOR CAUSE. At any time during the Term of this Agreement, RiverSource or Authorized Selling Firm may terminate this Agreement immediately for material breach of this Agreement upon written notice of such termination to the other party. Such written notice shall state the cause with specificity.

9.2 TERMINATION WITHOUT CAUSE. RiverSource or Authorized Selling Firm may terminate this Agreement without cause upon 30 days prior written notice to the other parties.

10. CONFIDENTIALITY. Each party agrees that, during the term of this Agreement and at all times thereafter, it will not disclose to any unaffiliated person, firm, corporation or other entity any contract owner information, or any of the other parties' trade secrets or confidential information, including, without limitation, the terms of this Agreement; non-public program materials; member or customer lists; and proprietary information, unless the party is required to do so to execute its responsibilities under this Agreement and in all cases each party will undertake the necessary safeguards to protect the other party's confidential information.

11. ASSIGNMENT. The parties to this Agreement may not assign this Agreement without the written approval of the other parties.

12. AMENDMENT OF AGREEMENT. RiverSource reserves the right to amend this Agreement at any time, but no amendment shall be effective until approved in writing by Authorized Selling Firm.

13. SETOFFS AND CHARGEBACKS. Authorized Selling Firm authorizes RiverSource

to set off from all amounts otherwise payable to Authorized Selling Firm all liabilities of Broker-Dealer, Agency or Producers. Authorized Selling Firm is liable for the payment of all moneys due to RiverSource that may arise out of this Agreement or any other agreement between Broker-Dealer, Agency, Distributor, and Company including, but not limited to, any liability for any chargebacks or for any amounts advanced by or otherwise due Company.

14. MISCELLANEOUS.

14.1 APPLICABLE LAW. This Agreement shall be governed by and interpreted under the laws of the State of Minnesota.

14.2 SEVERABILITY. Should any part of this Agreement be declared invalid, the remainder of this Agreement shall remain in full force and effect, as if the Agreement had originally been executed without the invalid provisions.

14.3 NOTICE. Any notice must be in writing and will be deemed to have been duly given if sent by U.S. mail, postage prepaid, or via a national courier service with the capacity to track its shipments, to the following addresses:

<TABLE>

<S>	<C>
IF TO COMPANY:	IF TO DISTRIBUTOR:
RiverSource Life Insurance Company	RiverSource Distributors, Inc.
227 Ameriprise Financial Center	52 Ameriprise Financial Center
Minneapolis, MN 55474	Minneapolis, MN 55474
IF TO AGENCY:	IF TO BROKER-DEALER:
Ameriprise Financial Services, Inc.	Ameriprise Financial Services, Inc.
55 Ameriprise Financial Center	55 Ameriprise Financial Center
Minneapolis, MN 55474	Minneapolis, MN 55474

</TABLE>

Exhibit A modifications are duly given when sent by electronic mail or U.S. mail to the current or last known primary contact person at Authorized Selling Firm.

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14.4 BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, subject to the provisions of this Agreement limiting assignment.

14.5 HEADINGS. The headings in this Agreement are for convenience only and are not intended to have any legal effect.

14.6 DEFINED TERMS. The terms defined in this Agreement are to be interpreted in accordance with this Agreement. Such defined terms are not intended to conform to specific statutory definitions of any state.

- 14.7 ENTIRE AGREEMENT. This Agreement constitutes the entire agreement of the parties pertaining to the subject matter of this Agreement. It supersedes all prior communications, representations, understandings and agreements of the parties, whether oral or written, pertaining to the subject matter of this Agreement.
- 14.8 SURVIVAL. All terms and conditions that of their nature are intended by the parties to survive this Agreement shall.
- 14.9 NO WAIVER. No failure to enforce, nor any breach of any term or condition of this Agreement, shall operate as a waiver of such term or condition, or of any other term or condition, nor constitute nor be deemed a waiver or release of any other rights at law or in equity, or of claims which any party may have against any other party, for anything arising out of, connected with, or based upon this Agreement. Any waiver, including a waiver of this Section, must be in writing and signed by the parties to this Agreement.
- 14.10 RIGHTS AND REMEDIES ARE CUMULATIVE. The rights, remedies and obligations contained in this Agreement are cumulative and are in addition to any and all rights, remedies and obligations, at law or in equity, which the parties to this Agreement are entitled to under state and federal laws.
- 14.11 COUNTERPARTS. This Agreement may be executed in counterparts, each of which is an original and all of which together constitute one and the same instrument.

RIVERSOURCE LIFE INSURANCE COMPANY

AMERIPRISE FINANCIAL SERVICES, INC.

By: /s/ Timothy V. Bechtold

By: /s/ Brian M. Heath

Print Name: Timothy V. Bechtold

Print Name: Brian M. Heath

Title: President

Title: President - U S Advisor Group

Date: 12/21/2006

Date: 12/27/2006

RIVERSOURCE DISTRIBUTORS, INC.

By: /s/ Mark Schwarzmann

Print Name: Mark Schwarzmann

Title: CEO

Date: 12/21/2006

MARKETING SUPPORT SERVICES AGREEMENT

BETWEEN

AMERIPRISE FINANCIAL SERVICES, INC.

AND

RIVERSOURCE LIFE INSURANCE COMPANY

This Marketing Support Services Agreement (this "Agreement") is made effective as of January 1, 2007 (the "Effective Date") by and between Ameriprise Financial Services, Inc., a Delaware corporation (herein the "Authorized Selling Firm" and known internally as "Company 15" for accounting purposes), and RiverSource Life Insurance Company, a Minnesota corporation (herein the "Company" and known internally as "Company 10" for accounting purposes).

WHEREAS, Authorized Selling Firm and Company are affiliated companies that are members of an insurance holding company system; and

WHEREAS, pursuant to a separate selling agreement between the parties dated January 1, 2007, Authorized Selling Firm distributes annuity and insurance products of the Company through a sales force of financial advisors who must be furnished with various support services and facilities in order to perform their sales activity on behalf of the Company; and

WHEREAS, Authorized Selling Firm has extensive experience in providing management, training, administrative services, and certain office facilities for its financial advisors and an established infrastructure for providing such services and facilities in an efficient and cost effective manner; and

WHEREAS, the parties desire to set forth in writing the services and expenses which are the subject of this Agreement and the basis for allocating expenses between them;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. Services: Subject to the Company's sole and exclusive right to control

and manage its insurance business, the Authorized Selling Firm will

provide those services and incur those expenses as set forth on Attachment A annexed hereto and made a part hereof as well as any other services or expenses reasonably requested by the Company in connection with establishing an effective field force and method of distribution for the Company's products.

Page 1 of 9

2. Term: This Agreement shall be for a term beginning on the Effective Date

and shall remain in effect thereafter unless the parties mutually agree otherwise; provided, however, that either party may terminate this Agreement in accordance with the provisions of Section 18 below.

3. Allocation of Costs: The Company agrees to reimburse Authorized Selling

Firm for its fair share of the costs of providing the services and facilities set forth in this Agreement. The methods for allocation of expenses by the Authorized Selling Firm to the Company shall be in accordance with the requirements of the Minnesota insurance holding company system laws. The parties further acknowledge that the Authorized Selling Firm is subject to guidance issued by the Securities and Exchange Commission and the National Association of Securities Dealers, Inc. ("NASD") pertaining to the recording of expenses and liabilities by broker dealers as set forth in the NASD's Notice To Members 03-63. Such methods of allocation shall be modified and adjusted by mutual agreement where necessary or appropriate to reflect fairly and equitably the actual incidence of expense incurred by the Authorized Selling Firm and allocation of such expenses to the Company. The method of allocating costs hereunder shall be set forth in Attachment A.

4. Payments: For services rendered under this Agreement, payment shall be

made by the Company to the Authorized Selling Firm on a monthly basis within thirty (30) days of invoice or other notice. The parties agree that during the course of any given month the Company may make reasonable estimated payments for part or all of the monthly cost in which case such payment shall be offset against the actual amount otherwise due at the end of the month under this Agreement. The parties also agree that, at the option of the Company, the Company may reimburse Authorized Selling Firm based upon Authorized Selling Firm's good faith estimate of the monthly costs for some or all of the services provided hereunder, in which case there shall be a final adjustment made within thirty (30) days after completion of Authorized Selling Firm's cost analysis performed at least annually.

5. No Profit or Loss: It is the intention of the parties that no party

shall realize a profit nor incur a loss as a result of the allocation of costs for the services and facilities described herein and the

allocation of all costs for such services and facilities shall be made consistent with such intention.

6. Maintenance of Books: Company and Authorized Selling Firm each shall -----
maintain its own books, accounts and records in such a way as to disclose clearly and accurately the nature and detail of the transactions between them, including such accounting information as is necessary to support the reasonableness of the allocations under this Agreement, and such additional information as the Company may reasonably request for purposes of its internal bookkeeping and accounting operations. The Authorized Selling Firm shall keep such books, records and accounts insofar as they pertain to the computation of charges hereunder available for audit, inspection and copying by the Company and persons authorized by it or any governmental agency having jurisdiction over the Company during all reasonable business hours.

7. Ownership and Custody of Records: All records, books and files -----
established and maintained by the Authorized Selling Firm by reason of its performance of services under this Agreement, which, absent this Agreement, would have been held by the Company, shall be deemed the property of the Company and shall be maintained in accordance with applicable laws and regulations. Such records should be available, during normal business hours, for inspection by the Company, anyone authorized by the Company, and any governmental agency that has regulatory authority over the Company's business activities. Copies of such records, books and files shall be delivered to the Company on demand. All such records, books and files shall be promptly transferred to the Company by the Authorized Selling Firm upon termination of this Agreement; provided, however, that nothing herein shall prevent the Authorized Selling Firm from maintaining a copy of such records as necessary for the Authorized Selling Firm to comply with Section 17(a) of the 1934 Act and the rules thereunder pertaining to books and records required to be kept by a broker dealer.
8. Audit: The Company and persons authorized by it and any governmental -----
agency having jurisdiction over the Company shall have the right, at Company's expense, to conduct an audit of the relevant books, records and accounts in the possession of the Authorized Selling Firm upon giving reasonable notice of its intent to conduct such an audit. In the event of such audit, the Authorized Selling Firm shall give to the party requesting the audit reasonable cooperation and access to all books, records and accounts necessary to audit during normal business hours.
9. Right to Contract with Third Parties: Nothing herein shall be deemed to -----

grant the Authorized Selling Firm an exclusive right to provide services to the Company, and the Company retains the right to contract with any third party, affiliated or unaffiliated, for the performance of services or for the use of facilities as are available to or have been requested by the Company pursuant to this Agreement.

The Authorized Selling Firm, unless the Company objects, shall have the right to subcontract with any third party, affiliated or unaffiliated, for the performance of services requested by the Company under this Agreement, provided that the Authorized Selling Firm shall remain responsible for the performance of services by any such subcontractors in accordance with the terms of this Agreement; and provided further that the charges for any such services subcontracted to an affiliate shall be determined on the basis described in Section 3 above.

10. Safeguarding Customer Information: The Authorized Selling Firm shall

implement and maintain appropriate measures designed to meet the objectives of Minnesota Statutes Sections 60A.98 and 60A.981 with respect to safeguarding the Company's customer information and customer information systems. The Authorized Selling Firm shall adjust information security programs upon reasonable request of the Company for any relevant changes dictated by the Company's assessment of risk concerning its customer information and customer information systems. Confirming evidence that the Authorized Selling Firm has satisfied its obligations under this Agreement shall be made available, during normal business hours, for inspection by the Company, any person authorized by

the Company, and any governmental agency that has regulatory authority over the Company's business activities.

11. Exercise of Judgment in Rendering Services: In providing services

hereunder which require the exercise of judgment by the Authorized Selling Firm, the Authorized Selling Firm shall perform any such service in accordance with standards and guidelines which the Company develops and communicates to the Authorized Selling Firm. In performing any services hereunder, the Authorized Selling Firm shall at all times act in a manner reasonably calculated to be in or not opposed to the interests of the Company.

12. Capacity of Personnel and Status of Facilities: Whenever the Authorized

Selling Firm utilizes its employees or independent contractors to perform services for the Company pursuant to this Agreement, such personnel shall at all times remain employees or independent contractors of the Authorized Selling Firm, subject solely to the direction or responsibility of the Authorized Selling Firm. The Company shall have no

liability to such personnel for their welfare, salaries, fringe benefits, legally required employer contributions and tax obligations. No facility of the Authorized Selling Firm used in performing services for, or subject to use by, the Company shall be deemed to be transferred, assigned, conveyed or leased by performance or use pursuant to this Agreement. The independent contractor status of any independent contractor engaged by the Authorized Selling Firm shall not be affected by this Agreement.

13. Assignment: This Agreement and any rights pursuant hereto shall not be -----
assignable by either party hereto, except as set forth herein or by operation of law, subject to whatever regulatory filings or approvals may be applicable. Except as and to the extent specifically provided in this Agreement, nothing in this Agreement, expressed or implied, is intended to confer on any person other than the parties hereto, or their respective legal successors, any rights, remedies, obligations or liabilities that would otherwise be applicable. The representations, warranties, covenants and agreements contained in this Agreement shall be binding upon, extend to and inure to the benefit of the parties hereto, their, and each of their, successors, and assigns respectively.
14. Arbitration: Any unresolved dispute or difference between the parties -----
arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The award rendered by the Arbitrator shall be final and binding upon the parties, and judgment upon the award rendered by the Arbitrator may be entered in any court having jurisdiction thereof. The arbitration shall take place in Minneapolis, Minnesota.
15. Indemnification: The Company and the Authorized Selling Firm agree to -----
hold each other harmless and to indemnify each other against any and all liability, loss, damage, expense, cost, cause of action, demand, penalty, fine or claim (including cost of litigation or administrative proceedings and counsel fees) arising out of or related to any of the services provided hereunder to the extent the same are caused by the act or failure to act of the indemnifying party.

16. Confidential Information: The parties agree certain information released -----
in performance of this Agreement, whether intentionally or unintentionally, may constitute confidential information ("Confidential Information"). Confidential Information, for purposes of this agreement, means information released by one party ("Releasing Party") to the other ("Receiving Party"), in whatever format, that is nonpublic, trade secret

and/or proprietary. It is agreed the Receiving Party shall maintain Confidential Information in strict confidence, refrain from misappropriating such information for purposes other than performing responsibilities under this Agreement or as otherwise agreed to by the parties, use commercially reasonable efforts to prevent disclosing such information to unauthorized or unaffiliated third parties, and not copy such information without prior consent or acquiescence of the Releasing Party. These restrictions do not apply to information that (i) enters into the public domain through no fault or action of the Receiving Party, (ii) is obtained from a third party who is under no legal or contractual obligation to maintain confidentially of such information, (iii) is independently developed by the Receiving Party without reference to or use of any Confidential Information, or (iv) is required to be disclosed pursuant to requirements of law or legal process including but not limited to disclosures made to and required by any governmental agency having regulatory authority over the Company. Upon termination, if demanded by the Releasing party, the Receiving Party shall within sixty (60) days return to the Releasing Party copies, in whatever form or medium, of any material containing Confidential Information.

17. Notices: All notices, statements or requests provided for hereunder

shall be deemed to have been duly given when delivered by hand to an officer of the other party, or when deposited with the U.S. Postal Service, as first class certified or registered mail, postage prepaid, overnight courier service, or facsimile copy, addressed:

a. If to Authorized Selling Firm: Chief Financial Officer
Ameriprise Financial Services, Inc.
55 Ameriprise Financial Center
Minneapolis, MN 55474

with a copy to: General Counsel
Ameriprise Financial Services, Inc.
55 Ameriprise Financial Center
Minneapolis, MN 55474

b. If to Company: Chief Financial Officer
RiverSource Life Insurance Company
227 Ameriprise Financial Center
Minneapolis, MN 55474

with a copy to: General Counsel
RiverSource Life Insurance Company
55 Ameriprise Financial Center
Minneapolis, MN 55474

or to such other persons or places as each party may designate from time to time. The aforementioned individuals shall also serve as contact persons for the purpose of carrying out this Agreement. As such, the contact persons shall be authorized to act on behalf of their respective parties as to the matters pertaining to this Agreement. Each party shall notify the other in writing as to the name, address and telephone number of the designated contact person in the event there is a replacement or change in such contact information.

18. Termination: This Agreement shall remain in effect until (i) the parties -----

mutually agree to terminate the agreement or (ii) either the Company or the Authorized Selling Firm gives the other party sixty (60) days or more advance written notice of the party's intent to terminate this Agreement or that portion of this Agreement pertaining to any one or more of the services or items set forth in Attachment A annexed hereto. Upon termination, the Authorized Selling Firm shall promptly deliver to the Company all books and records that are, or are deemed by this Agreement to be, the property of the Company.

19. Settlement on Termination: No later than sixty (60) days after the -----

effective date of termination of this Agreement, the Authorized Selling Firm shall deliver to Company a detailed written statement for all charges incurred and not included in any previous statement to the effective date of termination. The amount owed or to be refunded hereunder shall be due and payable within thirty (30) days of receipt of such statement.

20. Performance Standards: Authorized Selling Firm agrees that in performing -----

or providing functions or services hereunder, it shall use that degree of ordinary care and reasonable diligence that an experienced and qualified provider of similar services would use acting in like circumstances in such matters and in accordance with the standards, practices and procedures established by the Authorized Selling Firm for its own business. Authorized Selling Firm shall perform services according to servicing standards of the Company or such other standards as may be mutually agreed upon by the parties. Authorized Selling Firm shall comply with all laws, regulations, rules and orders applicable to (i) the Company with respect to the services provided hereunder and (ii) the Authorized Selling Firm with respect to its own business. Authorized Selling Firm agrees to maintain sufficient facilities and trained personnel of the kind necessary to perform the services under this Agreement.

21. Control: The performance of services by the Authorized Selling Firm for -----

the Company pursuant to this Agreement shall in no way impair the absolute control of the business and operations of the Authorized

Selling Firm or the Company by their respective Boards of Directors. The Authorized Selling Firm shall act hereunder so as to assure the separate operating entity of the Company. The business and operations of the Company shall at all times be subject to the direction and control of the Board of Directors of the Company.

22. Governing Law: This Agreement is made pursuant to and shall be governed -----
by, interpreted under, and the rights of the parties determined in accordance with, the laws of the State of Minnesota.

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23. Entire Agreement: This Agreement, together with such amendments as may -----
from time to time be executed in writing by the parties, constitutes the entire agreement and understanding between the parties in respect of the transactions contemplated hereby and supersedes all prior agreements, arrangements and understandings relating to the subject matter hereof including a certain "Intercompany Agreement" between the parties dated January 1, 1987.

24. Severability. It is further agreed and understood by the parties hereto -----
that if any part, term or provision of this Agreement should be held unenforceable in the jurisdiction in which either party seeks enforcement of this Agreement, it shall be construed as if not containing the invalid provision or provisions, and the remaining portions or provisions shall govern the rights and obligations of the parties.

25. Section Headings: Section headings contained herein are for reference -----
purposes only and shall not affect the meaning or interpretation of this Agreement.

26. Counterparts: This Agreement may be executed in any number of -----
counterparts, each of which shall be deemed an original and enforceable against the parties actually executing such counterpart, and all of which, when taken together, shall constitute one instrument.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the dates indicated below.

AMERIPRISE FINANCIAL SERVICES, INC.

By: /s/ Brian M. Heath

Brian M. Heath

Its: President - U S Advisor Group

Date: 12/27/2006

RIVERSOURCE LIFE INSURANCE COMPANY

By: /s/ Timothy V. Bechtold

Timothy V. Bechtold

Its: President

Date: 12/21/2006

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ATTACHMENT A

1. Services and Facilities: Company shall reimburse Authorized Selling Firm

for its allocated portion of costs for the following services and
facilities:

- Establishing and maintaining certain area sales offices including:
staffing of area offices with qualified personnel; local marketing
expenses; supplies and postage; communication equipment; real
estate costs; and training.
- Marketing and sales management including maintaining qualified
senior leaders, both in the home office and field, responsible for
training, motivation, budgeting, and overall supervision.
- Retail distribution services including field leadership seminars
and training, advisor recruitment and testing, new advisor
training, practice management training, and non-regulatory
compliance.
- Incentive management including field recognition programs.
- Expenses related to pre-client ready advisors including salary,
benefits, and leader compensation.
- Field compensation and administration including insurance and

securities licensing, compensation planning, development and administration of bonus programs, commission statements, and commission accounting.

- Advisor business systems including development of desktop tools for client management and prospecting, tracking applications, and other intranet services.
- Marketing activities including direct mail, local marketing, and cross-selling programs.
- Advice information and field services including maintenance of a financial planning unit and supporting financial planning software.
- Financial education and planning services including offering of financial advice through worksite programs.
- Maintaining a financial services center for providing direct sales and services to clients.
- Legal and litigation expenses relating to sales practices.
- Other expenses necessary to support the delivery of sales and services to prospective and active clients of the Company.

2. Allocation of Cost: Company shall reimburse Authorized Selling Firm for -----

its allocated portion of the cost of providing the services and facilities described herein. The aggregate cost of the services and facilities described herein shall be allocated proportionately to all products sold through the Authorized Selling Firm based on a formula that takes into account the volume of sales and distribution costs (other than direct compensation) associated with each product line, including those of the Company. Such costs shall be calculated each month on a rolling year-to-date basis and charged out to the Company net of payment made in the prior month.

INVESTMENT MANAGEMENT AND SERVICES AGREEMENT
BETWEEN
RIVERSOURCE LIFE INSURANCE COMPANY
AND
RIVERSOURCE INVESTMENTS, LLC

This Investment Management and Services Agreement (the "Agreement") by and between RiverSource Life Insurance Company (the "Company") and RiverSource Investments, LLC (the "Investment Manager") is effective the 1st day of January 2007.

Whereas the Company is a life insurance companies domiciled in the state of Minnesota (the "Relevant State"); and

Whereas the Company owns assets that it wishes to invest in securities permitted for domestic life insurance companies under the laws of the Relevant State; and

Whereas, the Company wishes the Investment Manager to provide investment management and asset-liability management services for its investments; and

Whereas the Investment Manager is a Minnesota limited liability company that has extensive experience in and an established infrastructure for the kind of investment management and asset-liability management services contemplated for the Company; and

Whereas, the Investment Manager or an affiliate has historically provided investment management and asset-liability management services for the Company and the Company wishes to continue to obtain such services under this Agreement.

NOW THEREFORE; it is mutually agreed:

1. OWNERSHIP OF INVESTMENTS. The investments managed by the Investment Manager under this Agreement shall be those securities held in one or more accounts identified from time to time by the Company and agreed upon by the Investment Manager (collectively, the "Account"), which is identified in Exhibit A annexed to and made a part of this Agreement. The term "Investments" as used herein shall refer to the securities held in the Account as well as any investments that the Investment Manager shall determine should be entered into on behalf of the Company including but not limited to equities of all types and kinds, bonds, debentures, notes, bank deposits, banker's acceptances, repurchase agreements, mutual fund shares, money market instruments, real property, mortgage loans, derivatives and leveraged loans. It is agreed that at all times the Company's Investments are owned by the Company.

2. INVESTMENT MANAGEMENT. Subject to the oversight of the Board of Directors

of the Company and the Investment Committee thereunder, the Investment Manager shall manage the Investments of the Company, including the purchase, retention and disposition thereof, in accordance with the Investment Guidelines (as hereinafter defined) of the Company, a copy of which is annexed as Exhibit B.

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a. In connection therewith, the Investment Manager shall:

(i) provide continuous, discretionary investment management services for the Investments;

(ii) determine from time to time what Investments will be purchased, retained, or sold and what portion, if any, of the assets will be invested or held uninvested as cash, in accordance with the directions of the Board or the Investment Committee; and

(iii) act as agent and attorney-in-fact to act on behalf of the Account with respect to purchases, sales, exchanges, conversions and other transactions in the Investments.

b. In the performance of its duties and obligations under this Agreement, the Investment Manager shall act in conformity with the Investment Guidelines of the Company and under the oversight of the Investment Committee and the Company's Board of Directors, and consistent with applicable laws and regulations, as furnished in accordance with Section 5 below, and such other information furnished to it by the Company as described under Section 5 below.

c. The Investment Manager shall be responsible for and shall vote proxies from the issuers of any Investments in the Account in a manner consistent with the proxy voting policies of the Investment Manager in effect from time to time. The Investment Manager shall not be responsible for any other corporate actions relating to the Account, including administrative filings such as proofs of claims or claims in class actions. However, the Investment Manager will assist the Company with respect to these matters by providing historical transaction information as reasonably requested by the custodian or the Company.

d. The Investment Manager shall provide the Company, any of the Company's agents and employees and the Investment Committee with reasonable access to information regarding its internal operating procedures and guidelines, as they pertain to the Investments held by the Company.

e. The Investment Manager shall provide the Company with further assistance reasonably related to the foregoing services in a prompt and responsive manner.

f. The parties further agree that the Investment Manager shall have no

responsibility with respect to assets credited to the Account, or held outside the Account, to the extent the Company or the Investment Committee has provided directions for the acquisition, holding or disposition of those assets, or with respect to assets over which the Investment Manager has no authority or control.

g. The Investment Manager shall attend periodic meetings with the Investment Committee in person or by telephone, as reasonably requested and provide such information or reports at such times and in such manner as the Company may reasonably request.

h. The Investment Manager shall perform its duties and obligation hereunder through its officers, directors, partners and employees. In rendering the services contemplated by this Agreement, the Investment Manager may utilize the services of an affiliate or enter into

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agreements with unaffiliated third parties pursuant to which the third parties may assist it in performing any of the services set forth in this Agreement; provided, however, that the Investment Manager shall obtain prior written approval of the Company prior to engaging any unaffiliated third party to provide the core investment management or asset-liability management services contemplated under this Agreement. The Company acknowledges and agrees that the Investment Manager may retain one or more third-party pricing services and one or more proxy voting agents to assist in the execution of proxy votes.

3. ASSET-LIABILITY MANAGEMENT. During the term of this Agreement, the Investment Manager shall provide asset-liability services with respect to the Investments designed to assist the Company in managing the relationship between its assets and liabilities. In connection therewith, the Investment Manager shall:

a. measure, monitor and recommend strategies to manage interest-rate risk through strategies that fit within the Company's overall objectives described in the Investment Guidelines (defined below); and

b. prepare and deliver such asset/liability reports, and responses to other reasonable requests for specific recommendations and input, as the Company or the Investment Committee may reasonably request from time to time.

4. OTHER SERVICES.

(a) For the avoidance of doubt the Investment Manager shall have no responsibility under this Agreement for matters which are not described herein ("Additional Services").

(b) Where the Company requests the Investment Manager to perform any Additional Services, it shall be for both parties to agree the extent and the terms upon which such Additional Services are to be provided pursuant to a

separate written Agreement between the parties.

5. INFORMATION FURNISHED TO THE INVESTMENT MANAGER. Consistent with the provisions of Section 1 hereof, the Company shall make available to the Investment Manager such information as to the Company's Investments, investment portfolio requirements, quantitative requirements, liability and such other information as will reasonably enable the Investment Manager to furnish the services under this Agreement including, but not necessarily limited to, a statement of the requirements, if any, imposed by law upon the type, distribution and quality of the Investments (or by other law applicable to the Company's business with respect to the Investments) and such investment policies, objectives and guidelines as the Company shall state (collectively, the "Investment Guidelines"), which may be amended from time to time by the Company. To the extent the Company provides the Investment Manager with its overall investment policy or other governing documents, the Investment Manager shall be responsible for, and shall construe as "Investment Guidelines," only the portion of the investment policy relating to Investment Manager's activities with respect to the Account. The Company shall communicate any changes in the Investment Guidelines to the Investment Manager in writing at least ten (10) business days before the date on which they shall become effective. The Company agrees to give the

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Investment Manager prompt written notice if the Company believes any Account recommendations, advice or Investments are in violation of the Investment Guidelines.

For purposes of this Section 5, the requirements imposed by law upon the type, distribution and quality of the Investments, or by other law applicable to the Company's business with respect to the Investments, shall include the law of the Relevant State applicable to life insurance companies domiciled within the Relevant States. These requirements shall include not only the requirements of the Relevant States' Insurance Law, but also the requirements of all Regulations, Circular Letters and Administrative Guidelines of the Relevant State's Insurance Departments relating to the investment of funds for the Company.

The Company will furnish to the Investment Manager any other information that the Investment Manager may reasonably request with respect to the services performed or to be performed by the Investment Manager under this Agreement.

The Investment Manager shall at all times use its best efforts to comply with the Investment Guidelines and the instructions of persons designated by the Company. In determining the requirements and limitations of any laws governing the investments managed under this Agreement, the Investment Manager may rely on an interpretation of such laws by counsel to the Company.

6. RECORDS. The Investment Manager will maintain all records, memoranda, instructions or authorizations which the Company has described in reasonable detail to the Investment Manager as required by law, or for tax purposes, and relating to the acquisition or disposition of Investments by the Investment Manager for the Company. Such records, memoranda, instructions and authorizations shall be the property of the Company. To the extent practicable, the Investment Manager will make available to the Company, at its administrative offices, copies or originals of such records, memoranda, instructions or authorizations upon reasonable request and, as necessary, to comply with its obligations hereunder. In addition, all such records, memoranda, instructions or authorizations shall be available to the Company for audit and inspection during the Investment Manager's regular business hours at the Investment Manager's place of business. All such records, memoranda, instructions or authorizations shall also be made available to any regulatory authorities with supervision over the Company, upon request. If this Agreement is terminated, then to the extent practicable, the Investment Manager will turn over all such records, memoranda, instructions and authorizations to the Company upon reasonable request, but shall be permitted to make copies of them before turning them over to the Company and shall be permitted to retain such copies.

7. BROKERAGE. The Investment Manager is authorized to use its discretion to select the brokers or dealers that will execute transactions in Investments for the Account and the Investment Manager will use its best efforts to obtain the best available price and most favorable execution, consistent with this Agreement. The Investment Manager may effect individual transactions in Investments at commission rates in excess of the minimum commission rates available, to the extent authorized by law, if the Investment Manager determines in good faith that such amount of commission was reasonable in relation to the value of the brokerage and research services provided by such broker or dealer, viewed in terms of either that particular

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transaction or the Investment Manager's overall responsibilities with respect to the Investments. The Company understands that the Company may not receive best execution in any individual transaction.

The Company may give the Investment Manager reasonable written requests directing brokerage to certain broker-dealers. To the extent the Company wishes to establish a directed brokerage arrangement, the Company shall send a written instruction to the Investment Manager naming the broker-dealer and describing the nature of the brokerage direction or the directed commission arrangement. Any such directed brokerage arrangement shall be subject to the Investment Manager's prior approval. The Investment Manager shall not be responsible for any loss caused by any act or omission of any broker-dealer; provided, however, that with respect to any broker-dealer that has been selected by the Investment Manager, the Investment Manager has acted

prudently in such selection.

8. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

a. The Company represents and warrants that:

(i) It is duly authorized to retain the Investment Manager and to exercise its powers and obligations under this Agreement; and

(ii) It complies with all applicable laws, regulations and codes of conduct to which it is subject in carrying out its obligations under this Agreement.

(iii) Each person identified by the Company as authorized and empowered to provide instructions related to this Agreement on behalf of the Company has been duly authorized by the Company to do so.

(iv) The Company is and will continue to be the owner of all assets in the Account, and will inform the Investment Manager if there are any restrictions on transfer of any Investments.

(vi) The Company is establishing and will be maintaining the Account solely for the purpose of investing the Investments and not with a view to obtaining information regarding portfolio holdings or investment decisions in order to effect securities transactions based upon such information or to provide such information to another party. The Company and its authorized persons shall not use Account holdings information for any of the foregoing purposes.

b. The Investment Manager shall be entitled to rely on the foregoing as continuing representations and warranties by the Company until such time as the Company notifies the Investment Manager in writing to the contrary.

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9. REPRESENTATIONS AND WARRANTIES OF THE INVESTMENT MANAGER.

a. The Investment Manager represents and warrants that:

(i) It is duly organized and validly existing under the laws of its place of organization

(ii) It is registered with the U.S. Securities and Exchange Commission as an investment adviser and is duly authorized to carry out its investment management business and to exercise its powers and obligations under this Agreement;

(iii) It shall notify the Company if its authorization to act as an investment adviser is materially altered, revoked or suspended; and

(iv) It complies with all applicable laws, regulations and codes of conduct to which it is subject in carrying out its obligations under this Agreement.

b. The Company shall be entitled to rely on the foregoing as continuing representations and warranties by the Investment Manager until such time as the Investment Manager notifies the Company in writing to the contrary.

10. LIMITATION OF LIABILITY. In furnishing the Company with services as provided herein, the Investment Manager (including any officer, director or agent) shall exercise its best judgment and shall not be held liable to the Company, its creditors or the holders of its securities or deposits for errors of judgment or for any loss except a loss resulting from the willful misfeasance, bad faith or negligence in the performance of its duties, or reckless disregard of its obligations and duties under the terms of this Agreement. The U.S. federal securities laws impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing herein shall in any way constitute a waiver or limitation of any rights which the Company may have under any U.S. federal securities laws. It is further understood and agreed that the Investment Manager may rely upon information furnished to it by the Company that it reasonably believes to be accurate and reliable. The Company understands and acknowledges that the Investment Manager does not warrant any rate of return, market value or performance of any Investments in the Account.

11. INDEMNIFICATION.

a. The Investment Manager shall indemnify the Company against any and all loss, liability, claim, damage or expense (including reasonable attorney's fees) whatsoever suffered or incurred by the Company in connection with or arising out of the Investment Manager's material breach of any of the terms of this Agreement or law applicable to it, except to the extent such loss, liability, claim damage or expense was a direct result of the negligence, bad faith, or willful misconduct of the Company or any of its employees, agents, affiliates or other entities acting on its behalf. This indemnity shall remain in full force and effect regardless of any termination of this Agreement.

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b. The Company shall indemnify the Investment Manager against any and all loss, liability, claim, damage or expense (including reasonable attorney's fees) whatsoever suffered or incurred by the Investment Manager in connection with or arising out of the Company's material breach of any of the terms of this Agreement or law applicable to it, except to the extent such loss, liability, claim damage or expense was a direct result of the negligence, bad faith, or willful misconduct of the Investment Manager or any of its employees, agents, affiliates or other entities acting on its behalf. This indemnity shall remain in full force and effect regardless of any termination of this Agreement.

c. The following indemnification procedures shall apply to the extent indemnification is sought pursuant to Section 11 a. or b. above.

(i) The party seeking indemnification (the "Indemnified Party") shall promptly notify the party from whom indemnification is sought (the "Indemnifying Party") after becoming aware of, and shall promptly provide to the Indemnifying Party all information and documentation necessary to support and verify, any damages that the Indemnified Party shall have determined have given or could give rise to an action for indemnification hereunder. The Indemnifying Party shall be given access to all books, records and information in the possession or under the control of the Indemnified Party which the Indemnifying Party reasonably determines to be related to such action.

(ii) Any claim arising from, or which is the subject of, any action shall be paid after such action and the liability for damages thereunder have been finally determined. An action and the liability for damages thereunder shall be deemed to be "finally determined" when the parties to such action have so determined by mutual agreement or, if disputed, when a final non-appealable order of a court or arbitrator having competent jurisdiction has been entered.

(iii) In any pending or threatened claim, action, suit or proceeding in which indemnification may be sought, including without limitation any third party actions, the Indemnified Party shall not, without the prior written consent of the Indemnifying Party, settle, compromise or consent to the entry of any judgment.

(iv) Promptly after receipt by the Indemnified Party of notice of the commencement of any action to which the Indemnifying Party is not a party, the Indemnified Party shall, if a claim for the indemnification for such action may be made against the Indemnifying Party, notify the Indemnifying Party in writing of its commencement. Any failure or delay in so notifying the Indemnifying Party shall not relieve the Indemnifying Party of its obligations to indemnify pursuant to the terms and provisions of this Agreement, except to the extent that the Indemnifying Party is materially prejudiced thereby.

(v) The Indemnifying Party shall be entitled to assume the defense of any such action with counsel satisfactory to the Indemnified Party; provided, however, that upon the request of the Indemnified Party, the Indemnifying Party shall provide reasonable evidence of its ability to perform its obligations hereunder.

(vi) After notice from the Indemnifying Party to the Indemnified Party of its election to assume the defense thereof, the Indemnifying Party, at its sole cost, shall have the right to conduct and have control

over the negotiations, settlement, defense, payment, or other proceedings and dispositions of such action.

(vii) After notice from the Indemnifying Party to the Indemnified Party of its election to assume the defense thereof, the Indemnifying Party shall not be liable to the Indemnified Party under the foregoing indemnification provisions for any legal or other expenses subsequently incurred by the Indemnified Party in connection with the defense thereof other than (1) those relating to the investigation of such action or the furnishing of documents or witnesses in connection with such action and (2) all reasonable fees and expenses of separate counsel retained by the Indemnified Party if (i) the Indemnifying Party shall have agreed to the retention of such counsel or (ii) the Indemnifying Party and the Indemnified Party, on the advice of their respective counsel, shall have concluded that the representation of them by the same counsel would be inappropriate due to their actual or potential differing interests in the conduct of the defense of such action.

(viii) In any action or proceeding the defense of which the Indemnifying Party assumes, the Indemnified Party shall have the right to participate and retain counsel at its own expense.

12. COMPENSATION TO THE INVESTMENT MANAGER. The Company agrees to reimburse Investment Manager at cost for services provided by Investment Manager pursuant to this Agreement. The charge to the Company for such services shall include all direct and indirectly allocable expenses. The methods for allocating expenses to the Company shall be in accordance with the requirements of the insurance holding company system laws of the Relevant State. Such methods shall be modified and adjusted by mutual agreement where necessary or appropriate to reflect fairly and equitably the actual incidence of expense incurred by the Investment Manager on behalf of the Company. The method of allocating costs hereunder and the payment thereof shall be determined in the following manner:

- a. The cost of services performed by the Investment Manager that are identifiable as expenses incurred directly and exclusively for the benefit of the Company shall be charged to the Company. In addition, the Company shall be responsible for any and all custodial fees, brokerage commissions, transfer taxes, and for all other reasonable out-of-pocket expenses incurred in connection with the services provided under this Agreement
- b. The cost of services performed by the Investment Manager that are not identifiable as expenses incurred directly and exclusively for the benefit of the Company shall be allocated and charged to the Company in conformity with customary insurance accounting practices.
- c. For services rendered under this Agreement, payment shall be made by the Company to the Investment Manager on a monthly basis within thirty (30) days of invoice or other notice. The parties agree that during

the course of any given month the Company may make reasonable estimated payments for part or all of the monthly cost in which case such payment shall be offset against the actual amount otherwise due at the end of the

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month under this Agreement. The parties also agree that, at the option of the Company, the Company may reimburse Investment Manager based upon Investment Manager's good faith estimate of the monthly costs for some or all of the services provided hereunder, in which case there shall be a final adjustment made within thirty (30) days after completion of Investment Manager's cost analysis performed at least annually.

For purposes of allocating costs under this Agreement, the Company and Investment Manager shall rely on their internal accounting and allocation system then in effect, that system currently being the Management Accounting and Reporting System ("MARS"), which utilizes a product factor methodology for certain services and rate-volume formulas for other services, in order to ensure fair and reasonable allocations of income and expenses among affiliated entities.

13. ASSIGNMENT. No assignment, as defined by Section 202 of the Investment Advisers Act of 1940 (the "Advisers Act"), of this Agreement by the Investment Manager shall be effective without the consent of the Company.

14. TRANSACTIONS FOR THE INVESTMENT MANAGER AND OTHER ACCOUNTS. The Company recognizes that the Investment Manager and its affiliates provide and may continue to provide asset management, research, brokerage, investment advisory and other services to other institutions and other persons, or for their own account or the accounts of other affiliates, which may or may not have investment policies and investments similar to those of the Company. The Investment Manager shall be free to provide such investment advice and other services and the Company hereby consents thereto. The Company recognizes that the Investment Manager and its affiliates may give advice and take action in the performance of duties to other clients that may differ from the advice given, or the timing and nature of action taken, with respect to the Account, and that the Investment Manager and its affiliates may trade and have positions in investments of issuers and that the Company may own equivalent or related Investments in such issuers, and where action may or may not be taken or recommended for the Account. Nothing in this Agreement shall be deemed to impose upon the Investment Manager or its affiliates any obligation to purchase or sell, or recommend for purchase or sale for the Account or with regard to derivatives, any security or any other property which the Investment Manager or its affiliates may purchase, sell or hold for their own accounts or the account of any other client.

By reason of their various activities, the Investment Manager and its affiliates may from time to time acquire information about various

corporations and their securities. The Company recognizes that the Investment Manager may not always be free to divulge such information, or to act upon it.

15. RECEIPT BY THE COMPANY OF DISCLOSURE DOCUMENT. By appointing the Adviser, the Company acknowledges that the Company has received a copy of Part II of the Investment Manager's Form ADV or other brochure meeting the requirements of Rule 204-3 under the Advisers Act ("Investment Manager Disclosure Brochure"). If the Company did not receive the Investment Manager Disclosure Brochure at least 48 hours prior to appointing the Investment Manager, the Company may terminate the authority granted to the Investment Manager pursuant to this Agreement without penalty within five (5) business days of appointing the Investment Manager.

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16. INDEPENDENT CONTRACTOR. The Investment Manager shall be deemed to be an independent contractor and, except as expressly provided or authorized in this Agreement, shall have no authority to act for or represent the Company. The Company shall always retain the ultimate authority to make investment decisions and decisions about other services on its own behalf. Investments made or held for the Account, or otherwise, under this Agreement shall at all times be within the control of the Board of Directors of the Company.

17. ERISA. The Company represents and warrants that none of the Company's assets managed or permitted to be managed under this Agreement is subject to the Employee Retirement Income Security Act of 1974 ("ERISA"). The Company further represents and warrants that, if any of such assets ever becomes subject to ERISA, the Company will immediately so notify the Investment Manager.

18. CONFIDENTIALITY. All information and advice furnished by the Investment Manager to the Company under this Agreement shall be confidential and shall not be disclosed to third parties, except as required by law. All information furnished by the Company to the Investment Manager under this Agreement shall be confidential and shall not be disclosed to any unaffiliated third party, except as permitted or required by law, where it is necessary to effect transactions or provide other services to the Company, or where the Company requests or authorizes the Investment Manager to do so.

The obligations under this Section 18 shall not apply to confidential information to the extent such information (i) is or becomes published or otherwise generally available to the public through no wrongful act of the information recipient, (ii) is information which the information recipient can show was properly in its possession prior to receipt from the information owner, (iii) is or becomes available to the information recipient from a source other than the information owner having no obligation of nondisclosure with respect thereto, (iv) is information which the information recipient can show was independently developed by the

information recipient, (v) is required by law to be disclosed, provided, however, that the information recipient shall make reasonable efforts to have confidential treatment accorded to the confidential information and, to the extent permitted by law, shall make reasonable efforts to notify the information owner as appropriate prior to disclosure thereof, or (vi) is requested by any regulator, including any self-regulatory organization of which the information recipient is a member, to be disclosed, provided, however, that the information recipient will take reasonable steps to notify the regulator of the confidential nature of the confidential information.

Notwithstanding anything in this Section 18 to the contrary, the Investment Manager may share Confidential Information with its affiliates in accordance with its privacy policies in effect from time to time.

19. NOTICES. Any notice under this Agreement shall be given in writing, addressed, and delivered, or mailed postpaid, to the party to this Agreement entitled to receive such, at such party's principal place of business as set out here:

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INVESTMENT MANAGER:

RiverSource Investments, LLC
50189 Ameriprise Financial Center
Minneapolis, Minnesota 55474

Attn: Manager of Global Administration

With a copy to:

Ameriprise Financial, Inc.
50605 Ameriprise Financial Center
Minneapolis, Minnesota 55474

Attn: Chief Legal Officer, RiverSource Investments, LLC

COMPANY:

RiverSource Life Insurance Company
227 Ameriprise Financial Center
Minneapolis, MN 55474
Attn: President
with a copy to General Counsel

or to such other address as either party may designate in writing mailed to the other.

20. LAW GOVERNING THIS AGREEMENT. For purposes of contract interpretation, this Agreement shall be governed by the laws of the State of Minnesota. As

set forth in Section 5 of this Agreement, the requirements imposed by law upon the type, distribution and quality of the Investments, or by other law applicable to the Company's business with respect to the Investments, shall include the law of the Relevant State applicable to life insurance companies domiciled within the Relevant State.

21. TERMINATION. This Agreement shall continue and remain in effect for an unlimited duration commencing on the date of this Agreement unless and until terminated by either party as hereinafter provided. This Agreement may be terminated by either the Company or Investment Manager at any given time by giving the other party at least sixty days' previous written notice of such intention to terminate.

22. AMENDMENT OF THIS AGREEMENT. This Agreement may be amended only by an instrument in writing signed by the parties hereto.

23. ENTIRE AGREEMENT. This Agreement represents the entire agreement as to its subject matter between the parties and supercedes any prior agreement whether written or oral including but not limited to the "Investment Management and Services Agreement" between the parties dated October 1, 2005. Nothing herein shall prevent any affiliate that has been appointed by the

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Investment Manager to provide services under this Agreement from entering into and/or retaining a separate agreement with the Investment Manager and/or the Company where necessary to meet any requirements associated with inter-company arrangements, provided, however, that the terms of any such separate agreement shall not be in conflict with the terms of this Agreement.

24. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Agreement.

25. USE OF NAME. Company agrees that the Investment Manager may identify Company by name in Investment Manager's current client list. Such list may be used with third parties.

26. ARBITRATION.

(A) COMPANY UNDERSTANDS AND AGREES THAT:

I) ARBITRATION IS FINAL AND BINDING ON THE PARTIES;

II) THE PARTIES WAIVE THEIR RIGHT TO SEEK REMEDIES IN COURT, INCLUDING THE RIGHT TO JURY TRIAL;

III) PRE-ARBITRATION DISCOVERY IS GENERALLY MORE LIMITED THAN,

AND DIFFERENT FROM, COURT PROCEEDINGS;

IV) THE ARBITRATORS' AWARD IS NOT REQUIRED TO INCLUDE FACTUAL FINDINGS OR LEGAL REASONING, AND ANY PARTY'S RIGHT TO APPEAL OR TO SEEK MODIFICATION OF RULINGS BY THE ARBITRATORS IS STRICTLY LIMITED; AND

V) THE PANEL OF ARBITRATORS WILL TYPICALLY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.

(B) ANY CONTROVERSY ARISING OUT OF, OR RELATING TO THE ACCOUNT, TO TRANSACTIONS WITH THE INVESTMENT MANAGER OR ITS RESPECTIVE AGENTS AND/OR EMPLOYEES, OR TO THIS AGREEMENT OR THE BREACH THEREOF, SHALL BE SETTLED BY ARBITRATION AND CONDUCTED PURSUANT TO THE FEDERAL ARBITRATION ACT BEFORE THE AMERICAN ARBITRATION ASSOCIATION OR THE NATIONAL ASSOCIATION OF SECURITIES DEALERS INC., THE CHICAGO STOCK EXCHANGE INC., THE NEW YORK STOCK EXCHANGE, THE AMERICAN STOCK EXCHANGE TO THE EXTENT THE INVESTMENT MANAGER MAY BE A MEMBER OF SUCH EXCHANGE, THE MUNICIPAL SECURITIES RULEMAKING BOARD OR THE INDEPENDENT NON-INDUSTRY ARBITRATION FORUM AS COMPANY MAY ELECT. IF COMPANY DOES NOT MAKE SUCH ELECTION BY REGISTERED MAIL ADDRESSED TO THE INVESTMENT MANAGER AT THE INVESTMENT MANAGER'S MAIN OFFICE WITHIN 10 DAYS AFTER DEMAND BY THE INVESTMENT MANAGER THAT COMPANY MAKE SUCH ELECTION, THE INVESTMENT MANAGER MAY MAKE SUCH ELECTION. JUDGMENT UPON ANY AWARD RENDERED BY THE ARBITRATORS MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF.

(C) NO PERSON SHALL BRING A PUTATIVE OR CERTIFIED CLASS ACTION TO ARBITRATION, NOR

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SEEK TO ENFORCE ANY PREDISPUTE ARBITRATION AGREEMENT AGAINST ANY PERSON WHO HAS INITIATED IN COURT A PUTATIVE CLASS ACTION; OR WHO IS A MEMBER OF A PUTATIVE CLASS WHO HAS NOT OPTED OUT OF THE CLASS WITH RESPECT TO ANY CLAIMS ENCOMPASSED BY THE PUTATIVE CLASS ACTION UNTIL: (I) THE CLASS CERTIFICATION IS DENIED; (II) THE CLASS IS DECERTIFIED; OR (III) THE COMPANY IS EXCLUDED FROM THE CLASS BY THE COURT.

(D) SUCH FORBEARANCE TO ENFORCE AN AGREEMENT TO ARBITRATE SHALL NOT CONSTITUTE A WAIVER OF ANY RIGHTS UNDER THIS AGREEMENT EXCEPT TO THE EXTENT STATED HEREIN.

27. MISCELLANEOUS.

(a) Severability. If any term of this Agreement is found to be invalid or unenforceable, all other provisions will remain in force. The failure of the Investment Manager to insist on strict compliance with this Agreement is not considered a waiver of the Investment Manager's rights under this Agreement.

(b) Headings. All section and paragraph headings are for convenience of reference only and do not form part of this Agreement.

(c) Force Majeure. No party to this Agreement will be responsible for nonperformance resulting from acts beyond the reasonable control of such party, provided that such party uses commercially reasonable efforts to avoid or remove such causes of nonperformance and continues performance under this Agreement with reasonable dispatch as soon as such causes are removed.

28. AUTHORIZED PERSONS. The Investment Manager may rely upon, or act in accordance with, instructions or information furnished to it that it reasonably believes to be accurate or reliable. Such information or instructions may be provided from directors, officers or employees of the Company, the Investment Committee, or any committee that has been established by the Company's parent company to provide guidance, strategy or parameters for the investment of the Company's assets in accordance with the Company's investment policy (e.g., Balance Sheet Management Committee or Asset-Liability Committee).

29. CUSTODY. The Investment Manager shall not act as custodian for the Account and shall not take possession of any Investments. The Company shall maintain or establish, in the Company's name, an account with a broker-dealer, bank or trust company in which the Company shall maintain or deposit the assets managed or permitted to be managed under this Agreement. The broker/dealer, bank or trust company selected by the Company shall be the custodian of the Investments. The custodian designated by the Company may be an affiliate of the Investment Manager. The Company will cause the custodian to take all necessary steps to settle purchases, sales and trades made on behalf of the Account, including delivery of certificated securities, payments of funds and such other acts as may be necessary to fulfill such custodial responsibilities. The Investment Manager shall give notice and directions with respect to transactions in a manner that shall be agreed upon with the custodian. The Investment Manager shall not be responsible for any loss caused by any act or omission of the custodian. The

Company shall execute any and all documents that the Investment Manager may from time to time transmit to the Company for the purpose of carrying out securities transactions for the Account.

THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE IN SECTION 26.

In witness whereof, the parties hereto have executed the foregoing Agreement effective as of the day and year first above written.

RIVERSOURCE LIFE INSURANCE COMPANY

RIVERSOURCE INVESTMENTS, LLC

By: /s/ Timothy V. Bechtold

By: /s/ Michelle M. Keeley

Print name: Timothy V. Bechtold

Print name: Michelle M. Keeley

Print title: President

Print title: Executive Vice President

EXHIBIT A

ACCOUNTS

The portfolios of investments subject to this Agreement are the assets in the following accounts of the Company and any successor accounts:

Account 907
General Account 909
Account 949
Payout Segment Account 970
MGA Account 275
MVA Account 276

EXHIBIT B

INVESTMENT GUIDELINES

Pursuant to Section 5 of the Investment Management and Services Agreement by and between RiverSource Life Insurance Company (the "Company") and RiverSource Investments, LLC (the "Investment Manager"), the Investment Manager shall be responsible for, and shall construe as "Investment Guidelines," only the portion of the following investment policy relating to Investment Manager's activities with respect to the Account.

RIVERSOURCE LIFE INSURANCE COMPANY
INVESTMENT POLICY

I. PURPOSE

This document represents RiverSource Life Insurance Company's ("Company") written investment policy as required under sections 60A.112 and 60L.06 of Minnesota Statutes. This investment policy is approved by the Company's Board of Directors in order to provide guidance for investment decisions by company management. It shall be reviewed and re-approved by the Board no less often than once every twelve months.

II. INVESTMENT MANAGEMENT AND PROCEDURES

The Company's parent company, Ameriprise Financial, Inc. (AMPF), has established the Balance Sheet Management Committee (BSMC) to provide

guidance for overall objectives, strategy and parameters for the proper and prudent investment of AMPF and its subsidiaries' assets on a consolidated basis. The BSMC generally will consist of the chief executive officer and other senior executives of AMPF.

AMPF has also established an Asset-Liability Committee (ALCO) comprised of investment, actuarial, finance, product development and risk management personnel that will meet periodically to discuss guidance from the BSMC and to review economic conditions, product development initiatives, sales forecasts and the investment transactions of AMPF and its subsidiaries on a consolidated basis.

The ALCO will measure, monitor, and recommend strategies to manage risks that the Company takes, including interest rate risk, credit risk and operational risk, consistent with AMPF's overall investment objectives, on a consolidated basis, and protect AMPF on a consolidated basis against severe income losses should these risks move adversely. The ALCO will be expected to use sophisticated risk measurement and management tools, including gap analyses, simulation models, and duration/market valuation analyses, as appropriate. Incorporated into these tools is

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extensive, detailed modeling of asset and liability cash flows, asset yield sensitivities, and liability rate crediting practices.

RiverSource Investments, LLC is responsible for managing the Company's assets consistent with the guidance from the BSMC and the ALCO and under the oversight of the Company's Board of Directors or, as the Board may from time to time establish and authorize, its Investment Committee.

In the event of any inconsistency between the BSMC's and ALCO's guidance for AMPF's consolidated assets and regulatory requirements for the Company, the Board of Directors or the Investment Committee will promptly seek revised guidance from the BSMC and ALCO or its designee.

The Board of Directors or the Investment Committee and others responsible for the Company's investments shall evaluate the following factors and consider them along with the Company's business in determining whether an investment portfolio or investment policy is prudent:

- (1) general economic conditions;
- (2) the possible effect of inflation or deflation;
- (3) the expected tax consequences of investment decisions or strategies;
- (4) the fairness and reasonableness of the terms of an investment considering its probable risk and reward characteristics and relationship to the investment portfolio as a whole;

- (5) the extent of the diversification of the Company's investments among individual investments, classes of investments, industry concentration, dates of maturity, and geographic areas;
- (6) the quality and liquidity of investments in affiliates;
- (7) the investment exposure to the following risks, quantified in a manner consistent with the Company's acceptable risk level identified in the guidelines in this Investment Policy: liquidity; credit and default; market; call, prepayment and extension; currency; and foreign sovereign;
- (8) the amount of the Company's assets, capital and surplus, premium writings, insurance in force, and other appropriate characteristics;
- (9) the amount and adequacy of the Company's reported liabilities;

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- (10) the relationship of the expected cash flows of the Company's assets and liabilities, and the risk of adverse changes in the company's assets and liabilities;
- (11) the adequacy of the company's capital and surplus to secure the risks and liabilities of the company; and
- (12) any other factors relevant to whether an investment is prudent.

Day-to-day management of the Company's investment assets is carried out by RiverSource Investments, LLC, pursuant to the strategy and standards established or approved by the Board of Directors or the Investment Committee and guidance from the ALCO and BSMC, subject to the procedure for any regulatory inconsistency as described above. The process of approving investment transactions depends upon the transaction type. Any purchase or sale recommendation for below-investment grade or private placement transactions in fixed-income securities or commercial mortgage loans must be reviewed and approved by a Vice President or an Assistant Vice President - Investments of the Company, in accordance with the Company's procedures and practices for these types of transactions. Any other below-investment-grade investments and investments which are rated by a nationally recognized rating agency as investment grade are reviewed and approved and ratified at the Board of Directors or Investment Committee meetings. The Company's Board of Directors and Investment Committee restrict investments so as to comply with the limitations imposed by Minnesota Statutes sections 60L.01 through 60L.15. A summary of Minnesota's relevant investment laws is attached to and made a part of this policy. The Board of Directors and the Investment Committee also comply with the AMPF consolidated credit exposure guidelines.

III. INVESTMENT OBJECTIVE AND STRATEGY

The broad investment objective is for the Company to achieve a competitive portfolio yield consistent with acceptable risk standards established or approved by the Board of Directors or the Investment Committee consistent with the guidance from the BSMC and the ALCO. The Company will take reasonable steps to prudently manage three primary kinds of risk: credit risk, asset-liability matching, and liquidity.

A. Credit Risk. The Company manages credit risk through a combination of thorough credit analysis and broad diversification. The creditworthiness of portfolio holdings is monitored by a staff of credit and commercial mortgage analysts. In selecting new investments as well as monitoring existing holdings, credit analysts prepare internal ratings based on standards established by RiverSource Investments, LLC, in addition to using NAIC and public ratings.

Broad diversification is achieved through exposure to numerous industries over a spectrum of numerous businesses. With respect to commercial mortgage loans, broad diversification shall be achieved through a balanced distribution of property types and geographic locations.

RiverSource Investments, LLC will provide information and documentation to AMPF's Investment Accounting Department and Controllershship Area concerning impaired securities.

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Based on this material, the Investment Accounting Department and Controllershship Area will record the appropriate investment write-downs pursuant to Minnesota/NAIC investment laws and other applicable accounting regulations. On a quarterly basis, RiverSource Investments, LLC shall prepare a report listing all such securities for review by the Company's Board of Directors or the Investment Committee.

B. Asset-Liability Management. Investment assets of the Company shall be invested, consistent with the guidance from the BSMC and the ALCO, in asset portfolios which have characteristics compatible with the insurance and annuity liability portfolios and management of interest rate risk.

The Company also fully supports the Valuation Actuary concept and performs cash flow testing as required by the standard valuation laws. The objective of the cash flow testing is to examine the appropriateness of the Company's assets to meet its obligations to policy owners under a broad range of interest rate scenarios.

The Company's hedging of investment assets and policy liabilities taken as a whole shall be consistent with the Derivatives Policy that is attached to and hereby made a part of this Investment Policy.

C. Liquidity Risk. The Board of Directors or the Investment Committee shall

establish or approve standards to ensure that sufficient funds are available to pay contract and policyholder obligations as they arise. Liquidity risk shall be managed primarily by maintaining a high percentage of invested assets in publicly traded securities with a broad range of maturities. Securities with limited liquidity, such as private placements, commercial mortgage loans, and below investment grade instruments shall comprise a minority position in the portfolio relative to public investment grade holdings.

IV. TRANSACTIONS WITHIN A HOLDING COMPANY SYSTEM

RiverSource Investments, LLC shall comply with Minnesota insurance laws governing holding companies, including, but not limited to, M.S.A. Section 60D.20.

V. INVESTMENT ACCOUNTING

The Company investment accounting personnel, in consultation with the Company's Controllershship area, are responsible for applying the appropriate accounting treatment for each investment made by the Company. Such decisions are made in consultation with AMPF accounting and tax personnel and the Company's outside auditors.

VI. COMMERCIAL MORTGAGE LOAN POLICY

The Company shall develop and maintain a separate investment policy relating to commercial mortgage loans. That policy is attached to and made a part of this Investment Policy.

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VII. CONFLICT OF INTEREST

The Company's officers, directors, and Investment Committee members are prohibited from borrowing funds from the Company or from receiving any compensation, gift, or other consideration from any person or entity in which the Company makes an investment.

VIII. COMPLIANCE

The Board of Directors shall make a determination on an annual basis that the Company is in compliance with these procedures and shall adopt a resolution to that effect. A record of the resolution shall be made and filed with the Department of Commerce.

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INVESTMENT LIMITATIONS FOR INSURERS
UNDER MINNESOTA PRUDENT PERSON LAW

This is not an exhaustive summary of the law. For a more complete statement of the law, see Minnesota Statutes section 60D.20 and sections 60L.01 through 60L.15.

So long as Minnesota Statutes sections 60L.01 through 60L.15 apply to RiverSource Life Insurance Company ("Company"), the Company must meet a minimum asset requirement. The minimum asset requirement, set out in section 60L.01, subdivision 11, is the sum of the Company's liabilities, other than the asset valuation reserve, voluntary investment reserves and liabilities on separate accounts, and its minimum financial security benchmark. Section 60L.03, subdivision 1, provides as a practical matter that the Company's minimum financial security benchmark is the authorized control level risk-based capital applicable to the Company as defined under section 60A.60, subdivision 11, clause (3).

Section 60L.11, subdivision 1, provides that invested assets may be counted toward satisfaction of the minimum asset requirement only as far as they are invested in compliance with sections 60L.01 through 60L.15 and orders issued by the Minnesota commerce commissioner, and that assets other than invested assets may be counted at admitted annual statement value.

Section 60L.07 sets out classes of investments that may be counted for purposes of section 60L.11, whether they are made directly or through a partnership, joint venture or limited liability company. Section 60L.08 establishes limitations on the investments that may be made in most of the classes of investments set out in section 60L.07. These classes of investments and limitations are as follows:

1. Cash in the direct possession of the insurer or on deposit with a

financial institution regulated by any federal or state agency of the United States. Section 60L.07(1).

Limitation: None specified.

2. Bonds, debt-like preferred stock, and other evidences of indebtedness

of governmental units in the United States or Canada, or the instrumentalities of the governmental units, or private business entities domiciled in the United States or Canada, including asset-backed securities and SVO listed mutual funds. Section 60L.07(2). (SVO listed mutual funds are money market mutual funds or short-term bond funds that are registered with the Securities and Exchange Commission (the SEC) under the Investment Company Act of 1940 (the 1940 Act) and that have been determined by the Securities Valuation Office (the SVO) of the National Association of Insurance Commissioners (the NAIC) to be eligible for special reserve and reporting treatment other than as common stock. Section 60L.01, subdivision 15.

Limitation: (a) The aggregate amount of investments authorized under section 60L.07(2), and similar foreign investments authorized under section 60L.07(7) that are lower and medium grade may not exceed 20% of the insurer's admitted assets. Section 60L.08, subdivision 1, paragraph (a), clause (1). (Lower grade investments are rated credit instruments or debt-like preferred stocks rated 4, 5, or 6 by the SVO of the NAIC or any successor office. Section 60L.01, subdivision 9. Medium grade investments are rated credit instruments or debt-like preferred stock rated 3 by the SVO of the NAIC or any successor office. Section 60L.01, subdivision 10.)

(b) The aggregate amount of lower grade investments may not exceed ten percent of the insurer's admitted assets. Section 60L.08, subdivision 1, paragraph (a), clause (2).

(c) The aggregate amount of investments rated 5 or 6 by the SVO may not exceed five percent of the insurer's admitted assets. Section 60L.08, subdivision 1, paragraph (a), clause (3).

(d) The aggregate amount of investments rated 6 by the SVO may not exceed one percent of the insurer's admitted assets. Section 60L.08, subdivision 1, paragraph (a), clause (4).

(e) The aggregate amount of lower and medium grade investments that receive as cash income less than the equivalent yield for United States Treasury issues with a comparative average life, may not exceed one percent of the insurer's admitted assets. Section 60L.08, subdivision 1, paragraph (a), clause (5).

3. Loans secured by mortgages, trust deeds, or other security interests

in real property located in the United States or Canada or secured by

insurance against default issued by a government insurance corporation
of the United States or Canada or by an insurer authorized to do
business in this state. Section 60L.07(3).

Limitation: Investments may not exceed 45 percent of admitted assets in the case of life insurers. Section 60L.08, subdivision 1,

paragraph (b).

4. Common stock or equity-like preferred stock or equity interests in any

United States or Canadian business entity, or shares of mutual funds
registered with the SEC under the 1940 Act, other than SVO listed
mutual funds. Section 60L.07(4).

Limitation: Investments (other than subsidiaries of the types
authorized under section 60D.16 or 61A.281) may not exceed 20
percent of admitted assets in the case of life insurers.
Section 60L.08, subdivision 1, paragraph (c).

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5. Real property necessary for the convenient transaction of the

insurer's business. Section 60L.07(5).

Limitation: Investments may not exceed ten percent of admitted assets.
Section 60L.08, subdivision 1, paragraph (d).

6. Real property and its fixtures, furniture, furnishings, and equipment

in the United States or Canada, which produces or after suitable

improvement can reasonably be expected to produce substantial income.

Section 60L.07(6);

Limitation: Investments may not exceed 20 percent of admitted assets
in the case of life insurers. Section 60L.08, subdivision 1,
paragraph (e).

7. Loans, securities, or other investments of the type described in 1-6

above in countries other than the United States and Canada. Section

60L.07(7).

Limitation: Investments may not exceed 20 percent of admitted assets.
Section 60L.08, subdivision 1, paragraph (f). (See 2 above
for limitations with respect to lower and medium grade
investments.)

8. Bonds or other evidences of indebtedness of international development

organizations of which the United States is a member. Section

60L.07(8).

Limitation: Investments may not exceed two percent of admitted assets.
Section 60L.08, subdivision 1, paragraph (g).

- 9. Loans upon the security of the insurer's own policies in amounts that

are adequately secured by the policies and that in no case exceed the

surrender value of the policies. Section 60L.07(9).

Limitation: None specified.

- 10. Tangible personal property under contract of sale or lease under which

contractual payments may reasonably be expected to return the

principal of and provide earnings on the investment within its

anticipated useful life. Section 60L.07(10).

Note: Investments may not exceed two percent of admitted assets.
Section 60L.08, subdivision 1, paragraph (h) (as amended in
1999).

- 11. Other investments authorized by the commissioner. Section 60L.07(11).

- 12. Investments not otherwise permitted by section 60L.07, and not

specifically prohibited by other law, to the extent of not more than

five percent of the first \$500,000,000 of the

insurer's admitted assets plus ten percent of the insurer's admitted

assets exceeding \$500,000,000. Section 60L.07(12).

For purposes of compliance with section 60L.11, securities of a single
issuer and its affiliates, other than the government of the United States
and certain subsidiaries of the insurer, may not exceed three percent of

admitted assets in the case of life insurers. For these purposes, in the case of asset-backed securities issued, assumed, insured or guaranteed by a government-sponsored enterprise and secured by or evidencing an interest in a single asset or single pool of assets held by a trust or other business entity, the issuer is considered to be the asset or pool of assets. Section 60L.08, subdivision 2.

The admitted portion of assets of certain investment subsidiaries are considered to be owned directly by the insurer and any other investors in proportion to the market value, or if there is no market, the reasonable value, of their interest in the subsidiaries. Section 60L.08, subdivision 3.

Where investments exceed the limitations specified above (other than those in 12 above), the excess may be assigned to the investment class authorized at 12 above, until that limit is exhausted. Section 60L.08, subdivision 4.

Unless otherwise specified, an investment limitation computed on the basis of an insurer's admitted assets or capital and surplus must relate to the amount required to be shown on the statutory balance sheet of the insurer most recently required to be filed with the commissioner. Section 60L.08, subdivision 6.

An insurer engaging in replication transactions shall include all replicated investment positions in calculating compliance with the above limitations on investments. So long as the insurer so complies with these limitations on investments, then the insurer may count a replication transaction and any related investment of the insurer for the purposes specified in section 60L.11, to the extent the insurer has appropriately assigned the transaction or other investment to an investment class authorized in section 60L.07. An insurer shall not otherwise count replicated investment positions for the purposes specified in section 60L.11.

If an investment position of the insurer includes a replicated investment position and exceeds an applicable limitation contained in Section 60L.08, then the insurer may allocate part or all of the replicated investment position as follows for the purposes of calculating compliance with the limitations on investments and other requirements contained in the investment law: to the extent an insurer owns assets in excess of its minimum asset requirement, the insurer may deem a replicated investment position to be among such excess assets, but only to the extent that the replicated investment position does not cause the total positions represented by such excess assets to be greater than the total positions represented by such excess assets as would be permitted in the absence of the replicated investment position.

An insurer may not invest in investments that are prohibited for an insurer by law. The use of a derivative instrument for any purposes other than hedging, income generation or replication is prohibited. A reasonable time, not to exceed five years, must be allowed for disposal of a

prohibited investment in hardship cases if the investment is demonstrated by the insurer to have been legal when made, or the result of a good-faith mistake. Section 60L.10.

Replication transaction means a derivative transaction that is intended to replicate the performance of one or more assets that an insurer is authorized to acquire under this investment law. A derivative transaction that is entered into as a hedging transaction is not considered a replication transaction. Section 60L.01, subdivision 14.

Replicated investment position means the statement value of the position reported under the heading "Replicated (Synthetic) Asset" on Schedule DB, Part F, of the annual statement of the insurer, or any successor provision.

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RIVERSOURCE LIFE COMPANY INSURANCE COMPANY
DERIVATIVES POLICY

Scope

This Derivatives Policy applies to RiverSource Life Insurance Company (the Company), including businesses managed or operated by third parties. It covers all uses of derivatives, whether designed to mitigate risk, generate income, or combinations thereof.

This policy and requirements detailed in the attached appendix "Requirements for Use of Derivatives at RiverSource Life Insurance Company" represent a minimum level of compliance. In addition to this policy, the Company will comply with the AMPF Company Derivatives Policy.

OBJECTIVE

The objective of this policy is to ensure that the Company uses derivatives prudently and effectively in the management of its businesses and that their use is governed by appropriate risk assessment, control and reporting procedures.

Definitions

A derivative is a contract in which the value depends on the value of an underlying asset, reference rate or index. For these purposes, derivatives do not include asset-backed securities or other investment securities.

Policy Statement

It is the policy of the Company to allow the use of derivatives in the conduct of its businesses, providing such use is in compliance with this policy and with all other requirements set forth for their use.

Principles

The Company's senior management must understand fully the performance characteristics of any derivative instrument used within the business and be certain that its use is consistent with the Company's business objectives.

Derivatives can be used:

- o to straddle/hedge or protect against adverse changes in the values of assets or liabilities that the Company has acquired or incurred or has contracted to acquire or incur, whether on or off balance sheet;

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- o to hedge current or anticipated income, revenue, or expense against changes in interest rates, credit exposure, foreign exchange rates, and/or equity market levels; and
- o to help achieve overall funding objectives.

Derivative transactions shall be consistent with the discussion of "Tax Considerations" in the appendix "Requirements for Use of Derivatives at RiverSource Life Insurance Company" to the extent applicable.

Procedures and controls needed to comply with this policy must be in place before derivatives can be used.

Exposures generated by derivatives trading must fit within established limits for earnings and individual counterparties.

Only authorized types of derivative contracts can be used. "Exotic" derivatives involving non-standard indices or payout formulae must be approved on an exception basis.

The Company's Investment Committee maintains this policy and RiverSource Investments, LLC, the Company's investment manager, shall inform the Board of Directors of the Company annually of its compliance with the policy and any suggested changes.

Exception Criteria

The Investment Committee must approve material exceptions in the application of this policy. The Investment Committee will report any such exceptions to the Chief Financial Officer of Ameriprise Financial, Inc. If feasible, such reporting shall occur prior to the application of the exception.

SUPPORTING INFORMATION

Appendix - Requirements for Use of Derivatives at RiverSource Life Insurance Company

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REQUIREMENTS FOR USE OF DERIVATIVES AT RIVERSOURCE LIFE INSURANCE COMPANY

The managers of RiverSource Life Insurance Company ("Company") must comply with the following requirements in the business's use of derivatives. These requirements supplement the Company's Derivatives Policy. If an issue concerning the use of a derivative is not adequately addressed in this appendix or the Policy itself, it is the responsibility of the user to gain approval of the issue before entering into the derivative contract.

Risk Analysis

- o Commensurate with its activities, the Company shall have a risk management process that values its derivatives at market, quantifies its derivative-related risk (including the correlation between movements in the derivative value and the value of the hedged or underlying asset, liability, revenue, or expense), and compares that risk to the Company's risk limits. Interest-rate related derivatives will be aggregated with other exposures and will be subject to the Company's overall Earnings-at-Risk (EaR) limit in effect.
- o Potential credit exposure of the Company to a counterparty from derivatives should be aggregated with all other exposures of the Company to the counterparty to determine compliance with established Company credit and market risk limits at the time of inception of a derivatives transaction. Credit exposures may be aggregated taking into account enforceable netting arrangements.
- o Prior to the execution of a new type or structure of derivative contract, the Company should determine the variability of the contract's potential market and credit exposure. The analysis should indicate whether such variability might reasonably be expected to create exposure to a counterparty in excess of established limits. Any such derivative should include, where possible, contractual credit-enhancement provisions that mitigate the counterparty exposure or must be reported prior to execution to the Company's Investment Committee. A derivative so required to be reported to the Investment Committee shall also be reported to the Chief Financial Officer of Ameriprise Financial, Inc. (the AMPF CFO). If feasible, such reporting also shall be prior to execution.

Eligible Instruments

- o Interest rate swaps, including basis swaps
- o Interest rate options (e.g., caps, corridors, collars, floors, swap options)
- o Currency swaps
- o Currency options

- o Forward rate agreements
- o Forward foreign exchange contracts
- o Equity options
- o Equity swaps
- o Equity forwards
- o Index options
- o Index swaps
- o Exchange-traded futures relating to interest rates, equities, and foreign exchange, including indices
- o Exchange-traded options relating to interest rates, equities, and foreign exchange, including indices
- o Credit default swaps
- o Total return swaps
- o Credit-linked notes
- o Credit spread options.

A new derivative instrument must be approved on an exception basis by the Investment Committee, with reporting of the exception to the AMPF CFO, or added to this policy before it can be used.

Derivative contracts which contain non-standard formulas (that is, formulas that are not pegged specifically to a known index or interest rate or have a multiplier of other than one) or which otherwise would not be permitted must be approved by the Investment Committee, with reporting of the approval to the AMPF CFO, for use on an exception basis.

Eligible Counterparties

Professional market counterparties must have a long-term debt rating by a recognized statistical rating organization in one of its three highest rating categories, such as a rating of "A" or better by Standard & Poor's or Moody's (where split-rated between S&P and Moody's, the lowest rating shall apply), or one of the following criteria must be met:

- o the counterparty's obligations are guaranteed by an entity with a long-term rating of "A" or better by a recognized statistical rating service;
- o the derivative contract is a U.S. Exchange-traded option or future;
- o the counterparty is, in the opinion of the RiverSource Investments Investment Research Dept. (such opinion is to be obtained in writing from RiverSource Investments, LLC), equivalent to an issuer with a long-term rating of "A" or better;
- o cash or AAA-rated, liquid collateral denominated in the same currency

as the exposure is obtained to cover credit exposure through the life of the contract, such collateral has a value

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at least equal to 100% of the credit exposure and the value of the credit exposure and such collateral is marked-to-market and settled at least quarterly;

- o the contract maturity is under 12 months, no quote is available from an "A"-rated entity, and such contract is approved on an exception basis by the Investment Committee; or
- o the contract maturity is under 12 months, there exists a significant overall relationship with AMPF, as determined by AMPF CFO, and such contract is approved on an exception basis by the Investment Committee; and
- o if the counterparty rating is downgraded subsequent to the execution of the derivative contract, the downgrade is reported to the Investment Committee and the AMPF CFO, and corrective action, if any, is agreed to by the Investment Committee, with reporting of such corrective action to the AMPF CFO.

Tax/Accounting/Reporting

- o All hedging and straddle transactions must be identified and recorded in conformance with IRS rules and regulations.
- o For general purpose financial reporting, all transactions must be documented and booked in accordance with Generally Accepted Accounting Principles as required for public companies by the SEC. As appropriate, statutory accounting procedures or other accounting procedures for reports to regulators may be followed in addition to general purpose requirements.
- o Derivatives intended as hedging transactions must be designated in writing, along with the method for assessing their effectiveness at inception and on an ongoing basis.
- o The Company will determine market values of its derivatives at least monthly.

Controls/Audit

- o This risk management process is intended to provide management controls of derivatives activities as well as a regular reporting mechanism to senior management and the Board of Directors of the Company. The Company's investment officer will have overall responsibility for the Company's derivative activities. The Company will have, commensurate with the level and complexity of its derivatives activity, appropriate controls in place to manage market, credit, operations, fraud and model risks. These controls will

periodically be reviewed to ensure their effectiveness. For example, the Company must have adequate procedures to ensure that valuations of derivative contracts are accurate, such as verifying contract values with a party independent of the counterparty of the particular contract.

- o The functions of market and credit risk management, legal, compliance, operations, and financial controls should be independent of the dealing or transacting function.
- o Controls must exist to ensure that only authorized transactions take place and that an unauthorized transaction would be detected and appropriate action quickly taken.

Legal

All derivative transactions must be documented in writing.

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- o Documentation must be approved by the general counsel or other counsel of the Company, by the General Counsel's Office of the Company's investment manager or of an affiliate of the Company or its investment manager, or by other legal counsel to the Company. This approval may be approval of a standard form for the Company.
- o Legal counsel must review all new derivative contract types or structures prior to the Company's entering into a trade.

Staff Qualifications

- o The Company must stipulate who is authorized to enter into derivative contracts and notify approved counterparties of those so authorized.
- o Personnel who analyze, execute and/or monitor derivative transactions should be authorized to do so by the Company. Members of the Investment Committee, and employees and other persons associated with the Company's investment manager with responsibility for such analysis, execution and/or monitoring, are authorized to analyze, execute and/or monitor the Company's derivatives transactions.

Tax Considerations

The Company enters into derivatives transactions that act as hedges for tax purposes of its policy obligations taken as a whole. Because the risks hedged under this tax hedging program constitute "aggregate risks" within the meaning of Treas. Reg. Section 1.1221-2(c)(3), these Policies and Procedures are intended to meet the requirements of Treas. Reg. Section 1.221-2(f)(3)(iv) for identification of "hedging transactions" where such aggregate risks are hedged. Under that regulation, in order to meet the identification requirements, a taxpayer must (i) place in its records a description of the hedging program and (ii) establish a system under which individual transactions are identified as being entered into pursuant to the program.

The Company's hedging program.

Because the Company's investment staff views its hedging transactions (other than derivatives transactions to hedge foreign currency, stock market, credit or interest rate risk associated with particular investments, liabilities or items of income) as entered into to hedge risks with respect to the Company's policy liabilities taken as a whole, the risks that are being "aggregated" for purposes of Treas. Reg. Section 1.1221-2(f)(3)(iv) are in general the Company's total risks on the policies it has issued.

The Company's investment staff will enter into these hedging transactions to reduce the risk that the proceeds of its investment assets will fall short of the funds necessary to pay its policy obligations and other liabilities as they come due. This type of hedging is sometimes referred to as "gap hedging" in the financial industry because it hedges the "gap" between assets and liabilities (and this term is adopted in the preamble to Treas. Reg. Section 1.1221-2).

The Company's hedging program is integrally related to its general planning program for funding policy liabilities. The Company has set its hedging strategy for policy liabilities at quarterly meetings of the Investment Committee, which are attended by members of both the actuarial staff and the investment staff. This hedging strategy is developed using models into which analysts

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introduce updated information as to the repricing policy, lapse sensitivity, and other attributes of the Company's policy liabilities and similar characteristics with respect to its investment portfolio. The model then projects the likely "gap" (expressed as a change in income) between policy liabilities and the investment cash flows (which will be available to fund them), using different interest rate scenarios.

The Company's policy liabilities generally have a shorter average duration and different convexity characteristics than the assets in its investment portfolio. Thus, for example, the focus of the Company's hedging strategy in an environment of rising interest rates is the concern that payments of shorter-term policy liabilities will rise faster than the cash flows generated by the longer-term assets in the investment portfolio. Thus, in such an environment, the Company's hedging strategy may call for buying interest rate caps which will generate cash for the Company if interest rates continue to rise, and thus help to fund policy liabilities where the cash flow of current investments may be inadequate. Different hedging strategies will be required in different financial market situations.

The Company's system of identification.

Hedging transactions will be identified for purposes of Treas. Reg. Section 1.1221-2(f) on the "trading ticket" which the Company's investment

department executes for every financial instrument it acquires and for every notional principal contract it enters into. On each of these tickets for the tax hedging program described above, the following will be written: "This is a 'hedging transaction' under Treas. Reg. Section 1.1221-2, which hedges the aggregate risks of the Company's policy liabilities".

Where the financial instrument or notional principal contract covered by the trading ticket is intended to qualify as a "hedging transaction" for purposes of Treas. Reg. Section 1.1221-2, this notation will be made by a member of the Company's investment manager's trading staff before the close of business on the day the transaction is entered into. Adding this language is the mechanism by which the Company will meet the identification requirements of Treas. Reg. Section 1.1221-2, so that the hedging transaction designated will have ordinary character treatment under that regulation and, where applicable, qualify for the hedging exceptions of I.R.C. Sections 1092(e) and 1256(e).

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RIVERSOURCE LIFE INSURANCE COMPANY
INVESTMENT POLICY

COMMERCIAL MORTGAGES

- A. General: Policies and procedures described below are designed to meet

RiverSource Life Insurance Company's (herein "Company") business and investment objectives and at the same time comply with Minnesota investment laws.
- B. Advisory Services: The Company will use the investment services of

RiverSource Investments, LLC to recommend and manage mortgage loans. All decision-making regarding the Company's investments, including mortgage loans, shall be subject to the authority of the Company's Board of Directors (herein the "Board") or Investment Committee (herein the "Investment Committee").
- C. Qualification: All mortgage loans will meet the qualification

requirements for mortgage loans as set forth in the applicable Minnesota insurance statutes. Any exceptions must comply with the "basket provision" for nonqualified investments and must have specific approval of the Board or the Investment Committee as a "basket provision loan."
- D. Underwriting: RiverSource Investments, LLC mortgage portfolio managers

will recommend loans using underwriting guidelines that are common in

the industry including such ratios as loan-to-value, debt service coverage, loan-to-cost and loan per square foot. Mortgage broker and internal appraisals using capitalization rates supportable in the marketplace will be used to determine values.

1. New Business Appraisal - An independent appraisal is required as a part of the closing process, the intent of which is to verify the underwriter's valuation. Independent appraisers will be selected in accordance with appraiser licensing laws in the state in which the property is located. The underwriter on each transaction reviews and approves the independent appraisal.
2. Existing Business Appraisal - For modifications and refinancing of existing loans and additional funding of loans secured by property already securing a loan made by the Company, an independent appraisal is required to verify the underwriter's valuation for any loan funding more than the original loan amount. An internal appraisal, as defined below in the Policy for Handling Delinquencies, Workouts and Foreclosures, is required if funds are not advanced over the original loan amount.
3. Inspections - representatives of RiverSource Investments, LLC or the Company shall have inspected the property prior to closing.

E. Loan Size and Portfolio Size:

1. Loan size - Will be determined by the Board or the Investment Committee and will not exceed any regulatory restrictions in size, including applicable Minnesota insurance law.
2. Portfolio size - Shall be determined periodically by the Board or the Investment Committee.

F. Pricing: Pricing of the loans shall be based on a spread over

comparable maturity Treasuries and shall be determined by comparison with the yield on other fixed income investment opportunities and by the degree of risk in comparison with other investment opportunities. Pricing is established by RiverSource Investments, LLC with the approval of the Board or the Investment Committee. Pricing of individual transactions is set at the time of approval of the transaction.

G. Security: The security for mortgage loans will be a first mortgage on

the property being financed. Depending upon the transaction, the

recommendation of the portfolio manager and the approval of the Board or the Investment Committee, the transaction may or may not carry some level of personal recourse. In no event will the transaction be recommended if in the assessment of the portfolio manager the debt cannot be repaid from the net operating income of the property and the property value. (The Board or the Investment Committee may approve certain credit enhancement vehicles.)

H. Diversification: RiverSource Investments, LLC will maintain proper

property and geographic diversification within the portfolio. RiverSource Investments, LLC will report periodically to the Board or the Investment Committee the status of property type and geographic diversification and will make recommendations relative to overweighing or underweighing in geographic areas and property types.

I. Other Mortgage Provisions

1. Environmental - Environmental reports will be required on all new investments and on all renewal loans where there is no existing report. It is the policy of the Company that properties present no more than minimal risk as to environmental issues. Such risk shall be reviewed periodically by RiverSource Investments, LLC and General Counsel's Office of AMPF as statutes or regulations in each state are changed.
2. Call Protection - Each mortgage loan should provide reasonable call protection based upon a sliding scale formula or yield maintenance.

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3. Restrictions on Transfer - Documents shall provide for restrictions against transfer without written approval of the lender. The portfolio managers will determine appropriate guidelines for pre-approving such transfers.
4. Restrictions on Secondary Financing - All documents shall prohibit secondary financing without lender approval and shall provide limitations on such financing as may be determined from time to time by the portfolio managers. Guidelines for pre-approval will be determined by portfolio managers.

J. Affiliates: The Company shall not make a mortgage loan that will fund

payment of a loan held by an investment company affiliated with the Company without prior consultation with the Company's legal counsel.

K. Loan Approval: Portfolio managers are to submit a written summary

along with their recommendation to a Vice President or an Assistant Vice President - Investments of the Company for approval. The Board or the Investment Committee reviews and ratifies such actions as part of its review and approval of the reports on investment activities.

L. Closing: AMPF's General Counsel's Office reviews transactions as

requested for legal qualification and appoints outside counsel to close the transaction. Additionally, the General Counsel's Office is required to monitor the performance of outside counsel who provide closing services and sets forth closing requirements relative to insurance, surveys, environmental reports and appraisals. These areas are charged with assuring that the loan is properly documented to provide for adequate protection of the investment.

M. Loan Administration: In order to provide better monitoring and control

of the portfolio, loan servicing shall be done by Ameriprise Financial, Inc., or an approved mortgage banker servicer under contract with Ameriprise Financial, Inc. Exceptions will be recommended to and approved by the Board or the Investment Committee.

1. Ameriprise Financial, Inc. will establish appropriate accounting procedures and monetary controls in cooperation with the Company's controllers to insure that the portfolio is tracked to identify potential risks. Such controls shall include, but not be limited to, the following:

- a. Systems to assure payments are received in a timely manner and properly applied as to principal and interest.
- b. A delinquency monitoring system that includes collection procedures beginning on the 11th day after the loan payment is due.
- c. Systems to assure taxes and insurance are paid promptly. (As a general rule, tax escrows should be required.)
- d. Requirement that annual operating statements be required and reviewed on an annual basis.
- e. A system whereby all loans with a balance in excess of \$1 million are inspected annually.

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N. Policy for Handling Delinquencies, Workouts and Foreclosures:

Delinquencies generally should not exceed 30 days. If a delinquency continues past the 30 day point a foreclosure action must be commenced prior to the loan reaching 90 days delinquent. The permitted exceptions are when there is a signed recommendation for a loan

modification or workout or a documented legal explanation for not commencing the foreclosure.

1. When a foreclosure is commenced a foreclosure file will be opened with a copy of the notice of acceleration and the foreclosure complaint.
2. Short-term workouts are to be negotiated by Ameriprise Financial, Inc. and should be short-term in nature and extended only if there is convincing evidence that the existing borrower can contribute in some way to the resolution of the problem.
3. Definitions
 - a. Contractual Terms: The principal and interest payments of -----
the commercial mortgage loan as scheduled in the mortgage agreement.
 - b. Delinquent Mortgage: Any loan 90 days delinquent on a -----
required payment of principal or interest (current corporate policy is more conservative than the statutory definition, i.e., 30 days).
 - c. Distressed Mortgage: A loan other than a delinquent loan -----
that is determined by the management of the insurer, in the exercise of its prudent investment judgment, to involve circumstances that create a reasonable probability that the loan may become a delinquent mortgage loan or a mortgage loan in foreclosure.
 - d. Independent Appraiser: A person not employed by the Company, -----
an affiliate of the Company, investment adviser to the Company or borrower who develops and communicates real estate appraisals and holds a current, valid license issued under Minnesota Statutes Chapter 82B or a similar law enacted by another state.
 - e. Internal Appraisal: An appraisal to determine current market -----
value made by an internal appraiser and based upon an evaluation of:
 - 1) the property based upon a physical inspection of the premises,
 - 2) the current and expected stabilized cash flow generated by the property,
 - 3) the current and expected stabilized market rents in the geographic market where the property is located, and
 - 4) the current and stabilized occupancy rate for the geographic market where the property is located.

- f. Internal Appraiser: An individual

1) employed by the Company, an affiliate of the Company, or Ameriprise Financial, Inc.
2) who has training and experience qualifying the individual to appraise the value of commercial real estate,
3) whose direct or indirect compensation is not dependent upon the outcome of appraisals,
- g. Mortgage Loans in Foreclosure:

1) A loan in the process of foreclosure, including redemption period.
2) A loan where the borrower is in bankruptcy and not making payments according to the contractual terms.
3) A loan secured by a mortgage on real estate that is subject to a senior mortgage or other lien that is being foreclosed.
- h. Performing Mortgage Loan: A mortgage loan that is current

and not in distress as defined above.
- i. Permanently impaired: A loan for which, based on current

information and events, it is probable that the insurer will be unable to collect all amounts due according to the contractual terms.
- j. Real Estate Owned: Real property owned and acquired through

or in lieu of foreclosure and where redemption rights have expired.
- k. Restructured Mortgage Loan:

1) Material delinquent payments or accrued interest are capitalized and added to the balance of an outstanding loan, or
2) interest payments have been abated or reduced to below market rates existing at the date of restructuring.

O. Valuation Procedures: The Board or the Investment Committee shall from

time to time establish procedures to be used in the valuation of the Company's mortgage portfolio, taking into account the various

categories of loans, i.e. performing, distressed, delinquent, restructured, in foreclosure and REO.

1. Performing loans - shall be carried on the books at amortized cost. However, an annual review of these loans will be conducted using some or all of the following data: annual operating reports, annual inspection reports, payment history, lease rollover data and any other pertinent facts available. Based upon this assessment, a general reserve for GAAP purposes will be maintained at a level to be determined on a quarterly basis by the Company's controllers.

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2. Distressed, delinquent and restructured loans - shall make an individual property evaluation using an internal review of all of the factors in 1 above plus an internal appraisal of each such loan using assumptions based upon current and projected lease rates, expense levels and vacancy rates for the specific type of property in the geographic location where the property is located. For distressed mortgage loans, impairment will be measured based on the fair value of the collateral less estimated costs to obtain and sell. A valuation allowance will be established for the difference between the adjusted fair value of the collateral and the amortized acquisition cost of the distressed mortgage loans. For delinquent mortgage loans, the insurer will either take a charge against its surplus or establish a reserve for the difference between the fair value and the amortized acquisition cost of the delinquent mortgage loans. For restructured mortgage loans, impairment will be measured based on the fair value of the collateral less estimated costs to obtain and sell. The difference between the adjusted fair value of the collateral and other assets received and the amortized acquisition cost of the restructured mortgage loans must be recorded as a direct write-down and a new cost basis established.
 - a. Sampling: Beginning August 1, 1991, every 20th loan (beginning with the 10th loan) entering any one of these categories (in chronological order) will be selected for an independent appraisal in compliance with Minnesota Insurance Law.
 - b. No more than one third of such appraisals will be completed by a single appraiser or appraisal firm.
3. Foreclosures and REO - If an independent appraisal exists at the time a property enters either of these categories and that appraisal is no more than six months old, the appraisal may be used to determine the fair value. If the appraisal is more than six months old or there is no independent appraisal on the

property, then an independent appraisal will be required to be completed within six months of the date the loan enters either category. The fair value will be adjusted for additional expenses, such as insurance, taxes and legal fees that have been imposed to protect the investment or to obtain clear title to the property to the extent these amounts are expected to be recoverable from the disposition of the property. A write-down of the asset will be taken based upon the resultant value.

4. Application of the valuation procedures, including reserves and charges against surplus, shall be reviewed periodically by the Board or the Investment Committee and annually by the Board. The Company's controllers shall determine proper reporting procedures from both the GAAP and statutory guidelines.

P. Disposition of REO: At least annually a plan will be prepared and

approved by the Board which reflects the strategy for each specific asset. Recommendations will include sell/hold, minimum/maximum sale price and budget for the operation of the property during the ensuing year. Recommendations will be based on all data available including

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independent appraisals. In addition to the approval of the annual plans, asset managers will constantly monitor the properties and review the plan and results at least quarterly.

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FEDERAL INCOME TAX SHARING AGREEMENT
BY AND AMONG
RIVERSOURCE LIFE INSURANCE COMPANY
RIVERSOURCE LIFE INSURANCE CO. OF NEW YORK
AND
AMERIPRISE FINANCIAL, INC.

This Tax Sharing Agreement ("Agreement") dated January 1, 2007 restates and amends all prior Tax Sharing Agreements by and between RiverSource Life Insurance Company ("RSLIC" or "Parent") and RiverSource Life Insurance Co. of New York ("RSLICNY") (collectively, the "Parties"), each of which is referred to as a Member and together are referred to as the "Parties". In addition, Ameriprise Financial, Inc. ("AMP") is a signatory to this Agreement but is not a participant in such Agreement as AMP does not file a consolidated tax return with any of the Members or Parties to this Agreement.

WHEREAS, RSLIC is required under the Internal Revenue Code and Treasury regulations as the parent corporation of the Consolidated Group to pay any taxes owed as the result of filing the consolidated return; and

WHEREAS, the Parties must provide for any inter-company balances of amounts "due and from" under this Agreement to be settled; and

WHEREAS, AMP is the Parent of RSLIC but is not a Participant in such Agreement, and AMP recognizes that each of the Members to this Agreement is bound by such Agreement;

NOW THEREFORE, the Parties agree as follows:

1. RSLIC as the common parent of the Consolidated Group shall act as the sole agent of the Consolidated Group, for each Member of the Consolidated Group and any successor of the Consolidated Group with respect to all matters relating to the tax liability for the Consolidated Group under the rules set forth in Section 1.1502-77 of the Treasury Regulations on Income Tax (26 C.F.R.).
2. A Member's portion of the tax liability of the group shall be the tax liability of the group, multiplied by a fraction, the numerator of which is the separate return liability of such Member, and the denominator of which is the sum of the separate return liabilities of all the Members. For this purpose, a separate return is defined as a return completed by a Member as if it were and had been filing as a separate individual taxpayer. However, intercompany transactions which are deferred under a consolidated tax return filing should be recognized. Further, method (B) as set forth in paragraph 3 of New York Insurance Department Circular Letter No. 33 (1979) shall be utilized by the Parties and the tax charged shall not be more than the Member would have paid if it had filed on a separate return basis. A Member

shall be paid for any foreign tax credits, investments credits, losses or any loss carry over (collectively herein referred to as "Credits")

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generated by it, to the extent actually used in the consolidated return. Payment shall be equal to the reduction in tax generated by its Credits.

3. If the amount paid by any Member licensed as an insurance company in the State of New York (a "New York Member") to the Parent for federal income taxes is greater than the actual payment made by the Parent to the Internal Revenue Service, the difference shall be placed by the Parent in escrow in an escrow account ("Escrow Account") established under an Escrow Agreement substantially in the form attached hereto as Exhibit A, consisting of assets eligible as an investment for the New York Member. The Escrow Account shall be established and maintained by the Parent in an amount equal to the excess of the amount paid by the New York Member to the Parent for federal income taxes over the actual payment made by the Parent to the Internal Revenue Service. Assets may be released to the Parent from the Escrow Account at such time as the permissible period for loss carrybacks has elapsed.

4. Once a Member of the Consolidated Group is paid for its credits it cannot use such credits in the calculation of its tax liability under the separate return basis. Any of the Member's credits which are not used in the consolidated return and for which it has not been paid shall be retained by the Member for possible future use.

5. Any obligation of a Member of the Consolidated Group as determined under this Agreement owed to another Member of the Consolidated Group shall be paid by the Member owing such amount within thirty (30) days of the payment of any tax due (including estimated taxes or taxes owed in the event of a redetermination of taxes as determined in Paragraph 6) or within thirty (30) days of any tax refund actually received. In the event that payment is not timely made, interest shall accrue at a rate of interest determined by the Treasurer of AMP based upon the short-term interest rate that would be incurred were AMP to borrow funds from an independent third party.

6. In the event of a redetermination of the taxes owed by the Consolidated Group or any Member of the Consolidated Group is made by the Internal Revenue Service, by the Consolidated Group through the filing of an amended return, by a court, or by any other means, the amount of tax owed by each Member of the Consolidated Group under Paragraph 2 shall be recalculated. Interest on these subsequent adjustments shall be paid at the same rate that is either paid to the Internal Revenue Service in the event of additional tax owed or is paid by the Internal Revenue Service to the Consolidated Group or Member of the Consolidated Group. For purposes of determining the interest rate, netting of payments and refunds shall be made to the extent allowed under the Code.

7. This Agreement may be amended from time to time by agreement in writing

executed by all of the Members that at such time constitute the Consolidated Group.

8. This Agreement shall remain in force unless any one of the three following conditions is met:

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- (A) All of the Parties to the Agreement agree in writing to the termination of the Agreement;
- (B) Membership in the Consolidated Group ceases or is terminated for any reason; or
- (C) The Consolidated Group fails to file a consolidated return for a taxable year.

9. Notwithstanding the termination of this Agreement, its provisions will remain in effect, with respect to any period of time during the tax year in which termination occurs, for which the income of the terminating party must be included in the consolidated return and in any prior period for which the terminating party is a Member of the Consolidated Group.

10. This Agreement shall not be assignable by any Party, without the prior written consent of the other Parties.

11. With the consent of AMP (as evidenced in writing by action of the Board of Directors or any officer of AMP), any direct or indirect subsidiary or other entity controlled directly or indirectly by AMP may become a party hereto effective as of the date specified in writing by the adopting subsidiary or other entity. Any subsidiary or other entity adopting this Agreement shall be bound by the provisions of this Agreement in effect at the effective time of adoption and subsequently in effect because of any amendment to this Agreement. This Paragraph 11 is in addition to, and not in limitation of, the provisions and operation of Paragraph 14 hereof.

12. Notwithstanding its termination, all material relating to a consolidated federal tax return filed in accordance with this Agreement including, but not limited to, returns, supporting schedules, workpapers, correspondence and other documents shall be made available to any party to this Agreement during regular business hours.

13. Any controversy arising under this Agreement shall be settled by arbitration in Minneapolis, Minnesota. All controversies shall be settled in accordance with the American Arbitration Association rules then in effect, and any award rendered thereon shall be enforceable in any court of competent jurisdiction.

14. This Agreement sets forth the entire understanding of the Parties and supersedes any prior agreement on the subject matter hereof.

15. Any company that is owned by another Member of the Consolidated Group that becomes part of the Consolidated Group by operation of the Code or Treasury Regulations and that is required to file as a Member of the Consolidated Group shall automatically become a Party to this Agreement.

[Continued on next page]

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IN WITNESS WHEREOF, the Parties hereto execute this Agreement as of the day and year first above written.

RIVERSOURCE LIFE INSURANCE COMPANY

BY: _____

RIVERSOURCE LIFE INSURANCE CO. OF NEW YORK

BY: _____

AMERIPRISE FINANCIAL, INC.

BY: _____

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EXHIBIT A

ESCROW AGREEMENT

ESCROW AGREEMENT, dated _____ among RiverSource Life Insurance Company ("RSLIC"), RiverSource Life Insurance Co. of New York ("RSLICNY") and _____ (collectively, the "Parties") as Escrow Agent ("Escrow Agent").

WHEREAS, RSLIC is required to establish and maintain a special account consisting of assets eligible as an investment for a New York life insurer in an amount equal to the excess of the amount paid by RSLICNY to RSLIC for federal income taxes over the actual tax payment made by RSLIC.

WHEREAS, escrow assets may be released to RSLIC from the special account at such time as the permissible period for loss carrybacks has expired, and

WHEREAS, RSLIC desires to deposit securities with the Escrow Agent for such

purpose;

NOW THEREFORE, in consideration of the mutual agreements and other valuable considerations and the provisions herein contained, it is hereby agreed by and among RSLICNY, RSLIC, and the Escrow Agent that RSLIC shall establish and maintain a special account with the Escrow Agent pursuant to the following conditions:

1. Securities placed in the special account shall be held by the Escrow Agent, its successors or assigns, in trust, exclusively for the benefit of the RSLICNY and free of any lien or other claim of the Escrow Agent or any judgment, creditor, or other claimant of RSLIC.

2. Except as hereinafter provided, no securities in this account or any principal cash account held pursuant to this Agreement shall be released by the Escrow Agent except (i) upon receipt of a written request of RSLICNY and RSLIC, and (ii) upon substitution of other securities satisfying the provisions of this Agreement.

3. Upon maturity of any security held hereunder, the Escrow Agent may surrender the same for payment and hold the proceeds thereof in a principal cash account that is to be maintained as part of this account in accordance with this Agreement. The principal cash account shall be invested pursuant to the instructions of RSLIC.

4. Unless and until the Escrow Agent is notified to the contrary by RSLICNY and RSLIC, all income collected on or received from the securities held hereunder is to be paid to or upon the order of RSLIC.

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5. The Escrow Agent shall be accountable to RSLICNY and RSLIC, as their interests may appear, for the safekeeping of the securities and cash reserves held by it hereunder.

6. The Escrow Agent shall send advices with respect to all security and principal cash transactions, within ten (10) days after said transactions take place, to RSLICNY and RSLIC.

7. On or before March 1 of each year, RSLICNY shall advise the Escrow Agent and RSLIC if the permissible period for use of any tax loss as a carryback has expired and shall authorize the Escrow Agent to release to RSLIC, from the special account, such amounts as were deposited in the special account with respect to such tax loss.

8. The Escrow Agent may cancel this Agreement, effective not less than thirty (30) days after delivery of notice thereof to RSLICNY and RSLIC, and RSLICNY or RSLIC may cancel this Agreement at any time without assigning any reason therefor, effective upon delivery of notice thereof to the Escrow Agent and the other Parties; provided no cancellation by any party shall be

effective until either (a) a new escrow agreement is executed by RSLIC with another escrow agent and approved by RSLICNY, and the securities and cash principal in the special account are transferred to the newly designated escrow agent in accordance with written instructions from RSLIC approved by the RSLICNY, or (b) a letter of credit, acceptable to the New York State Insurance Department, is delivered to the RSLICNY in substitution for the foregoing special account.

9. Any successor in interest of the Escrow Agent, or receiver, liquidator, or other public officer appointed to administer the affairs of the Escrow Agent, shall succeed to all the obligations assumed hereunder by the Escrow Agent.

10. This Agreement shall be construed and enforced in accordance with the laws of the State of New York.

11. All notices and other communications which shall be or may be given hereunder shall be in writing and shall be deemed to have been duly given if delivered or mailed to the Parties at their respective addresses set forth at the end of this Agreement or to such other address as any of the Parties hereto shall furnish to the other.

12. Any controversy arising under this Agreement shall be settled by arbitration in New York City in accordance with the American Arbitration Association rules then in effect, and any award rendered thereon shall be enforceable in any court of competent jurisdiction.

13. This Agreement sets forth the entire understanding of the Parties and supersedes any prior agreement on the subject matter hereof and may not be changed or terminated except by an agreement in writing signed by the Parties.

IN WITNESS WHEREOF, the Parties hereto execute this Agreement as of the day and year first above written.

RIVERSOURCE LIFE INSURANCE COMPANY

BY: _____

RIVERSOURCE LIFE INSURANCE CO. OF NEW YORK

BY: _____

[ESCROW AGENT]

By: _____

Title: _____

AGREEMENT
BY AND AMONG
RIVERSOURCE LIFE INSURANCE COMPANY,
AMERIPRISE INDIA PRIVATE LIMITED, AND
AMERIPRISE FINANCIAL, INC.
(A/K/A SUPPLEMENTARY AGREEMENT NO. 1)

This Agreement (the "Agreement") is made on the 1st day of January, 2007 by and among:

RiverSource Life Insurance Company, an insurance company organized under the laws of the State of Minnesota and having its principal place of business in Minneapolis, Minnesota (hereafter "RSLIC");

Ameriprise India Private Limited, a company incorporated in India under the Companies Act of 1956 and having its registered office in New Delhi, India (hereinafter "AIPL"); and

Ameriprise Financial, Inc., a Delaware corporation incorporated in the United States of America and having its principal place of business in Minneapolis, Minnesota (hereafter "AFI").

WHEREAS

- I. RSLIC, AFI, and AIPL are affiliated with each other and are members of the same holding company system for purposes of Minnesota insurance law;
- II. An Export Agreement dated June 1, 2006 exists between AFI and AIPL (hereafter the "Export Agreement");
- III. Pursuant to clause 2.3 of the Export Agreement, AFI desires to add RSLIC as a "Designated Office", as that term is used in the Export Agreement, for purposes of enabling AIPL to perform certain activities for the benefit of RSLIC, including data management, information analysis and control; and
- IV. RSLIC, AFI, and AIPL desire to create this Agreement as a supplement to the Export Agreement (to be known alternatively as "Supplementary Agreement Number 1"), which Agreement shall supercede and override such Export Agreement to the extent any provisions are in conflict;

NOW THEREFORE, in consideration of their mutual covenants and agreements contained herein, the parties agree as follows:

1. Activities. At the request of RSLIC and subject to RSLIC's sole

and exclusive right to control and manage its business, AIPL shall perform for RSLIC those activities as are set forth on Schedule A attached hereto and made a part hereof.

2. Regulatory Approval. RSLIC shall be responsible for obtaining any required regulatory approvals from governmental authorities in the United States

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for RSLIC to have AIPL perform the activities contemplated by this Agreement. AIPL shall be responsible for obtaining any required regulatory approvals from governmental authorities in India for AIPL to perform the activities contemplated by this Agreement. The parties specifically agree this Agreement shall not become effective unless approved (affirmatively or through the "deemer" process) by the Minnesota Commerce Department.

3. Designated Office. RSLIC shall be added as a Designated Office for purposes of the Export Agreement.
4. Term. This Agreement shall take effect on January 1, 2007 and shall remain in force until earlier of (i) termination of the Export Agreement or (ii) termination of this Agreement by exercising the termination procedures specified in Section 7 of the Export Agreement with respect to RSLIC as a Designated Office.
5. Compliance. RSLIC and AIPL shall work cooperatively to ensure compliance with all relevant laws and regulations, including laws applicable to RSLIC as an insurance company operating under Minnesota statutes. RSLIC shall be responsible for informing AIPL in writing of such laws and regulation as are applicable for the activities to be performed by AIPL for RSLIC, as well as any modifications or amendments thereto, and providing necessary written instructions relating thereto so as to ensure that AIPL is aware of and can comply with such legal requirements. AIPL shall exercise ordinary care and reasonable diligence in the performance of activities for RSLIC and represents itself to be an experienced and qualified business entity for purposes of undertaking such activities.
6. Control. The performance of activities by AIPL for RSLIC pursuant to this Agreement shall in no way impair the control of the business and operations of RSLIC by the RSLIC Board of Directors. Notwithstanding the foregoing, AIPL shall retain control of its own business and operations in its capacity as a vendor performing activities for RSLIC.
7. Charges/Prices. RSLIC will pay AIPL for activities performed

pursuant to the terms of the Export Agreement in accordance with the provisions thereof. The purchase price described in the Export Agreement is designed to reflect the costs of AIPL in performing such activities which are reasonably and equitably attributable to activities performed for RSLIC, including overhead, plus a reasonable mark-up consistent with commercial standards and any regulatory requirements applicable to AIPL.

8. Accounting and Audits. AIPL shall be responsible for maintaining full and accurate books, records, and accounts of all activities performed pursuant to this Agreement as necessary to support the accuracy of the charges/prices under this Agreement. RSLIC, upon reasonable notice to AIPL, shall have the right to conduct an audit, at its own cost, of such books, records, and accounts to verify

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the performance of activities and computation of charges/prices under this Agreement.

9. Ownership of Records. All insurance related records, books, and files established and maintained on behalf of RSLIC by AIPL by reason of AIPL's performance of activities under this Agreement shall be property of RSLIC and shall be subject to examination, at RSLIC cost, by RSLIC or by any governmental agency having jurisdiction over RSLIC, including but not limited to the Minnesota Commerce Department.
10. Governing Law. Notwithstanding provision 12 of the Export Agreement, any claim or dispute arising out of this Agreement which pertains specifically to compliance with insurance laws of Minnesota or any other jurisdiction within the United States for the activities performed by AIPL for RSLIC shall be governed by and construed in accordance with such laws of Minnesota or such other jurisdiction; any other claim or dispute which does not pertain to or arise out of such insurance laws shall be governed by and construed in accordance with the laws of India.
11. Notice. All notices provided by one party to another shall be deemed to be given when delivered by hand to an officer of the other party or when mailed through the United States or Indian Postal Service, as the case may be, as first class certified or registered mail, overnight courier, or telecopier, addressed:

i) RiverSource Life Insurance Company:

RiverSource Life Insurance Company
249 Ameriprise Financial Center
Minneapolis, Minnesota 55474

Attention: Timothy V. Bechtold

ii) Ameriprise India Private Limited

Ameriprise India Private Limited
4th Floor Palm Court Building
Sukhrali Road, Opposite Sector 14
Maharana Pratap Chowk I Gurgaon 22002, India
Attention: Manjul Grover

iii) Ameriprise Financial, Inc.

Ameriprise Financial, Inc.
1765 Ameriprise Financial Center
Minneapolis, Minnesota 55474
Attention: David K. Stewart

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12. Arbitration. Notwithstanding section 16 of the Export Agreement, any unresolved dispute arising under this supplementary agreement between AIPL and/or RSLIC and/or AFI shall be decided by arbitration as follows. The arbitration shall be conducted by a sole arbitrator selected by unanimous agreement of the concerned parties hereto as the case may be. Decisions of the arbitrator shall be final and there shall be no appeal from the arbitrator's decisions. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association unless the concerned parties decide otherwise in which case the applicable rules shall be as agreed to by the concerned parties. The place of arbitration shall be Minneapolis, Minnesota, USA, in the event AIPL invokes arbitration proceedings or New Delhi, India, in the event RSLIC or AFI invoke the arbitration proceedings, as the case may be.
13. Effect. This Agreement, together with the Export Agreement, and together with such amendments as may from time to time be executed in writing by the parties, constitutes the entire agreement and understanding between the parties in respect of the transactions contemplated hereby and supersedes all prior agreements, arrangements and understandings relating to the subject matter hereof including the "Supplementary Agreement No. 1" between the parties hereto dated June 8, 2006.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date indicated above:

RIVERSOURCE LIFE INSURANCE COMPANY

By: /s/ Timothy V. Bechtold

Timothy V. Bechtold

Date: 12/21/2006

AMERIPRISE INDIA PRIVATE LIMITED

By: /s/ Manjul Grover

Manjul Grover

Date: 12/27/2006

AMERIPRISE FINANCIAL, INC

By: /s/ David K. Stewart

David K. Stewart

Date: 12/21/2006

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SCHEDULE A

Listed below are the activities to be performed by AIPL for RSLIC, as and when desired, in accordance with the terms and conditions of the Agreement to which this schedule is attached.

Bank Reconciliation

- o Matching electronic account information received from outside banks with RSLIC's general ledger and reconciling any differences.
- o Fund accounts to be reconciled before the 17th workday of the month; non-fund accounts to be reconciled before the end of the month.
- o Includes answering inquiries by RSLIC management and contacting appropriate parties to clear balance sheet and other items as necessary.
- o Does not include reconciliation of the common disbursement account for payment of client funds, the image positive pay process, check copying for response to service inquiries, physical handling of checks, and tracking and storage of voided checks.

Corporate Purchasing Card Accounting

- o Monthly processing of transaction data from American Express Global Procurement (reflecting purchases by RSLIC departments using the corporate purchasing card), reconciling such information with RSLIC's general ledger, and taking steps necessary to facilitate RSLIC payment

to American Express Company (via AFI) for purposes of reimbursing vendors and suppliers.

- o Includes responding as necessary to inquiries by RSLIC departments regarding corporate purchase card transactions.

Intercompany Payables/Receivables

- o For purposes of accounting for intercompany receivables and payables among RSLIC and its affiliates (which for purposes of this item shall mean AFI and any of its subsidiaries), downloading data from the RSLIC general ledger on a monthly basis and reconciling such information to reflect agreed-upon payments among the affiliated companies; clear items as necessary; arrange for and code payment for wire transfers among the affiliated companies.
- o Includes intercompany receivables payable by RiverSource mutual funds to RSLIC for production/distribution of prospectuses and annual reports.

Journal Ledger Data-Entry

- o Daily entry of data into RSLIC's general ledger; entails receiving detailed information from various sources (including Client and Investment Accounting, bank reports, and other inputs) and entering such information via uploading or entry of data into the RSLIC general ledger.
- o Includes compiling and maintaining journal ledgers in a manner readily accessible to RSLIC for purposes of reports or inquiries.

Other Balance Sheet Accounts

- o Reconciling and clearing any other balance sheet account items not specifically identified above to the extent necessary for RSLIC bookkeeping or as agreed upon by the parties.

MANAGEMENT, SERVICE & MARKETING SUPPORT AGREEMENT

BY AND BETWEEN

RIVERSOURCE INVESTMENTS, LLC

RIVERSOURCE SERVICE CORPORATION

AND

RIVERSOURCE LIFE INSURANCE COMPANY

This Management, Service, and Marketing Support Agreement (the "Agreement") is made and entered into as of January 1, 2007 by and between RiverSource Investments, LLC ("RiverSource Investments"), a Minnesota limited liability company, RiverSource Service Corporation ("RiverSource Service Corporation"), a Minnesota corporation, and RiverSource Life Insurance Company ("RSLIC"), a Minnesota corporation.

WHEREAS, RiverSource Variable Portfolio - Income Series, Inc., RiverSource Variable Portfolio - Investment Series, Inc., RiverSource Variable Portfolio - Managed Series, Inc., RiverSource Variable Portfolio - Money Market Series, Inc., and RiverSource Variable Portfolio - Partners Series Inc. (each, a "Registrant") have contracted with (1) RiverSource Investments to provide investment management and related services to each Fund or Funds underlying the Registrant ("Funds") and (2) RiverSource Service Corporation to provide transfer agency and shareholder services to contract owners and policy holders of the variable contracts with sub-accounts investing in the Funds; and

WHEREAS, RiverSource Variable Portfolio - Select Series, Inc., (a "Registrant") has contracted with RiverSource Investments to provide investment management related services to the Funds and transfer agency and shareholder services to contract owners and policy holders of the variable contracts with sub-accounts investing in the Funds; and

WHEREAS, the Funds are made available primarily as investment options underlying variable annuity and variable life insurance contracts offered by RSLIC and its subsidiaries; and

WHEREAS, RiverSource Service Corporation desires that RSLIC provide certain services in connection with the servicing of contract owners and policy holders who own Funds through the variable contracts offered by RSLIC; and

WHEREAS, RiverSource Investments desires that RSLIC provide certain services in connection with the servicing of contract owners and policy holders who own Funds and further desires to pay from its own resources

financial support to RSLIC to help promote, and support the offer, sale, and servicing of shares of the Funds offered through some or all of RSLIC's variable contracts and, with respect to RiverSource Variable Portfolio - Select Services, Inc., RiverSource Investments desires that RSLIC provide certain services in connection with the

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servicing of contract owners and policy holders who own Funds through the variable contracts offered by RSLIC; and

NOW THEREFORE, in consideration of their mutual promises, the parties agree as follows:

DUTIES OF RIVERSOURCE LIFE INSURANCE COMPANY

Section 1.01. With respect to transfer agency and shareholder servicing, RSLIC will provide the following services:

- (1) Sub-Account Transactions. Upon the request of a variable contract owner or policy holder, purchases, redemptions, exchanges and transfers of units representing interest in Fund shares ("units"), other permissible legal action, with respect to units, shall be processed in a timely fashion, in accordance with the terms of the variable contract and related prospectus.
- (2) Communication with Transfer Agent. RSLIC will process variable contract and policy holder requests with respect to units and communicate with the Transfer Agent net transactions in shares for the Fund.
- (3) Lost or Stolen Checks. RSLIC will replace lost or stolen checks issued to variable contract owners and policy holders upon receipt of proper notification.
- (4) Valuation Adjustments (as-of-costs) to Unit Value. RSLIC will calculate and process valuation adjustments for variable contract owners and policy holders.
- (5) Contract Owner List Maintenance. RSLIC shall maintain all variable contract owner and policy holder accounts, which shall contain all required tax, legally imposed and regulatory information; shall prepare shareholder mailing lists; shall cause to be delivered all required prospectuses, annual reports, semiannual reports, statements of additional information (upon request), proxies and other communications.
- (6) Contract Owner Reporting; Statements and Confirmations. RSLIC shall confirm each transaction either at the time of the transaction or through periodic reports as may be legally

permitted.

- (7) Compliance Controls and Support. RSLIC will provide adequate oversight of applicable rules and regulations affecting the units and the variable contracts.

Section 1.02. With respect to the promotion and support of the offer, sale, and servicing of Fund shares, RSLIC will provide the following services:

- (1) Provide general Fund management services including development, pricing and marketing.

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- (2) Permit marketing and/or educational personnel to meet with RSLIC's registered representatives and/or other applicable personnel for the purpose of informing and explaining the features and characteristics of the Funds and the benefits and risks of investments in the Funds.
- (3) Permit marketing and educational materials regarding the Funds to RSLIC's registered representatives and/or other applicable personnel.
- (4) Regularly include information about the Funds in internal sales communications for RSLIC's registered representatives and/or other applicable personnel.
- (5) Assign registered representatives to each Fund shareholder account in RSLIC's records and reassign such account should a registered representative assigned to such account leave RSLIC's firm.
- (6) List all Funds on RSLIC's product list and provide adequate opportunities to provide information to RSLIC for its conducting of due diligence on the Funds for their inclusion in any of RSLIC's "approved" or "preferred" (or similar) lists of investment vehicles.
- (7) Permit participation in marketing and educational events for RSLIC's registered representatives and/or other applicable personnel regarding the Funds.
- (8) Perform other marketing support, educational services and activities and shareholder servicing activities, as determined by RSLIC either in its sole discretion or in consultation with RiverSource Investments.

Section 1.03. Ownership and Confidentiality of Records.

- (1) The parties agree that all records prepared or maintained by them

relating to the services to be performed by them under the terms of this Agreement are the property of the Funds and may be inspected by the Funds or any person retained by the Funds at reasonable times. The Funds and the parties agree to protect the confidentiality of those records.

(2) Regulation S-P.

- (a) In accordance with Regulation S-P of the Securities and Exchange Commission, "Nonpublic Personal Information" includes (i) all personally identifiable financial information; (ii) any list, description, or other grouping of consumers (and publicly available information pertaining to them) that is derived using any personally identifiable financial information that is not publicly available information; and (iii) any information derived therefrom.
- (b) The parties must not use or disclose Nonpublic Personal Information for any purpose other than to carry out the purpose for which Nonpublic Personal Information was provided to them as set forth in this Agreement,

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and agree to cause the parties and their employees, agents, representatives, or any other party to whom they may provide access to or disclose Nonpublic Personal Information to limit the use and disclosure of Nonpublic Personal Information to that purpose.

- (c) The parties agree to implement appropriate measures designed to ensure the security and confidentiality of Nonpublic Personal Information, to protect such information against any anticipated threats or hazards to the security or integrity of such information, and to protect against unauthorized access to, or use of, Nonpublic Personal Information that could result in substantial harm or inconvenience to any contract owner; the parties further agree to cause all their agents, representatives, subcontractors, or any other party to whom they may provide access to, or disclose, Nonpublic Personal Information to implement appropriate measures designed to meet the objectives set forth in this paragraph.
- (d) With respect only to the provisions of this Section 1.03(2), the parties agree to indemnify and hold harmless the Funds, and any officer or director of the Funds, against losses, claims, damages, expenses, or liabilities to which the Funds, or any officer or director of the Funds, may become subject as the result of (i) a material breach of the

provisions of this section of the Agreement or (ii) any acts or omissions of the parties, or of any of their officers, directors, employees, or agents, that are not substantially in accordance with this Agreement, including, but not limited to, any violation of any federal statute or regulation. Notwithstanding the foregoing, no party will be entitled to indemnification pursuant to this Section 1.03(2)(d) if such loss, claim, damage, expense, or liability is due to the willful misfeasance, bad faith, gross negligence, or reckless disregard of duty by the party seeking indemnification.

Section 1.04. With respect to all duties and responsibilities of the parties hereunder, each party may provide any or all such services directly, or it may contract with one of its affiliates for the provision of such services, but in such event, each party will remain responsible for the delivery of all services in accordance with the terms of this Agreement.

Section 1.05. Each party will be responsible for maintaining all required records, memoranda, instructions or authorizations relating to the services it performs under this Agreement. Each party will provide copies of or access to such records, memoranda, instructions or authorizations to the other party as requested.

Section 1.06. Each party will furnish the other party, or its designated affiliate, any information reasonably requested with respect to its services performed or to be performed under this Agreement.

Section 1.07. Each party agrees to be responsible for the maintenance of an adequate organization of competent persons to provide the services and perform the functions mentioned herein.

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COMPENSATION FOR SERVICES.

Section 2.01. In consideration of the services provided by RSLIC, RiverSource Investments and RiverSource Service Corporation agree to pay RSLIC a fee as set forth in Schedule A.

Section 2.02. Fees are payable as soon as possible after the close of the month, and in any event, will be paid not later than the last business day of the month following the month for which services were provided.

MISCELLANEOUS

Section 3.01. It is understood and agreed that in furnishing the Funds with the services as herein provided, neither RSLIC, or any officer, director or agent thereof will be liable to the Funds or their creditors, RiverSource Investments, RiverSource Service Corporation, or any officer, director or

agent thereof for errors of judgment or for anything except willful misfeasance, bad faith or gross negligence in the performance of its duties, or reckless disregard of its obligations and duties under the terms of this Agreement. It is further understood and agreed that RSLIC may rely upon information furnished to it reasonably believed to be accurate and reliable.

Section 3.02. It is understood and agreed that in furnishing the Funds with the services as herein provided, neither RiverSource Investments, RiverSource Service Corporation, or any officer, director or agent thereof will be liable to the Funds or their creditors, RSLIC, or any officer, director or agent thereof for errors of judgment or for anything except willful misfeasance, bad faith or gross negligence in the performance of its duties, or reckless disregard of its obligations and duties under the terms of this Agreement. It is further understood and agreed that RiverSource Investments and RiverSource Service Corporation may rely upon information furnished to it reasonably believed to be accurate and reliable.

Section 3.03. This Agreement will extend to and will not be binding on the parties hereto, and their respective successors and assigns; provided, however, that this Agreement will not be assignable without the written consent of the other party.

Section 3.04. This Agreement will be governed by the laws of the State of Minnesota.

TERMINATION AND AMENDMENT

Section 4.01. This Agreement may be amended or modified by a written agreement executed by both parties.

Section 4.02. This Agreement will remain in effect from year to year until terminated. Either party will have the right to terminate this Agreement upon 60 days' written notice to the other party.

ARBITRATION

Section 5.01. Any unresolved dispute under this Agreement between RiverSource Investments and RiverSource Service Corporation, and RSLIC shall be decided by binding arbitration. The arbitration shall be conducted by a sole arbitrator selected by unanimous agreement of the

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concerned parties hereto as the case may be, or if unanimous agreement cannot be reached then by drawing lots. Decisions of the arbitrator shall be final and there shall be no appeal from the arbitrator's decisions. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association unless the concerned parties decide otherwise in which case the latter decisions will apply as to the applicable rules for arbitration. The place of arbitration will be Minneapolis, USA.

IN WITNESS THEREOF, the parties hereto have executed the foregoing Agreement.

RIVERSOURCE INVESTMENTS, LLC

RIVERSOURCE LIFE INSURANCE COMPANY

By: /s/ Michelle M. Keeley

By: /s/ Timothy V. Bechtold

Name: Michelle M. Keeley

Title: Executive Vice President

Name: Timothy V. Bechtold

Title: President

RIVERSOURCE SERVICE CORPORATION

By: /s/ G. Kephart-Strong

Name: Geralynn Kephart-Strong

Title: President

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SCHEDULE A

- I. For each Fund except Variable Portfolio Core Equity Fund, a series of RiverSource Variable Portfolio - Select Series, Inc. ("VP Core Equity Fund"), the fee for services provided with respect to transfer agency and shareholder servicing shall be equal to 0.06% (6 basis points). In addition, to the extent RSLIC incurs any out-of-pocket expenses related to the Funds, as set forth below, RSLIC shall be reimbursed by the RiverSource Service Corporation monthly for the following out-of-pocket expenses (for each Fund except VP Core Equity Fund):
- o typesetting, printing, paper, envelopes, postage and return postage for proxy soliciting material, and proxy tabulation costs
 - o printing, paper, envelopes and postage for records of account, purchase confirmations, exchange confirmations and exchange prospectuses, redemption confirmations, redemption checks, and any other communication required to be sent to shareholders
 - o typesetting, printing, paper, envelopes and postage for prospectuses, annual and semiannual reports, statements of additional information, supplements for prospectuses and statements of additional information and other required mailings to shareholders
 - o other expenses incurred at the request or with the consent of the

II. For all services provided by RSLIC with respect to management related services (if any) and for marketing and servicing support with respect to Funds and, with respect to VP Core Equity Fund, transfer agency and shareholder servicing hereunder, RiverSource Investments will pay a fee to RSLIC. The fee will be calculated as follows:

- (a) The rate, to be used prospectively, will be calculated as soon as possible after year end. The rate will be calculated as follows, using actual data from the previous year:
 - (1) Calculate the average daily net asset balance of the Funds;
 - (2) Determine the total compensation paid to the investment manager by the Funds;
 - (3) Divide the total of the fees determined under (a)(2) of this Schedule A by the average daily Fund balances determined under (a)(1) of this Schedule A to arrive at the effective investment manager fee in basis points;
 - (4) Determine the total investment management costs incurred by RiverSource Investments for these Funds;

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- (5) Take the result under (a)(4) of this Schedule A times 1.17, where ".17" represents a reasonable profit margin as determined by discussions with external consultants and consideration of internal hurdle rates;
- (6) Divide the result determined under (a)(5) of this Schedule A by the average daily Fund balances determined under (a)(1) of this Schedule A to derive the total basis points of investment management expense;
- (7) Subtract the total basis points investment management expense determined under (a)(6) of this Schedule A from the effective investment manager fee in total basis points determined under (a)(3) of this Schedule A.

If the Rate as calculated above is negative, the parties agree that it will be applied as if it were zero.

- (b) The fee transferred from RiverSource Investments to RSLIC each month will be calculated as follows:
 - (1) At the end of each month, use the average daily net asset balance of the Funds during the month just ended;

- (2) Take the rate calculated in (a) of this Schedule A times the average daily net assets;
- (3) Divide the result by 12 to get the monthly fee to transfer from RiverSource Investments to RSLIC.

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RIVERSOURCE VARIABLE PORTFOLIO FUNDS
SERVICE AGREEMENT
BY AND BETWEEN
RIVERSOURCE DISTRIBUTORS, INC.
AND
RIVERSOURCE LIFE INSURANCE COMPANY

This Service Agreement ("Agreement") is being entered into as of the 1st day of January, 2007 between RiverSource Distributors, Inc., ("Distributor") in respect of the RiverSource Variable Portfolio Funds ("Fund") set forth on Schedule A hereto for which it serves as the principal underwriter and RiverSource Life Insurance Company ("Life Company"). In consideration of the mutual covenants hereinafter contained, it is hereby agreed by and between the parties hereto as follows:

1. Pursuant to the terms of this Agreement, the Life Company, itself, or through its affiliates (which may include the Distributor), will provide distribution and shareholder services that are primarily intended to assist in the promotion, distribution or account servicing of Fund shares for the benefit of Life Company's clients who own or are considering the purchase of Life Company's variable annuity contracts and variable life insurance policies ("Variable Contracts") under which the Funds are available as underlying investment options. These services shall include, but are not limited to, the following functions:

- o printing and mailing the Funds' prospectuses, Statements of Additional Information, supplements, and reports to existing and prospective Variable Contract owners;
- o if required by law, forwarding shareholder communications from the Fund (such as proxies, shareholder reports, annual and semi-annual financial statements and dividend, distribution and tax notices) to Variable Contract owners;
- o preparation and distribution of advertisement, sales literature, brokers' materials and promotional materials relating to the Funds;
- o presentation of seminars and sales meetings describing or relating to the Funds; training sales personnel of regarding the Funds;
- o compensation of sales personnel related to the distribution of Variable Contracts through which the Funds are available as underlying investment options;
- o compensation of sales personnel for assisting Variable Contract owners with respect to investment in the Funds' shares available

- o providing office space, equipment, telephone facilities and various personnel, including clerical, supervisory and computer personnel, as necessary or beneficial to establish and maintain shareholder accounts and records; and
- o providing such other similar services as Distributor may reasonably request to the extent Life Company itself, or through an affiliate, is permitted to do so under applicable statutes, rules or regulations.

2. To compensate Life Company for the services it provides and the expenses it bears hereunder, the Distributor will, on behalf of each Fund listed on Schedule A, pay Life Company a fee accrued daily and paid promptly after the last day of each calendar month, at the applicable annual rate set forth on Schedule A of the average daily net assets of the Shares of such Funds listed on such Schedule A (computed in the manner specified in the Fund's registration statement, as the same is in effect from time to time, in connection with the computation of the net asset value of Shares for purposes of purchases and redemptions) and held through Life Company's separate accounts on behalf of owners of Life Company's Variable Contracts.

The Life Company may enter into arrangements with its affiliates and may retain such other financial institutions or other intermediaries as it deems necessary to aid it in the provision of the shareholder support services required to be provided hereunder, and in connection with any such retention may compensate such financial institutions or other intermediaries as it deems appropriate. In no event, however, will the Distributor have any liability for payment of the Service Fee to any person other than the Life Company.

If this Agreement is terminated as of any date not the last day of a calendar month, then the fee payable to the Life Company shall be paid promptly after such date of termination.

3. This Agreement shall continue in effect for one year from the date of its execution, and thereafter for successive periods of one year if this Agreement is continued in accordance with the terms and conditions of the Funds' 12b-1 Plan and Agreement of Distribution ("Plan"). This Agreement is terminable, without penalty, at any time by the Distributor or by the Life Company upon notice to the Distributor. This Agreement shall terminate automatically if (i) the Board of Directors of the Funds terminate the Funds' 12b-1 Plan, or (ii) the Funds terminate their 12b-1 Distribution Agreement with Distributor.

4. Any agreement entered into by the Life Company with an affiliate, another financial institution or other intermediary pursuant to this

Agreement shall be in writing and shall be subject to termination as provided in Section 3.

5. This Agreement may be amended at any time (including for the purpose of making modifications to Schedule A hereto) by a written instrument executed by Life Company and the Distributor; provided that such amendment shall be submitted to the Minnesota Commerce Department pursuant to Minnesota Statutes Section 60D.

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6. Life Company shall provide Distributor with such information and reports as shall reasonably be requested by the Distributor or the Fund's Board of Directors with respect to the Rule 12b-1 fees paid by the Distributor to the Life Company pursuant to the Plan.

7. This Agreement shall be governed by the laws of the State of Minnesota and is not assignable by the parties.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed in its name and on its behalf by its duly authorized representative as of the date first written above.

RiverSource Distributors, Inc.

By: /s/ Mark Schwarzmann

Name: Mark Schwarzmann
Title: CEO

RiverSource Life Insurance Company

By: /s/ Timothy V. Bechtold

Name: Timothy V. Bechtold
Title: President

SCHEDULE A

ANNUAL RATE

RIVERSOURCE VARIABLE PORTFOLIO-INCOME SERIES, INC.	0.125%
RIVERSOURCE VARIABLE PORTFOLIO-INVESTMENT SERIES, INC.	0.125%

RIVERSOURCE VARIABLE PORTFOLIO-MANAGED SERIES, INC.	0.125%
RIVERSOURCE VARIABLE PORTFOLIO-MANAGERS SERIES, INC.	0.125%
RIVERSOURCE VARIABLE PORTFOLIO-MONEY MARKET SERIES, INC.	0.125%

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CERTIFICATION

I, Mark E. Schwarzmann, certify that:

1. I have reviewed this Annual Report on Form 10-K of RiverSource Life Insurance Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2007

/s/ Mark E. Schwarzmann

Name: Mark E. Schwarzmann
Title: Chief Executive Officer

CERTIFICATION

I, Brian J. McGrane, certify that:

1. I have reviewed this Annual Report on Form 10-K of RiverSource Life Insurance Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2007

/s/ Brian J. McGrane

Name: Brian J. McGrane

Title: Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of RiverSource Life Insurance Company (the "Company") for the fiscal year ended December 31, 2006, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Mark E. Schwarzmann, as Chief Executive Officer of the Company, and Brian J. McGrane, Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Mark E. Schwarzmann

Name: Mark E. Schwarzmann
Title: Chief Executive Officer
Date: February 28, 2007

/s/ Brian J. McGrane

Name: Brian J. McGrane
Title: Chief Financial Officer
Date: February 28, 2007