



SONS OF  
NORWAY

# Advisor

HELPING YOU FIND THE PATH TO A SECURE FINANCIAL FUTURE

1<sup>ST</sup> QUARTER 2009 • Issue #10



## THE STRENGTH AND SECURITY OF SONS OF NORWAY

With the financial world changing daily, we at Sons of Norway Headquarters want to remind you of our financial strength and stability. Since our inception more than a century ago Sons of Norway has been committed to the idea of financial protection for its members. So, it gives me great pride to tell you that in the 113 years we have been around we have never defaulted on an obligation. Protecting and growing the financial interests of our members has always been as important to us as the promotion of Norwegian heritage and culture.

Because of this we see many of our members turning to Sons of Norway during these economically challenging times to help them attain a proper diversification of risk in their portfolio. They are looking for the safety and stability that is becoming increasingly absent from the financial arena.

That's why I'm happy to report that the current troubles affecting most of the financial world have had no major impact on our business. Thanks to our quality life insurance and annuity products, as well as our conservative investment philosophy, we are as strong as ever.

Looking to the future, we are just as confident. Members who have entrusted their financial future to Sons of Norway can rest easy knowing that their money is in great hands. Because of our investment philosophy, all elements of our investment portfolio will:

- Meet our conservative investment policy
- Provide financial integrity to meet our obligations
- Provide competitive rates of return on life insurance and annuity certificates held by our members

To meet these goals, Sons of Norway has invested 92% of our assets in government and investment grade corporate bonds. Our corporate bond holdings are well diversified over all sectors of the economy. The remaining 8% consists of real estate, certificate loans, commercial mortgage loans and cash. In addition, we continue to monitor our bond holdings and make adjustments where necessary. Above all, the most important thing to know is that Sons of Norway does not invest in stocks and thus does not fall prey to the severe fluctuations seen on Wall Street.

These prudent business practices and our conservative investment policy have served our members very well in the past and I am confident that they will continue to do so in the future by keeping Sons of Norway safe, strong, and secure.

THE STRENGTH AND SECURITY OF  
SONS OF NORWAY

NORDIC ELITE II -  
NEW UNIVERSAL LIFE PRODUCT

VIKING VOYAGER - CHILDREN'S  
LIFE INSURANCE

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# NORDIC ELITE II

BY DARRELL DUNN



Sons of Norway has added a new universal life policy to its portfolio of reliable financial products. The Nordic Elite II is a strong product with several features and benefits that provide strong guarantees for the insured. For example, in today's economic turmoil the Nordic Elite II is able to provide insurance coverage at lower rates for most ages. Also, with these lower rates you have a guarantee of insurance coverage for your lifetime just by paying the premium, which is similar to a whole life policy.

Whether you want to cover your burial expenses or provide financial security for your family, the Nordic Elite II has the flexibility to provide insurance coverage to fit your needs. The Nordic Elite II is available to members from newborns to age 85. Single premium payment options are available, so parents or grandparents can buy a certificate for a child to guarantee that they will always have insurance no matter what their health. Or, you can use a Nordic Elite II for burial expenses or provide financial security for your family. As you can see the Nordic Elite II has the flexibility to provide insurance coverage to fit your needs, whatever they may be.

Oh, and speaking of flexibility, the Nordic Elite II allows the owner to vary their premium payments, based on their economic situation. Considering today's financial landscape, this can make a big difference in your level of protection. You see, premiums accumulate in the contract earning a very attractive 5.1% current interest rate that can never go below a guaranteed 4%. You do not pay any taxes on this interest and it is used to help pay the cost of insurance for the certificate during times of financial hardship when you might need to pay a lower premium. Then, when times are good again, you can pay additional premiums and earn 5.1% on these premiums which can accumulate and help supplement your retirement or be used for emergencies when cash is needed the most.

Some additional benefits can be added to the policy like accidental death benefit, waiver of mortality costs if disabled, and our terminal illness benefit. For a full explanation of how these benefits work with the cost of owning the new Nordic Elite II, contact your local Financial Benefits Counselor or call the Sons of Norway home office.

## VIKING VOYAGER

Parents and grandparents want the best for the little loved ones in their lives – from keeping them safe, healthy and happy to providing for their financial future. Many families use life insurance as one of the building blocks for their children's financial foundation. There are three main reasons why this makes good sense.

First, to insure against the unthinkable. The immense grief of the death of a child is nearly unbearable, but funeral and burial expenses and unpaid medical bills can financially devastate a family. Our new Viking Voyager can stand guard for you and help provide financial stability at a time when grief and stress are already at an extreme level.

Second, guaranteeing future insurability. Acquiring life insurance now when your child or grandchild is healthy assures them guaranteed future insurability if stricken later with a serious illness that would disqualify them from getting additional life insurance. Our new Viking Voyager guaran-

tees that your child may acquire up to three times the original policy amount exempt from proof of medical qualification.

Third, flexible affordability. Premiums for life insurance are based upon age. The younger you are, the lower the premium. Life insurance rates for children are very affordable. Our new Viking Voyager can be paid annually or in one single lump sum. Young families can fit the low annual premium into their budget. Grandparents can gift the Viking

## KEN THUL

Voyager with the convenience of a single lump sum payment.

Below are examples of our new Viking Voyager\*

For more information about our new Viking Voyager, contact your local Financial Benefits Counselor, or to locate the nearest Financial Benefits Counselor, call us at (800) 945-8851, or visit us on the web at [www.sonsofnorway.com](http://www.sonsofnorway.com) and click "Contact Us"

VIKING VOYAGER SCHEDULE OF RATES						
	ANNUAL PREMIUM			SINGLE PREMIUM		
ISSUE AGE	10,000	15,000	25,000	10,000	15,000	25,000
0	37	43	50	362	425	504
5	39	45	53	341	395	447
10	40	47	56	326	383	475
15	44	53	65	300	359	459

\*Not Approved In All States; Issue Ages 0 to 17; Coverage to Age 26; Issue Amounts \$10,000, 15,000, \$25,000; 1or 2 Certificates per Child; Maximum Coverage: \$25,000 per Child; Convertible to 3 Times the Original Amount

# COMPLIMENTARY FINANCIAL REVIEW

BY LEN CARLSON

WITH ALL THE PROBLEMS ON WALL STREET AND THE CONSTANTLY CHANGING FINANCIAL LANDSCAPE IT MAKES SENSE TO GIVE YOUR FINANCES A YEARLY CHECK-UP.



We have all heard from the doctor that it is important to have a yearly physical, right? The reason is to be proactive and to find out if you have a "quiet problem" that may develop into something devastating later if untreated.

The same principles apply to your finances. With all the problems on Wall Street and the constantly changing financial landscape it makes sense to give your finances a yearly

check-up, which Sons of Norway can help with. If you didn't already know, your Financial Benefits Counselor (FBC) offers this Complimentary Financial Review because you are a Sons of Norway member. Even better, it's offered at no cost or obligation.

While a Sons of Norway financial review can consist of any number of things, typically it involves your FBC listening to your goals,

possibly giving you additional ideas to think about. Also, your FBC will help you with the following:

- Financial goal setting
- Prioritizing your goals
- Creating a plan of action
- Scheduling future reviews of your plan

You goals are important because they set the stage for everything that follows. Think about what yours are, be they income for a comfy retirement or setting up college funds for your grandchildren. Then, with the help of your FBC, you can put those goals in order of most to least important. Once you have decided on one or two of the highest priority goals, take action with the help and advice of your FBC. Together the both of you can come up with a plan and a Sons of Norway financial product to help you reach your financial goals.

Finally, after all of this planning and implementation of a plan, don't let all your hard work be for nothing. While it can be easy to go off track, scheduling future annual financial reviews, just like the yearly physical I mentioned earlier, and working together with a professional Financial Benefits Counselor will help maintain your financial health and well-being.

## FINANCIAL RESOLUTIONS



It is January 2009 and I bet you made some New Year's resolutions, didn't you? But, I ask you, were any of those resolutions financially related?

I realize that everyone reading this article is in a different stage of life; some of you are young and just starting out in life; others are of the "sandwich" generation, taking care of yourself, your children and your parents. Others yet are retired or close to being retired. While these are very dif-

ferent stages of life, it's important to have some financial goals or resolutions for the New Year.

For those of you just starting out, establishing a budget can be your best goal to set. Examine where your money is going and then evaluate if you can reduce any expenses. For example, if you eat out a lot, set a goal of cutting back on that expense by half. The savings could be huge.

Those of you in the middle, who are working and saving for retirement, I'm sure the economy is on your mind. One goal to consider would be making as large a contribution to your 401k as possible. Or, if you have a pile of credit card debt, which is common, set the goal of paying down the debt because as you know, debt really erodes one's ability to save. A third goal might be to establish an emergency fund equal to six times your income. This could be very impor-

BY LEN CARLSON

tant in today's economic environment where layoffs are frequent.

If you are retired, your goals should be related to your financial road map. If you don't have a financial road map, make a goal to get one this year, if you've already got one, make a resolution to get it updated. This is important because it takes planning and diligence to ensure that assets last for several decades of retirement. Perhaps this is the year to have a meeting with your Financial Benefits Counselor to discuss financial issues that are important to you, like retirement income and estate planning. These aren't things to leave for tomorrow or next year.

Remember, no matter what stage of life you are in, your financial future starts today and hopefully some of these ideas will help you get started with your financial goals for the New Year.



# Advisor Answers -

**Q: My sister and I inherited our family farm six years ago. Our parents bought it more than five decades ago for \$25,000. It was worth \$100,000 when we inherited it and it is now worth \$300,000. We would like to sell it. How will the capital gains tax be calculated?**

**Carol  
Grand Forks, ND**

**A:** When you sell your farm, it will be treated as a long-term capital gain because it has appreciated in value and you have owned it for more than 12 months. The current long term capital gains tax rate is a maximum of 15%. When you inherited your farm, you inherited it at the stepped up basis, that is, the fair market value of the farm at the time of death of the previous owner. Your basis is \$100,000. Current tax law uses a device called stepped up basis at time of death to wipe out capital gains tax when a capital asset is transferred from the deceased's estate but charges capital gains tax when a capital asset is sold during the lifetime of the owner. The calculation of your

capital gains tax bill will be as follows: The fair market value (FMV) of your farm at the time of sale minus your basis (B) equals your gain. That result is then multiplied by the current capital gains tax rate of 15% (R) to determine your capital gains tax bill.

The formula:  $(FMV - B) \times R$ . The calculation of taxes:  $(\$300,000 - \$100,000) \times .15 = \$30,000$ .

Your capital gains tax bill under current tax law is \$30,000. Congress is considering sweeping changes to tax law. Long term capital gains tax rates may increase to as high as 28% and the stepped up basis at the time of death may be repealed. If this happens, at 28% and no stepped up basis, your new capital gains tax bill will be \$77,000.

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**Director of Agencies:** Len Carlson  
**Editor:** Erik M. Evans  
**Designer:** Michael Brandjord

Address any correspondence to your Financial Benefits Counselor or:

**ADVISOR**  
1455 West Lake Street  
Minneapolis, MN 55408

Visit our website at:  
[www.sonsofnorway.com](http://www.sonsofnorway.com)

E-mail questions or comments to:  
[advisoranswers@sofn.com](mailto:advisoranswers@sofn.com)

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**SONS OF NORWAY**  
organization in the world. If you are passionate about preserving and promoting Norwegian heritage, we invite you to explore and join!

**Minnesota Ski Jumping Championship**  
2/23/2008 - 2/24/2008  
Bloomington, MN USA  
Sons of Norway Convention

**Annual Fork and Meatball**  
Sons of Norway Convention

**Highlights**

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1455 West Lake Street  
Minneapolis, MN 55408  
[www.sonsofnorway.com](http://www.sonsofnorway.com)  
(800) 945-8851

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