SONS OF NORWAY

ADVISOR

HELPING YOU FIND THE PATH TO A SECURE FINANCIAL FUTURE

Changing Seasons, Changing Financial Needs.

Fall is definitely upon us! All around the country Sons of Norway members are noticing a change in the air; in the north members are experiencing a recent explosion of fall colors, while members down south are probably enjoying lower temps. The one thing we all share is that this is definitely a time of change: changing seasons, changing weather and possibly changing financial needs.

Because it's a time of change, fall is often a good time of year for a complimentary financial review with Sons of Norway. By taking the time to sit down together and discuss goals, desired results and changing needs, we can put together a plan to address financial challenges your future may hold. To illustrate the point, this month's issue of the Advisor is very timely because each article is related to the idea of changing financial needs and planning for the future.

I encourage you to check out the great article on life insurance for children by Leonard Carlson. It may no be obvious at first, but as time passes and our children grow, even they have changing financial needs. Whether it's for their education or, later, for their own family, a life insurance policy may be a great investment in your child's future.

Additionally, there's a great article about our newest single premium whole life product. It's a great item to consider if the changes you're experiencing are a growing family and you want to make sure they are cared for should anything happen to you. Open this quarter's Advisor to read the full article for information on its best uses and then be sure to read the Advisor Answers column on the back. This month it helps explain something that I get repeated questions about from many Sons of Norway members: the various differences between permanent and term life insurance.

And there's still more, so be sure to read this issue of Advisor front to back. If you do, I promise you'll be even more prepared for whatever changes in your life might necessitate a change in your financial goals. After you've read it, don't hesitate to call or e-mail me with any ideas or questions you may have. Remember, as a Sons of Norway Financial Benefits Counselor, I'm here to serve you the best way I can: with answers and solutions. In the mean time have a great fall and I hope you enjoy a wonderful holiday season!

Sons of Norway Unveils New Financial Product

by Ken Thul, CLU, ChFC, FICF

Everyone at Sons of Norway Headquarters is excited because we are about to roll out a great, new product that will be a companion to our Nordic Whole Life (NWL) insurance policy. The new Nordic Single Premium Whole Life (NSPWL) is just that: a policy with a single premium payment made at the beginning of the policy, which means it is paid up for the life of the insured person, whereas the traditional NWL has ongoing annual premiums. Additionally, the NSPWL will have a guaranteed premium, guaranteed cash value, guaranteed death benefit and it will pay dividends. By offering this new product, Sons of Norway now gives you the choice of annual premium payments or just one initial premium payment.

Many members will find this policy just right for setting aside money for your final expenses. Or, if you'd rather, this life insurance policy may be used to leave a legacy to your heirs or to your favorite charity. Generally speaking, the death benefit of life insurance avoids probate and is received by the beneficiary free of income taxes. Also, when arranged properly under current federal estate tax law, it avoids estate taxes.

This new policy is issued as a Modified Endowment Contract (MEC), which you can learn more about by reading the 3rd Quarter 2010 issue of Advisor. However, what really makes it sizzle is a feature called the Paid Up Additions Rider. This rider allows you to make a tax free transfer of one lump sum of money from a deferred annuity or a Qualified Retirement Plan (401k, 403b, 503c, 457, Traditional IRA) to a Sons of Norway Immediate Annuity and we will spread the premium deposits to the new life policy over a period of up to 5 years to reduce the tax burden in any one year. That may sound complicated, but your Sons of Norway Financial Benefits Counselor can do all the work. Please contact them to see how this new product can work for you.

You can view previous issues of Advisor by selecting the Advisor Newsletter link under the Financial Products heading at sonsofnorway.com

Credit -vs- Debit -vs- Debt

Know the Score

by Leonard Carlson, Director of Agencies

It's a rarity these days to pick up a paper or listen to the news without hearing that nasty four letter word, "debt". I've read that the typical American household has four credit or debit cards. In fact, you're probably carrying both in your wallet. They can be very different from one another, so my intent in this article is to give you information about how both cards work. Then, later in this article, I'll touch on credit scores and their importance.

Here is a chart with some basic information on how debit and credit cards work. ***(See chart at right)***

Credit		Debit
Yes, if your credit score is okay	***Easy to Get***	Yes, if you have a bank account
Interest on unpaid balances and fees for late payments or exceeding your limit as well as some cards having annual fees	***Interest Rates & Fees***	Fees for overdrafts and sometimes for cash withdrawals from ATMs. Also some banks and merchants charge fees for transactions
Yes, but with fees and interest on unpaid balance	***Cash Availability***	Yes, generally with purchase or via ATM
Varies by the card company; many offer $0 liability for fraudulent purchases	***Max. Liability for Fraudulent Purchases***	Yes Varies from $50 to unlimited
Yes. Can raise or lower scores.	***Affect to Credit Score***	No
In some cases, the buyer can dispute the charges before merchant is paid	***Help with Merchant Disputes***	Little, since merchant has your money
Occasional purchases when the buyer is able to pay off the balance each month.	***Best Uses***	Limits you to spending only what you have, avoiding overspending on credit.

With this bit of information behind us, I'll spend a little time on credit scores, as a good or bad score can affect your ability to conduct important aspects of your life. At a time when banks and credit card issuers are tightening lending practices, perhaps even raising rates, a good credit score is critical to giving you flexibility and even buying power when it comes time to purchase anything, especially major purchases like homes or cars.

Here are a few points to know:

- An average score for most Americans is 675. A good score is in the middle 700's.
- The main bureaus of credit scoring all use the same basic math to come up with your score; a combination of how much you owe, your payment history, and the length of your credit history.
- If you have had bad luck in the past, time can be on your side. That is, to begin the process of building your score or just maintaining a good score, pay your bills on time, every time, and work to pay down debt so that you are using less than half of your credit limit.

Life Insurance for Children

by Leonard Carlson, Director of Agencies

When the topic of purchasing life insurance for your children comes up, any number of thoughts my cross your mind. "I already have a college fund started for them. My child is young and doesn't have an income I need to replace; my child is healthy; my child can get their own insurance when they get older."

These are all valid consideration and this is an emotional issue, to be sure. No one wants to think about something bad happening to their kids. No parent would ever want to feel like they were profiting from their child's death.

That said, perhaps we are missing the point and need to take a further look into the matter.

If you think your children can get insurance later, ask yourself this: "what if they can't?" Chances are your kids are healthy today and therefore insurable, but what if your child develops diabetes, a heart condition, or any other health problem before they get to an age where they decide to buy life insurance? While odds are in your favor, there are no guarantees. What if your child gets into an accident or is diagnosed with a medical condition that makes them uninsurable? While it's true that not all health conditions make a person uninsurable, they can still push your premiums higher.

Above all, insuring your children now can ensure their eligibility for life insurance later in life. By including a Guaranteed Option in your child's policy, you give them the opportunity to purchase more life insurance at different times, up to the age of 40, even if they would have been otherwise uninsurable. Secondly, you could consider a Waiver of Premium benefit which would pay the premium in the event your child becomes disabled.

So, what about funding a college education? It's true that if you want to help your kids pay for college, buying them life insurance probably isn't the first option to consider. Rather, it's more important to make sure that you have an adequate amount of the right type of coverage. After all, what financial support would your children have if you aren't there?

However, buying life insurance for your children does provide some advantages in regard to savings. By purchasing a Universal or Whole Life policy, for a child, you will see cash values grow nicely on a tax-deferred basis. Also, buying life insurance for your child when they are young can mean a lower premium and more time for the cash value to grow. This will give your child access to the financial resources they will need for college expenses.

Hopefully, the above information can give you a new perspective on why children should have their own Universal or Whole Life policy that will accumulate cash on a tax-deferred basis. Another option to consider is a Viking Voyager policy. It can be purchased with a single premium and provides term coverage until the child is 26 years old. Often it's used as a "starter" policy that provides term insurance coverage for the protection needs discussed above. What's even better is that a Viking Voyager policy provides a fabulous benefit in that it can be upgraded to as much as three times the face amount without any evidence of insurability at age 26, at which point the policy is converted to a Universal or Whole Life policy and then starts building cash values.

For more information on any of the above ideas, please contact your Financial Benefits Counselor.

Family Finance

Those of us who work on the Advisor newsletter really hope that you've enjoyed reading the current, and past, issues. It's our goal to present Sons of Norway members with ideas and topics that are interesting, educational, informative and engaging.

If you have an idea for a story, or would like to see more information about a specific topic or product in a future issue of Advisor, please contact us at **advisoranswers@sofn.com**. We love input, so don't hesitate to weigh-in.

In the mean time, are you looking for more great information on Sons of Norway insurance products and other financial topics? If so, be sure to check out the Family Finance article in Viking magazine. This monthly article is a great resource to learn about general financial topics and Sons of Norway's insurance products.

Advisor Answers

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Lars Larson, from Oakland, California, wrote in and asked:

Q: I've heard about term and permanent life insurance. What's the difference?

A: That's a great question, Lars. It's one that has been asked by many people over many years so let's take a look.

The biggest difference between the two is the length of time the policy is in effect. Term insurance is a policy you purchase for a specified period of time, such as 10, 15, 20, or 30 years. Whereas Permanent insurance, usually called Universal Life or Whole Life, lasts as long as you live, so long as you keep paying adequate premiums.

Another big difference between the two is that Term Insurance typically has the lower initial premium. If you decide you want to continue the Term Insurance after the term is up, you may need to apply for a new policy and the premiums will be higher for the next period of time because you are older. You do have another option after the term period is up, or for that matter at any time; you can convert the term policy to a permanent policy. The premium for permanent life insurance stays the same throughout your lifetime. In addition, permanent life insurance policies build cash values over time.

Another difference between term and permanent insurance is that owning term is like renting – you pay a premium for a certain period of time and when the term period expires, you have nothing, no cash or equity. Whereas owning a permanent policy is like owning a home – you pay a set amount of premium in most cases (you can vary the premium in a Universal Life policy) and you build cash value or equity.

Depending on your situation, one type of policy may be better for you than the other, depending on your goals and the amount of money you can set aside for premiums.

To assist you with the right choice for you, contact your Financial Benefits Counselor – they will be glad to help.

–Leonard Carlson, Director of Agencies

Advisor is provided by your Sons of Norway Financial Benefits Counselor as an additional service to you.

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