



SONS OF
NORWAY

ADVISOR

HELPING YOU FIND THE PATH TO A SECURE FINANCIAL FUTURE

Issue #23 • 2nd Quarter 2012



Spring Is Here

Spring is here! The weather is getting warmer, the days are longer and I always feel reinvigorated after a long winter. This is a great time to make plans for the summer, whether they are trips to the beach, time on the golf course or a family vacation. It's also a great time to think about your financial future and make plans for the rest of 2012.

I'm a firm believer that life insurance ought to play a big role in those plans and deserves consideration as to how it fits into your financial goals. To that end, I've got some great articles that I think will be of interest to you no matter what stage of life you are in.

In this issue you will find the second in a series of articles about the various life insurance products Sons of Norway offers exclusively to its members. This time around the topic of discussion is the Nordic Elite II. I think you'll be pleasantly surprised to learn about its high degree of flexibility and its ability to be tailored to the ever changing needs of life.

In addition, there is a great article from the Life and Health Insurance Foundation for Education that dispels some of the most common myths about sound financial planning. For example, does wise investment ensure a secure financial future? Or is a high level of diversity always the best approach? This article will definitely leave you thinking about how you approach your financial plan.

Last, there's a great piece of advice for anyone who has been disappointed with the returns they've seen from CDs in recent years. It's an all too common issue and Sons of Norway's Advanced Financial Consultant, Ken Thul, has some great thoughts to share.

In closing, I hope that you will find the information in this edition of the Advisor to be of great interest and worth sharing with other friends, family or lodge members. If so, I invite you to lend them your copy of the Advisor so they can benefit from it as well. Until next time, I hope you are enjoying your springtime and want to remind you that I am always available to answer any questions

Spring Is Here

Understanding Life Insurance

Spring Cleaning for Your
Finances

Three Myths About Your
Financial Future

Advisor Answers

Understanding Life Insurance - Part 2

By Ken Thul, CLU, ChFC, FICF Advanced Financial Consultant



What type is right for me, term or permanent?

This article is the second in a series about the different types of life insurance products offered by Sons of Norway. You may read the first article in this series by going to www.sonsofnorway.com. Roll over the FINANCIAL PRODUCTS tab, click on 'Advisor Newsletters', then click on 2012 1st Quarter.

In the first article, we discussed the benefits of permanent life insurance and in particular, the features and benefits of our Nordic Whole Life and Nordic Single Premium Whole Life policies. In this article, we will discuss another permanent life insurance offering from Sons of Norway, our Nordic Elite II (NE-II) Universal Life policy.

This type of policy can be summed up in a single word: flexibility. You see, unlike Whole Life where you pay fixed premiums, Universal Life offers adjustable premiums that give you the option to make larger premium payments when you have extra cash on hand or smaller ones when money is tight. Also, after your initial payment, Universal Life allows you the flexibility to pay premiums at any time, in virtually any amount, subject to certain minimums established by Sons of Norway and maximums allowed by the IRS. You can even make a one-time single premium payment if you wish and you can reduce or increase the death benefit more easily than under a traditional Whole Life policy. Increases in the life insurance amount are subject to underwriting. Even better, Universal Life policies pay an attractive current rate of return and it guarantees a minimum rate of return on your cash values.

Our Nordic Elite II has another valuable feature, called the Level-No-Lapse (LNL) guarantee. Simply put, the policy is guaranteed not to lapse if the sum of your flexible premium payments is equal to or exceeds the LNL premium schedule stated in the policy.

Because of the flexibility our NE-II offers, you are in total control. With its LNL feature, it provides lifelong coverage at rates that can be considerably lower than other forms of permanent insurance.

- **With its single premium payment feature, it is an excellent alternative to bank CDs.** Its high current interest rate and the tax advantages outperform bank CDs.
- **Many Sons of Norway members use it for estate planning purposes.** If you have a federal estate tax liability, your main concern is liquidity at death. When you die, you don't want your heirs to have to hastily sell off assets in order to pay estate taxes. An NE-II policy with LNL, the death benefit is guaranteed for life and you have the flexibility of adjusting your premiums, a valuable feature since estate tax rates and exclusion amounts keep changing from year to year.
- **Many business owners are using its very attractive policy loan features to help with their seasonal cash flow needs.** If you need life insurance and own a business that must borrow short term operating capital and then repay that bridge loan later (i.e. a farmer who borrows money in the spring for seed, fuel, fertilizer, etc. and then repays the loan at harvest time), the use of your own money in the form of a low cost short term policy loan puts you in control, not the banker.

Your Sons of Norway Financial Benefits Counselor can help you design a life insurance strategy that works for you. Please call or email your FBC, his/her picture and contact information is on the front cover.

Spring Cleaning for Your Finances

By Ken Thul, CLU, ChFC, FICF Advanced Financial Consultant



Don't forget to include your Personal Finances in your Spring Cleaning Ritual

In the spring, many of us engage in a ritual called Spring Cleaning. Have you ever done financial spring cleaning? Here are some spring cleaning tips that can help you improve your financial condition.

Clean up with Tax Advantages Offered through Employment: If you're self-employed, you can start or continue contributions to a tax qualified retirement plan and deduct your contributions. Claiming all your legitimate deductions for business expenses can also save you taxes. For employees, participate in your employer sponsored qualified

retirement plan. Examples of these plans are 401Ks, 403Bs, 503Cs, 457s, etc. Many employers will match all or part of your contribution. You can also save taxes by participating in Cafeteria Plans and Medical Savings Accounts if they are offered by your employer.

Clean up Your Credit: Consolidate multiple credit card balances into a single consumer loan from your bank or credit union. The interest rate will be lower and the monthly payment will be smaller. This will allow you to pay extra principal monthly and wipe out that consumer loan more quickly. Also consider a zero interest or low interest balance transfer credit card offer. Be careful, read the fine print and be aware of the penalties. Use this plan only if you will pay off the balance during the zero or low interest offer period.

Review Your Personal Insurance, Savings And Investment Programs: Do you have adequate life insurance? Is it the right type? Have you made the right choices for your group health and disability insurance programs? Are you saving enough for retirement, for college expenses, for emergencies? Will you outlive your retirement savings? Contact your Sons of Norway Financial Benefits Counselor for a complimentary Financial Security Analysis program that can answer these questions for you. There's no cost or obligation, just the peace of mind of knowing you're on the right track financially.

Here are three myths that shed light on some common misconceptions about how to secure your family's financial future.



MYTH #1: If I invest wisely, my family's financial future will be secure.

That may be true if you live long enough to achieve your financial goals, but what if you don't. Will your family have enough money to live the kind of life you want for them? A nice home. A good education for the kids. A comfortable retirement. Life insurance provides a financial safety net, helping to ensure that your family's financial hopes and dreams will be realized, even if the worst happens.

MYTH #2: My financial plan protects me from risk because it's highly diversified.

Portfolio diversification is generally considered a sound

strategy for protecting your investment program, but don't confuse your investment plan with your financial plan. What would happen to your ability to save and invest if you died or were injured or too sick to work? Only life and disability income insurance will help complete your financial plan if you cannot.

MYTH #3: I can't afford to include insurance in my financial plans.

Most financial advisors would tell you that you can't afford not to have adequate insurance coverage. Life and disability income insurance help make sure that your savings and investment plans won't be derailed if your income disappears because you die or become disabled. A qualified insurance professional can help you find the products that will meet both your needs and your budget.



The Life and Health Insurance Foundation for Education is a nonprofit organization dedicated to helping consumers make smart insurance decisions to safeguard their families' financial futures. © 2009 LIFE. All rights reserved.

Advisor Answers

By Ken Thul, CLU, ChFC, FICF Advanced Financial Consultant

Q: Cindy L. from Boston asks. "I have a CD coming due and I am very disappointed with the interest rates offered by my bank. Do you have anything that pays a higher rate of return?"

A: With bank CD rates as low as they are, many members have this dilemma. They want higher returns without sacrificing investment safety. The single premium payment in

a fixed annuity or a life insurance policy provides this. Many are also looking to pass the most net after tax legacy as possible to their heirs or to charity. Also, annuities and life insurance offer significant tax advantages and, unlike CDs, no probate. Look at this example for \$100,000 Deposit for a Female Age 75 at Standard Non-Nicotine Rates. All Results are the Accumulated Value and are Pre-tax. *Includes a .70% First Year Bonus. #Subject to underwriting approval.

End Of Year	Age	Bank CD Accum. Value At 1.50%	Nordic SPDA* Annuity Accum. Value At 2.30%	Nordic Elite II# Life Ins. Accum. Value At 5.1%	Nordic Elite II# Life Insurance Death Benefit At 5.1%
1	76	\$101,500	\$103,000	\$102,784	\$186,000 No Income Tax
5	80	107,728	112,808	109,712	186,000 No Capital Gains Tax
10	85	116,054	126,392	132,914	186,000 No Probate Tax
15	90	125,023	141,611	160,805	186,000 No Gift Tax
20	95	134,686	158,662	199,961	201,960 No Estate Tax
25	100	145,095	177,768	256,083	256,083 When Properly Arranged

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