



SONS OF
NORWAY

ADVISOR

HELPING YOU FIND THE PATH TO A SECURE FINANCIAL FUTURE

Issue #24 • 3rd Quarter 2012



Summer is in Full Swing

I hope you are enjoying the summer and spending time with your family and friends. I also hope you will enjoy this quarter's edition of the Sons of Norway Advisor! As always, there's a lot of great information about Sons of Norway's products and strategies for planning your financial future.

This month we continue the ongoing series titled "Understanding Life Insurance" with the third installment. This time it covers the important differences between term and permanent life insurance, discussing which types of products are right for different situations. This informative article will surely help you make decisions about what kinds of life insurance are right for you.

Next, there is a great article about charitable giving. We all probably make meaningful donations to groups and organizations that are important to us, right? Well this issue of the Advisor discusses the opportunity to leave a legacy by making a charitable contribution to the Sons of Norway Foundation. If you've never considered this before, be sure to read on and learn how you can make a positive difference in the lives of students and members throughout the organization.

Last, but not least, Sons of Norway's Director of Agencies, Len Carlson discusses the important relationship that exists between our insurance sales and our fraternal programming. This informative article explains how you can help support Sons of Norway's fraternal endeavors and ensure a sound financial future simply by participating in our insurance offerings.

I feel these are all important topics to learn about and by taking a few minutes to peruse this quarter's edition of the Advisor you can equip yourself to make sound financial and philanthropic decisions. If you'd like to learn more about any of the topics discussed in this edition, or want to set up an appointment to go over your future plans, don't hesitate to call me. All my contact information is just underneath my photo on the left hand side of the page and I'd be happy to help you in any way I can. Until then, have a great summer!

Summer is in Full Swing

Understanding Life Insurance
Part 3

Charitable Giving

Fraternal & Financial: The
Lifblood of our Organization

Advisor Answers

Understanding Life Insurance - Part 3

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



What type is right for me, term or permanent?

This article is the third in a series about the different types of life insurance products offered by Sons of Norway. You may read the first two articles 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 for Whole Life (first article) and 2012 2nd Quarter for Universal Life (second article).

In this article, we will discuss the Nordic Term Life Insurance from Sons of Norway. As the name implies, term life insurance provides protection for a specific "term" of time, typically 1 year to 30 years. The death benefit is paid only if you die during the "term." The biggest advantage of term life insurance is its lower premium in comparison to permanent insurance. With term insurance, you're just paying for the death benefit.

With most permanent policies, your premiums fund the death benefit and accumulate cash value. To better understand term insurance, consider this analogy. When you purchase term insurance, it's like renting a house. When you rent, you get the full and immediate use of the house, but only for as long as you continue paying rent. As soon as your lease expires, you must leave. Even if you rented the house for 30 years, you have no "equity" or value that belongs to you.

Term insurance is a good choice in the family-formation years when the premium budget may be tight and a high level of coverage is needed. It is also a good choice for covering needs that will disappear in time, such as a mortgage, a business loan, or student loans. If you're pretty sure that you won't need life insurance coverage after these obligations are paid off, then it might make sense to buy a term policy.

But what happens if you still need life insurance at the end of the term? Our Nordic Term Life gives you the option to renew your policy when you reach the end of the term. You will face higher costs since term insurance premiums increase as you get older and you will have to take another medical exam and answer questions about your lifestyle, health status and family health history. Generally, if you're healthy and below the limiting age you may renew your policy. But if your health has deteriorated, you may not re-qualify or you may find that it's too expensive to renew.

A provision that is very important is convertibility. This feature allows you to convert your term policy to a permanent policy without submitting evidence of insurability. The Sons of Norway allows this conversion privilege for the first 20 years of the contract or to age 70 if earlier. Being able to convert to a permanent policy is a great option to have in the event that circumstances in your life change such as failing health or maybe just the realization that coverage is needed for a longer period of time than you originally anticipated. When purchasing a term policy, find out what kind of permanent policies are offered by the company you are considering. Some companies may only have strong term insurance offerings. Sons of Norway has very competitive products in both categories.

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

Charitable Giving

By Cindy Olson, Sons of Norway Foundation Director



How do I make a Donation?

Most of us give to three or four major charities on a regular basis. One is usually our church, one may be to a health organization and one or more to organizations that mean something to us, where we volunteer. Why not give to an organization like the Sons of Norway Foundation that shares your values and goals? Did you know that the Sons of Norway Foundation is a 501 c (3) charity and that your donations are tax deductible?

As Director of the Sons of Norway Foundation I am often asked “How do I make a meaningful donation?” There are many answers to this question and one is the gift of life insurance. Why life insurance? You may have a life insurance policy that you purchased to protect your children who are now grown, family members who have predeceased you or to fund educational plans. Such unneeded policies, which may have significant cash values, make excellent charitable gifts. The cash value may be given as a donation.

You may wish to write a policy specifically for a charity, naming the charity as the owner and beneficiary. This may allow you to take a tax donation for the premiums. Many may give a larger donation because giving insurance allows them to spread out the payments. Check with your Sons of Norway Financial Benefits Counselor or tax advisor to see if this style of donation is a good choice for you.

Your charitable donations are making a difference in communities all across the country everyday.

Fraternal and Financial: The Lifeblood of our Organization



Most members are very familiar with the Sons of Norway mission, which is to promote and to preserve the heritage and culture of Norway, while celebrating our relationship with other Nordic Countries, and to provide quality insurance and financial products to our members.

We accomplish this mission in a number of ways, one of the most important being the interdependent relationship that exists between fraternal and financial endeavors. In fact, providing insurance solutions and fraternal programming is really the lifeblood of the organization.

While most members join Sons of Norway for social and cultural benefits, participation in our financial offerings is very important, too. Sales of our Whole Life, Term, and annuity products provide approximately \$1 million annually that is dedicated to Fraternal offerings like Viking magazine, the cultural skills program and more. Without the profits from our insurance operations, these member benefits could be drastically reduced in quality and scope.

In addition, when members participate in our financial offerings, they are making a direct and positive impact on the health of their lodge. This is thanks to the Lodge Revenue Sharing Program, which distributes tens of thousands of dollars back to lodges every year and provides a contribution of \$4 for every member who participates in our insurance solutions.

As you can see, when it comes to Sons of Norway’s fraternal and financial offerings, one cannot exist without the other. Certainly not in the way we know them today, anyhow. This being so, I hope that everyone who enjoys our great fraternal programming benefits will also support those benefits by meeting with their FBC and learning about how Sons of Norway can help provide a secure financial future for members and their families.

Advisor Answers

By Len Carlson, Director of Agencies

Q: Carol, from North Carolina, asks, "I have read about an interesting product called Single Premium Whole Life. I'd like to know more about the benefits of owning it and who should consider buying it."

A: Good question. Single Premium Whole Life is just one of many life insurance products available. Who should purchase it will depend upon one's budget and overall insurance need.

Single Premium Whole Life provides guaranteed Life Insurance coverage to age 121 with one guaranteed premium resulting with your policy being paid up with no additional premium payments ever. Single Premium Whole Life is a good choice when additional life insurance is needed and you have a lump sum of cash available. Typically, sources of lump sum payments are savings accounts, retirement accounts, CD's, a gift, an inheritance, or an insurance payout.

Single Premium Whole Life is an excellent way to transfer your assets to your heirs, tax free. Depending on your age, a one-

time payment may provide several times that amount in coverage.

Here are some examples of who should consider buying a Single Premium Whole Life.

One idea: a gift idea from grandparents buying a policy on their grandchildren. For a minimum premium of \$2,000 for their newborn granddaughter, \$2,000 will purchase \$36,513 of life insurance and there will never be another premium due.

Second idea: a man, age 70, wants to leave a legacy (money) to his two sons. He has \$50,000 in a CD and he doesn't plan on spending it. So by transferring the money into a Sons of Norway Single Premium Whole Life policy, the \$50,000 will purchase \$82,219 face amount, which will be paid out income tax free to his two sons. Over \$32,000 more was instantly created for his two sons.

Please contact your FBC for more information on Sons of Norway's Single Premium Whole Life.

Issue #24 • 3rd Quarter 2012

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

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