

the **Advisor**

find your path to a secure future



From your **counselor**

Spring is here! The weather is improving, the days have gotten longer and I hope you're feeling as reinvigorated as I am after the long winter. It is a great time to start making plans for the approaching summer. Maybe they include trips to the beach, time on the golf course or a family vacation? Whatever your thinking about for the summer, it's also a great time to think about your financial future and make plans for the rest of the year.

Because I am a firm believer in the important role life insurance ought to play in those plans I'm pleased to bring you this month's edition of Advisor. It's got some great articles that I think can help you plan for the future, no matter what stage of life you are in.

In this issue you will find an article discussing some of the different life insurance options available from Sons of Norway and explanations of their benefits and differences. Also, there is a great article about the benefits of charitable giving, to leave a legacy for the future by using life insurance products to benefit the charity of your choice.

In addition, there is an interesting Q&A about Sons of Norway and our position as a Fraternal Life Insurance Company. If you don't know the history of Sons of Norway, or weren't aware of our insurance operations, this will definitely be educational.

In closing, I hope that you will enjoy this quarter's edition of the Sons of Norway's Advisor. I think you'll find the information in this edition to be of great value and worth sharing with other friends, family or lodge members. 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.



The Spice of Life:

Variety, Flexibility, and Financial Strength Through Life Insurance

- Ken Thul, CLU, ChFC, FICF, Advanced Financial Consultant, Sons of Norway

Life insurance may be one of the most important purchases you'll make. It can help pay your mortgage and other obligations, replace your income, help transition the ownership of a family business, pay your children's education bills, provide retirement income for your spouse, pay estate taxes and settlement costs, and much more. Sons of Norway offers a variety of life insurance products with different features designed for your specific needs.

Our Nordic Term Life Insurance, as its name implies, provides life insurance 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.



In addition to our term life insurance, Sons of Norway also offers two varieties of permanent whole life insurance that remains in force as long as you live, no matter how long you live. The first is our Nordic Whole Life which is a traditional whole life policy with guaranteed fixed premium, guaranteed fixed death benefit, guaranteed cash value and this policy pays dividends. Premiums may be paid annually, semi-annually, quarterly, or by electronic draft monthly. As long as you pay the scheduled premiums, the policy will remain in force for your whole life. A variation of this policy is our Nordic Single Premium Life. This is for people who prefer to make one lump sum premium payment rather than periodic payments. It also features a guaranteed fixed premium, guaranteed fixed death benefit, guaranteed cash value and it also pays dividends. A key feature of both varieties of these whole life policies is the guaranteed cash value and the dividends which accumulate tax deferred in the policy. You might think of the cash value as the living benefit of the policy. You may borrow cash value for any purpose you wish such as a down payment on a home, to help pay for your children's education or to provide income for your retirement. When you borrow money from your life insurance policy, you're using the policy's cash value as collateral. Unlike loans from other financial institutions, the loan is not dependent on credit checks or other restrictions and you have no obligation to repay a policy loan. If you do not repay the loan, the amount of the loan plus interest will be deducted from the death benefit your beneficiaries will receive.

A third and very popular variety of permanent life insurance is universal life. Our Nordic III Universal Life is permanent life insurance and also lasts as long as you live. But this one has some sizzle. Unlike whole life where you pay fixed premiums, Universal Life offers adjustable premiums that give you the option to make higher premium payments when you have extra cash or lower ones when money is tight. Universal Life allows you, after your initial payment, 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. Our Universal Life policy pays an attractive current rate of return and guarantees a minimum rate of return on your cash values. You may even make a one-time single premium payment if you wish. 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). This policy also has the popular policy loan provisions described above. Additionally, it has a partial withdrawal feature that allows you more flexibility in the way you use your cash value.

Sons of Norway life insurance policies are new modern and competitive life insurance policies that offer the cutting edge features our members want today. They are backed by sons of Norway's 117 years of financial strength. Please contact your Sons of Norway Financial Benefits Counselor for a plan right for you.

Top Tax Tips to Remember When You Give

Remember to itemize

If you want to take advantage of your charitable deductions you will have to itemize your income taxes.

Contribute by the end of the year

To take advantage of a charitable deduction on your taxes you must contribute by Dec. 31. A credit card donation or a gift check are also eligible as long as they are charged or postmarked by Dec. 31.

There are different types of donations

Most people make their charitable contributions in the form of money. However, you can also donate property, investments or life insurance products. Be sure to talk with a qualified expert before making these types of donations.

Keep your receipts

Regardless of the amount that you donate, if you are going to deduct it from your taxes you have to keep a record of the contribution. This could be canceled check, a bank statement or a record showing a payroll deduction. You can also request a written statement from the charity, the statement should show the charity's name, contribution date and the amount of your donation.

You can only deduct your contributions to qualified charities

Only donations to 501(c)(3) charities are tax deductible. Before making your donation ask about the organizations tax-exempt status, you can also visit IRS.gov and use the Exempt Organizations Select Check Tool to see if your chosen charity is a 501(c)(3).

Charitable Giving

- Leonard Carlson, Director of Agencies

Have you ever considered making charitable giving part of your future plans? Maybe it's time to think about it again by asking yourself this question: Do you feel it's important that your legacy be one of support for an organization you care about, be it your church, a college or the Sons of Norway Foundation?

Many of us want our assets to make a positive impact on our community even after we are gone, and doing so is as easy as updating your will to indicate where you want your assets to go when you are gone.

Some common options for charitable giving are:

- 1) gifts by will or revocable trust
- 2) appreciated stock
- 3) IRA distributions
- 4) gifts of cash, and
- 5) life insurance and annuities.



Probably the best choice of all the options is to purchase life insurance because it offers the greatest benefit to all. Here are just four ways that buying life insurance from Sons of Norway for charitable giving can help others:

Reason One - Help Your Cause.

A small tax deductible gift monthly or annually, or a single tax deductible gift, greatly magnifies your gift to your charity at the time of your death.

Reason Two – Help Your Lodge.

Purchasing a Sons of Norway life insurance policy as a charitable gift, helps the lodge because a portion of the premium is returned to your lodge through the Lodge Revenue Sharing Program.

Reason Three – Help Sons of Norway.

\$1,000,000 in profits from the insurance operations is dedicated to Fraternal operations annually.

Reason Four – Help Yourself.

The IRS allows you to deduct your charitable gift.

To learn more about charitable giving and whether or not it is something you should consider, please call or email your Financial Benefits Counselor to set up a meeting to discuss this.



Q. *I am a member from Florida. I was talking to a member that attended the International Convention this past year and she made mention of the fact that Sons of Norway is really a Fraternal Life Insurance Company. Can you shed a little more light on this so that I understand what she meant?*

A. *That's a great question as well as very timely because the answer to your question is referred to in the January edition of the Advisor. Now, because this issue is so important for our members to understand, it's worth repeating some of the content from that issue of the Advisor.*

We were founded in 1895 on the principle of mutual assistance, structured in a manner similar to a group assistance plan that our immigrants had access to in Norway. To be a part of the plan, each person contributed a small amount of money into a plan and when members became sick or passed on, a sum of money was paid to their families to help support them through the difficult times. This format was an early precursor to what we recognize now as life insurance. We have grown into a \$325 million Fraternal Life Insurance Company.

The irony is while most people that join Sons of Norway do so for the culture and heritage aspects, none of this would be available without the \$1 million in support given by the insurance operation. To give you an example, out of every member's dues comes \$6.00 to help produce the award-winning Viking magazine. The truth is it actually costs \$18.00 per membership to produce this award-winning publication. The remaining \$12.00 comes from the insurance operation.

We are also able to direct profits back into the lodge with the Lodge Revenue Sharing Program. The amount each lodge receives is based on the percent of insurance premiums paid by the members of the lodge, divided by the total insurance premiums paid by all lodge members. In addition, the lodge also receives \$4.00 for each new insurance member.

The message here is this: because all members enjoy exclusive access to the benefits of Sons of Norway membership, the financial and fraternal operations are interdependent upon each other. So, when the need arises, and it comes time to purchase life insurance or annuities, look to the company you are already a part of to fulfill your insurance needs. Better yet, contact your Financial Benefits Counselor to help discuss your needs and how our life insurance and annuity products can help you and your family.

Top 5 Reasons to Own Life Insurance

5. Final Expenses/ Funeral Costs

Life insurance can be used to pay funeral and burial expenses, as well as medical or nursing care bills during the last few years of life.

4. School Tuition for Children

Helping their children pay for college is a goal for many parents. Life insurance can ensure your goals are met even if your family is beset by tragedy and loss.

3. Emergency Fund

A great benefit of life insurance is that it can be used to cover unexpected costs, including health or medical related expenses or loss of employment.

2. Home Mortgage/ Debts

Life insurance can pay off a mortgage or credit card debt, which means your loved ones won't be saddled with these expenses.

1. Income Compensation

Should you pass away suddenly, the loss of your income may leave your loved ones vulnerable. Life insurance can ensure your family will be able to replace your lost income.

Top Ten Reasons to Own a Sons of Norway Annuity

Ask your Financial Benefits Counselor for more information about Sons of Norway financial products!



1. **Guaranteed Safety of Principal**
2. **Guaranteed Minimum Interest Rate**
3. **Guaranteed Income for LIFE**
4. **High Current Interest Rates**
5. **Tax Deferred Accumulations**
6. **No Sales Charges**
7. **No Annual Service Fees**
8. **Penalty Free Withdrawals Beginning in Year Two**
9. **Penalty Free RMD Withdrawals for IRA's**
10. **Safety & Security with over 115 Years of Experience**

Current 12 Month Interest Rates

For Our SPDA

| Deposit Amount | Current Interest Rate | 1st Year Interest Bonus* | Total 1st Year Return |
|---------------------|-----------------------|--------------------------|-----------------------|
| \$10,000 - \$24,999 | 1.95% | .70% | = 2.65%* |
| \$25,000 - \$49,999 | 2.10% | .70% | = 2.80%* |
| \$50,000 and over | 2.20% | .70% | = 2.90%* |

* These rates include a .70% first year bonus. Guaranteed Minimum Interest Rate: 1.00%

Interest rates as of 11-01-12 and are subject to change. New contracts only.

For our FPDA

| Deposit Amount | Current Interest Rate | 1st Year Interest Bonus* | Total 1st Year Return |
|---------------------|-----------------------|--------------------------|-----------------------|
| \$2,000 - \$9,999 | 1.65% | 0% | = 1.65% |
| \$10,000 - \$24,999 | 1.85% | .70% | = 2.55%* |
| \$25,000 - \$49,999 | 2.00% | .70% | = 2.70%* |
| \$50,000 and over | 2.10% | .70% | = 2.80%* |

* These rates include a .70% first year bonus. Guaranteed Minimum Interest Rate: 1.00%

Interest rates as of 11-01-12 and are subject to change. New contracts only.



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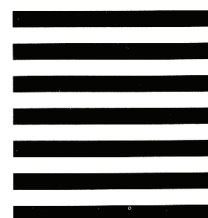
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Member #123456789 (this is variable)

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| <input type="checkbox"/> Single Premium Whole Life | <input type="checkbox"/> Child or Grandchild Plans |
| <input type="checkbox"/> Whole Life | <input type="checkbox"/> Level Term Life Insurance |
| <input type="checkbox"/> Immediate Annuities | <input type="checkbox"/> 401K Rollover |
| <input type="checkbox"/> Universal Life Insurance | <input type="checkbox"/> Long Term Care Insurance** |
| <input type="checkbox"/> Pension Maximization Plan | <input type="checkbox"/> Medicare Supplement** |
| <input type="checkbox"/> Saving For Retirement | |
| <input type="checkbox"/> Preserving My Estate | |
| <input type="checkbox"/> Complimentary Financial Review | |

* These products may not be available in all states.

**Products from other insurance carriers offered by your Sons of Norway Financial Benefits Counselor.

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