SONS OF NORWAY

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the Advisor

find your path to a secure future

From your **counselor**

I hope this quarter's edition of the Sons of Norway Advisor finds you enjoying your summer. Hopefully you've been spending time with your family and friends and taking up some of your favorite pastimes. 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.

With National Life Insurance Month just around the corner in September we've devoted this issue to a variety of subjects related to life insurance. First, we have an article on little-discussed, yet very important topic of life insurance for children. For many this is a taboo subject, but the reality is that it can be a good step to helping your kids or grandkids build a sound financial foundation for when they grow up.

Next, we have an article from the Life Foundation about getting your affairs in order. While no one likes to think about their mortality, it's important to have a plan in place so your family and loved ones can focus on their grieving process. The article, which highlights the top 10 steps for creating a smart end-of-life plan, is a great roadmap to help you plan.

To coincide with the article above, we have developed a list of Top Ten Final Expenses.

I feel these are all important topics to learn about and by taking a few minutes to read 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. I'd be happy to help you in any way I can. Until then, have a great summer!

Children and Life Insurance

Why it is important to insure your children and grandchildren

- Leonard Carlson, Director of Agencies

There's a myth out there that suggests children don't need life insurance for reasons, such as:
1) they have no one dependent upon them,
2) they bring in no income, and, of course,
3) who wants to think of a child dying.

While keeping this in mind, I would like to share with you some thoughts on why it's important to insure your children.

First of all, as unlikely as it might be, children do die. You see it all the time in the paper. They die from accidents and from illness. Some illnesses last a long time and it is heart-wrenching experience for the family. It can also be very expensive; and even with health insurance, the family can be left with lots of debt. At this time, a family is both emotionally and financially devastated.

Second, and just as important, an accident or illness can render a child uninsurable; in fact, the chances of this happening are greater than dying. If the child becomes uninsurable, it means that when he or she grows up and has responsibilities like a mortgage or providing family income, life insurance can't be purchased or might be much more expensive. Most of us don't like to focus on a child dying or becoming sick, but we all know that it is possible.

Third, start while they're young. So let's focus on the idea that everyone will need life insurance at some point in their life, and now is the best time to guarantee that it can be purchased. Take a little boy, 5-years old. A $100,000 Whole Life policy with a Guaranteed Purchase Option of $25,000 costs only $409 per year. You have guaranteed that the child can purchase a total of $25,000 of life insurance at ages 22, 25, 28, 31, 34, 37, and 40; that's a total of $175,000 of additional coverage by age 40, no medical questions asked. So, does he need this much now? No, but he will need it someday and someday he might not be able to buy it; but you have guaranteed that this person can be insured for a total of $275,000. In addition, think about all the cash value and dividends that will be there.

Fourth, help protect the child's family with flexibility. When they're older, your children will have the option to take out money from their accrued cash value. This money can be used for any purpose, like college funding, putting a down-payment on a house, etc.

Fifth, retire well. With cash value life insurance, your children can convert the cash value to an annuity, which can guarantee regular income to help pay for retirement, final expenses, or even debts.

Just imagine when your child reaches adulthood and are on their own, you then give them this life insurance certificate — you have given them a great start to ensure their financial security. It's a gift they will always remember and will thank you for it.

Getting Your Affairs in Order

End-of-life planning sounds like something you do, well, towards the end of your life. But the reality is, no one knows what tomorrow will bring. If the worst were to happen, you wouldn't want your family to be burdened with the financial, legal and logistical problems. It's easier than you think to create a smart end-of-life plan. These 10 steps will help you get your affairs in order, and provide you with the peace of mind of knowing that your wishes are clear and that your loved ones will be taken care of.

1 Have a will and update it periodically. The will designates executors, guardians and trustees.Your executor's first task is to locate your will, and you can help by keeping the original in a fairly obvious place. A good start is to put your will in an envelope on which you have typed your name and the word "Will." You should then place the envelope in a fireproof metal box, file cabinet or home safe. An alternative is to put it in a safe deposit box.

2 Have a health care directive (living will). A living will is a medical directive written in advance that sets forth your preference for treatment in the event of your inability to direct care. The document may be drafted to include when the directive should be initiated and who has the decision-making responsibility to withdraw or withhold treatment.

3 Have power of attorney. You should name your spouse or a close friend or relative to have power of attorney for you. Whoever you designate will be authorized to manage your affairs, typically financial ones, if you're not able to handle them yourself.

4 Have life insurance. Purchase adequate life insurance for yourself now to help your family avoid financial pitfalls later. Having the right amount of coverage will help ensure that the dreams you have for your family will be realized even if you're not there to witness them. Determining how much life insurance to buy can be complicated, so it's important to seek assistance from a qualified insurance professional.

5 Review beneficiary designations for your various financial accounts, including group and individual benefits like life insurance and 401(k)s. Check annually to ensure those named in your insurance policies and retirement plans are still relevant to your needs and wishes. Many people are under the misconception that if they have a will, the are covered. However, beneficiaries designated in documents generally fall outside the scope of a will, so it is critical that you keep your records updated.

6 Specify where important financial account information is located. It may sound like an obvious thing to do, but few people keep a list of where important records pertaining to their savings, retirement plans, college-funding plans, mortgage, and insurance reside. Fewer still could name them all quickly in an inpromptu quiz. Keep a master list and review it annually.

7 Specify where important non-financial in formation and valuables are located such as marriage certificates, birth certificates, titles/deeds for the house/cars, passports, jewelry, safe deposit box key, items in storage facilities, etc.

8 Specify your final arrangements such as burial or cremation, where you want to be buried, whether you want to be an organ donor, etc.

9 Have a list of professionals who assist you with your family's legal and financial affairs (insurance agent, attorney, accountant, etc.)

10 Explain to heirs how your trust works. Trusts are often a useful legal and estate-planning device for protecting assets from estate taxes and providing a vehicle to be sure survivors get proper adminstrative and investment advice and counsel. An attorney is the best source of information about the proper use of trusts and whether one would be appropriate for you.

Advisor Answers

Leonard Carlson, Director of Agencies

Q. ***A member from North Dakota asks, "Do I need life insurance? If so, for what reasons, and finally, how much do I need?"***

A. ***Good question. If someone depends on you financially, you most likely need life insurance.***

Here are some examples of the stages in life that will trigger the need for life insurance:

Single — Most single people don't have a pressing need for life insurance because no one depends on them financially. But there are exceptions; for example, if you're providing financial support for aging parents, siblings, or a special needs individual, or if you are carrying a lot of debt that you wouldn't want passed on to the family members. These all trigger needs for life insurance.

Getting married — Most households depend on two incomes; if one of you died, how would the survivor make ends meet?

Becoming a parent — Raising a child is very rewarding but can also be very expensive. If you died tomorrow, would your spouse have the money to provide your children with the opportunities you always dreamed of? There is daycare, college education, and everything in between.

Even parents who don't work outside the home need life insurance because they provide services that would be expensive to replace, such as child care, transportation, and household chores.

How about single parents? They need life insurance more than anyone because their children rely on them for everything.

Becoming a homeowner — Your home is your biggest asset. Life insurance can be used to pay down or pay off the mortgage, sparing your family from having to move to a less expensive place to live.

Planning for retirement — Some may think, 'I'm 55 or 60, the mortgage is paid, and I don't need life insurance'; but if you died and your spouse lives for 20, 30, or more years, would your spouse be able to continue your present life style? Life insurance can help widows and widowers avoid financial struggles in retirement.

Now, for the final step: How much life insurance do you need? Would it be $250,000, $500,000, or a million dollars? Sounds like a lot of money, but imagine if one of those amounts had to pay for final expenses, pay off credit card debt and other debts like the mortgage, and support your loved ones for many years to come. Would it be enough?

Here is a way to estimate your life insurance needs:

Current and future financial obligations
minus
Spouse's earnings, savings, investments, and life insurance you already own
equals
LIFE INSURANCE NEEDED

Hopefully, these comments and information will help you answer the following questions: 1) Do I need life insurance? 2) For what reasons do I need life insurance? and, 3) How much life insurance do I need?

Top 10 Final Expenses

The death of a loved one is always tragic and often financially devastating. The combination of the tragic loss and the financial loss may be too much to bear. Life Insurance can eliminate the financial loss. Here are 10 of the most common uses for life insurance proceeds.

1. Immediate Money Fund

Life insurance can be used for bills after your death. This may include medical bills, funeral expenses, attorney fees, probate court costs and taxes.

2. Debt Payment Fund

Life insurance proceeds can be used to pay off debt such as credit cards, auto and school loans, etc.

3. Emergency Fund

Life insurance provides funds for unexpected bills that may occur after your death and may not be readily payable from your survivor's current income. This may include major repairs to your home, your auto or medical emergencies.

4. Mortgage or Rent Payment Fund

Life insurance funds provide a debt free home for your survivors. What would it take to pay off your mortgage or provide a ten year rent fund?

5. Child/Home Care Fund

Life insurance funds pay for the new expenses caused by the death of a spouse who formerly performed these duties without any cash outlay.

(Continued on reverse)

Top 10 Final Expenses

6. Educational Fund

Life insurance provides a legacy for the cost of a college degree or vocational training. Although essential for breadwinners, it is also popular with non-working spouses, grandparents, aunts and uncles.

7. Family Maintence Fund

Life insurance provides an income replacement fund to allow a family to maintain their current standard of living after the death of a breadwinner.

8. Retirement Income for Spouse

Life insurance allows you to maximize your retirement income by taking the highest monthly income for you and using life insurance to purchase a monthly benefit for your spouse.

9. Business Ownership Transition

Life insurance creates the capital to pass an ongoing business to the next generation or the surviving partners when a business shareholder dies.

10. Estate Planning

Federal Gift and Estate Tax rates range from 18% to 40%. Individual state estate tax laws continue to lower exemption limits and increase rates. Life insurance can pay these estate tax obligations and allow you to pass the entire value of your estate to your beneficiaries.

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 06/01/13 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 06/01/13 and are subject to change. New contracts only.