

## Dear Member



As the International President of a Fraternal Life Insurance company, one of my biggest concerns is membership participation in our financial products. As you've probably heard or read by now, it is the driving force behind much of the good that Sons of Norway does in the lives of members as well as their lodges and communities at large. It is thanks to the members who entrust their financial future with Sons of Norway that we can offer a variety of member benefits, financially support lodges and offer scholarships and grants that help members make the world a better place.

For these reasons alone, I hope you will take a few minutes to read this latest edition of the Sons of Norway Advisor. It's full of great information, ranging from specific product facts to general financial literacy. For example this issue has a great article about Sons of Norway Financial Benefits Counselors and the role they play. There's also an informative article about things to consider when naming beneficiaries, a comparison of benefits between our life insurance, our Single Premium Deferred Annuity and traditional bank CDs. Last, but certainly not least, our Director of Agencies Len Carlson answers an important question about the relationship between our insurance operations and the rest of Sons of Norway.

These are all important topics to learn about and by reading this quarter's edition of the Advisor you can equip yourself to make sound financial 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 your FBC, whose contact info is on the left side of this page.

Fraternally,

*Marit Kristiansen*

Marit Kristiansen  
International President, Sons of Norway

- YES! Please send me more information on the following products to help me achieve my financial goals**
- 10.13 #28**
- IRAs - Traditional and ROTH
  - Child or Grandchild Plans
  - Level Term Life Insurance
  - 401K Rollover
  - Long Term Care Insurance\*\*
  - Medicare Supplement\*\*
  - \* These products may not be available in all states.
  - Whole Life
  - Single Premium Whole Life
  - Tax-deferred Annuities
  - \*\*Products from other insurance carriers offered by your Sons of Norway Financial Benefits Counselor

- Complimentary Financial Review
- Preserving My Estate
- Saving For Retirement
- Pension Maximization Plan
- Universal Life Insurance
- Immediate Annuities

# Who is Your Financial Benefits Counselor?

- Leonard Carlson, Director of Agencies



## First and foremost your FBC is a Sons of Norway member just like you.

They have the same aspirations as your lodge leadership and fellow members: to grow your lodge through recruitment of new members. In fact, your FBC can help your lodge officers organize a New Membership Dinner, where up to \$400 will be reimbursed to the lodge for the dinners of the prospective new members and their sponsors. This program has a track record of success, so I encourage you to take advantage of it.

## Your FBC is an experienced financial advisor whose mission is to help you achieve your financial goals.

Your FBC will meet with you to conduct a complimentary financial review and help identify your financial goals, prioritize them, initiate a plan of action, and then meet with you on a regular basis to make sure all of your financial objectives are being met.

## Your FBC is someone who provides financial support to your lodge.

Every year, a portion of the profits from the purchase of Sons of Norway life insurance and annuity products are returned directly back to lodges thanks to the Lodge Revenue Sharing Program. It's a simple fact, the more members in your lodge that purchase Sons of Norway insurance products, the more money your lodge receives.

## Your FBC is a person who can provide valuable programming to your lodge.

They can provide your lodge with short, informative and entertaining presentations on financial topics of interest to everyone, like how to minimize current taxes, maximize inheritance to your heirs, etc. All you have to do is invite them to participate.

In summary, your FBC is someone who can help your lodge thrive while helping members reach their financial goals. A good way to think of this is like this: Your FBC is your friend and ally.

# 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				For our FPDA			
Deposit Amount	Current Interest Rate	1st Year Interest Bonus*	Total 1st Year Return	Deposit Amount	Current Interest Rate	1st Year Interest Bonus*	Total 1st Year Return
\$10,000 - \$24,999	1.95%	.70%	= 2.65%*	\$2,000 - \$9,999	1.70%	0%	= 1.70%
\$25,000 - \$49,999	2.10%	.70%	= 2.80%*	\$10,000 - \$24,999	2.00%	.70%	= 2.70%*
\$50,000 - \$99,999	2.20%	.70%	= 2.90%*	\$25,000 - \$49,999	2.15%	.70%	= 2.85%*
\$100,000 and over	2.25%	.70%	= 2.95%*	\$50,000 - \$99,999	2.25%	.70%	= 2.95%*
				\$100,000 and over	2.35%	.70%	= 3.05%*

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

Interest rates as of 09/01/13 and are subject to change. New contracts only.



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# Naming Beneficiaries Needs Careful Consideration

## Neglecting the Details

There are two commonly used ways of distributing money to beneficiaries - per stirpes and per capita. Example: You want to leave money to your 2 children, Joe and Amy, or their children if Joe or Amy predeceases you. Joe has 3 children and Amy has 1 child. Suppose Joe dies before you do. Under per stirpes, half the money goes to Joe's 3 children, and half to Amy. Under per capita, the money is divided equally among Joe's 3 children and Amy; each would get 25 percent. Choose the distribution method to match your intentions.

## Naming Only a Primary Beneficiary

If the primary beneficiary predeceases the insured person and there is no living beneficiary, the proceeds typically go into the estate and is subject to probate. This means delays, probate fees, possibly legal fees and loss of protection from creditors. Avoid this by naming secondary and final beneficiaries.

## Assuming Your Will Trumps the Policy

Life insurance proceeds are paid to the beneficiary regardless of what your will says. Contact your insurer to change your beneficiary if needed.

# Is Your Bank CD Working Hard For You?

## Here Are Alternatives to Traditional Bank CDs

In today's economy, CDs are used because they offer safety. But Interest rates on bank CDs are low, which raises some questions. Are they your best option? Do you wish you could do better? Maybe you can. Sons of Norway's single premium payment life insurance or tax-deferred annuities provide guaranteed safety plus a competitive interest rate and tax-deferred growth which helps your money grow even faster.

Below is a comparison of a bank CD, a Nordic Single Premium Deferred Annuity (SPDA), and a Nordic Single Premium Life (2013) insurance policy. Look at the difference!

## Results of a \$100,000 Deposit for a Female Age 75 at Standard Non-Nicotine Rates. All Results are the Accumulated Value and are Pre-tax.

End of Year	Age	Bank CD	Nordic SPDA*	Nordic Single Premium Life (2013)* Life Insurance	
		Accum. Value at 1.50%	Annuity Accum. Value at 2.25%	Life Insurance	Death Benefit
1	76	\$101,500	\$102,950	\$151,607	No Income Tax
5	80	107,728	112,533	154,521	No Capital Gains
10	85	116,054	125,776	160,141	No Probate Tax
15	90	125,023	140,577	168,321	No Gift Tax
20	95	134,686	157,119	178,322	No Estate Tax
25	100	145,095	175,609	280,438	When Properly Arranged

\*Nordic SPDA annuity and Nordic Single Premium Life (2013) are certificate issued by Sons of Norway, 1455 West Lake Street, Minneapolis, MN 55408. Results are available for males, other deposit amounts, underwriting classes, and ages. SPDA includes a .70% First Year Bonus. These products may not be available in all states. Female rates may not be available in all states where these products are available. No quotes are final until underwriting is completed. These are current rate as of 9/1/2013 and are subject to change. New contracts only.

If you are looking for safety, our Nordic SPDA offers these safety features: guaranteed safety of principal, guaranteed minimum interest rate, guaranteed income for life. Our annuities feature tax deferred accumulations, no sales charges, no annual service fees, penalty free withdrawals beginning in year two, and penalty free RMD withdrawals for IRA's. Our Nordic Single Premium Life (2013) has these safety features: Guaranteed fixed single premium, guaranteed fixed death benefit, guaranteed paid up certificate for the lifetime of the insured person, and guaranteed cash value. It will pay dividends which are also referred to as refunds to members. Sons of Norway annuities and life insurance certificates are safe and secure with over 118 years of experience.

If you have a certificate of deposit, **do not** allow it to renew automatically. Automatic renewal might not be your best option. Your Sons of Norway Financial Benefits Counselor may be able to help make your money work harder for you.

## Naming Beneficiaries Needs Careful Consideration

**Q.** *A member from District 1 asks, “I keep hearing about this 3-legged stool of Financial, Fraternal, and Foundation. I am still not clear on what this means. I know I am not the only member that is asking this question”*

**A.** *Good question, so let me try to explain. First, I’d like to state Sons of Norway’s mission: “The mission of Sons of Norway is to promote and to preserve the heritage and culture of Norway, to celebrate our relationship with other Nordic countries, and to provide quality insurance and financial products to our members.”*

It is important that our members know that because Sons of Norway is a not for profit, Fraternal Life Insurance company, there is an interdependent relationship that exists between the Financial, Fraternal and Foundation areas.

Evidence of this relationship lies in the fact that we give back profits to benefit our members, their lodges, and their communities. This means that every time a member purchases one of our reliable financial products, they are not only protecting their own future, but that of their lodge and Sons of Norway as a whole. For example, each year over \$1 million in life insurance profits are dedicated to Fraternal offerings, like the Viking magazine or lodge programming. Without the profits from our insurance operations, these member benefits would be drastically reduced in quality and scope.

Another example of this is members participating in our financial offerings support the financial strength of their lodge, thanks to the Lodge Revenue Sharing Program, which distributes thousands of dollars back to the lodges every year.

We know that members join for the Fraternal offerings, so without the Financial leg of the stool, the Fraternal leg would be cut short or broken.

Additionally, we believe in the power of knowledge and are dedicated to creating educational opportunities through cultural programs, scholarships, and grants from the Foundation. It awards 25 college scholarships yearly and grants are awarded to lodges for different events as well. The Humanitarian Fund has awarded over \$500,000 to help victims of natural disasters; in particular, “Helping Hands Member Grants” have been awarded to Sons of Norway members who lost their homes to floods, hurricanes, and tornados in recent years.

It’s through generous charitable gifts to the Foundation, often in the form of a life insurance policy, that these scholarships and grants continue to benefit Sons of Norway members in a true fraternal way.

Yes, Sons of Norway is like a 3-legged stool, with Financial, Fraternal, and Foundation being interdependent upon each other.

It seems simple, but naming beneficiaries should be carefully thought out. Consult your financial advisor and/or attorney to decide the best course. In the meantime, here are some things to consider.

### Naming a Minor Child

Proceeds won’t be paid directly to minors. Absent prearrangement, the court will appoint a guardian; a costly process. You can leave the money for the child’s benefit to a reliable adult or set up a trust for the benefit of the child.

### Special Needs Trust

Naming a lifelong dependent, such as a child with special needs, as beneficiary puts the loved one at risk for losing eligibility for government assistance. Anyone who receives a gift or inheritance of more than \$2,000 is disqualified for Supplemental Security Income and Medicaid under federal law. A Special Needs Trust avoids this and will manage the money for the dependent’s benefit.

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