

the

Advisor

find your path to a secure future

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Dear Members



As the year comes to a close, I hope that this edition of the Sons of Norway Advisor finds you doing well and enjoying every opportunity to share in the season with your family and loved ones. I also hope that you will take a few moments away from the hustle and bustle of the season to read some of the great information that we’re bringing you this quarter.

With the holidays upon us, I’m sure we’re all finding the need to be top-notch multi-taskers in order to final-ize all the preparations for the holidays, right? It is in that same spirit that I’m pleased to bring you an article

from our insurance division about making your money multitask for you. Take a mo-ment to learn what products can do the most for you as you plan for 2016.

Next, we have a great article about reducing risks in retirement through life insurance. As a retiree myself, I think this is an extremely important subject. The market crisis we all experienced in 2008 still weighs heavily on many people in my generation and its impact will be long felt. Reading articles like this one could help others avoid the same situation in the future.

Last, but not least, we have a great Advisor Answers article about using insurance as a funding tool for your child’s education. This is one of the most common questions I get—probably because it affects so many people throughout Sons of Norway. I think our team has come up with a great way of addressing this issue and I hope you can benefit from it as others have.

Now, in closing, I hope you enjoy this edition of the Advisor and find the information within to be of great interest. I also hope you find it worth sharing with friends, family or other lodge members. If you do, be sure to lend them your copy so they can ben-efit from it as well. If you have questions about any of the articles enclosed, be sure to reach out to your dedicated Sons of Norway Financial Benefits Counselor—they are here to help and can be a great resource as you plan for the future.

Jim Tschwen

YES! Please send me more information on the following products to help me achieve my financial goals

- ☐ Tax-deferred Annuities

☐ Single Premium Whole Life

☐ Whole Life

☐ Immediate Annuities

☐ Universal Life Insurance

☐ Pension Maximization Plan

☐ Saving For Retirement

☐ Preserving My Estate

☐ Complimentary Financial Review
- ☐ IRAs - Traditional and ROTH

☐ Child or Grandchild Plans

☐ Level Term Life Insurance

☐ 401K Rollover

☐ Chronic Illness Accelerated Benefit Rider

☐ Medicare Supplement**

* These products may not be available in all states.
** Products from other insurance carriers offered by your Sons of Norway Financial Benefits Counselor.

Reducing Retirement Risks with Life Insurance

The right combination of life products can help reduce retirement risks. Do you remember the market decline in 2008? Do you think there may be more declines? The answer is yes.

The performance of assets in the years following retirement makes a big difference in the long term stability and longevity of assets during retirement. Prior to retirement, assets may have endured market increases and decreases, however upon retirement, all those prior years no longer matter.

In effect, it's like starting over with the assumption that there are enough assets to make it through retirement. However, a down market in those early years can strain one's portfolio because it is digging out of a market drop at the same time as withdrawals are being made. The combined effect in those early retirement years can have a lasting impact.

So how does insurance play a role in retirement planning? It is well established that diversification is necessary in setting up a retirement portfolio. Usually, advisors look at different equity products to help gear up for retirement. However, life insurance has a critical role in retirement planning as well. It's a financial asset with unique attributes and tax treatment. It's this unique set of characteristics that can make life insurance a cornerstone of overall planning to help meet and protect a retirement strategy. Here is how:

- During working years, life insurance offers a death benefit that can protect a family and meet retirement funding goals even if the individual is not around to contribute.
- Life insurance cash values have the potential to grow tax-free and if properly accessed, they can be received tax-free through withdrawals and loans. This offers a tax-free source of funds for retirement. Keep in mind that both withdrawals and loans do reduce the death benefit.
- Life insurance can offer cash value accumulation with downside protection. In a traditional Universal Life policy, values can vary based upon the fluctuation of interest rates. Whole Life can offer a guaranteed return with no downside risk.



- Cash value life insurance can do more than just provide a source of funding for retirement and protection for loved ones. By timing loans and withdrawals from a cash value life insurance policy, a person can avoid losses in traditional assets.

For example, a 65-year-old man plans to retire. He has accumulated \$500,000 in an IRA. He needs an annual income of \$50,000 during retirement, and he has income of \$15,000 from Social Security and \$10,000 from a pension.

Here is what will happen if he has to withdraw money from his IRA following a down market. If he starts with the \$500,000 in his portfolio but has to sell into losses after let's say 5 down years, this can have a big impact on his account's value.

But if he had purchased a permanent life policy 20 years before retirement and he withdraws money from the policy only in years following a down year, he would be able to keep more money in his IRA account because he is drawing from his permanent life policy.

Permanent cash value life insurance can offer a source of funds for those 5 years. By taking selective withdrawals from life insurance only in years that follow a down market, one can avoid selling into losses.

I hope this is information you can still use, or at least inform someone else – it's good retirement strategy.

Top Ten Reasons to Own a Sons of Norway Annuity

Ask your FBC for more information about Sons of Norway financial products!

- 1. Guaranteed Safety of Principal**
You cannot lose any of your invested principal.
- 2. Guaranteed Minimum Interest Rate**
You always earn interest and your interest rate can never fall below our guaranteed minimum.
- 3. Guaranteed Income for LIFE**
Monthly income is guaranteed for as long as you live.
- 4. High Current Interest Rates**
Current rates are guaranteed one year at a time and are reset on your anniversary date, but never below the guaranteed minimum interest rate.
- 5. Tax Deferred Accumulations**
Income tax on your interest earned is deferred until you withdraw it or take a monthly income.
- 6. No Sales Charges**
Every dollar you invest goes directly into your account and earns tax deferred interest for you.
- 7. No Annual Service Fees**
Sons of Norway doesn't charge service fees because they can rob you of a portion of your cash value and the compound interest it would have earned.
- 8. Penalty Free Withdrawals Beginning in Year 2**
You may withdraw a portion of your account balance without surrender charges as early as the second year.
- 9. Penalty Free RMD Withdrawals for IRA's**
Never a surrender charge on RMDs from your IRA.
- 10. Peace of Mind**
With Sons of Norway you can rest assured that your money enjoys safety, security and the expertise that comes with 120 of financial experience.

Current 12 Month Interest Rates							
Single Premium Deferred Annuity				Flexible Premium Deferred Annuity			
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%*
* These rates include a .70% first year bonus. Guaranteed Minimum Interest Rate: 1.00%				* These rates include a .70% first year bonus. Guaranteed Minimum Interest Rate: 1.00%			
Interest rates as of 02/01/14 and are subject to change. New contracts only.				Interest rates as of 02/01/14 and are subject to change. New contracts only.			

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Leaving A Legacy

Can I give without a will? Yes.

- Name beneficiary of retirement account or IRA
- Name beneficiary of life insurance policy
- Make bank or securities account payable at death

**Why give?
It makes you feel good.**

Making Your Money Multi-Task Is Your Money Working Hard For You?

If you made a list of features you want your money to have, what would it include?

Safety from the risk of market fluctuation? Liquidity in case you need or want access to it? Tax-deferred growth with a competitive rate of return? Ability to pass on to your heirs or favorite charity tax-free and free from probate?

Investing in securities may get you tax deferral and you may get an attractive rate of return, but you also face the market risk of low returns and even the loss of some or all of your principal. Many think that risk is too big to take, so they look at bank instruments such as Certificates of Deposit (CDs) or savings accounts. They have safety but you have no tax deferral and current interest rates are very low. Many feel their money must work harder for them.

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!



End of Year	Age	Bank CD Accum. Value At 1.50%	Nordic SPDA* Annuity Accum. Value At 2.25%	Nordic Single Premium Life (2013)* Life Insurance	
				Cash Surrender Value	Life Insurance Death Benefit
1	76	\$101,500	\$102,950	\$83,055	\$151,607 No Income Tax
5	80	107,728	107,533	97,927	154,521 No Capital Gains Tax
10	85	116,054	125,776	116,813	160,141 No Probate Tax
15	90	125,023	140,577	134,952	168,321 No Gift Tax
20	95	134,686	157,119	153,312	178,322 No Estate Tax
25	100	145,095	175,609	280,438	280,438 When Properly Arranged

*Nordic SPDA annuity and Nordic Single Premium Life (2013) are certificates 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. Rates are subject to change. New contracts only.

If you are looking for safety, our Nordic SPDA features guaranteed safety of principal, guaranteed minimum interest rate, guaranteed income for life. Our annuities also 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) 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 make your money multi-task. They are safe and secure with over 120 years of experience. Your Sons of Norway Financial Benefits Counselor may be able to help make your money work harder for you.

Q. *"I have heard that life insurance can be a funding tool for a child's education. Can you shed some light on that?"*

A. That's a very good question about an important subject. Normally, when a parent or grandparent thinks about saving money for education, the most common thought is to put money aside into a savings account, certificate of deposit, mutual fund, stocks, etc. Most likely, these contributions are made monthly, quarterly, or perhaps annually on a special occasion like a birthday. While these traditional methods may work well, let's take a look as to how life insurance may also be a self-completing tool!

Cash value life insurance would be the type of life insurance used where the accumulation of cash grows tax deferred. At Sons of Norway, we offer Universal Life, Whole Life, and Single Premium Whole Life. It's been my experience when a grandparent wants to use life insurance as a funding tool they think the policy should be on the grandchild. While that's a definite option, as every child should have their own life insurance policy because of the advantages of low premiums as well as an option to guarantee their future insurability plus get an early start on accumulating money; however, the best idea is to insure a grandparent.

Here is the best option as to how life insurance can be a self-completing plan to help fund a college education, technical school, etc. Let's focus on the grandparents. Grandparents usually spoil their grandchildren by showering them with gifts, so what better gift is there than helping in the funding of a college education? Sure, the parents may have a college fund going, but will it be enough and besides the grandparents just want to help.

So here is how a self-completing college funding plan works. Let's say in this example that the grandfather takes out a policy on himself. He is 60 years old and has 2 small grandkids, ages 0 and 2.



He wants to be able to give each of them \$25,000 when they turn 18 and are enrolled in college, and he wants to make sure this \$25,000 is there even if he isn't.

To generate the \$50,000 in 16 to 18 years, the grandfather puts \$33,737 into a Universal Life policy which purchases a \$90,000 policy. In 16 to 18 years there will be \$53,000 cash value money to use for college, but if the grandfather dies prematurely, there is \$90,000 to use for college. This is a self-completing plan.

To learn more about this college funding idea plus other ideas, contact your Financial Benefits Counselor.

—Leonard Carlson, Director of Agencies

Leaving A Legacy



Why do members give?

- Joy of seeing someone helped in your family, lodge, or where you live
- I received a scholarship – I want to give back
- Provide humanitarian support to Sons of Norway members who are victims of a natural disaster

Many ways to give:

- A gift in a will or trust
- Life Insurance policy – Sons of Norway Foundation as beneficiary
- Use IRA Rollover on your RMD's

Specific Purposes – Gifts to the Foundation may be designated

- Unrestricted
- Scholarships
- Cultural Grants
- Humanitarian Aid

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