

the

Advisor

find your path to a secure future

Dear Members,



This month’s Advisor is packed with sound advice for anyone seeking answers to their life insurance questions, pondering if insurance should change with stage of life or wondering how to leverage an insurance product to relieve financial issues.

Do consider that end-of-year is a perfect time to review your life insurance needs, and the good thing about that is you don’t have to start from scratch to find a resource! You can call on the expertise of your lodge’s Financial Benefits Counselor, whom you already probably know from your local lodge.

The articles in this issue can help you prepare your life insurance questions and equip you to meet with your FBC so you can have a productive and efficient meeting.

If you’re concerned about insufficient cash for any number of reasons, check out “The Big Picture – 6 Problems Solved by Life Insurance.” You’re likely to identify at least a couple problems in the article that you have already experienced or can relate to. Take comfort that you’re not alone in your concerns, and that your FBC can guide you toward a life insurance product that may help you resolve your personal and business financial issues.

With today’s complex economic issues and a seemingly endless stream of investment options available, you may have asked yourself “Why in the world would I want to put my money into a whole life insurance policy?” Turn to page 3 for your answer, where you’ll learn the very good reasons why a whole life insurance policy can serve your needs.

Last, discover the major points to consider for your insurance needs based on what milestone you’re at on your “Journey through Life.” This article presents what to take into account when making insurance decisions as you trek through life with all its joys and challenges.

Wishing you well as the year winds down,

P.S. There’s an update to the Chronic Illness Rider information that was published in last month’s Advisor. Please review the current information that appears on the interior flap.

Jim Tschwen

10.16 #40

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

\* These products may not be available in all states.

- ☐ Medicare Supplement\*\*

☐ Chronic Illness Accelerated Benefit Rider

☐ 401K Rollover

☐ Level Term Life Insurance

☐ Child or Grandchild Plans

☐ IRAs - Traditional and ROTH
- ☐ 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

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



The Big Picture –

6 Problems Solved by Life Insurance

Life insurance is the only certain way to create “instant” capital. That capital, in turn, can be used by clients to solve a multitude of personal and business problems. Let’s take a look.

Problem #1 — Lack of Liquidity

Not enough cash to pay death taxes, replacement income, mortgage balance, credit card debt, student loans, final expenses, administrative cost, attorney fees, etc. This is one of the major and most obvious reasons for life insurance.

Problem #2 — Improper Disposition of Assets

Many times the task of running a business interest is put into the hands of persons who are unable or unwilling to handle it. Life insurance is often used as a substitute for such property; that is, life insurance can be paid to or owned by a trust for the benefit of a beneficiary who can’t or shouldn’t run a business, while the more capable and willing beneficiaries can be left in the business interest. In other words, life insurance provides the money to those who can and want to run the business.

Problem #3 — Insufficient Cash for Major Expenses

Life insurance can help when there’s too little income or capital at the client’s death or into retirement. People are living longer and having greater medical expenses during retirement and in some cases enjoy a higher standard of living. In many cases, they spend more money than they did before they retired and less of their expenses are paid for after retirement by the companies they worked for. Cash value life insurance is an answer to part of these problems if the protection is coordinated with other investment planning.

Problem #4 — Asset Stabilization

Sometimes the value of the client’s assets (particularly real estate and business interests) has not been stabilized or maximized. When all or the bulk of an estate consists of real estate, the cash required to pay taxes often far outstrips the cash available to pay those taxes. The result is often a forced sale of the real estate at the worst possible time. Likewise, a business that loses a key employee through death often loses value.



Without a “buy and sell agreement,” the client’s family will seldom obtain a full and fair price for their business interest. The results of the absence of a buy and sell agreement between business owners is a lack of market for the business interest or a forced sale. Life insurance is the traditional means of “shock absorbers” to stabilize a business at a key employee’s death or to bail out the heirs of a shareholder-employee.

Problem #5 — Excessive Transfer Cost

The cost of transferring wealth from one generation to another continues to increase because of increasing federal and state taxes, probate costs and attorney’s fees. In some cases, the ownership of property is set up in a manner that aggravates rather than minimizes the tax burden. Life insurance can be set up in a manner that avoids all of these problems.

Problem #6 — Special Needs

Many clients often express a strong desire to give back to their schools, church or another charitable organization. Many clients have spouses or children with certain gifts or handicaps that require larger than usual amounts of both capital and income, or who have asset management needs that would not be served by an outright disposition of property to them. Life insurance is often the most effective means and sometimes the only way of raising large amounts to create financial security for an organization or an individual.

If you have thoughts or questions on any of this, contact your local FBC.

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. These fees 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 over 120 years 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	1.85%	.70%	= 2.55%*	\$2,000 - \$9,999	1.60%	0%	= 1.60%
\$25,000 - \$49,999	2.00%	.70%	= 2.70%*	\$10,000 - \$24,999	1.90%	.70%	= 2.60%*
\$50,000 - \$99,999	2.10%	.70%	= 2.80%*	\$25,000 - \$49,999	2.05%	.70%	= 2.75%*
\$100,000 and over	2.15%	.70%	= 2.85%*	\$50,000 - \$99,999	2.15%	.70%	= 2.85%*
* 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 10/01/16 and are subject to change. New contracts only.				Interest rates as of 10/01/16 and are subject to change. New contracts only.			

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# Product Update

## Terminal Illness Rider Update

### Benefits of this Rider

- Lump sum payment for insured if terminally ill
- Life expectancy 12 months or less
- Maximum amount of benefit payment is 50% of the death proceeds of the certificate, with a maximum of \$50,000
- No cost to this rider

**For more information, contact your Financial Benefits Counselor.**

*\*Policy loans will reduce net amount of benefit paid*

## Your Journey Through Life

*This message from Sons of Norway will resonate no matter where you're at on the road of life: Life insurance should be a financial consideration at all ages, for various reasons.*

*Check out this generational journey, with life insurance needs spelled out for kids to seniors. Write down your questions as you travel through each stage – then touch base with your lodge's Financial Benefits Counselor (FBC) to get those questions answered.*

### Gen Z (born after 1997)



No one likes to think about children needing life insurance, but even a small policy can accomplish two important goals:

- Establishing a base of life insurance at the lowest premium possible.
- Guaranteeing future insurability, which can move with them throughout their life.

### Millennials/Gen Y (born 1982-1997)



You're young, healthy and ready to take on the world! You've got it all ... and it comes with a lot of responsibility. But life insurance comes with benefits:

- More affordable when you're young & healthy.
- Loved ones depend on you, think about their future.
- Replacing lost income or covering debt.

### Gen X (born 1965-1981)



You're in the thick of it ... raising kids, paying down that mortgage, planning your retirement – and you don't need anyone's help! But what you do need is a bit of security in an insecure world. Life insurance can give you that extra helping hand:

- Income replacement in case of premature death.
- Create a debt-free situation for your family.
- Instantly build retirement funds for your spouse.
- Don't trust the stock market? Cash value life insurance offers guarantees.

### Baby Boomer (born 1946-1964)

Life is coming at you from all sides! Kids, grandkids, elderly parents ... all of whom need to be considered. You're not retired because there never seems to be enough money. What can life insurance and annuities do to protect you and yours moving



forward?

- Annuities provide protection in case you "outlive" you finances.
- Do you own your own business? Consider life insurance an important part of business continuation planning.
- Financial obligations can be fulfilled – provide money for college for grandkids, income to spouse to remain in their home, help Mom and Dad get solid care.

### The Greatest Generation (born 1945 and prior)



You've paid your dues and have your plans in place, but are your finances really doing all they could be doing for you?

Life insurance provides an outlet to review your current financial situation:

- Review CDs and variable accounts and transfer money to a life insurance policy so your beneficiaries don't pay taxes.
- Social Security goes away upon death. Protect your spouse against this loss.
- Decide what your legacy will be. Life insurance can be a way to donate to organizations, such as the Sons of Norway Foundation, even in death. How will you be remembered?

**Have concerns about the right life insurance coverage for your current stage, and what you should consider for the future?**

**Call your FBC today to discuss this most important journey!**



**Q.** *A Sons of Norway member from Minnesota asks, “With all the different choices of where to invest your money, why in the world would I want to put some of my money into a Whole Life insurance policy?”*

**A.** That’s a great question; a question that’s been debated for a long time. So let’s give you some food for thought. Consider this: Life insurance should be the bedrock of any serious financial retirement or estate plan, mainly because of its income tax exemption upon death — the death proceeds are income tax free to the beneficiary. Having said this, let’s examine the Whole Life product in detail.

Whole Life products are permanent life insurance plans that can provide you and your family with financial security no matter how long you may live. Here are some benefits:

- Guaranteed premiums set at issue
- Guaranteed cash values that increase each year
- Guaranteed level death benefit
- Loans against cash value are available
- Eligible to earn dividends that can be used to purchase additional coverage or provide funds now and in the future. Dividends are not guaranteed.
- Income tax free death benefit

Did something catch your eye here? Guaranteed cash values grow - no ups and downs like the stock market.

Sons of Norway has enhanced the Whole Life product even more with the addition of the Paid Up Addition Rider. Before I explain what this rider is, ask yourself the following questions:

1. Will I need additional life insurance in the future?
2. Do I want to increase my life insurance policy’s cash value?
3. Do I want to build a fund of income tax deferred money for future needs, such as college tuition, mortgage down payment or enhancing your retirement funds?
4. Do I want to use my policy’s cash value to pay future premiums?



5. Do I have cash value in other life insurance policies that could work harder for me?
6. Do I want to do all of this without providing proof of good health in the future?

In answer to those questions, the Paid Up Addition Rider allows you to do the following:

- Increase the amount of guaranteed cash value of your policy
- Increase the guaranteed death benefits of your policy
- Purchase additional paid up life insurance with a single premium paid at issue
- Purchase additional paid up life insurance each year after issue
- Take annual withdrawals from the rider to pay the premium on your base policy with a corresponding decrease in the death benefit of the rider
- Take policy loans from the cash value of the rider
- Access the rider’s guaranteed cash values and dividends

The bottom-line is that the cash value growth in a Whole Life policy, with the ability to add money into it, stands up well against the other competitive investment products with one big advantage — the death benefit is income tax free — and we all will deal with that at some time.

## Product Update

### Chronic Illness Rider Update

The Chronic Illness Rider featured in the last issue of the Advisor (October 2016) has an update.

- Now available on our Whole Life and Single Premium Whole Life products
- The rider is the same as explained in the October Advisor
- 2% of death benefit equals monthly payment

### Top 6 Reasons to Purchase Sons of Norway’s Chronic Illness Rider:

- Competitively priced
- Qualifying medical condition does not have to be permanent, only expected to last a minimum of 90 days
- No restrictions on the use of the benefits paid to the insured
- No charges at time of claim
  - No administrative fee
  - Death benefit reduced only by amount of claim paid\*
- Cost of insurance/premiums waived during active claim
- Available up to issue age 85