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**MAR
 2018**

Issue 45

the **ADVISOR**

GUIDING YOUR INSURANCE PLAN, PROVIDING PEACE OF MIND



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GUIDING YOUR INSURANCE PLAN, PROVIDING PEACE OF MIND

CONSIDERING PERMANENT LIFE INSURANCE?

Take a look at some of the features to see how permanent life insurance can benefit for you.

If you would like to better understand the components of permanent life insurance certificates to determine which product may be right for you, then read on!

A primary feature of permanent life insurance is that it provides lifelong insurance protection. This type of insurance includes Whole Life, Universal Life or Single Premium Whole Life products.



These permanent life insurance certificates also build cash value. Permanent life insurance certificates build cash value not only because the premiums are higher than term, but because these certificates are designed to provide coverage for the insured's lifetime, not just for a limited amount of time.

Premiums of permanent life insurance are greater than the annual mortality cost to the insurer. The insured also earns cash value on the remaining

balance interest, which contributes to the certificate's cash value. The life insurer, in this case Sons of Norway, invests these extra funds to provide the interest credited (Universal Life) or guaranteed cash value and annual dividends (Whole Life) to the insured. Whole Life certificates provide both an annually increasing guaranteed cash value as well as the potential for annual dividends. Dividends are paid when the insurer has more favorable mortality

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

*These products may not be available in all states.

- IRAs - Traditional and ROTH
- Child or Grandchild Plans
- Level Term Life Insurance
- 401K Rollover
- Chronic Illness Accelerated Benefit Rider
- Medicare Supplement**

- Complimentary Financial Review
- Preserving My Estate
- Saving For Retirement
- Pension Maximization Plan
- Universal Life Insurance
- Immediate Annuities
- Whole Life
- Single Premium Whole Life
- Tax-deferred Annuities

Member #

to help me achieve my financial goals

YES! Please send me more information on the following products

- Considering Permanent Life Insurance?
- A Message from Your International President
- Advisor Answers
- Sons of Norway's Goals for 2018

in this issue

Also in This Issue

- A Message from Your International President
- Advisor Answers
- Sons of Norway's Goals for 2018

Considering Permanent Life Insurance?

Continued from front page

and investment experience than assumed. Annual dividends are often used to buy paid-up additional insurance, providing the insured with a greater guaranteed death benefit and cash value. Dividends can also be used to be paid in cash, used to reduce future premiums or left to accumulate with interest.

With Universal Life insurance, the certificate offers a guaranteed minimum interest rate as well as a current interest rate based on the investment returns the insurer is able to achieve. It's important to know that if the insured pays a higher premium than the minimum, which is required to cover the cost of insurance and other expense charges, the certificate's cash value will build and earn additional interest.

Compared to permanent life insurance, term insurance certificates do not have a cash value, as the premiums are designed to provide a death benefit only for a specific period of time.

A major difference between Whole Life and Universal Life is that Universal Life allows some flexibility in the timing and amount of your premium payments, as long as the cash value is great enough to pay the monthly cost of insurance and expense charges due on the certificate. One caveat: This flexibility may reduce the cash value - and even deplete the cash value completely - if the insured changes their premium too often. The recommendation is that all Universal Life certificate-holders maintain their planned payment schedules as closely as possible and even increase their premium levels and payment frequency as needed, especially if the "current" interest rate declines. Doing this will prevent the Universal Life policy from lapsing.

I encourage you to contact your local Financial Benefits Counselor to review Whole Life, Universal Life and Single Premium Whole Life permanent insurance products, as well as term insurance, to see what best fits your needs.

—Leonard Carlson, Director of Agencies

Advanced Financial Consultant Ken Thul Retires

Ken Thul retired from Sons of Norway effective Jan. 12, 2018. Ken joined Sons of Norway in 2006 as our advanced financial consultant providing training, sales expertise and recruitment of our Financial Benefits Counselors.

Sons of Norway is deeply appreciative to Ken for his superior insurance expertise and all of his contributions to our company's success. Sons of Norway wishes Ken well in his retirement.

Current 12 Month Interest Rates

Single Premium Deferred Annuity

Deposit Amount	Current Interest Rate	1 st Year Interest Bonus*	Total 1 st Year Return
\$10,000 - \$24,999	1.85%	.70%	= 2.55%*
\$25,000 - \$49,999	2.00%	.70%	= 2.70%*
\$50,000 - \$99,999	2.10%	.70%	= 2.80%*
\$100,000 and over	2.15%	.70%	= 2.85%*

* 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.

Flexible Premium Deferred Annuity

Deposit Amount	Current Interest Rate	1 st Year Interest Bonus*	Total 1 st Year Return
\$2,000 - \$9,999	1.60%	0%	= 1.60%
\$10,000 - \$24,999	1.90%	.70%	= 2.60%*
\$25,000 - \$49,999	2.05%	.70%	= 2.75%*
\$50,000 - \$99,999	2.15%	.70%	= 2.85%*
\$100,000 and over	2.25%	.70%	= 2.95%*

* 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.

A Message from Your International President



Dear Members,

"Lifelong insurance protection." Has a nice ring to it, doesn't it?

When one considers day-to-day uncertainties such as the current upheaval on Wall Street, interest rate fluctuations or even winter weather patterns that

deliver unexpected blizzards, it's comforting to know that the right financial product can deliver peace of mind in spite of external influences.

The cover article in this issue provides some baseline facts about permanent life insurance, and might spark questions to bring up the next time you talk with your FBC about your insurance needs.

This issue also touches on a solution for those who may have chronic illness concerns, and how a rider to an insurance policy can provide added protection. Also, in this season of filing tax returns, don't miss a common question in the Advisor Answers column - it could save you from a potential IRS audit.

All in all, I hope that the information provided in this issue is helpful as you plan for your financial needs with your FBC.

International President
Sons of Norway



Learn more about our financial products at sonsofnorway.com



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The Chronic Illness Rider



People are living longer than ever. Longevity has its benefits and also presents challenges. You may need to plan for the increased likelihood that you may develop a chronic illness. The Chronic Illness Rider is a convenient and practical way to help you pay for your long term care expenses.

Chronic Illness Rider: What is it?

The Chronic Illness Rider is a flexible, low cost addition to your life insurance policy. It allows your policy to do more for you. It provides regular monthly payments if the insured is under medically prescribed long term care.

- The benefits may be used for at home care or nursing home stay.
- It's easy to use. No receipts or care plan are needed. Policyholders can decide how their monthly payments are spent.

- Available on Sons of Norway's Whole Life, Single Premium Whole Life and Universal Life policies.
- The Chronic Illness Rider is available as a rider with no additional underwriting when added to your application of a new Sons of Norway Whole Life, Single Premium Whole Life or a Universal Life. It's available for issue ages 18 – 85.

People who reach age 65 have a 70% chance of developing a chronic illness covered by this Chronic Illness Rider. Please contact your Sons of Norway Financial Benefits Counselor to design a plan for you.

Sons of Norway's Goals for 2018

Sons of Norway is a vibrant organization today due to our dedicated members and our mission to promote and preserve the heritage and culture of Norway, celebrate our relationship with other Nordic countries and provide quality insurance products to our members.

In this spirit, and to support member engagement and lodge vitality, Sons of Norway's International Board determined these goals for 2018:

Attain	300 new insurance members
Achieve	\$4.8 million in total life insurance premiums
Accomplish	\$16.5 million in total annuity premiums
Acquire	3,300 new members
Arrive at	\$200,000 Foundation funds raised

Let's all work together to sustain Sons of Norway for generations to come by spreading the word about lodge membership, the ways communities benefit from our volunteerism and how our excellent financial products can provide a secure future.

Coming Soon: Two New Insurance Products

Simplified Issue Whole Life

Only a few medical questions asked of applicants

Guaranteed Issue Whole Life

To help cover final expenses; no medical questions asked

Contact your Sons of Norway Financial Benefits Counselor for details.

Sons of Norway, 1455 West Lake Street, Minneapolis, MN, offers financial products, but not all products are available in all states. Products issued by Sons of Norway are available to applicants who meet membership, insurability and residency requirements.

Advisor Answers

Q A new member wrote in and asked, “I read your article on RMDs (Required Minimum Distribution) in the December 2017 issue of the Advisor, but there wasn’t mention of spouses. Can married couples share distribution of their IRAs?”

A The simple answer is, “Don’t take your spouse’s RMD.” Among married couples, both spouses may have their own IRAs. Thus when both spouses are older than 70½, they’ll both have RMDs. Such couples should avoid a common error: taking all the RMD’s from one spouse’s IRA or IRAs.

Suppose that Lena has one IRA while her husband Ole has many IRAs spread around several companies. This year Lena’s RMD from her IRA is \$15,000 while Ole’s RMD total from all of his IRAs is \$15,000. Ole wants to take the \$30,000 total RMD from his collection of IRAs which will enable him to close out some IRAs and simplify his record-keeping. After all, Ole reasons, the \$30,000 taxable IRA distribution will be reported on their joint tax return so the couple will pay the proper amount of tax. No harm, no foul, and no 50% penalty Ole believes. However, Ole is wrong; his reasoning will draw a red flag from the IRS.

The “I” in IRA stands for “Individual.” Each IRA owner should take RMDs from his or her own accounts, if not, the penalty will apply.

So in the example above, Ole will have a \$30,000 taxable distribution drawing down his IRAs. Lena will have a \$15,000 shortfall and a 50% penalty of \$7,500 for not taking her RMD.



I might briefly mention that IRA beneficiaries have RMDs too. Any IRA beneficiary can withdraw all of the money from the account and pay any resulting income tax. A surviving spouse who is an IRA beneficiary can roll the IRA to his or her name. From there, the RMD rules apply as they apply to any IRA owner starting at age 70½. Finally, all non-spouse IRA beneficiaries are subject to RMD rules, too.

I’ll expand on the beneficiary rules in the spring Advisor, as there have been questions about this subject as well.

—Leonard Carlson, Director of Agencies

Sons of Norway Headquarters Temporarily Relocating

As of **March 5, 2018**, for approximately two years, Sons of Norway’s International Headquarters will be **physically located at 11100 Bren Rd W, Minnetonka, MN, 55343.**

A map and directions may be found online at sonsofnorway.com.

Please note: Our mailing address and phone numbers will remain the same:
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