



# SONS of NORWAY

Delegates,

It is my pleasure to welcome the delegates to this 2022 Sons of Norway International Convention. Times have changed, and we have had to change with the times. Who could have predicted that a pandemic like COVID-19 would have resulted in postponements of district and International Conventions in 2020. This had a major impact on all levels of Sons of Norway. This virtual convention is a substantial change from the way we have done them in the past, and I truly hope that members will enjoy it, and that all business that needs to be conducted, will be.

Since my election in 2018 as your International President, I have had the opportunity to visit many local lodges throughout the order. Usually this is to celebrate a milestone anniversary, but I have also visited lodges when I am in their area. The members have always been so welcoming and friendly, and it makes me proud to be a member of Sons of Norway.

In addition to local lodge visits, I have attended district leadership workshops as well as a district-owned camp anniversary and have also marched in the Brooklyn 17th of May parade twice, first as an Honorary Marshal, and then as the Grand Marshal.

Unfortunately, due to COVID, I was unable to attend a district convention that I was scheduled to attend. Virtually, I have attended lutefisk dinners, and local lodge meetings and their special events. Virtual platforms have kept a lot of the lodges active during the past two years.

I have attended four Ski For Light events. Two in person, and two virtually. In person, I have been a “worker bee” and my wife Riitta has guided a visually impaired skier. As a “worker bee,” I assisted with the auction (in person and virtually), set up tables, carried luggage, bussed tables when the hotel restaurant was caught unaware of a change in lunch plans (busses could not make it to the ski hill due to dangerous icy conditions) and any other job that needed to be done. With all of that, I never managed to get any skiing in. Ski For Light is such a great organization, and there are so many local lodges and members supporting this great cause. Having visually or mobility impaired--and sometimes both--skiers, it makes one realize that just because you may have a disability, you can still enjoy activities like cross-country skiing.

These past four years, the International Board of Directors has worked hard to ensure the future viability of Sons of Norway. I want to thank the Board for all the diligence they have shown. There have been tough decisions to make, and the Board made them with a lot of due diligence going into each decision. As a Fraternal Benefit Society domiciled in the State of Minnesota, we are regulated by several regulatory bodies. One of these regulators is the Minnesota Department of Commerce (MDoC), who in the past have conducted an audit every five years. Due to losses, stemming from a lack of insurance sales in years past and due to high fraternal expenses, they are now meeting with CEO Pinkerton on a quarterly basis. The MDoC are ensuring that we can meet all the fiscal requirements for the benefit members of our Society. They are also guaranteeing that the insurance policies have the monies to back them.

Every year, a form of approximately 35 pages, known as CGAD (Corporate Governance Annual Disclosure) is required to be filed. This was required in California first, then became law in Minnesota. This form is used by regulators to ensure we have qualified board members, proper governance and also the expertise and knowledge of the delegates, who were the supreme governing body. During the past biennium, the MDoC stated that we did not have enough financial expertise on the International Board of Directors. We always thought we did, as we had a member with a PhD in Economics, and a member who is the Founder and CEO of a successful trust company. This was not good enough for them, so the Board appointed retired actuary Dean Stiller. His knowledge of the financial and insurance aspect of Sons of Norway has been an invaluable asset. I want to thank Dean for agreeing to serve on the Board.

Through meetings with the Minnesota Department of Commerce, we realized we needed to change our form of governance. We did this after holding several town hall meetings with delegates from the last convention. The delegates voted overwhelmingly for the change, bringing us into a more modern era, so we are better prepared to react to changing times. We are an insurance company first and foremost, especially in the eyes of the regulators.

In addition to the governance change, Chris Pinkerton was hired as the CEO (Chief Executive Officer). He had been the COO (Chief Operating Officer). We realized we did not need a CEO and a COO, so decided to have just the one position, and chose the one with over forty years of insurance and leadership experience. Under CEO Pinkerton's leadership, (I will let him report on the actual numbers) we have increased membership, members owning a financial product, greatly increased the amount of Insurance Professionals to sell our products, increased financial products to offer, and more importantly, the number of financial products (insurance and annuities) we are selling. He has also done a lot of cost reduction, especially in fraternal expenditures, but managed to keep Sons of Norway as the great Fraternal Benefit Society we have all come to love.

One of the issues with insurance sales is the fact they are not profitable until 5-10 years after the product is sold, as there are a lot of costs associated with selling a product. During the past decades, we did not sell enough product to ensure profitability this last biennium. Under CEO Pinkerton's guidance and leadership, there is light at the end of the tunnel.

In May of this year, I finally got a chance to see the new Home Office located at the old location at 1455 West Lake Street. It is a beautiful building—one we can be proud of.

The Sons of Norway Foundations, here in the U.S. and in Canada, are doing well, and their reports are attached. There are so many dedicated members volunteering their time to ensure the Foundations thrive. Thank you to all of them.

I want to thank the International Board of Directors for the last four years of hard work. Some of the committees and their members have gone above and beyond the call of duty. All of you have made my position as President that much easier. For those board members who are coming off the Board, I will miss each and every one of you. Tusen takk!

The dedication of our Home Office employees is incredible. They are such a skilled and hard-working team. They deserve a lot of recognition. A big thank you to each and every one of you. You are incredible!

I would also like to thank all the delegates for attending this virtual convention. This convention is a big change from the way we have previously done things, but in the end, it is a change for the better.

Fraternally,

A handwritten signature in cursive script, appearing to read "R Stubbings". The signature is written in black ink and is positioned below the word "Fraternally,".

Ron Stubbings