

INFINITE BANKING: MADE SIMPLE

The information provided in this binder covers all the essential elements needed to build and use your own personal banking system.

This is Infinite Banking Made Simple.

The Basics: What Is Infinite Banking?



The basic idea behind Infinite Banking is to be able to use money without losing growth on your money.



The bigger idea is to be able to accomplish the basic idea **AND** recover the money you spend.

If you can recover money you spend, it will be available to spend again. If money can be recovered once, it can be recovered twice, three times, etc. That's the reason it's called "Infinite" Banking.

Infinite Banking is the process of building and using your own personal banking system.



Just like a bank has depositors, your personal banking system must also have depositors.

What Is Infinite Banking?: Cont.

This is where life insurance comes in.

The type of policy used is a: **Participating Whole Life Policy**

It should be designed for:

- Efficient cash value growth, and
- The ability to receive dividends



Cash value of a life insurance policy should be thought of like equity in a house:



Every time a mortgage payment is made, the home equity is increased.



Every time a premium is paid, the cash value of the policy is increased.

What Is Infinite Banking?: Cont.

- The growth of cash value is contractually guaranteed by the insurance company.
- The cash value of a whole life insurance policy can be leveraged by the policy owner at any time.

The cash value (*equity*) of a whole life insurance policy allows the insurance company to become a depositor to your personal banking system.

When you take a policy loan, your money continues earning guaranteed growth, while the insurance company's money is deposited into your personal banking system for you to use.



This accomplishes the basic idea behind Infinite Banking:
“ Use money without losing growth on your money.”

Key Point: *Infinite Banking uses Whole Life insurance as opposed to 401(k)s, IRAs, Universal Life insurance, IUL, Money Market Accounts and CDs because the whole life insurance policy provides guaranteed, available, manageable, equity.*

How It Works: The Simple Steps

Step 1: Fund a Life Insurance Policy



This needs to be a Whole Life insurance policy that is specifically designed to build cash value efficiently.

Step 2: Let the Cash Value Grow



You do not have to take a policy loan to make the policy grow, it will do this naturally as premiums are paid and dividends are earned.

Step 3: Leverage the Cash Value with a Policy Loan



Just like a bank lends money to people who are buying houses, businesses and cars, your personal banking system should lend money to you for things you need to purchase.

Step 4: Pay Yourself Back



A good banker wouldn't lend money and not require it to be paid back.

It's important to establish a payback plan to accomplish the bigger idea behind Infinite Banking.

“Recover money you spend.”



Why It's Different: Your Money, Your Rules

Infinite Banking stands apart from traditional banking for a few reasons:

1

No Credit Check or Loan Approvals

The insurance company is willing to loan you their money at any time for anything as long as you have equity in a whole life insurance policy.

Your policy's growth continues uninterrupted when you take a policy loan. This is because your money stays in the policy...it's the insurance company's money you receive when you take a policy loan.

2

Growth Continues Even When You Borrow

Cash value growth in a policy is tax-deferred which means you won't have to pay taxes on policy loans if done right. In fact, interest on policy loans can be tax deductible in certain situations.

3

Tax Advantages

Having capital available to use and the ability to set your own re-payment terms for money you borrow, provides a level of control that is not available with traditional banking.

4

Control and Liquidity

Real-Life Uses: What Can You Do With It?

Here are some practical examples of Infinite Banking in real-life:

DEBT PAYOFF

TRADITIONAL CREDIT CARD PAYOFF

CREDIT CARD DEBT

\$11,000 DEBT

@

24% INTEREST



TO CREDIT CARD

PAYOFF SCHEDULE

YOU PAY

\$330/MONTH FOR
56 MONTHS
(4 YEARS 8 MONTHS)



RESULTS

CREDIT CARD COMPANY

\$11,000.00 (PRINCIPLE)
+ \$7,308.40 (INTEREST)

\$18,308.40

TOTAL PAID



YOU

\$0

PAID IN FULL



WITH INFINITE BANKING

1

- TAKE A LOAN FROM YOUR PERSONAL BANKING SYSTEM.
- PAY OFF YOUR CREDIT CARD.

TO CREDIT CARD



PERSONAL
BANKING
SYSTEM

\$11,000

2

INSTEAD OF MAKING MONTHLY PAYMENTS TO THE CREDIT CARD COMPANY, MAKE THOSE MONTHLY PAYMENTS TO YOUR PERSONAL BANKING SYSTEM

YOU

PERSONAL BANKING
SYSTEM



\$330/MO



3

DURING THIS PROCESS YOUR CASH VALUE CONTINUES TO EARN GUARANTEED GROWTH AND DIVIDENDS

\$11,000.00 (PRINCIPLE)
+ \$7,308.40 (INTEREST)
+ \$2,884.00 (GUARANTEED GROWTH AND POTENTIAL DIVIDENDS)
- \$892.00 (LOAN INTEREST)
\$20,300.40

4

RESULTS

MONEY RECOVERED BY BANKING
SYSTEM, READY TO USE AGAIN



\$20,300.40

What Can You Do With It?: Cont.

INVEST

INVEST \$300,000 FROM YOUR PERSONAL BANKING SYSTEM

YOUR PERSONAL
BANKING SYSTEM



@ 20% ARR



\$300,000



AFTER INVESTMENT PERIOD



INITIAL CAPITAL:	\$300,000
GROWTH ON INVESTMENT:	\$446,496
TOTAL:	\$746,496

GUARANTEED GROWTH &
POTENTIAL DIVIDENDS

+ \$90,854

GRAND TOTAL:

\$847,800

BECAUSE OF GUARANTEED
GROWTH & POTENTIAL
DIVIDENDS, RATE OF RETURN
GOES FROM 20% TO 23.07%



BUT
WHAT IF?

AFTER INVESTMENT PERIOD
THERE WAS A 4% LOSS



INITIAL CAPITAL:	\$300,000
4% LOSS ON INVESTMENT:	-\$55,538
TOTAL:	\$244,612

GUARANTEED GROWTH &
POTENTIAL DIVIDENDS

+ \$90,854

GRAND TOTAL:

\$335,196

INFINITE BANKING TURNS A 4%
LOSS INTO A 2.24% GAIN THROUGH
GUARANTEED GROWTH & POTENTIAL
DIVIDENDS



CAR PURCHASE

CAR DEALERSHIP

- 1 YOU PAY \$20,000 IN CASH TO THE CAR DEALERSHIP



- 2 YOU OWN THE CAR BUT HAVE PERMANENTLY LOST \$20,000



- 3 OVER THE NEXT 5 YEARS \$20,000 COULD HAVE EARNED \$3,185.48

- 4 RESULTS

-\$3,185.48 (LOST OPPORTUNITY COST)

IF THE \$20,000 IS NOT REPLACED, THE \$3,185.48 LOSS WILL BECOME GREATER EACH YEAR

PERSONAL BANKING SYSTEM

- 1 YOU BORROW \$20,000 FROM YOUR PERSONAL BANKING SYSTEM



- 2 YOU GET THE CAR, AND CONTINUE TO EARN GUARANTEED GROWTH AND DIVIDENDS ON THE \$20,000



- 3 OVER 5 YEARS DUE TO GUARANTEED GROWTH AND DIVIDENDS, THE \$20,000 HAS EARNED \$6,458

+ \$6,458 (GROWTH AND DIVIDENDS OVER 5 YEARS)

- 4 RESULTS

\$6,458 (GROWTH)
- \$2,450 (INTEREST PAID)
\$4,008 (NET GAIN)

FOR OPTIMUM RESULTS THE \$20,000 SHOULD BE REPAYED TO YOUR PERSONAL BANKING SYSTEM SO IT WILL BE THERE FOR FUTURE USE

The Numbers: Costs and Growth Made Clear

- There are no fees or charges to use the Infinite Banking process.
- A policy set up for Infinite Banking will have a built-in policy fee, covered by the premium.

*The premium amount on an Infinite Banking policy for the average American typically ranges from **\$300 - \$2,500/mo.***

There is no limit to the number of policies you can own for Infinite Banking.

Premiums for Infinite Banking policies are customizable and should be comfortable and affordable for the policy owner.

Premiums are based on:



• Age



• Gender



• Health



• Income



• Occupation



A guide to help determine a comfortable / affordable premium:

10% of your income = Infinite Banking policy premium

Costs and Growth Made Clear: Cont.

- Growth in a policy designed for Infinite Banking is guaranteed by the insurance company when the policy is issued.
- The growth rate is usually based on 2-4% minus mortality costs and expenses.

Key Point: *The growth rate is what the insurance company uses to calculate the guarantees they provide. It is not a rate of return, or a percentage of annual growth.*

- Policy loans are interest-only loans.
- Loan interest is payable to the insurance company.
- Interest accrues on outstanding loans and is charged once a year on the policy's anniversary date.
- Loan interest rates vary. 4-8% is average.