

# A Review Of The ‘Infinite Banking Concept’ ‘Becoming Your Own Banker’

Imagine, if instead of borrowing money from a bank, you have your own private bank (of your money) that you could get a loan from, for whatever you need. Then whenever you take a loan, you pay yourself the principal and interest the bank would have received. Instead of the bank making money on your money and the interest you’re paying... you’re making all the money.

How much better off would you be?

That’s the basic premise behind the ‘Infinite Banking Concept’, as written by Nelson Nash in 1994.

## **How The Concept Works**

Simplistically, you have your prospects sock away as much money as they possibly can, as quickly as they can, into a good participating whole life policy. (Dividend paying) The money is funneled into the whole life policy for five to seven years. You over-fund the policy to just below the MEC guidelines. Then, whenever your prospects need to make a big purchase, they can borrow the money from themselves, instead of borrowing from the bank (or a credit card company). Now they pay the loan back to themselves, plus the interest they would have paid the bank. Your prospect makes the big profits the bank would have made.

## **The Basic Concept Isn’t New**

It’s a great concept. However, the basic concept isn’t exactly new. Variations of this concept have been used by many of the industry legends for at least 30 years, which I know of. Thirty plus years ago, these industry legends would tell their clients that the money they put into their participating whole life policy could be used for emergencies, to take advantage of business opportunities, to fund college, to buy a car, and much more. However, if you take money out prior to age 65 (retirement) you’ll want to pay the loan back, plus the interest, so you will have the retirement funds you planned on.

## **It Works Better Today**

As well as the concept worked 30 years ago, it works much better today because of the paid-up additions rider that was introduced in the late 1980’s. Today, using a paid-up additions rider, you can dramatically over-fund a participating whole life policy and make it an exceptional wealth accumulation vehicle.

## **Understanding The Concept**

This concept, simply put, is getting prospects to funnel all the money they can into a participating whole life insurance policy, as quickly as they can get it in there. And, then the prospect uses that policy as their private bank. The reason you use a participating

whole life policy is that it offers several unique benefits, the other investment vehicles don't offer...

1. You can put in as much money as you want... based on the size of the policy, which you can make as large as you need. (Not so, with qualified plans)
2. All the money you put into a cash value life insurance policy builds tax deferred. You avoid paying income taxes every year, so your money builds faster.
3. You can borrow the money from the policy tax free, without contractual withdrawal penalties. And, there are no early withdrawal penalties from the Federal Government. (Not so, with qualified plans or annuities)
4. There are minimum guaranteed interest rates.
5. You have a disability waiver of premium rider that will put the money in for you. This makes the plan self-completing, if you ever become disabled. (Only life insurance offers this unique benefit)
6. Life insurance provides a death benefit that gives your family the money you intended to save; in the event you can't be there.
7. Life insurance cash values don't count as an asset when applying for college financial aid.

### **The Fallacy Behind Their Concept**

There are several problems that I see with the way they present the concept...

1. Their system is designed to be used with only higher income earners! Their prospects must be willing and able to put away large sums of money. Unfortunately, this severely limits the amount of prospects available to you. And, it puts you in direct competition with all the companies and advisors working the more affluent markets.
2. They tell you the concept only works with a good participating whole life policy! (Possibly, because they want to recruit you to sell their products.) The truth is, this concept works equally well with a good Universal Life Policy. And, in some cases a Universal Life Policy will work much better than a Whole Life Policy.
3. They believe you should pay off your mortgage, as soon as possible. The fact is, in many cases, this is giving up one of the best ways to get started using this concept... and one of the best ways to accumulate a fortune. (The 'Missed Fortune' concept)

The real beauty of the '**Infinite Banking Concept**' is that with some small modifications to their ideas, almost everyone can use this concept... to truly help their prospects.

### **Making The Concept Work**

As stated earlier, to make this concept really work means putting all the money your prospect possibly can, into a good cash value life insurance policy. (Participating Whole Life or Universal Life) Now, if you want to help the greatest number of prospects, not just the more affluent, you must help your prospects to '**FIND THE MONEY**'!

You can help them do that by:

1. Showing them how and why to increase all their deductibles and delete any unnecessary riders on their existing insurance policies. Do they have any unneeded policies? Can they use their dividends to pay up their existing policies and/or funnel those dividends into the new policy?
2. Temporarily stopping the contributions to all their qualified plans, except for any amounts that are being matched by their employers.
3. Showing them the logic behind refinancing their home for as long as they can, and taking out as much equity as they can. (The 'Missed Fortune' concept) They can then use the equity to pay off any debts, which frees up money to funnel into the life insurance policy. And, they can put the remaining equity into the policy.
4. Finally, you can help them look for other ways to cut their expenses. Can they get a better long distance carrier for their phone service, etc.?

Learn the 'Infinite Banking' Concept. Then help your prospects to **'Find The Money'** to implement the concept. They'll be your clients for life... And, you'll get tons of referrals!

### **Summary**

The 'Infinite Banking' and 'Missed Fortune' concepts aren't new. I've been using variations of the same concepts for over 20 years to help my prospects qualify for college financial aid, reduce debt and accumulate great wealth.

And, you can too...

I highly recommend you read both of the books - the 'Infinite Banking Concept' and 'Missed Fortune'. And, then take a look at our **Found Money Management™ Advanced Life Insurance Sales System**. For a fraction of the cost of those systems, you can be really be helping your prospects. And, you'll be selling large cash value life insurance policies in only a few weeks. (Participating whole life or universal life)

Yours in success,

Lew Nason

**Consultant, Coach... Mentor**  
**'The 9 out of 10 Guy'**

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Lew Nason, RFC, FMM is the creator of the... Found Money Management™ Advanced Life Insurance Sales System. Lew has been helping agents to achieve long-term success in life insurance sales for over two decades. His unique perspective, on how to truly help clients, has enabled scores of agents reach the top levels of their profession. Visit his web site at [www.insuranceproshop.com](http://www.insuranceproshop.com) or call him toll free @ 877-297-4608.