Understanding Infinite Banking

Becoming your own banker, using a policy instead of a bank.

We all finance our lives, cars, homes, business needs, emergencies. You either pay cash and lose the growth that money could have earned, or you borrow from a bank and pay them the interest. Infinite Banking is a strategy that runs those financing needs through a specially designed whole life policy, so you keep the growth and the interest instead of handing them to a bank.

THE BIG IDEA

You're going to finance your life either way. Infinite Banking is about being the bank, instead of paying one.

What it is

- A strategy, built on whole life insurance
- A system for financing your own life
- A place your money grows and stays reachable
- A long-term habit, not a quick win

What it isn't

- A get-rich-quick scheme
- A product you simply buy off a shelf
- A replacement for investing
- Something that works without discipline

The concept was popularized by Nelson Nash in his book "Becoming Your Own Banker." You may also hear it called private family banking or the Infinite Banking Concept (IBC).

→ ***Stay with us to the end: we finish with one real, anonymized policy, dollar for dollar.***

The Engine: Participating Whole Life

Infinite Banking isn't magic, and it isn't a product with that name. It runs on a specific tool: a dividend-paying (participating) whole life policy, deliberately structured to build usable cash value early. Here's what makes it work.

Participating whole life	A policy from a mutual insurer that shares profits with you as dividends, on top of guaranteed growth.
High early cash value	Designed with extra paid-up additions so cash value builds faster than a typical whole life policy.
Guaranteed + dividends	The core grows on a guaranteed floor, with dividends adding to it over time.
Tax-sheltered growth	The cash value compounds without the yearly tax drag of a normal account.
Access anytime	You can borrow against the cash value whenever you need it, without applications or approval.

WHY THE DESIGN MATTERS

A whole life policy bought the ordinary way makes a poor bank. The Infinite Banking version is structured differently, more cash value, less commission-heavy base, so your money is usable early. That structuring is the whole game, and it's easy to get wrong.

THE BOTTOM LINE

Same type of policy, very different design. Built right, it becomes a private pool of money that grows and stays within reach.

The Banking Cycle

Once the policy has cash value, you can run your own little bank. The cycle is simple, and every time you go around it, your money keeps growing underneath.

1. Fund the policy
you put money in

→

2. It grows
cash value compounds, tax-sheltered

→

3. Borrow against it
finance a car, a need, a chance

→

4. Repay yourself
with interest, on your terms

repeat — and your money keeps compounding the whole time

THE KEY INSIGHT

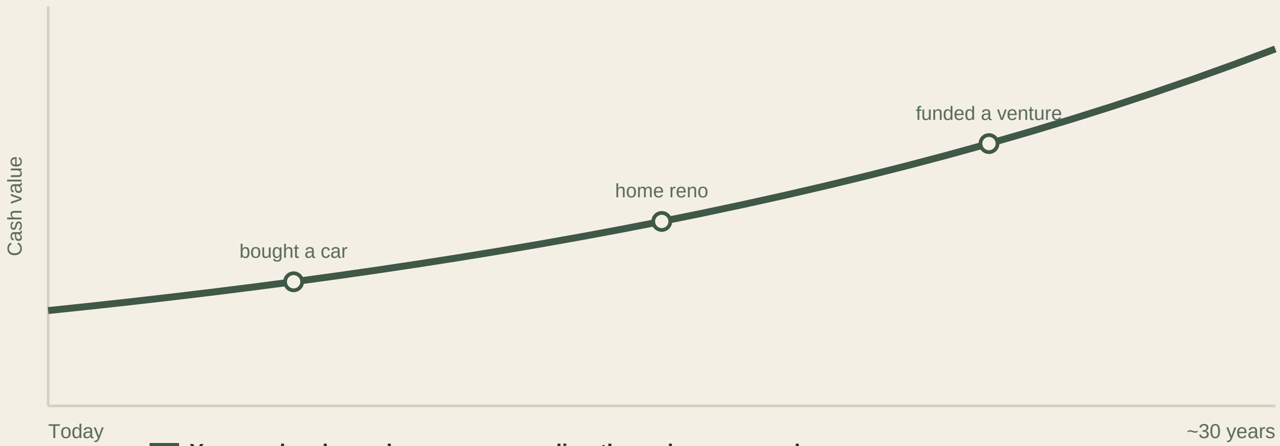
When you borrow against the policy, you aren't withdrawing your cash value, you're borrowing against it. So the full balance keeps compounding as if you never touched it. You become the lender and the borrower, and the interest you'd have paid a bank stays in your world.

IN PLAIN TERMS

Instead of paying a bank to use your money, you pay yourself, and your pool keeps growing while you do.

Why It's Powerful

The power isn't a high rate of return, it's uninterrupted compounding plus control. You finance the things life throws at you through your policy, and the cash value keeps climbing the whole time.



Your cash value — keeps compounding through every purchase

Illustrative only, not a projection. The real, anonymized policy at the end shows actual figures.

AND YOU RECAPTURE THE INTEREST

Every time you finance through your policy instead of a bank, the interest you'd have paid a lender stays in your own system, and keeps working for you.

The same lifetime of interest — the only question is who keeps it.

leaves you	stays with you
To lenders, the usual way	To your own policy, with IBC

THE REAL EDGE

Financing your life without ever stopping the growth on your money — and keeping the interest you'd have lost to a bank. That's the quiet superpower.

Seeing It in Action

The names are examples, but the situations are common, and the reasoning is exactly how we'd walk through it with you. The final pages of this guide trade these sketches for one real, anonymized policy, line by line.

A family that finances itself

WHY IT WORKS

The Okafors fund a policy for years, then use it to buy cars and cover their kids' education instead of dealerships and student loans. They pay themselves back with interest, so the money that would have gone to lenders stays in the family, and the cash value keeps growing the entire time.

A business owner who stays liquid

WHY IT HELPS

Dev builds cash value in a policy, then borrows against it to buy equipment and jump on opportunities without a bank's approval or timeline. He repays on his own schedule, keeps his capital working, and his policy compounds underneath, ready for the next move.

Building a legacy

WHY IT LASTS

Beyond the banking, the policy is still life insurance. Whatever cash value is left passes on with a tax-free death benefit, so the same dollars protect the family, fund their life, and then hand something on.

The Honest Truths

Infinite Banking is powerful, but it's oversold by some. Here's the straight talk, because it only works when you go in with eyes open.

It's a long game.
Cash value takes years to build. This is a decades-long strategy, not a quick source of cash.

It only works with discipline.
The magic depends on you actually repaying yourself. Treat it like a real loan, or the whole thing falls apart.

Design and funding are everything.
A poorly structured or underfunded policy makes a terrible bank. This is not a do-it-yourself project.

It's not an investment.
It's a safe, steady financing tool with a guaranteed core. It complements investing, it doesn't replace it.

OUR PROMISE
We'll only recommend this if it genuinely fits, and we'll design it to work, not to sell. If it's not right for you, we'll say so.

A Real Policy, Line by Line

An anonymized illustration — an incorporated business owner, age 40, non-smoker.

This is where the guide gets real. Everything above was the idea; below is one actual participating whole life design, recreated in our own numbers. The corporation owns and pays for the policy. Watch two figures in particular.

Guaranteed base coverage	**$100,000**	
Required base premium	**$1,799**	**The ONLY amount the corporation is required to pay.**
Term-10 rider (first 10 yrs)	**$500,000**	
Term rider premium (10 yrs)	**$321 / yr**	**Also required — it builds the structure.**
Optional deposit, per year	**$23,708**	**What it's ALLOWED to add on top — about 13× the requirement.**
Lifetime deposit room	**$1,185,396**	
First-year total funded	**$25,827**	

WHY THIS GAP IS THE WHOLE POINT

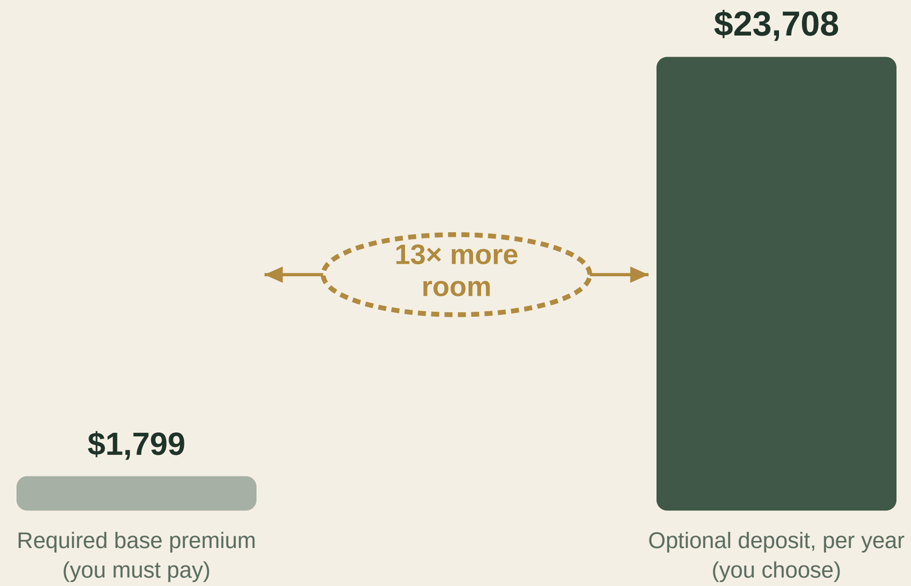
The base premium is deliberately tiny and flexible. You size it to cash flow you're comfortable with today, then pour surplus in through the deposit option, on your own timing. That's what turns a small obligation into a private banking engine.

READ IT THIS WAY

Required: about $1,799 a year. Allowed: up to $23,708 a year. The strategy lives in that gap — and it's yours to fill on your terms.

Pay a Little. Fund a Lot.

The base premium is the only thing you must pay. The deposit option is the surplus you choose to add, and you can skip it, resume it, or lump-sum it in whenever cash flow allows. Here's the scale of the two, side by side.



YOU DECIDE WHEN TO GET PAID

Because the base premium is so low, an owner can leave salary or dividends in the company, wait for a strong year, and then top the policy up with a lump sum, right up to the lifetime deposit room of $1,185,396. Tailor it to your comfort today, and leave room for the policy to grow tomorrow.

THE FLEXIBILITY EDGE

A required payment small enough to never strain you, and a deposit ceiling big enough to move real money. You fund it on your schedule, not the bank's.

The Term Rider: Room to Grow

Bolted onto the policy is a $500,000 10-year term rider, just $321 a year at the start. It looks small, but it does two quiet, powerful things.

1. It's convertible

- Convert to permanent coverage later,
- with no new medical questions.
- That opens the door to more policies
- down the road — more banking capacity.

2. It creates deposit room

- The extra coverage expands how much
- you're allowed to deposit early,
- when overfunding matters most for
- building usable cash value fast.

Years 1–10
$600,000 death benefit
(base + rider) + fast cash build

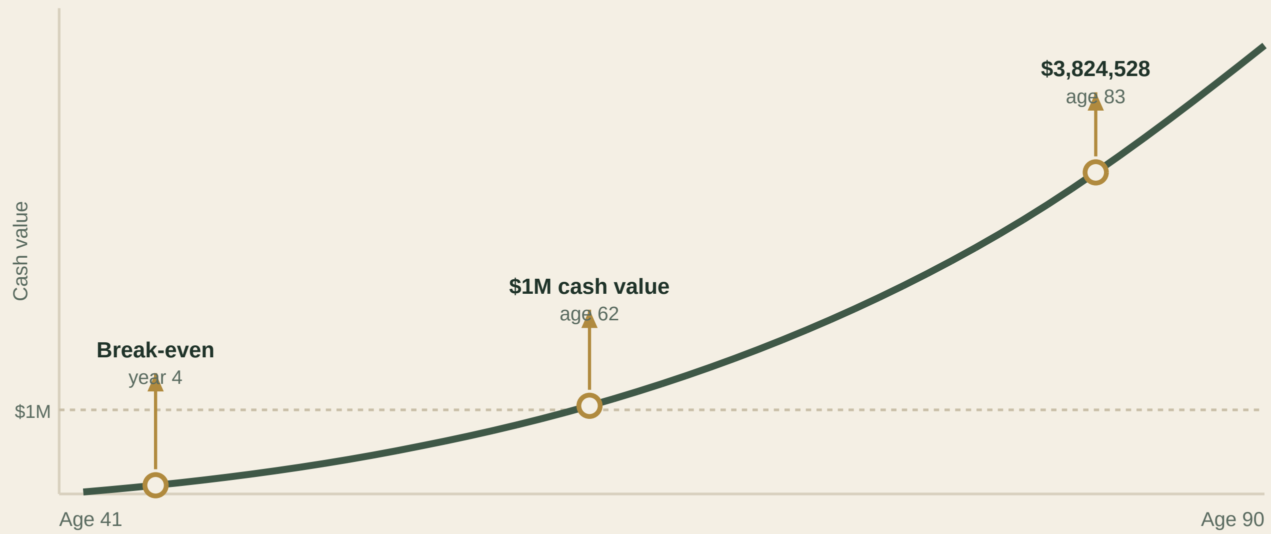
rider ends →

Year 11 onward
Rider drops off — but the cash value engine keeps compounding, and total death benefit climbs past $1.1M, then rises for life.

WHY IT MATTERS
The rider is cheap coverage today, an option on future policies tomorrow, and extra room to fund the policy while it counts most.

Cash Value: The Money You Can Reach

Cash value is the money you have access to — the pool you borrow against to run your own bank. Here is this policy's actual projected cash value, year by year, on the current dividend scale.



THREE MILESTONES THAT MATTER

Year 4
Cash value overtakes every dollar put in — break-even.

Age 62
Cash value crosses $1,000,000 and keeps climbing.

Age 83
About $3.82M reachable — at average life expectancy.

Non-guaranteed values on the current dividend scale; dividends can change. Illustrative only.

The Death Benefit: A Legacy to the Corporation

The cash value is what you reach while living. The death benefit is what the policy pays when the insured passes, and here it flows straight to the corporation. This is the real payoff.

AT AVERAGE LIFE EXPECTANCY — AGE 83

$5,009,019

paid to the corporation, income-tax-free

Recruit a new leader

Fund the hire and runway to bring in a new CEO or key person.

Buy out a shareholder

Cash to fund a shareholder agreement and pay out a departing partner.

Pass it to family

The remainder flows out to the family, tax-free through the CDA.

THE PIECE MOST PEOPLE MISS: THE CDA

When a corporation owns the policy, most of that death benefit credits the company's Capital Dividend Account. That lets the corporation pay the money out to shareholders or the family as a tax-free capital dividend — so the legacy leaves the company without a second layer of tax.

Even after a lifetime of borrowing against it, roughly $3.82M of cash value remains — and it converts into this ~$5.0M benefit at claim.

WHAT IT ADDS UP TO

About $90K of required premiums over a lifetime. A policy funded to roughly $1.28M by choice. Over $5M flowing to the corporation — and out to the family, tax-free. That's a policy used to its full potential.

Is It Right for You?

The example you just saw is one design for one situation. Yours would be built around your numbers, your cash flow, and your goals. A quick gut-check on whether it's worth exploring:

Often a fit when...

- You can fund it consistently for years
- You have a long time horizon
- You value control and access to your money
- You want protection and growth together

Probably not when...

- You need the money in the short term
- You can't commit to funding it
- You're chasing the highest return
- You won't repay your own loans

WE DESIGN IT PROPERLY

If it fits, the structure is everything, so we build the policy specifically for banking and keep it funded the right way. Done properly, it becomes a quiet financial engine you control for life.

Want to see your own numbers?

Let's build an illustration around your situation and see whether Infinite Banking earns a place in your plan. Honest answers, no pressure, no obligation.

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Appendix: The Actual Illustration

The real figures behind every chart and circle in this guide.

Everything in the breakdown you just read comes straight from this illustration. The pages that follow are the source document itself — the insurance summary, the full year-by-year policy values, and the rider detail — with the carrier's branding removed and the client's name anonymized.

These are the exact numbers behind the breakdown. They reflect the current dividend scale, which is not guaranteed and can change. This appendix is provided for education only; it is not an official illustration and not an offer to insure.

WHAT YOU'RE LOOKING AT

An incorporated owner, age 40. A $100,000 base with a $500K term rider, funded with $23,708 a year of deposits, up to a $1,185,396 lifetime limit — the same policy the circles-and-arrows pages walked through.

WHY THESE VALUES ARE “NON-GUARANTEED”

Two reasons, and neither is a red flag. First, you choose how much to fund: the deposits are optional, so the highlighted columns move with what you decide to put in — nobody can tell you you “have to” pay them. Second, the dividend that grows a participating policy can't be guaranteed by law, so no advisor is allowed to promise it. In practice, this insurer has paid a policyowner dividend every single year — though, as always, past results don't guarantee future ones.

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Participating Whole Life Insurance

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Insurance summary

Insurance summary	Amount	*First annual premium
Guaranteed amount of insurance Single-life *[anonymized]* Male, age 40, Non-smoker	$100,000	$1,798.92
Premium duration - Pay to age 90		
Dividend option - Paid-up insurance		
Deposit option payments illustrated for 50 years		$23,707.91
Lifetime deposit option limit $1,185,396 *the EDO's lifetime ceiling*		

THE ONLY PREMIUM YOU MUST PAY
Fund only this to keep the base policy in force for life.

OPTIONAL — THE EDO (EXTRA DEPOSIT OPTION)
Extra deposits you choose to add — never required.

Rider summary

Rider summary	Amount	*First annual premium
Term-10 (TIR) for 10 years *[anonymized]*	$500,000	$320.64

TERM RIDER — A SMALL ADDED COST
≈$321/yr for the first 10 years.
Buys convertibility + extra deposit room.

*Rider premium amounts will change in future years as they renew and in accordance with scheduled increases. Please refer to this full illustration for more details.

Total first annual premium: $25,827.47

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Policy values*

NON-GUARANTEED — YOU CHOOSE HOW MUCH YOU FUND

		Guaranteed values			Non-guaranteed values Current dividend scale		
Year	Age	Guaranteed annual premium ($)	Guaranteed cash value ($)	Guaranteed death benefit ($)	Total annual premium ($)	Total cash value ($)	Total death benefit ($)
1	41	2,120	93	600,000	25,827	23,347	697,089
2	42	2,120	185	600,000	25,827	48,430	794,814
3	43	2,120	278	600,000	25,827	75,143	892,466
4	44	2,120	370	600,000	25,827	103,479	989,762
5	45	2,120	463	600,000	25,827	133,500	1,086,703
6	46	2,120	1,173	600,000	25,827	165,926	1,183,418
7	47	2,120	2,139	600,000	25,827	200,506	1,280,048
8	48	2,120	3,369	600,000	25,827	237,357	1,376,709
9	49	2,120	4,873	600,000	25,827	276,609	1,473,515
10	50	2,120	6,660	600,000	25,827	318,393	1,570,579
11	51	1,799	8,737	100,000	25,507	362,848	1,168,008
12	52	1,799	11,113	100,000	25,507	410,119	1,265,912
13	53	1,799	13,796	100,000	25,507	460,358	1,364,394
14	54	1,799	16,793	100,000	25,507	513,709	1,463,560
15	55	1,799	20,112	100,000	25,507	570,330	1,563,514
16	56	1,799	21,777	100,000	25,507	628,350	1,664,289
17	57	1,799	23,475	100,000	25,507	689,557	1,765,900
18	58	1,799	25,203	100,000	25,507	754,130	1,868,433
19	59	1,799	26,963	100,000	25,507	822,205	1,971,977
20	60	1,799	28,751	100,000	25,507	893,912	2,076,618
21	61	1,799	30,566	100,000	25,507	969,353	2,182,448
22	62	1,799	32,405	100,000	25,507	1,048,617	2,289,560
23	63	1,799	34,263	100,000	25,507	1,131,807	2,398,050
24	64	1,799	36,141	100,000	25,507	1,219,019	2,508,014
25	65	1,799	38,035	100,000	25,507	1,310,353	2,619,552
26	66	1,799	39,945	100,000	25,507	1,405,892	2,732,762
27	67	1,799	41,869	100,000	25,507	1,505,736	2,847,743
28	68	1,799	43,807	100,000	25,507	1,609,995	2,964,597
29	69	1,799	45,759	100,000	25,507	1,718,776	3,083,422
30	70	1,799	47,724	100,000	25,507	1,832,202	3,204,319
31	71	1,799	49,703	100,000	25,507	1,950,395	3,327,388
32	72	1,799	51,696	100,000	25,507	2,073,524	3,452,726

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Policy values (continued)*

NON-GUARANTEED — YOU CHOOSE HOW MUCH YOU FUND

		Guaranteed values			Non-guaranteed values Current dividend scale		
Year	Age	Guaranteed annual premium ($)	Guaranteed cash value ($)	Guaranteed death benefit ($)	Total annual premium ($)	Total cash value ($)	Total death benefit ($)
33	73	1,799	53,705	100,000	25,507	2,201,743	3,580,434
34	74	1,799	55,731	100,000	25,507	2,335,254	3,710,608
35	75	1,799	57,776	100,000	25,507	2,474,270	3,843,347
36	76	1,799	59,844	100,000	25,507	2,619,052	3,978,746
37	77	1,799	61,936	100,000	25,507	2,769,892	4,116,903
38	78	1,799	64,057	100,000	25,507	2,927,136	4,257,912
39	79	1,799	66,213	100,000	25,507	3,091,182	4,401,866
40	80	1,799	68,408	100,000	25,507	3,262,516	4,548,861
41	81	1,799	70,649	100,000	25,507	3,441,717	4,698,986
42	82	1,799	72,920	100,000	25,507	3,629,426	4,852,331
43	83	1,799	75,200	100,000	25,507	3,824,528	5,009,019
44	84	1,799	77,487	100,000	25,507	4,025,503	5,169,190
45	85	1,799	79,777	100,000	25,507	4,232,067	5,332,977
46	86	1,799	82,063	100,000	25,507	4,443,903	5,500,516
47	87	1,799	84,338	100,000	25,507	4,660,700	5,671,947
48	88	1,799	86,593	100,000	25,507	4,882,040	5,847,414
49	89	1,799	87,558	100,000	25,507	5,106,026	6,027,045
50	90	1,799	88,450	100,000	25,507	5,333,060	6,210,879
51	91	0	89,263	100,000	0	5,539,695	6,372,777
52	92	0	90,024	100,000	0	5,747,256	6,538,845
53	93	0	90,765	100,000	0	5,958,415	6,709,154
54	94	0	91,495	100,000	0	6,176,713	6,883,765
55	95	0	92,239	100,000	0	6,404,104	7,062,768
56	96	0	93,046	100,000	0	6,644,641	7,246,225
57	97	0	94,003	100,000	0	6,906,087	7,434,149
58	98	0	95,260	100,000	0	7,202,411	7,626,472
59	99	0	97,087	100,000	0	7,558,907	7,822,983
60	100	0	100,000	100,000	0	8,023,222	8,023,222

*On this illustration, premiums and deposit option payments are assumed to be paid at the beginning of the policy year. All other values are shown as of the policy year end. For deposit option, if the policy is backdated to save age or deposit option payments are not paid at the beginning of the policy year, the year-end policy values will be different from the values shown

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Rider premiums

Year	Total annual TIR premium ($)	Total annual rider premium ($)
1	320.64	320.64
2	320.64	320.64
3	320.64	320.64
4	320.64	320.64
5	320.64	320.64
6	320.64	320.64
7	320.64	320.64
8	320.64	320.64
9	320.64	320.64
10	320.64	320.64

Important events

Event	At policy year
• Term-10 TIR switches to yearly renewals	10
• Scheduled expiry of TIR	10