

INFINITE BANKING Part 3

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Dividends

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Example of using dividends while using Infinite Banking tools

You purchase insurance and annuity products within your trust and if you are diligent in the types of coverage you select, you purchase via a Mutual carrier vs a Stock carrier. In addition to the interest floor earnings that are guaranteed these type policies declare dividends each year.

A company like Northwestern Mutual has consistently declared good dividends. In what I just did, the floor earnings on the policy is 4.5% and the cost to borrow our own money from within the contract is 5% or 1/2 point (0.005%) over guarantee.

In addition to this charge, we receive the declared dividend the company issues which this year is 7%. Since the death benefit is substantially higher than the loan used to purchase the vehicle, it is what is known as a Non-Callable Loan.

We will set up a loan repayment plan in a couple of months to begin reducing the debt so as to replenish the funds, reduce the interest expense, and continue to earn the dividend. Thereby, she will be driving a new vehicle. Should we ever see an RV then the loan will be paid off in full.

I use the same concept when investing in the securities market as well, purchase paid up additions

within a policy, wait a few months then take a loan and go purchase mutual funds or income-producing stocks. In effect, we have funds working in two places at the same time.

I hope this sheds some light on how to maximize your funds and provide yourself with a hedge against complete loss should the market collapse.