Understand **Infinite Banking Concept (IBC)** and how to set up a **maximum-efficiency whole life policy**—one that works for **you** instead of the insurance company.

🔑 The Goal of IBC:

To **build your own personal banking system** by overfunding a specifically designed **whole life insurance policy** that grows tax-deferred, lets you **borrow against yourself**, and still **earn interest as if you never borrowed the money**.

Key Principles of a Proper IBC Setup

1. Low Death Benefit + High Cash Value

- Traditional whole life policies prioritize death benefit.

- **IBC policies prioritize cash value** (aka: your money).

- The lower the death benefit, the **more money you can fund** toward your bank (cash value) without triggering IRS penalties.

2. Overfunding Limit – The MEC Line

- The IRS sets a limit on how much you can overfund a policy before it becomes a **Modified Endowment Contract (MEC)**.

- MECs lose tax advantages (e.g. tax-free loans).

- Your goal: **Fund just below the MEC line** to pack as much cash in as legally allowed.

3. Policy Design Using a PUA Rider

- You want a **Paid-Up Additions (PUA) rider** on your policy.

- This rider lets you dump in large sums of money and **instantly increase your cash value** (often >80% accessible in year 1).

- Without a PUA, most of your money goes to fees and commissions.

🔍 Example: Traditional vs IBC Policy

	Traditional Whole Life	IBC-Structured Whole Life
Death Benefit	High	Low
Cash Value	Slow to build	Fast to build
Year 1 Access	30–40% of premium	70–90% of premium
Loan Option	Yes	Yes
Control	Insurance Co.	You
Taxes	Tax-deferred	Tax-free if done right

💰 How Much Can You Fund?

Example:

If you set up a policy with:

- $5,000 **base premium**

- $45,000 **PUA (overfunding)**

You're putting in **$50,000 total per year**, and you'll likely be able to access **$40K+ in year 1**. The exact amount depends on age, health, company, and policy design.

You're allowed to fund **as much as the MEC test allows**. A well-trained advisor can run these numbers and adjust the **death benefit down** to allow for **maximum cash value injection**.

Why Most Policies Like Northwestern Mutual Don't Work for IBC

- They have **high base premiums** and push **high death benefits**.

- This limits how much you can overfund.

- The company profits more from this structure—and you don't get early access to your money.

- These are **death policies**, not **banking systems**.

In Summary:

IBC is not about death. It's about control, leverage, and cash flow.
You want a **minimum death benefit** and a **maximum overfunding design**—that passes the IRS test and gives you a **powerful vault** you can use in life.

Why Traditional Whole Life Fails vs. Infinite Banking Succeeds

This is your fast-track education to understanding the difference between conventional whole life policies sold by big-box firms (like Northwestern Mutual) and properly structured Infinite Banking policies (IBC) used by the wealthy.

Category	Traditional Whole Life (e.g. Northwestern Mutual)	Properly Structured IBC Policy
Purpose	Death benefit focused	Cash value & banking utility focused
Premium Structure	High base premium, hard to overfund	Low base, high PUA for max growth
Flexibility	Rigid premiums, poor cash access	Flexible funding, early liquidity
Who Benefits Most	Insurance company	Policyholder (you)
Cash Value Access	Slow buildup, often takes 10+ years	Access to 60-90% of cash in year 1
Growth	Slow, conservative dividends	Tax-advantaged compounding with access
Loan Function	Limited access, loan rates often high	Use cash as collateral, pay yourself back
Design Intent	Designed for insurance & agent commission	Engineered for personal banking power

Control	Company-controlled access	You control cash & timing
Legacy	Payout at death	Live wealthy & still leave a legacy

In Summary:

A properly structured IBC policy allows you to function like your own bank — with control, compounding, and liquidity. Traditional policies serve the insurer. IBC serves YOU.

New Kings shows you how to own the system, not be owned by it.