

# Becoming Your Own **BANKER**

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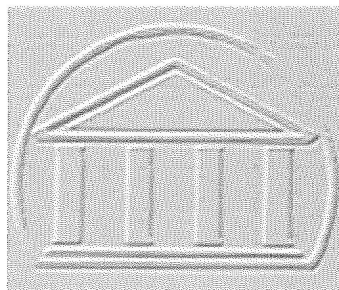
*Fifth Edition*



*Unlock the Infinite Banking Concept*

Bestselling Author  
**R. Nelson Nash**

# INTRODUCTION TO THE FIFTH EDITION



*Becoming Your Own Banker - The Infinite Banking Concept* is a text for a ten-hour course of instruction about the power of dividend-paying whole life insurance.

It is not a sales tool for life insurance agents. It is education that the life insurance industry should have taught during the last 200 years. Unfortunately, the industry has concentrated on the death benefit qualities of the contract and has neglected to adequately describe the financing capabilities that it presents for the policy owners. Ironically, life insurance companies must put premium income to work in various investments in order to pay the death claims.

This book demonstrates that your need for finance, during your lifetime, is much greater than your need for protection. Solve for this need through this instrument and you will end up with more life insurance than the companies will issue on you. Most everyone is familiar with the fact that one can borrow from a whole life policy, but because of how little premiums they pay, there is limited access to money to finance major items needed during a lifetime. Yet, the need for financing for the typical person is extensive. Really, all this book adds to the equation is scale.

The fact that the principles have been there all along and no one taught them to me makes me rather angry! Had I known them, life would have been much simpler and much more profitable. Someone should have recognized them and taught them long ago, but this didn't take place because of the mindset that predominates in the entire financial world.

It is written for the layman, not for financial advisors, but all life agents should be thoroughly knowledgeable of its content and practice. Again, unfortunately, this is not the case. Very few of them have more than a rudimentary understanding of its qualities.

The whole idea is to recapture the interest that one is paying to banks and finance companies for the

major items that we need during a lifetime, such as automobiles, major appliances, education, homes, investment opportunities, business equipment, etc.

This book is not about investments of any kind. It is about how one *finances* the things of life, which can certainly include investments. It is not about rates of return. As time goes by interest rates are up and interest rates are down — but the process of banking goes on no matter what is happening. It is a well known fact that banks make more money during times of low interest rates than when rates are high.

A word of caution is in order — later in the book you will be looking at illustrations of life insurance policies that show how the concept works as compared with how most folks go about solving their financial affairs. Most of the illustrations were developed in 2000 and represent dividend scales in effect at that time. Presently, interest earnings are lower and, hence, dividend scales are lower. But in comparison with other methods of financing the things of life, the difference in results remains the same.

It is not a procedure to “get rich quickly.” To the contrary, it requires long range planning. I'm educated as a forester, having worked in that field as a consultant for ten years; I tend to think seventy years in the future. I won't be here — and neither will you — but there is no reason not to behave in this manner. “Plan as if you are going to live forever and live as if you are going to die today” appears to me to be a good thought. One can learn how to plan and act intergenerationally. That's one of the primary advantages of having been a forester. I learned to think beyond the lifespan of my current generation.

*Becoming Your Own Banker* is not a tax-qualified idea of any sort. The Income Tax Law, as we know it today, has only been around since 1913. Life insurance has been around for over 200 years and is not a creature of any tax code. It is nothing more than like-minded people contracting with one another to solve a financial problem.

There is no such thing as “having too much money in the bank.” Wealth must reside somewhere. What better place to have it reside than here?

From this residence one can do anything that

one can conceive. This is an advantage that most folks ignore in their thought process, and therefore, limits their effectiveness.

Let me make it abundantly clear—I am not talking about a *bank* in the conventional sense of the word. I am demonstrating that one can use dividend-paying whole life insurance to solve one's need for finance throughout one's life.

Hopefully, this book will give you a new perspective on the idea of "retirement." I prefer to use the words, "passive income." That is money coming in that you can count on and you don't do anything to earn it at that time. Study the illustrations carefully and you will see that very high premium, dividend-paying, whole life insurance is the ultimate vehicle to produce such income.

*The Infinite Banking Concept* is a major paradigm shift for most folks. It will require several thorough readings for a full understanding of its message. The concept is not complicated, it is just different from the way the majority thinks and behaves. In fact, it is the ultimate in simplicity.

There is an extensive reading list in the book and you are encouraged to read them all. Education is an on-going process and there is no such thing as having "arrived" in knowledge.

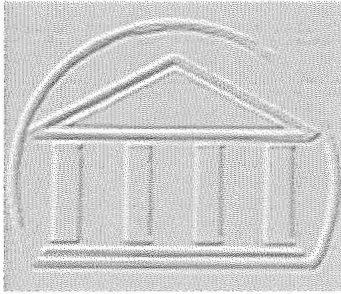
There have been many people that have had a glimpse of what this book is all about but none, to my knowledge; no one has put together a comprehensive rationale such as you will see here. Read it with an open mind and you will discover a whole new financial world.

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*"The problem in America isn't so much what people don't know; the problem is what people think they know that just ain't so."*

- Will Rogers

# POINTS TO CONSIDER



1. There are only two sources of income — people at work and money at work. In the typical American family, through the first half of the Twentieth Century, the father worked outside the home and the mother managed the home, nurturing the family and instilling spiritual values as the children matured. Now it is widely accepted that “a family can’t make it without both spouses working outside the home. It takes two incomes ‘just to make ends meet.’” Could it be a fact that this modern family has no money at work?

2. If you knew, at passive income time, that you would be getting back everything that you paid into a system — tax free — would you object to putting more money in it?

3. When you get paid for your work, you put *all* of it into “someone else’s bank” and then write checks from the account to buy the things of life. So, “someone else’s bank” gets *all of your money*. If you owned a banking system, wouldn’t you want to run *all* of your business through your bank? If this is so, then life insurance premiums paid each year should ultimately equal annual income. This can’t be done immediately. It will take the average person about twenty years to reach this level. If this message is taught to succeeding generations, then a perpetual banking system can be achieved.

4. When government creates a problem (onerous taxation) and then turns around and grants you an exception to the problem they created (any tax-qualified plan) aren’t you just a little bit suspicious that you are being manipulated? Tax-qualified retirement plans were all created under the guise of “giving you a break.” First, there were pension plans for corporate employees, and then came HR-10 plans for partners and sole proprietors, and finally, IRA’s for individuals. Now everyone “had an exception” to the IRS Code. If the government really wanted

to “give you a break” — all they had to do is *cut out the taxes!* Do you really think they want to do that?

5. Wealth has got to reside somewhere. Where would you prefer to have it reside?

- Real Estate? Then take a look around and see what happens when one needs liquidity. Real estate is very much a “frozen asset.”
- The Stock Market? Then, try reading from my *Recommended Reading for Those Interested in the Stock Market* on page 91 in this book. Until you have done so, are you qualified to make an intelligent decision about such action?
- Or, free contract with other free persons (Life Insurance)? From this base of financial operation you can do any of the other things in life that you desire.

6. You finance everything you buy. You either pay interest to someone else or you give up interest you could have earned elsewhere. There are no exceptions.

7. Your need for finance, during your lifetime, exceeds your need for life insurance protection. If you solve for your need for finance through life insurance cash values, you will end up with so much life insurance; you can’t get it past the underwriters. You will have to insure every person in which you have an insurable interest.

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