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A Primer on the "MEC" Rules

By Robert P. Murphy

Whenever a newcomer is introduced to the wonders of dividend-paying whole life insurance, he soon encounters the dangers of overfunding and hence "MEC"-ing a policy. In this article I'll give a quick primer on what this status means, where it came from, and the ramifications it has for policyholders.

"MEC" Defined

The acronym "MEC" is short for "modified endowment contract." To say that you "MEC"ed a policy means that you stuffed it with too much money and hence the IRS will now cease to classify it as a standard life insurance contract (the purpose of which is to provide a death benefit), but instead will classify it as an endowment contract (a modified one, to be specific).

According to Wikipedia, an endowment policy *"is a life insurance contract designed to pay a lump sum after a specified term (on its 'maturity') or on death. Typical maturities are ten, fifteen, or twenty years up to a certain age limit."* So the distinguishing feature of an endowment policy—in contrast to standard life insurance—is that there is a good chance it will mature and pay out before the insured dies. It's still *life insurance*—both in fact and even according to the government's own definition—but an endowment policy is designed more as a short-term savings vehicle, rather than as a hedge against death.

In this context, it's more understandable now why the IRS classifies policies stuffed with cash early on as "modified endowment contracts." The idea is that the policyholder is using the special IRS treatment of life insurance as a way to let his wealth accumulate in a tax shelter. (As Jerry Seinfeld might say, "…not that there's anything wrong with that.") Thus, the IRS is declaring, *"Because this is suspiciously designed to take advantage of the favorable tax-deferred build-up of assets, rather than as a way of funding widows and orphans in the event of an untimely death, we are going to put in some extra rules to make sure things don't get carried away."*

To reiterate, I am not here to endorse the IRS' attitude on this issue. I am merely trying to explain where this odd term "MEC" comes from, since it is of such crucial importance in the actual implementation of cash

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management via whole life policies.

The Origin Of The MEC Rules

What we now know of as the MEC test came into effect in the Technical Corrections Act of 1988 (H.R. 4333, S. 2238). Officially the measure was in response to the widespread use of single-premium life policies by wealthy individuals.

It it amusing to watch the IRS change its policies time and again. They put punitive tax rates in effect, and then act like they're being generous by granting pockets of exemptions from the very taxation that they instituted. When people quite rationally respond to the system of incentives, the IRS is shocked, shocked at the outcome and tinkers with the rules. Rinse and repeat, ad infinitum. As Nelson Nash asks, "Don't you start to get a little suspicious?"

Later in the article I'll have more to say about the relationship between the tax code and whole life insurance, but for now let us simply observe: How can it be that Dave Ramsey and the other gurus so confidently tell us how *awful* life insurance is, when the government needed to put in special rules to stop rich people from stuffing their money into it? Do Ramsey et al. really mean, "Oh, starting in 1989 whole life insurance was awful, but before then it was great"? Do they even know about the MEC change?

The 7-Pay Test

An online article reprinted from Forefield, Inc.1 provides a good summary of the MEC criteria and penalties. With the understanding that I am an economist—not a qualified tax professional—let me give the basics for the novice readers:

The IRS can classify a whole life policy as a modified endowment contract (MEC) if money is put into the policy too rapidly during its first seven years. More specifically, the IRS first calculates the annual level premiums one would pay on a policy with the same death benefit to have it fully paid up after seven years. Then the IRS looks at the *cumulative* payments into the actual policy during the first seven years. If, at any time, the cumulative payments on the actual policy are higher than the cumulative payments on the 7-year-pay whole life contract with the same death benefit, then the policy is a MEC.

There are some subtleties with this definition. For one thing, it's permissible in any particular year to put more into the policy, than would happen in any particular year with a level premium in the 7-year-pay policy. This can happen if the person doesn't put too much into the policy in the first (say) three years, and then dumps in a large amount of cash in the fourth year. So long as the *cumulative* amount in years 1 through 4 isn't higher than the cumulative premium payments on a hypothetical 7-year-pay policy with the same death benefit, the policy isn't a MEC.

On the other hand, this flexibility doesn't run the other way. If an owner dumps too much money into the policy early on (in the second year, say), such that the cumulative contributions at that point exceed the cumulative premiums on the hypothetical 7-pay policy, then the policy is a MEC, period. It doesn't matter if the person contributes much lower amounts in years 3 through 7, so that eventually the cumulative contributions in reality are lower than the cumulative contributions for the hypothetical 7-pay policy. Once a MEC, always a MEC. You can't "get square" by holding back on future contributions.

Finally, we should note that whenever there is a "material change" to a policy—which includes achange in the face amount—it must be subjected to a new 7-pay test going forward from the date of the material change.

Why Term Riders Help Pass The MEC Test

Now that we understand the origin and the specifics of the MEC test, we can understand why insurance agents will often recommend including a level term rider for, say, the first ten years of a new whole life policy. (In other words, the base whole life policy might have a 10-year term life insurance policy appended onto it.)

By coupling a new whole life policy with a level term rider, the overall death benefit of the policy can be raised significantly in the early years of the policy, and for lower premium outlays than would be necessary

to have the same death benefit in a standard whole life policy. Yet because (as we've seen) the MEC test is based on the level premiums for a 7-pay policy *with the same death benefit,* the boosting of the death benefit (by adding the term rider) thereby boosts the annual premiums in the hypothetical 7-pay policy. Therefore, the addition of the level term rider "opens up" the policy, and allows the owner to contribute higher amounts in the first seven years without turning it into a MEC.

Although the level term riders can be quite useful in designing policies that accommodate an owner's cashflow goals while steering clear of the MEC limits, we should emphasize that term level riders were *not* invented merely as a way to circumvent the new tax laws. On the contrary, whole life policies had term riders before 1988, and the reason was simple: Because of their relatively higher premiums, whole life policies in certain circumstances didn't provide enough death benefit early on, and so households might supplement a standard whole life policy with a term rider in the first (say) ten years. By the time the term policy fell away, the underlying whole life policy's death benefit could have grown because of Paid Up Additions made by the policyholder during the intervening years.

Penalties From A MEC

Although agents trained to implement the Infinite Banking Concept will want to avoid MECs like the plague, we should be clear that MECs are actually still *life insurance* per the government's classification, and hence still enjoy the standard tax-free treatment when death benefits are paid to a policy's beneficiary.

However, the supreme drawback to a MEC—which is of crucial importance for anyone using whole life policies for their cashflow or "banking" qualities—is that the policyholder forfeits the special tax treatment normally afforded to the use of the cash value while still alive, including policy loans and withdrawals. For example, if a person has a basis (meaning lifetime premium payments) of $50,000 in a policy that now has a cash value of $80,000, and the person takes out a $70,000 policy loan, then $20,000 of the loan will be subject to standard income taxation as a gain. In contrast, with a non-MEC policy, *all* policy loans—even beyond the "basis" in the policy—can be taken with no income tax consequences, because strictly speaking a loan isn't income.

Remember, the IRS instituted the MEC test as a way of discouraging individuals from using life insurance policies (such as single-pay policies) as tax-privileged savings vehicles. That is why a MEC has penalties applied to something as innocuous as taking a loan from a financial institution with another asset serving as the collateral. From an accounting standpoint, a loan really *isn't* income, and so has no business being taxed as such. Yet accounting principles go out the window when the IRS is trying to contain the ramifications of its own policies.

There are other constraints imposed on a MEC. For example, beyond regular income tax, there are additional penalties placed on withdrawals before the age of 59½. Thus the standard paternalistic treatment of IRAs, 401(k)s, etc. kicks in with MECs. Since the whole *point* for many people of dividend-paying whole life insurance is precisely to avoid this busybody regulation of how a person can use his own wealth, it is particularly important to avoid MEC status.

"Won't They Just Change The Tax Laws Again?"

In reading this discussion, some newcomers might be discouraged and decide that dividend-paying whole life policies, though they seem to be quite extraordinary in several respects, are actually too good to be true, and will probably be "shut down" by the government with yet another change in the IRS code.

This view is simplistic for two reasons. First, it suffers from the Yogi Berra flaw of not going to a restaurant because it's too crowded. In other words, it can't simultaneously be the case that "nobody should buy whole life policies" and "the government will soon crack down on this practice because it's too popular."

The view is also wrong because it overlooks a crucial fact about the 1988 creation of the MEC test: The

tax law changes *grandfathered in* policies that were already in force. In other words, people who had bought large cash-value policies before mid-1988 didn't lose the tax advantages prevailing when they first acquired the policies. The only thing that would make them vulnerable to a MEC test would be a "material change" in the policies, after mid-1988.

In this light, then, it is particularly silly for someone to say, "I love everything Nelson Nash teaches, but I'm just afraid the government will break up the party." If *that's* the objection, then take heart: Although it's certainly possible the government will tighten up the rules *going forward*, it would be less likely to retroactively apply the new rules to policies already in force.

Conclusion

It is undeniable that one of the major attractions of dividend-paying whole life insurance policies is their special tax status. Even though one must be careful to use the conservative term "tax-deferred," in practice the growth of a policy's internal cash value can be used (through policy loans) and ultimately passed on to the beneficiary with *no* taxation. In light of these facts, I am constantly amazed at the confidence with which financial gurus tell their fans that life insurance is "a terrible place to put your money."

Even so, Nelson Nash has always made it clear that dividend-paying whole life insurance policies are not a creature of the tax code. Permanent life insurance policies existed well before 1913 (when the IRS was created). If the tax laws are altered again, life will go on for the insurance sector, and (depending on the specifics) it will still probably make a great deal of sense for middle- and upper-income households to own whole life policies. After all, despite the 1988 changes in the tax treatment, no whole life policyholders were complaining when the market crashed in 2008.

1.https://www.usaa.com/inet/pages/advice_what_is_modified_endowment_contract

A Simple Way to Understand the Key Features of Whole Life Insurance

I find that many do not understand the essential relationships between base and PUA premium, cash value, and death benefit in whole life insurance. Maybe this will help.

by Ryan Griggs

This very simple thought experiment will inoculate you against the many errors that circulate online regarding why the values (cash values and death benefits) change relative to premiums (base and PUA) the way they do in dividend-paying whole life insurance.

For instance, promoters of life insurance policy design that we might call excessively "tight," where very little of the total annual premium is allocated to the base, will say that "base buys death benefit; PUA buys cash [value]."

This is false.

Let's jump into the thought experiment to understand why.

I promise to pay $10,000 to my friend Bob in one year from now. I enumerate this promise in writing and stipulate that the bearer of this promise to pay is entitled to claim the $10,000 from me in one year's time. I give this legally binding document to Bob.

Let's suppose that Bob turns around the next day and sells the document to Sally.

Since Sally has to wait 364 days to present the document to me and collect her $10,000, Sally will pay less than $10,000 to Bob. Let's say that Bob sells Sally the document for $8,000. At this point, we can say that the present value of the $10,000 364 days from now is $8,000.

We can add one wrinkle.

Suppose, instead, that I told Bob I'll promise to pay the bearer of the document $10,000 one year from now if and only if the bearer of the document pays me

$500 per month until the $10,000 becomes payable (at the end of one year).

In this case, if Bob were to turn around the next day and sell the document to Sally, the price Sally would pay wouldn't just be the present value of $10,000 in 364 days (e.g. $8,000). It would be the net present value. Sally would have two factors to consider: the 364 day waiting time and the on-going payments required to for the document to be valid (the $500 per month).

If before Sally was willing to pay $8,000, she'll now pay less. Exactly how much less depends on how much she discounts each of the $500 per month payments over the next 364 days. Let's suppose that Sally is now willing to buy the document from Bob for $3,000. We can say that the net present value of $10,000 payable in 364 days is $3,000.

If you understand the logic of this little example, then you're in a position to understand the essential features of dividend-paying whole life insurance.

Whereas in the example we supposed a future cash flow of $10,000 one year from now, in life insurance we have the death benefit. That's all death benefit is: a contractually guaranteed promise to pay a future cash-flow when the insured reaches the age of 121 or when the insured graduates, whichever comes first, so long as certain premiums are paid in the meantime.

Whereas in the example we supposed an on-going required payment schedule of $500 per month to keep the document in good standing, in life insurance we have the base premium. Base premiums are the payments required to keep a dividend-paying whole policy "in-force" (i.e. to keep the death benefit payable). If Sally stopped paying the $500 per month, she wouldn't be able to claim the $10,000. If a policy owner stops paying base premium, the life insurance company is no longer obligated to pay the death benefit (this is called a "lapsed" policy).

In the example we said that Bob could sell the promise to pay to Sally for $3,000. In life insurance, we call the net present value of the death benefit the cash value (also known as "surrender value" or "cash surrender value"). It's the amount of money that the life insurance company would pay to the policy owner should the policy owner decide to quit, never pay another premium, and forfeit his claim to the death benefit.

We have one more feature of contemporary dividend-paying whole life insurance to integrate into our example: the Paid-Up Additions or PUA premium.

First of all, what is PUA?

The "Additions" in Paid-Up Additions means additional death benefit. When you make a PUA premium payment, you are literally adding more death benefit to the life insurance policy. In other words, a PUA premium increases the magnitude of the future, promised cash flow.

The "Paid-Up" part of Paid-Up Additions means that the additional death benefit that the PUA premium purchased is "paid-up." This means that no further premium in the future will be required in order to maintain the newly purchased death benefit. We say that the death benefit purchase is therefore "paid-up" In other words, PUA premium increases the magnitude of the future, promised cash flow without increasing the on-going cost.

Consider this. If you increase (A) the magnitude of a future cash-flow without adding to (B) the on-going cost required to keep the promise to pay in good standing, then what will be the effect on (C) the net present value of the future cash-flow?

In other words, if C = A — B, and if you increase A without changing B, what is the effect on C? Of course, the value of C, the net present value of the future cash flow, must also increase.

This is why PUA premium has a disproportionate impact on cash value generation in the early years of a whole life insurance policy: it increases the magnitude of the death benefit without adding to its future cost.

But let's not forget base premium! A whole life insurance policy with no PUA premiums paid over the life of the policy will generate cash value. However, the cash value generation occurs much slower.

Consider why. If C = A — B, and if you slowly reduce the value of B, then the value of C will grow, but only slowly. Remember, B symbolizes a lifetime of future base premium payments (more specifically, the present value a lifetime of base premium payments). So, for changes in B to have a meaningful impact on C, two things have to happen: premiums must actually get paid (the future stream of payable base premiums must decrease) and years of time must pass.

Compare to the effect of PUA premium that increases the magnitude of the death benefit now. This is why if you were to read an actuarial textbook (I know, what a joyful thought), you might find a curious explanation of PUA premium. Textbook authors will say that the purchase of death benefit with PUA premium is essentially the purchase of a miniature single-premium (or single-pay) whole life policy that just so happens to be grouped together with a conventional (multiple-pay) life insurance policy. In fact, life insurance companies calculate two different dividends that are ultimately paid to a policy owner. One dividend corresponds to base premium and another corresponds to PUA premium. Companies will even show this on a policy owner's annual report, which usually leads to confusion, e.g. "Why am I seeing two different dividends?!" Now you know why.

Let me reiterate, it is wrong to say that base premium does not contribute to cash value generation. It is usually (though not always) the case that base premium does not generate cash value in the early years of a policy, but it definitely will. This is the same thing as saying that "as you reduce the outstanding cost of a future cash flow, the net present value of the future cash flow must increase." Fun fact: the ontological status of that statement is the same ontological status as the statement "2+2=4." In other words, it's true by definition.

This is why it is false and misleading to say that "base buys insurance; PUA buys cash." The dichotomy is unwarranted. Both premiums buy insurance and both premiums contribute to cash value generation. Do base and PUA premium affect death benefit and cash value generation differently? Sure. But it is not the case that each premium only impacts one value.

In fact, it would be impossible, since a reduction in the cost of a future cash flow must eventually reduce its the net present value (base premium generates cash value), and since PUA premium only generates cash value ("buys cash") by increasing the magnitude of the death benefit ("buying insurance").

By the way, we now have sufficient actuarial understanding to see why term insurance does not generate cash value. We can only have a net present value of a future cash flow if we have a future cash flow. But the death benefit (future cash flow) on a term insurance policy is not certain, it's conditional. Whereas with whole life insurance, the death benefit will be paid (either upon graduation or age 121 of the insured), with term insurance the death benefit might be paid. In fact, statistically speaking, it's extremely unlikely that the term insurance death benefit will be paid, since around 99% of term policies either lapse (the owner stops paying the premium) or terminate (the intended duration of the contract is fulfilled while the insured is still living). In short, there is no net present value of a non-guaranteed (and extremely unlikely) future cash flow; therefore, typical term insurance that lasts 10, 20, or sometimes 30 years, has no cash value.

We also have sufficient actuarial understanding to see why it doesn't make any sense to "unbundle the savings component from the insurance component" of whole life insurance with the financially-engineered Frankenstein product called universal life (or it's other Frankenstein cousins including equity indexed universal life, indexed universal life, or variable life).

Unless you're God who is capable of reformulating the laws of the universe, you can't "unbundle" the net present value from a future cash flow. This is literally a non-nonsensical idea.

Instead, in universal life, the notion of a guaranteed future cash flow is virtually eliminated. That this batch of products and its mutant cousins can be legally called "permanent insurance" just like whole life insurance is an affront to the English language. With universal life, the permanent aspect of permanent insurance is almost totally eliminated (there's usually a very small

so-called "minimum death benefit" that is guaranteed) and in it's place is the very poorly understood product known as One-Year Term or OYT (also known as annually renewable term).

I've written on this before, and boy oh boy did I ruffle feathers. In that article, I pointed out that, just like it sounds, OYT renews each year, and when it does, premium payable for the upcoming year is recalculated in accordance with the now higher attained age (and risk of mortality) of the insured. In particular, I wrote:

> Importantly, what the future premium increase will be is unknown. That's the "non-guaranteed" element of non-guaranteed, annually renewable term insurance. Guess who is responsible for the uncertainty of that future premium increase? Guess who gets to decide by just how much the premium will increase in the future?

The consumer pays. The company decides.

An adviser who uses OYT (in this case, in a blended term-PUA rider, as discussed in the prior article) objected strenuously to my characterization. His point was that the government indirectly regulates the degree to which the premium on OYT can increase one year to the next (by regulating reserve requirements and mortality rate pricing).

Why one would opt for government enforcement of price fixing over voluntary, contractually specified guarantees is an issue for another time. It suffices for our purposes here to point that while maximums may be set by law, the degree to which premiums vary within legal limits is still uncertain and non-guaranteed. In other words, how much death benefit a given premium payment will purchase depends on future, uncertain mortality experience.

What is also true is that exponentially rising mortality cost will eventually force the premium excessively, legally high. When this happens in universal life products, the cash account is drained to help offset the exponentially rising premiums. At least with OYT, the policy owner can drop the rider when premiums begin to skyrocket, and still keep the policy in-force. With universal life, the option is to endure the decreasing cash account, pay higher premium out-of-pocket, accept a lower and diminishing death benefit, or to cancel the policy.

The point is that universal life does not unbundle anything. It allows an individual to purchase OYT and send the life insurance company money to invest on the individual's behalf. The guaranteed death benefit (future cash flow) at natural mortality is a mere shadow of what it is on a similarly funded whole life policy. Consequently, there is no cash value, no net present value of a future cash flow in universal life like there is in whole life.

Hopefully you're starting to see how the concept of net present value is extremely valuable for proper classification and to understand what happens in whole life insurance and why.

Fortieth in a monthly series of Nelson Nash's personally written Becoming Your Own Banker © *lessons. We will continue these lessons until we have gone through the entire book.*

Part V, Lesson 6, A Different Look at The Monetary Value of A College Degree

Content: Page 75-81, BECOMING YOUR OWN BANKER – The Infinite Banking Concept.

When I began my career in life insurance sales in 1964, we were taught to show our clients and prospects how much more their child would earn if he had a college degree compared to his twin brother who did not graduate from college. In those days it cost $2,000 per year to go to the University of Alabama or Auburn University and $2,500 per year to go to Samford University or Birmingham Southern College (private schools) in Alabama.

The average college graduate was projected to earn $80,000 more during his working career than one who did not get a degree from college. Hence, $8,000 invested in sending the child to University of Alabama would yield $80,000 more in living benefits. "You just can't get a better return on an investment than that," they said. The emphasis here was all on the monetary value of a degree.

I have been around the academic community for many years now and would like to shed a little more light on the foregoing assumption. Among other things, there are a number of sources today that will tell you the average BA Degree from a college is now the equivalent of a high school diploma in 1947. (I graduated from high school in 1948).

The cost of a degree has gone "out of sight" and the quality has "fallen off a cliff!" I have the distinct feeling that the college degree is the most over-rated item in America.

Please note that, up to this point, I have not used the word "education."

Education should be an on-going thing – we should be continuing to learn and study throughout life. My mentor, Leonard E. Read, was the most educated person I have ever met, but he had no degrees from anywhere. Neither did his associate, Henry Hazlitt. And up until recently, neither did Bill Gates.

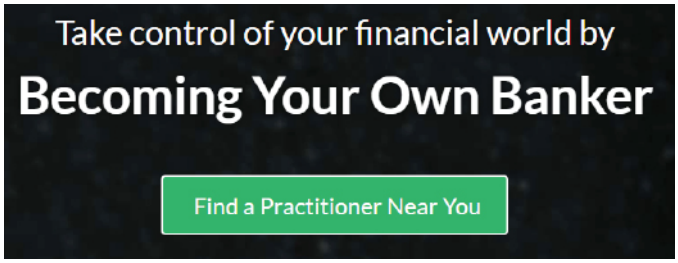
Professor Herbert Rotfeld at Auburn University says, "Most of the students today are not in college for an education – they are there for credentials! If they could go to a machine, put in money, and get a diploma, they would do it in a heartbeat." Rotfeld quotes IBM chief executive officer Louis V. Gerstner, Jr. at a two-day national education summit in Palisades, NY "…. Business leaders do not (and should not) want business education to be vocationally oriented. It is not in the interest of business leaders to turn public schools into vocational schools. We can teach them how to read balance sheets. What is killing us is having to teach them to read and compute and communicate and to think."

What's more absurd is the subjects that are taught in so many of the colleges today. For some deep insight into this I recommend that you read *The Fall of the Ivory Tower* by George Roche. One of these days the consumers are going to wise up to the fact that they have been "conned" and the house of cards is going to come crashing down. When the perceived value of anything has no real basis, a return to reality is inevitable.

Just where did the idea of "everyone needs a college degree" come from? I think it has its roots in the period just after WW II with the advent of the GI Bill. When the war was over the Socialist thinking "economists" of that period promoted the idea of "All of these GIs coming home from the war will wreck our economy because there are no jobs for them. Let's send them to college." And so, the colleges became "diploma mills." I was in college from 1948 through 1952 and was able to observe the brunt of that effort. The GIs had the very best of books and equipment, they drove cars, and they had a stipend on which to live. Others, like me, had to buy used books and equipment, we walked to classes, and we had part-time jobs to make ends meet.

Since that time, Parkinson's Law has taken effect – a luxury, once enjoyed, becomes a necessity. And now the cry is that, "Everyone deserves a college degree." Notice that the cost of doing so has risen much faster than inflation in the rest of the economy. This is always the pattern when government gets involved in anything. Contrast this with things left to the market, such as the personal computer. Quality and performance have increased so rapidly that whatever you have now is obsolete within a year or two and prices have gone down dramatically.

So much for the major reason for looking askance at the value of a college degree. In the next lesson we will look at its monetary value as compared with an alternative – teaching the child the value of banking through the use of dividend-paying whole life insurance.



The following financial professionals joined or renewed their membership to our ***Authorized Infinite Banking Concepts Practitioners*** team this month:

- Patrick Eddins, Kirkwood (St. Louis), Missouri
- Drew White, Papillion/Omaha, Nebraska
- Donovon Coates, Calgary, Alberta
- John Blalock, Birmingham, Alabama
- Harper Jones, Knoxville, Tennessee
- Brian Moody, Irwin, Pennsylvania
- Josh Steinfeld, Lodi & Ventura California
- David White, Hurst, Texas
- Vincent Gadbois, Casselman, Ontario
- Robert Zuniga, Davidson, North Carolina
- Steve Perrmann, St. Louis, Missouri
- Lesley Batson, Orlando, Florida
- Glen Akin, Lubbock, Texas

You can view the entire practitioner listing on our website using the Practitioner Finder.

IBC Practitioner's have completed the *IBC Practitioner's Program* and have passed the program exam to ensure that they possess a solid foundation in the theory and implementation of IBC, as well as an understanding of Austrian economics and its unique insights into our monetary and banking institutions.

The *IBC Practitioner* has a broad base of knowledge to ensure a minimal level of competency in all of the areas a financial professional needs, in order to adequately discuss IBC with his or her clients.

Before you look for a practitioner, we suggest listening to the following two episodes of ***The Lara Murphy Report.***

How-To Guide for Starting IBC, Part 1 How to begin your study of Infinite Banking, including finding an Authorized Practitioner.

How-To Guide for Starting IBC, Part 2 How to prepare for your first meeting with an Infinite Banking Authorized Practitioner.

Authorized IBC Practitioners, 2023 IBC Think Tank registation now open.

Now more than ever, a strong IBC Practitioner Community is needed to ensure that Nelson's vision is grounded in the principles of IBC. With this in mind, I urge every active *Authorized IBC Practitioner* to make every effort to attend the upcoming Think Tank on February 22-23 2023.

Location continues to be in Birmingham.

We are slowing down the pace of the event this year with the intent of providing a better learning environment and more time to network with fellow *Authorized IBC Practitioners*. This will be accomplished by having fewer speakers, giving those speakers more time to present and have ample Q&A time.

Event registration link, pricing and the schedule are posted on the IBC Think Tank Landing Page accessible through the ***NNI Homepage*** *[members need to be signed in to their Practitioner Account to see the registration link]*.

Sincerely,

David Stearns

This online **video series** for the general public provides a comprehensive introduction to the *Infinite Banking Concept.*

The first four modules are free, you can view them here:
infinitebanking.org/foundations
The remaining eight modules are subscription-based, costing $49.95 for all eight.

*Or contact an **Authorized IBC Practitioner** and ask for a coupon code that will enable you to watch all twelve modules FREE.*

Module 1: Introduction to the Nelson Nash Institute

Module 2: What the Infinite Banking Concept Is

Module 3, Part 1: How IBC Works

Module 3, Part 2: Policy Loans & The Nature of Collateral

Module 3, Part 3: How to Read a Policy Illustration

Module 4: Why Nelson Calls It The Infinite Banking Concept

Module 5: The Life Insurance Industry

Module 6: Why Not Buy Term and Invest the Difference?

Module 7: Using IBC to Pass Wealth to Future Generations

Module 8: The MEC Rule and Policy Design

Module 9: Does IBC Work for Older People?

Module 10, Part 1: IBC for the Business Owner

Module 10, Part 2: IBC for the Business Owner

Module 11, Part 1: Using Your IBC Policy: Premiums, Dividends, and Policy Loans

Module 11, Part 2: Using Your IBC Policy: Premiums, Dividends, and Policy Loans

Module 12: IBC as a Way of Life

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