

## **Finance Large Purchases & Fund Retirement Using Super-Charged Life Insurance**

This case demonstrates the power of using a super-charged permanent life insurance policy to fund retirement and also to finance large purchases (Business, Medical, or Farm Equipment, etc.) rather than borrowing money from a bank, or paying cash.

In this example a 30 year old policy owner deposits \$100,000 per year (\$8,330/month) in the super-charged life insurance policy for only four years. He then discontinues the standard premium payments for the rest of his life.

After that four-year period, instead of borrowing money from a bank or credit union, the policy owner borrows money from his insurance policy to buy new equipment. He does this every five years until age 65.

Each time he borrows money from his policy, the insurance company puts a lien on the policy for the total loan amount. The policy owner then pays the same monthly payment back into his policy that he would have paid to the bank or credit union for the same loan.

As he makes payments into the policy, the insurance company charges a small amount for interest and the balance of the payment is used to reduce the lien. After each five-year period, the loan is completely paid off, the lien is removed, and the policy owner then buys a new car and starts the process all over again.

The following is a year by year analysis:

**Year 1:** The cash value of the super-charged life insurance policy is \$83,378, or 83% of the initial \$100,000 deposit. If this were a standard life policy the cash value would much smaller. The death benefit of the policy for the 31 year old is \$4,158,288.

**Year 5:** Policy owner borrows \$250,000 for new equipment.

**Year 5-9:** Policy owner makes monthly payments of \$6,000 (\$72,000 per year) into the policy to pay back insurance company lien. At the end of Year 9 the \$250,000 loan is paid off and the lien is removed.

## **SUPER-CHARGED LIFE INSURANCE**

**Year 10:** Policy owner borrows \$300,000 for new equipment.

**Year 10-14:** Policy owner makes monthly payments of \$7,000 (\$84,000 per year) into the policy to pay back insurance company lien. At the end of Year 14 the \$300,000 loan is paid off and the lien is removed.

**Year 15:** Policy owner borrows \$350,000 for new equipment.

**Year 15-19:** Policy owner makes monthly payments of \$8,000 (\$96,000 per year) into the policy to pay back insurance company lien. At the end of Year 19 the \$350,000 loan is paid off and the lien is removed.

**Year 20:** Policy owner borrows \$400,000 for new equipment.

**Year 20-24:** Policy owner makes monthly payments of \$9,000 (\$108,000 per year) into the policy to pay back insurance company lien. At the end of Year 24 the \$400,000 loan is paid off and the lien is removed.

**Year 25:** Policy owner borrows \$450,000 for new equipment.

**Year 25-29:** Policy owner makes monthly payments of \$10,000 (\$120,000 per year) into the policy to pay back insurance company lien. At the end of Year 29 the \$450,000 loan is paid off and the lien is removed.

**Year 30:** Policy owner borrows \$500,000 for new equipment.

**Year 30-34:** Policy owner makes monthly payments of \$11,000 (\$132,000 per year) into the policy to pay back insurance company lien. At the end of Year 34 the \$500,000 loan is paid off and the lien is removed.

**Year 35:** The policy owner is now **65 years old** and the cash value of the super-charged life insurance policy is **\$5,364,392** and the death benefit is **\$11,120,209**.

**Year 35-55:** At age **65**, the policy owner takes out **\$300,000 per year** from the insurance policy to fund his retirement.

**Year 55:** The policy owner is now **85 years old** and the cash value of the super-charged life insurance policy is **\$1,568,975** and the death benefit is **\$4,750,980**.

## SUPER-CHARGED LIFE INSURANCE

### Financing Large Purchases & Funding Retirement Using Life Insurance

Year	Age	Beginning Premium	Car Payments into Policy	Policy (Car) Loan	Retirement Income	Life Insurance	
						Cash Value	Death Benefit
1	31	\$100,000				\$83,378	\$4,158,288
2	32	\$100,000				\$170,982	\$4,699,252
3	33	\$100,000				\$266,468	\$5,225,710
4	34	\$100,000				\$375,403	\$5,738,273
5	35	\$0	\$6,000/mo.	\$250,000		\$199,641	\$5,816,940
6	36	\$0	\$6,000/mo.			\$320,514	\$6,040,020
7	37	\$0	\$6,000/mo.			\$447,369	\$6,262,919
8	38	\$0	\$6,000/mo.			\$580,460	\$6,485,812
9	39	\$0	\$6,000/mo.			\$721,777	\$4,717,942
10	40	\$0	\$7,000/mo.	\$300,000		\$523,938	\$4,763,279
11	41	\$0	\$7,000/mo.			\$685,084	\$5,031,419
12	42	\$0	\$7,000/mo.			\$854,054	\$5,300,183
13	43	\$0	\$7,000/mo.			\$1,031,275	\$5,570,138
14	44	\$0	\$7,000/mo.			\$1,216,996	\$5,841,971
15	45	\$0	\$8,000/mo.	\$350,000		\$1,001,951	\$5,841,175
16	46	\$0	\$8,000/mo.			\$1,208,257	\$6,142,439
17	47	\$0	\$8,000/mo.			\$1,424,474	\$6,445,937
18	48	\$0	\$8,000/mo.			\$1,651,283	\$6,751,772
19	49	\$0	\$8,000/mo.			\$1,889,310	\$7,059,833
20	50	\$0	\$9,000/mo.	\$400,000		\$1,665,751	\$7,010,277
21	51	\$0	\$9,000/mo.			\$1,926,728	\$7,340,341
22	52	\$0	\$9,000/mo.			\$2,200,099	\$7,673,777
23	53	\$0	\$9,000/mo.			\$2,486,501	\$8,011,477
24	54	\$0	\$9,000/mo.			\$2,786,322	\$8,354,239
25	55	\$0	\$10,000/mo.	\$450,000		\$2,563,088	\$8,258,943
26	56	\$0	\$10,000/mo.			\$2,886,914	\$8,623,227
27	57	\$0	\$10,000/mo.			\$3,225,541	\$8,994,106
28	58	\$0	\$10,000/mo.			\$3,579,824	\$9,371,544
29	59	\$0	\$10,000/mo.			\$3,950,486	\$9,755,718
30	60	\$0	\$11,000/mo.	\$500,000		\$3,737,980	\$9,622,019
31	61	\$0	\$11,000/mo.			\$4,135,875	\$10,024,547
32	62	\$0	\$11,000/mo.			\$4,551,233	\$10,436,575
33	63	\$0	\$11,000/mo.			\$4,984,494	\$10,859,275
34	64	\$0	\$11,000/mo.			\$5,436,262	\$11,293,692
35	65	\$0	\$0	\$0	\$300,000	\$5,364,392	\$11,120,209
36	66	\$0	\$0	\$0	\$300,000	\$5,286,066	\$10,938,030
37	67	\$0	\$0	\$0	\$300,000	\$5,201,070	\$10,745,632
38	68	\$0	\$0	\$0	\$300,000	\$5,108,918	\$10,541,902
39	69	\$0	\$0	\$0	\$300,000	\$5,009,411	\$10,325,693
40	70	\$0	\$0	\$0	\$300,000	\$4,901,772	\$10,096,460
41	71	\$0	\$0	\$0	\$300,000	\$4,785,302	\$9,854,184
42	72	\$0	\$0	\$0	\$300,000	\$4,658,553	\$9,599,141
43	73	\$0	\$0	\$0	\$300,000	\$4,520,312	\$9,331,305
44	74	\$0	\$0	\$0	\$300,000	\$4,369,943	\$9,049,270
45	75	\$0	\$0	\$0	\$300,000	\$4,206,953	\$8,751,737
46	76	\$0	\$0	\$0	\$300,000	\$4,030,217	\$8,437,400
47	77	\$0	\$0	\$0	\$300,000	\$3,838,624	\$8,105,698
48	78	\$0	\$0	\$0	\$300,000	\$3,630,595	\$7,756,300
49	79	\$0	\$0	\$0	\$300,000	\$3,404,332	\$7,389,193
50	80	\$0	\$0	\$0	\$300,000	\$3,157,914	\$7,003,480
51	81	\$0	\$0	\$0	\$300,000	\$2,889,715	\$6,598,378
52	82	\$0	\$0	\$0	\$300,000	\$2,598,305	\$6,172,550
53	83	\$0	\$0	\$0	\$300,000	\$2,282,370	\$5,723,632
54	84	\$0	\$0	\$0	\$300,000	\$1,939,903	\$5,250,160
55	85	\$0	\$0	\$0	\$300,000	\$1,568,975	\$4,750,980