

Capital for Owners

An Introduction to **Infinite Banking** for *Business Owners*

Why Whole Life insurance serves as the perfect foundation for your saving, financing, and investment strategies



CFOwners



How Business Owners, Entrepreneurs, & Investors Regain Control of Their Capital

Cash flow management is the number one challenge for small business owners. While discipline matters, the deeper issue is that our modern financial system punishes savers and pushes everyone toward debt, consumption, and short-term thinking. As a result, most people never build real capital—they simply rent money from traditional banks.

At the same time, **every purchase we make is financed**. You either:

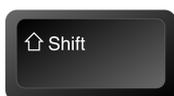
- Pay interest to a bank, or
- Pay cash and give up the future growth your money could have earned.

That lost opportunity cost is the real expense. When you outsource your banking function, **you give up control**—meaning your capital can't work for you.

Infinite Banking solves this problem by giving you the ability to **own** your banking function, build capital safely, and **put your dollars to work in more than one place at the same time**. It's the foundation behind the wealthy's "Buy, Borrow, Die" strategy—except tailored to everyday business owners, investors, and families.

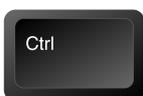
This guide explains what Infinite Banking is, how it works, and why it has become a core cash flow system for people who want financial freedom without taking on unnecessary risk.

The Keys to Unlocking Financial Freedom



your mindset.

Regain



of your finances.



the traditional banking system.

Build an



source of capital.

What is Infinite Banking?

Infinite Banking is the **process** of safely growing and leveraging capital inside a specially designed dividend-paying Whole Life insurance policy from a mutual company.

It is NOT a product. It is NOT an investment strategy. It is a **foundational saving, financing, and cash-flow strategy** that gives you control over your capital.

It's the answer for **two questions**: *What do you do with your cash, and how do you make investments and purchases?*

Here's what makes it work:

- 1. It's a Process** – IBC is a repeatable process: save, build capital, borrow against it, repay, repeat. It creates disciplined behavior and long-term, compounded wealth creation.
- 2. Safe, Contractual Growth** – Whole Life provides guaranteed growth, guaranteed access to capital, and a guaranteed death benefit. It is one of the few financial tools that is not dependent on market performance.
- 3. Leverage Without Risk** – Instead of withdrawing your money and interrupting compounding, you borrow against your cash value. Your dollars continue compounding while you use loan proceeds elsewhere—capital working in two places.
- 4. Specially Designed for Liquidity** – IBC policies are structured with a blend of base premium (long-term growth) and PUAs (high early liquidity), allowing you to use your system quickly and efficiently.
- 5. Dividends Increase Long-Term Value** – Mutual companies pay dividends to policyholders—not shareholders. These dividends can buy more paid-up additions, accelerating cash value compounding.
- 6. Whole Life Insurance** – HELOCs, stock margin loans, and secured lines of credit may provide you with liquidity at times, but they lack the zero downside, guaranteed access, or tax-free growth of Whole Life insurance, which is a time-tested, stable, and reliable asset, ensuring your policy loans won't cripple you with expensive debt.

Why Infinite Banking Works

Comparison to the traditional financial system

Control

Whole Life insurance is a **private contract** with lifetime guarantees.

Banks can change terms, freeze lines, or deny access to credit.

Insurance companies **cannot** – your access is contractually guaranteed. No credit checks or lengthy approval forms.

A Warehouse for Your Wealth

Your cash value is your **permanent savings pool**. It grows every year – guaranteed – and can be accessed anytime.

When you repay a policy loan, you're not "paying a bank."

You're **refilling your own warehouse** so your capital is ready for your next opportunity.

This is the foundation behind the wealthy's **Buy, Borrow, Die** strategy:

- Buy assets
- Borrow against rising asset values
- Die with large tax-free transfers to the next generation

Infinite banking brings the same logic to business owners without requiring millions in real estate or stocks.

Superior Saving Strategy

IBC isn't meant to replace investments. It's **complementary** to your investment strategy.

It's the vehicle your capital sits before you invest, and it's the asset that compounds **while** you invest.

Remember, we're not borrowing FROM our cash value, but AGAINST it.

Traditional banking fails savers:

- Low interest that you pay tax on
- Fractional reserve lending – which creates bank instability
- No alignment between depositors and shareholders
- No guarantees on access

Whole Life insurance restores the two roles banks used to play:

- **Demand Deposit** – Cash value you can use at any time
- **Time Deposit** – Long-term guaranteed growth

This structure lets your dollars grow safely *while* you use them – something banks cannot offer you with the same guarantees.

Financing Without Banks

Insurance companies don't underwrite your loans. They don't ask questions about use, repayment schedules, or personal income.

Why?

Because the loan is collateralized by your cash value, and they already owe you more in death benefit than you owe them in loans.

This allows for:

- Lower rates
- Flexible repayment
- No impact to your credit
- No liens
- No loan denials

Investing With Control

Great investment opportunities aren't always abundant. **Infinite Banking pays you to wait.**

Infinite Banking serves as an **opportunity fund** for your capital that provides you with patience, liquidity, optionality, and tax advantages.

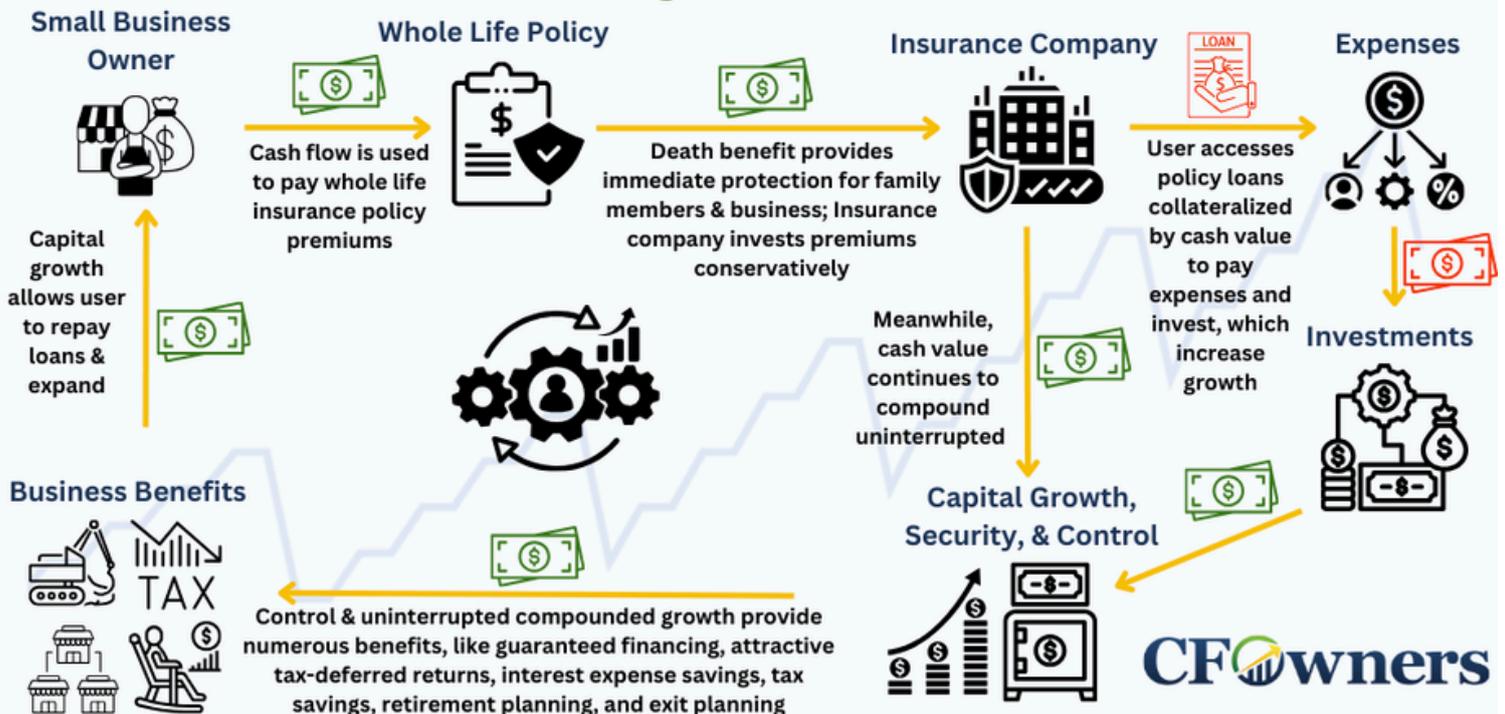
If you get paid 0.50% in your savings account, suddenly every investment opportunity looks attractive. But if you achieve guaranteed growth plus dividends that exceed 4-5% tax-free, you reduce FOMO and **increase your required rate of return.**

Traditional Cash Flow Model vs. Infinite Banking

Traditional Cash Flow Model



Infinite Banking for Business Owners



Traditional Cash Flow Model

1. Revenue/sales goes into your bank account
2. You earn a little bit of interest that's taxed
3. You spend your cash
4. You start your saving process all over again

Infinite Banking

1. You use your free cash flow to pay Whole Life policy premiums
2. Your specially designed policy accumulates cash value immediately
3. You borrow AGAINST your cash value to invest or buy things
4. Your cash value continues to grow uninterrupted
5. Your free cash flow is used to pay down policy loans or pay more premiums, freeing up your available capital to use again and again

What to Know Before Getting Started

Requirements

In order to get started with Infinite Banking, you need four things:

1. A willingness to think differently
2. Discipline
3. An insurable interest
4. Monthly cash flow

Those who embrace Infinite Banking recognize that in order to achieve better performance than the crowd, **you have to act differently from the crowd**. This is where **discipline** comes in, which comes with significant long-term rewards.

You also need an **insurable interest**. This can't be some stranger off the street, but the good news is that it doesn't have to be you. It can be your spouse, close family, a business partner, or even an employee.

Additionally, this is a **continuous accumulation strategy**. You don't need millions in free cash flow, but you do need some level of money you can save on a monthly basis. Existing savings can also be used.

Death Benefit vs. Cash Value

The **death benefit** is the amount the insurance company will pay your beneficiaries if you pass away.

Unlike term insurance, which temporarily insures against the loss of life, Whole Life insurance is permanent. To the insurance company, it's not a matter of "if" your death benefit claim is paid, but "when."

Your **cash surrender value** (called "cash value" for short) is the **present value of your death benefit**. It's what the insurance company would pay you today to relieve them of your death benefit obligation. It's kind of like the current "equity" of your death benefit.

Your cash value achieves guaranteed growth each year plus dividends. When we take policy loans, we are NOT borrowing against the death benefit. **We're borrowing against the cash value.**

Since the cash value has **zero contractual downside**, the insurance company provides guaranteed access to policy loans or surrenders.

Base Premium vs. PUA

Your **base premium** is the required premium that you pay over time. Policy structures are variable and flexible, but this may be what you pay over a 20, 40, or even 80 year period.

Base premium does not generate cash value in the first year. We view this “loss” of liquidity as the cost of starting our own privatized banking system. However, cash value from the base premium increases over time, generating more and more liquidity.

Due to the illiquidity of the base premiums in the early years, we stack on **PUAs** (“paid-up additions”). These are effectively mini, one-time, paid-up death benefits added to our existing structure.

PUAs may exist on the policy for 1-20 years, or potentially even longer. They are NOT required to keep the policy active and growing, but they enhance liquidity and growth.

Because PUAs are “paid-up,” they generate immediate cash value, essentially dollar-for-dollar. (Note: The amount and length of PUAs is limited by the IRS’s modified endowment contract rules).

Example:

- 50-year old man wants to save \$2,500/month (\$30,000/year)
- \$12,000 is base premium, paid until age 75
- \$18,000 is PUA, paid for 7 years

In year one, the owner might have about \$18,000 in cash value (liquidity from PUA). In year two, the owner might have \$45,000 in cash value (liquidity from base premium & PUA). This liquidity increases every year.

Stock vs. Mutual Companies

There are generally two types of life insurance companies – stock and mutual. Stock companies are owned by stockholders who are entitled to profits from the company.

Mutual companies are owned by the policyholders themselves. Any profits that accumulate beyond the company’s operating expenses, claims, and reserves are paid out to policyholders in the form of dividends.

Dividends

Dividends are paid out each year on your policy anniversary. They are NOT guaranteed, but we only work with mutual companies who have strong dividend track records. For instance, all of the companies we work with have paid out dividends for 100+ consecutive years.

Dividends can be paid out in cash, used to reduce or pay base premiums, or used to pay down policy loans. **However, with Infinite Banking, we use dividends to buy additional PUAs.**

Since PUAs generate about 100% liquidity, buying more paid-up death benefit helps our policy continue to compound uninterrupted, while providing us with immediate liquidity to access via policy loans and more long-term growth.

Policy Loans

It's possible to take withdrawals, and potentially tax-free withdrawals from the policy. However, our objective with Infinite Banking is to save, leverage, and compound capital, and we can achieve this by borrowing **against** cash values – not withdrawing from them.

The insurance company contractually guarantees access to policy loans. Since the insurance company already owes you a large death benefit, the policy loan, which is collateralized by the cash value, is deemed as very low risk to the insurance company, and therefore, rates are quite attractive compared to alternative loans you might find in the banking industry. **Borrowers have full control over the repayment schedule.**

Insurance companies don't ask what you're going to use the loan for. They don't check your credit or income. They don't charge additional fees. And they don't ask when you'll pay it back.

When cash flow is available, we pay back our policy loans, which frees up more capital immediately. Unlike amortized loan structures where a significant percentage of repayments may be going towards interest, policy loans are **simple interest** loans (100% goes to reducing principal).

Using our example from before, a policyholder might take an \$12,000 loan against his \$18,000 cash value. The entire \$18,000 in cash value continues to grow over time. The \$12,000 could be used to reinvest back in the business, which allows his capital to work harder over time.

Growth Rates

Our cash value grows in two ways:

1. Contract rate
2. Dividends

The contract rate is generally a lower, but guaranteed permanent rate. For instance, this might be 2.5%.

Dividends vary over time, generally similar to long-term bond rates (what insurance companies safely invest your premiums in). For instance, dividends today may be 5-6%. The insurance company takes the dividends, pays operating expenses, pays death benefit claims, and sets some money aside for reserves. What's left is paid to policyholders.

While growth is lower in the early years, long-term total growth (contract rate + dividends) may be 4-6% (or higher if interest rates rise), which can be accessed tax-free via policy loans. While this may not sound very attractive compared to *investments*, we must remember that this is an **accumulation strategy that allows us to access our capital tax-free without interrupting the growth.**

It's not an alternative to your business investments. It's an alternative to your bank account and bank loans. Additionally, what's the taxable equivalent of a tax-free 4-6% that cannot decline?

Ultimately, Infinite Banking isn't simply about your growth rate within the policy. **It's about getting your capital to work harder for you without interrupting the growth.**

Use Cases

Infinite Banking can be used for ANYTHING. However, financial discipline still applies. There are two ways to get the most out of Infinite Banking:

1. **Investing in growth** that provides additional income over time
2. **Avoiding interest** from bank loans when buying necessities

For instance, business owners frequently use policy loans to reinvest in growth, purchase equipment, stock up on inventory, buy a new business, pay for children's education, or even fund retirement.

Other Benefits

While Whole Life insurance serves as the perfect foundation for capital management, its unique structure provides additional benefits/use cases.

- **Life Insurance** – Most business owners are underinsured. What's your business worth without you? Could your spouse run your business? Life insurance provides your family and your business with protection.
- **Key Person Insurance** – What would happen if a key employee were suddenly gone? Would his/her family have protection? Would your business suffer? These policies can be structured for employees as well.
- **Buy-Sell Funding** – Do you have a *funded* buy-sell agreement? If something happened to your business partner(s), how would you fund a buyout? Cash value or death benefits can serve as funding.
- **Employee Retention/Bonus** – Do you find it harder than ever to find and retain good workers? Whole Life insurance can serve as a superior financial *golden handcuffs* incentive that workers can actually use today, unlike 401(k)s, which lock up their money.
- **Debt Refinancing** – Do you already have a bunch of debt? Rather than paying off all this debt, you can capture control of your money first by funding a Whole Life policy and using policy loans to extinguish third party debt, saving significantly on interest.
- **Saving for Children/Grandchildren** – Do you want to save for your child's future? You can obtain a Whole Life policy on them, make premium payments today, and transfer the seasoned policy in the future, providing them with their own privatized banking system.
- **Retirement** – Now that you've compounded all that capital over time, it's time to use it. Unlike 401(k)s that require taxable withdrawals, policy loans allow us to borrow against our cash value, keeping it compounding for life. Since your death benefit will cover your policy loans, there's no requirement to repay.

Application Process

The application process is simple. We do all the heavy lifting. You can read more in our *Infinite Banking Implementation Guide*.

About CFOwners

Chad Holstlaw – Founder

I began my career at a wealth management and investment banking firm, working closely with financial advisors and asset managers where I learned the ins and outs of Wall Street.

After discovering “value investing,” I then joined a multi-billion dollar value-oriented investment firm, ultimately working my way up to head trader. I specialized in sourcing liquidity for the firm’s funds, digesting and relaying critical and relevant market information, navigating market volatility, managing risk, and helping generate investment ideas.

Through nearly a decade of involvement in traditional finance, I saw an obvious contradiction between Wall Street narratives and real world experiences. After studying banking, economics, and our money, I began to see how the country’s lack of sound money benefits those at the top and those in finance most while productive small businesses and skilled workers fare far worse than they did 50+ years ago.

After discovering the true power behind Infinite Banking, I saw an opportunity to help clients achieve financial independence and thrive in a system stacked against them.

CFOwners exists to provide business owners, entrepreneurs, and investors with true ownership of their capital. We provide strategic financial planning and education designed to help you:

- Take control of your money and your future
- Protect and grow your wealth through intentional financial design
- Create sustainable income and long-term stability
- Build a legacy that lasts for generations

We stand apart by putting transparency, education, and empowerment at the center of every relationship. When you work with us, you gain more than financial advice—you gain a partner who helps you think, plan, and act like the CFO of your own financial destiny.

We believe the best path forward for business owners is to find ways to make their capital work harder within the business, mitigate vulnerabilities, and prioritize customer service/experience—something private equity firms completely neglect. Small businesses thrive because they offer specialization, and with that comes a duty to manage capital wisely.

Capital for Owners

Make Your Money Work Harder

Get started today by scanning the QR code below



Or go to CFOwners.com/contact

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