

Episode #321 – The Popularity of IUL

Financing Explained

Hello and welcome to another episode of Money Script Monday. My name is Adam Reyna, and I am your presenter for today. I chose today's topic because I've been having the same conversation over and over recently, so I know this is a hot topic at the top of many peoples' minds. With that said, let's get started. I'm going to break this down into three sections today, so first we will quickly talk over the lack of savings. Second, we will talk about the tax time bomb. And finally, we'll get into this unique type of bank financing.

There's a lot of chatter out there when it comes to how much you really need to save to retire, and this is one of the most ambiguous questions surrounding retirement. The reason it is so ambiguous is that it's completely subjective, and there's an infinite number of variables. The only real answer to how much you need to retire comfortably is more. You just need more for the just in case situations. Just in case you're gone too soon, just in case you live too long, or you get sick along the way. You always need more, so even if you're maxing out that 401K, there are studies out there that say there's a good chance that's not going to be enough. Unfortunately, we all know that life happens, and it isn't always easy to save as much as you want. As your income goes up, your expenses seemingly go up just as much, and we totally get it. That's one of the reasons why financing an IUL is so popular. We're a very consumptive culture and we always want more. Before I get into the next topic, just know that we do have a solution for you at the end. With that said, let's talk about taxes now.

Which way do you think taxes are going in our country, up or down? I have a good feeling most of you said up, so here's a couple of shocking statistics for you. Did you know that this year the interest on our country's debt, which is over \$34 trillion, is going to cost more than our entire

defense spending? Additionally, our debt is projected to be 35 trillion by 2032. Which will be over 150% of our GDP at the time and one of our entitlement programs, Social Security, is actually projected to go insolvent right around that same time too if changes are not made. With that said, our country may be forced to raise taxes in the future. Another reason why using financing is so popular, and I think Winston Churchill said it best, "Don't worry, America. We'll get it right. But only after we've exhausted every possible alternative." So, what's the solution? The solution is taking matters into your own hands. Addressing those two issues just mentioned and making some small moves today that can create exponential change over time.

Here's an overview of how IUL financing works. The premium is paid with after tax money, the growth is all tax deferred, and when you access the money for retirement, it can be totally tax free and then eventually when you pass away, there is a tax-free death benefit that goes to your beneficiaries. But when we're using premium financing, we're using OPM - that's other people's money to accomplish more. If you can qualify, the majority of premium paid to the insurance company on your behalf is paid by a lender.

We're using the same ideas around purchasing real estate. Yes, you could have paid cash for your home, but you typically don't because you want a bigger house. So instead of paying \$200,000 cash for a home, you use that \$200K as a down payment, you finance that \$1,000,000 home, and you pay down your mortgage over time. Now you're living large in a much bigger home.

Apply that same concept to cash value life insurance. Instead of paying, say, \$125,000 into your life policy, all on your own, let's have a bank throw in an additional \$375k on your behalf. Now you have approximately 3 times the amount of money working for you, which will eventually give you a larger tax-free retirement stream of income.

This video is meant to be a very broad overview of the concept, so please make sure you're working with your advisor to make sure you understand this and get a customized plan for your specific situation. Your advisor can actually send you a unique link that will allow you to create a log in to a video vault with tons of great educational information on the plan. You can run numbers on yourself to see some amazing results and even start the enrollment from one easy location.

We spoke about the lack of savings in our country and talked about the tax issues we're all facing. You learned how to finance your retirement. Now let's talk about this unique kind of lending strategy used by the wealthy. The final reason having a bank pay those premiums for your retirement is so popular right now, is Americans have access to this unique type of financing arrangement.

Remember it by the six no's of premium finance and I challenge you to find another loan arrangement that has six no's like this plan. Number one, no loan underwriting, number 2, no loan application, number 3 no interest payments, number 4, no personal guarantees, number five, no outside collateral, and finally, number six, no hard credit checks. Yes, you heard that right. We have secured a financing source for you to get a bigger retirement nest egg and use other people's money. Now note, these six no's are not typical across all premium financing, and they would not exist if we were not using this specific financing arrangement to fund your index universal life policy.

You have to learn more about this, so please talk to your advisor for more information about this plan and based on the lack of savings in this country, the ticking tax time bomb we're facing, and all of those "what ifs" in retirement, I think we can all agree that we all need more. Using other people's money is a great way to accomplish more with less. Again, my name is Adam Reyna, and that's all for today, thank you for attending.