From *"Bank On Yourself is a Scam"* to *"This Can Work for Everyone!"*

Transcript of an Interview With a Sophisticated Investor on His 11-Year Bank On Yourself Journey

Pamela Yellen: I'm going to introduce Dan Proskauer, and I am very thrilled to be able to do that. Many of you may be familiar with his name and his story. In 2010 I published my first interview with Dan on the Bank On Yourself website, with the title, "Bank On Yourself Under the Microscope."

Dan is a technology executive for a major healthcare company and a very analytical person. Although it had only been about two years since he was first introduced to the Bank On Yourself concept, he already had seven Bank On Yourself-type policies because as he puts it, "The more I look into Bank On Yourself, the better it looks."

And then, in 2012, we published my second interview with Dan on the Bank On Yourself website, and that one was entitled, "Shouting About Bank On Yourself from the Rooftops." That's when Dan shared his net worth chart and how it had changed since he started his first Bank On Yourself policy three and a half years earlier, along with how that compared to how he was investing and saving for retirement for the previous ten years.

It was quite an eye-opener for Dan, as well as for all the visitors to our website, and he'll tell you about that today. And Dan is also going to show you, among other things, what his net worth chart looks like *today*, eight years after he first gave us permission to publish it on the Bank On Yourself website.

In addition to updating us on his net worth chart, Dan is going to cover how Bank On Yourself can work for everyone, whether high net worth or lower net worth.

Dan, thank you so much for joining us today and for sharing your story again. We really appreciate it.

Dan Proskauer: Yeah, happy to do it! Thank you, Pamela.

The Search for a Wealth-Building System that Actually Works...

Pamela: Can you give us the backstory to your journey with Bank On Yourself?

Dan: Of course, so I was a pretty active investor and pretty active in planning our finances. I had experienced some bad returns during the tech bubble. So, I was working in technology and I had a lot of exciting times during the tech bubble. I was lucky enough to be getting stock options in a tech company, and I was investing in tech companies.

And so, every other day I'd come home from work, and I'd say, "Oh, we made $15,000 today!"

And my wife very astutely would say, *"Did you sell anything?"* And I would tell her no. Then she'd say, "Then we didn't really make anything, did we?"

And that was a much better way to look at it.

But things got so crazy during that time for me that I was thinking, "Oh, if it just doubles twice more, then I can retire!"

And doubling twice more didn't seem out of the question, honestly, given all that was going on, but then when it all blew up, it all blew up.

And so all this money that I didn't have two years earlier – that I had sort of had, and not really – and then it all disappeared, and I didn't have it again … that was disturbing in a way that, "Oh! It can come and go that easily?"

But since it was not money that I had earned and it wasn't money that I had saved, it wasn't something that I felt like really keenly inside that, "Hey, somebody took this from me," because it was sort of like a windfall thing anyway. But I had a lot of experience with trading stocks and options, and I was even writing trading algorithms and things like that, and trying them out. I didn't too much of that. But I was pretty experienced.

We Were Doing Everything We'd Been Taught to Do Financially, But It Turned Out Not to Be So Good…

As we got into the financial crisis things, were very, very different, right? So at that point, I had quite a lot of money saved in 401(k)s and 529 Plans and all these things that I was doing exactly what you are supposed to do – maximizing my contributions, and staying in the market, and dollar cost averaging, and diversify this, and I was following the recipe very carefully. And then, off on the side I was doing some trading and things like that.

But the core of our money was really all following all those "best practices." It turned out to be not so good.

So, come along 2008 and I had actually just changed jobs and in the act of changing jobs, I missed my bonus for a year. I was going to get it at the old company and didn't get it because I left. The new company didn't want to give me a bonus like the day after I started. So that was a problem.

So, we were like a little light on money, but I wasn't going to worry about it because things are usually okay. And then the financial crisis hit, and the stock market's going down, and down and down, and I really didn't know what was going on, just like everyone else.

I didn't realize what was happening behind the scenes in the structured products and all these mortgage-backed securities, and all these collateral debt obligations, and all this stuff that was going on; I didn't know anything about that. All I knew was, "Oh, the market's going down!"

So, I ended up spending off cash and hoping everything was going to come back. And, of course, it kept getting worse. And so I'm sitting here looking at 50% losses and starting to get nervous about having enough cash to pay the bills.

And I took a home equity line of credit. And when I did it, they came to my house, and they did all the paperwork. It didn't cost me anything, and I'm thinking, "This is great!"

I said, "You guys must be so busy!" And they're like, "We are so **not** busy. People that we can underwrite to do this are people like you who probably don't need the money. And you're never going to use this."

I'm like, "Really? It doesn't feel that way, but okay. I hope so."

It was like bad times. And I was feeling very much like I had done everything right, and I was getting screwed. I'm the one who is getting screwed, everybody's getting bailed out, but not regular people who were doing what we were "supposed to do" And I was kind of stewing on this all the time.

Dan Hears a Radio Ad That Sets Him on a Path to Prove That Bank On Yourself *Must* Be a Scam…

And one day when I was driving, there was an ad for Bank On Yourself. It was like, "Have you been doing everything right? Is your money all gone? Has the government got your money and it's trapped, and you can't get it, and all of it went away? And everyone else is getting bailed out but you?"

And I'm thinking, "Yeah, yeah, that's me!"

It was such a little bit of a cheesy ad, pardon me, and I'm thinking, "This is crazy." But I wrote down the name of the website at the end of it because I said, You know, that resonated with me, and I just want to try to see how they're going to try to rip me off." I want to understand what is this scam, preying on people who feel like me.

And so, I got to the office and there was nobody there, and I turned on the computer, and I went to the website.

And I'm thinking, "All I know about life insurance is it's a bad deal. Like, that's all I know. Whole life insurance is bad, buy term, invest the rest – like, that's what you are supposed to do."

And I'm thinking, "Okay, this thing has to be a scam." So, I Google like, "Is Bank On Yourself a scam?"

I spent, I think, 90 minutes sitting alone in the office. Eventually, some people came in. But I really was not working. I was trying to figure out how Bank On Yourself was a scam.

And the end result of that research was nobody could say how Bank On Yourself was a scam. And the only people who had anything that *appeared* to be thoughtful and appeared to be knowledgeable were saying things like, "Dividend paying whole life insurance has been around for a long time. It's a solid thing. It's largely misunderstood, and if you use it in the right way, it can do good things for you, and it's not a panacea," and you know, whatever. That was it.

My name got parsed out to Alan because I lived in his area. So, Alan contacted me, and I would have never even considered talking to somebody about this stuff, except I had done all this work, and I was really, really intrigued, and I had a lot of questions.

[Alan is the Bank On Yourself Professional that the Bank On Yourself team referred Dan to, when Dan requested a referral and a free Analysis. To get a referral to a Bank On Yourself Professional who can meet with you "virtually" and safely to answer your questions and show you how adding Bank On Yourself to your financial plan can help you reach your financial goals and dreams without taking *any* unnecessary risks, go to www.BankOnYourself.com/request.]

So, we got through that, and I brought my wife into the conversations too. And at that point I said, "Okay. I've done all this research. I read this book. Alan answered all my questions. I can't figure out how it's a scam. So, at this point let's try it."

In a Radical Departure from the "Conventional Wisdom" that Had Failed Him, Dan Starts His First Two Bank On Yourself-Type Policies…

And, so, we had recently refinanced our house, so we had some savings there. I said, "Well, I'll reduce my 401(k) contributions down to the company match number from the maximum. That'll generate some money, whatever. And [we] came up with a monthly premium and paid up additions amount that was *big enough* that we would be able to tell if it worked or not, but *small enough* so that if we lost all the money that we put in it wouldn't really hurt us that much. Because I was still nervous. I didn't believe yet.

So, the first two policies, one on my wife and one on me, we started those up and we backdated them six months. That allowed us to get some cash value in pretty early.

The first thing I did after I had enough cash value was, I went out and bought a car. So, I paid cash for the car, but then I borrowed the money out of Bank On Yourself and set up my own repayment plan. And I was paying back every month, just to see, like, how does it work, and how does it feel?

And it definitely worked.

This is the thing that I was so surprised, that every single thing that was in these corny, cheesy ads and the overly hyped kind of hype – and **it's all true**! That's the thing that was really surprising.

So, after the first policies and everything worked, and I was like, "Okay, this is not a scam … I can get the money, it's growing," I could see what was happening. So, we opened five more policies: one more for myself, one more for my wife, and then one for each of our kids. The kids' ones were much smaller – even the other ones weren't that big. But that increased our required amount of premiums to be quite a bit more, and so now I was, like, figuring out where to get the money from.

And I regret this, that I don't think I put enough thought into that set of policies, because it wasn't a year later and I'm thinking, "You know what? This is really working." I want to go, like, *way more into this* than I was.

Dan Keeps Adding to His Bank On Yourself Portfolio as He Realizes Bank On Yourself Delivers on Its Promises

I was just sort of using frothy, excess cash or whatever, to try it out. But by the time that I realized that we had so much that we had to pay on those first five policies of required premiums, that I said, "I want to find a way to have very little *required* premium, but *a ton of headroom* if I have windfalls or I get a big bonus or who knows what. I want to be able to plow my money into this thing."

Along the way I had created these crazy spreadsheets, which allowed me to run all these macros on it that would actually tell me what's the equivalent performance it would take a savings account every year? What is the return you are getting as if the money was in a savings account? What's the tax-equivalent return? What's the inflation-adjusted future value dollars? And all this stuff. And that let me look at and compare different illustrations.

So, we ended up getting two more policies, one on myself and one on my wife really big, with this maximum paid-up additions. And I thought for sure, (a), I would never be able to fill these things up because there's too much. And then, (b), I'll never need another policy because they are too big. So, that was what I went into this. And Alan kind of said, like, "Yeah, you're going to have trouble, like, that's a lot. You're not going to be able to fill this up."

So, I then set about trying to fill it up every year. I was obsessed with, "How do I find the money to put in here?" And it was great because it caused me to drain all these swamps I had. I had 529 plans that were, like, in the toilet, and I was able to get them out without much penalty and get them into the policies. And I had Roth IRA accounts that I had started because I thought that was the right thing to do before I realized that you shouldn't listen to those people who tell you that that's the right thing to do.

I got those out. I had a trust from my grandfather that was being eaten away by attorneys' fees, and didn't have that much money in it to begin with. And I convinced the trustee she should just liquidate it and give me the cash, and I put that into the policies. All kinds of little things. And it made my whole financial situation much simpler because it was just all there.

Anyway, I would say that it wasn't every year that we maxed it out, but using catch-ups and everything like that, I think we pretty much maxed it out.

And with two more policies, and these ones have bigger base, because now there's the accelerated death benefits rider, which didn't exist before. And Alan very sagely advised us to give up a little bit on the giant flexibility of the paid-up additions and make sure you have enough in there, in the accelerated death benefits rider, so that you can *not* need to worry about long-term care insurance.

So that is how we ended up with eleven policies, which is a lot. But there is a good story behind every one of them.

Pamela: Do you want to talk a little more about the purpose of some of the different eleven policies that you have? I know you have one on you, one on your wife, at least one on you.

Dan: Three on each…

Pamela: Okay. And then, the kids. …

Dan: Three on each, we have three kids, so that's twelve. I guess we have twelve policies.

The "Holy Cow!" Revelation That Made Dan Want to Shout About Bank On Yourself From the Rooftops…

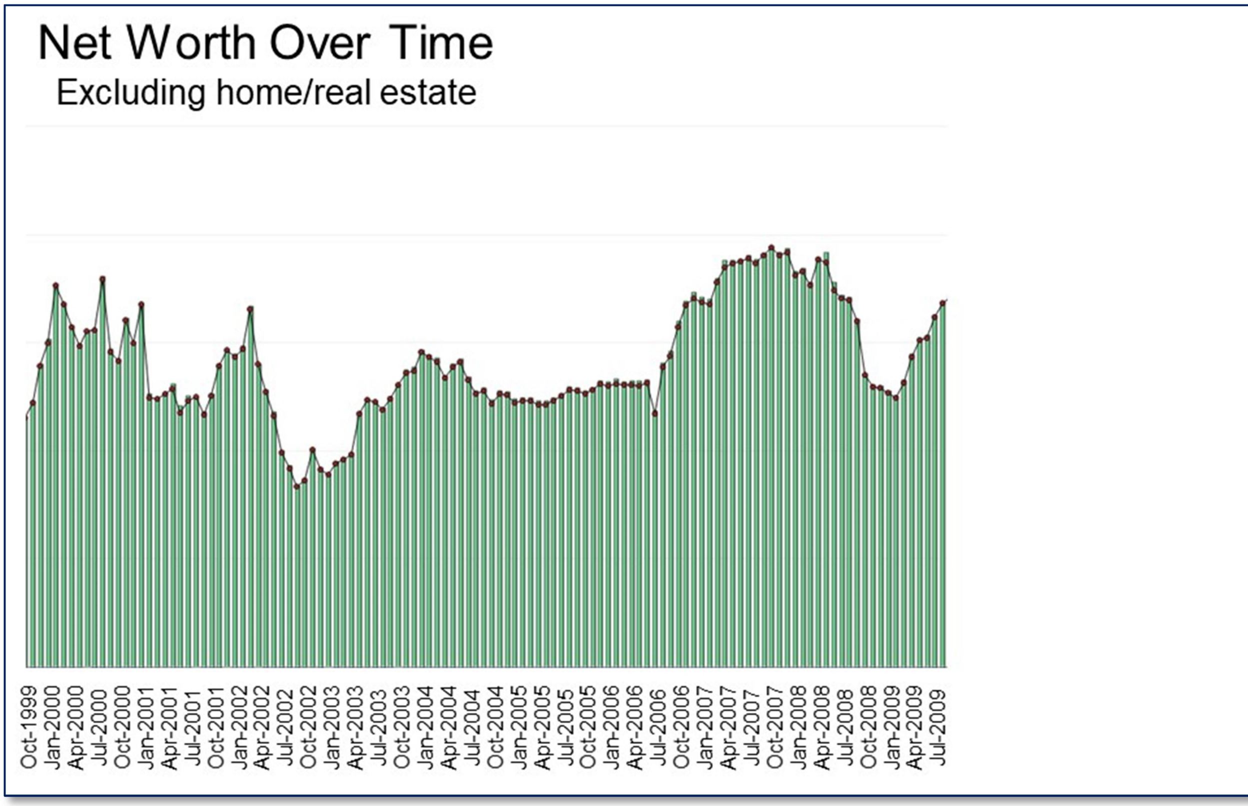
Pamela: I want you to tell the fun story about your "shouting from the rooftops" epiphany. I want to define epiphany for everybody. An epiphany is an experience of a sudden and striking realization that Dan had about his net worth chart.

Dan: I paid a lot of attention when this particular thing happened, because I am, like, a Quicken addict. And I have the original Quicken data file that I started in 1990.

But this chart was the net worth picture. [See Chart #1, below.] This was kind of like the home page picture on Quicken. When I would start Quicken, this thing would come up.

And I never really paid that much attention to it. But what was weird about it was that when we started Bank On Yourself, I knew that there's start-up costs. I knew that the first $10,000 that you pay in, the net cash value's going to be far less than $10,000, and whatever. So, I was expecting this to be going down at the beginning, and I was, like, *"Why isn't it going down? Why isn't it going down?"*

Chart #1:
Dan Proskauer's Net Worth Chart *Before* He Started Using the Bank On Yourself Strategy
October 1999 – July 2009
[Actual Quicken Screenshot]



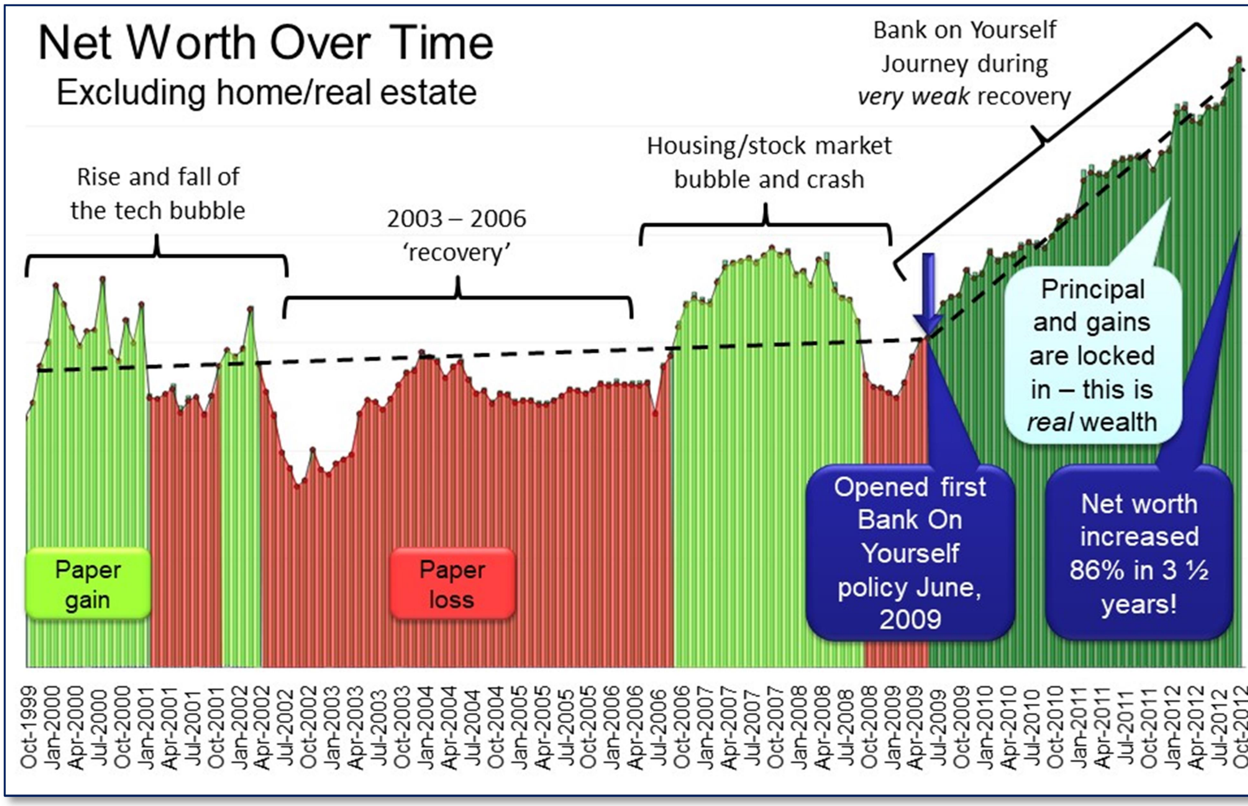
And just, it was, like, bothering me. And one day I sat there and I really looked at it, and I know it may seem obvious, but in Quicken the dates are very, very small, and what I didn't notice was that the end date of the chart was fixed. And it was, like, the reason the chart never changed is because I was only looking at a static view of time in the past.

And when I realized that, I unconstrained the date, and I said, "Go to Present." And when I did that, it did this. [See Chart #2, below.]

It was in October 2012 when I did this, and remember, I had been expecting it to go down. It was like this [Chart #1], and then it went like that [Chart #2].

This is before the peak of the tech bubble, October '99. [October 1999 to April 2002, below.] And then here's kind of the peak of the tech bubble. You know, it popped. It came back. It did a little of this. And then it *really* crashed. And then it came back a little. Then it really crashed some more. And then there was this gigantic slow recovery.

Chart #2:
Dan Proskauer's Net Worth Chart 3 ½ Years *After* He Started His First Bank On Yourself-Type Life Insurance Policies
October 1999 – October 2012
[Actual Quicken Screenshot, with Annotations]



And then there was the housing bubble. [October 2006 to October 2008, above.] And then that crashed. So here I am, peak of the housing bubble, peak of the tech bubble, and then boom, two, three years, I expected it to be going down, and it did this [June 2009 to October 2012, above].

I mean, I knew this was real. But it just blew my mind!

This was an epiphany. I was, like, "Holy cow!" And I tried to figure out what was going on, and it wasn't just Bank On Yourself. It was all this other stuff that was going on. I was draining the swamps, I was getting out of the stock market in other places, and this will sound really stupid (except maybe to this audience it won't – but when I say it to other people it sounds really stupid): *If you're only in investments that can't go down, then your net worth only goes up*.

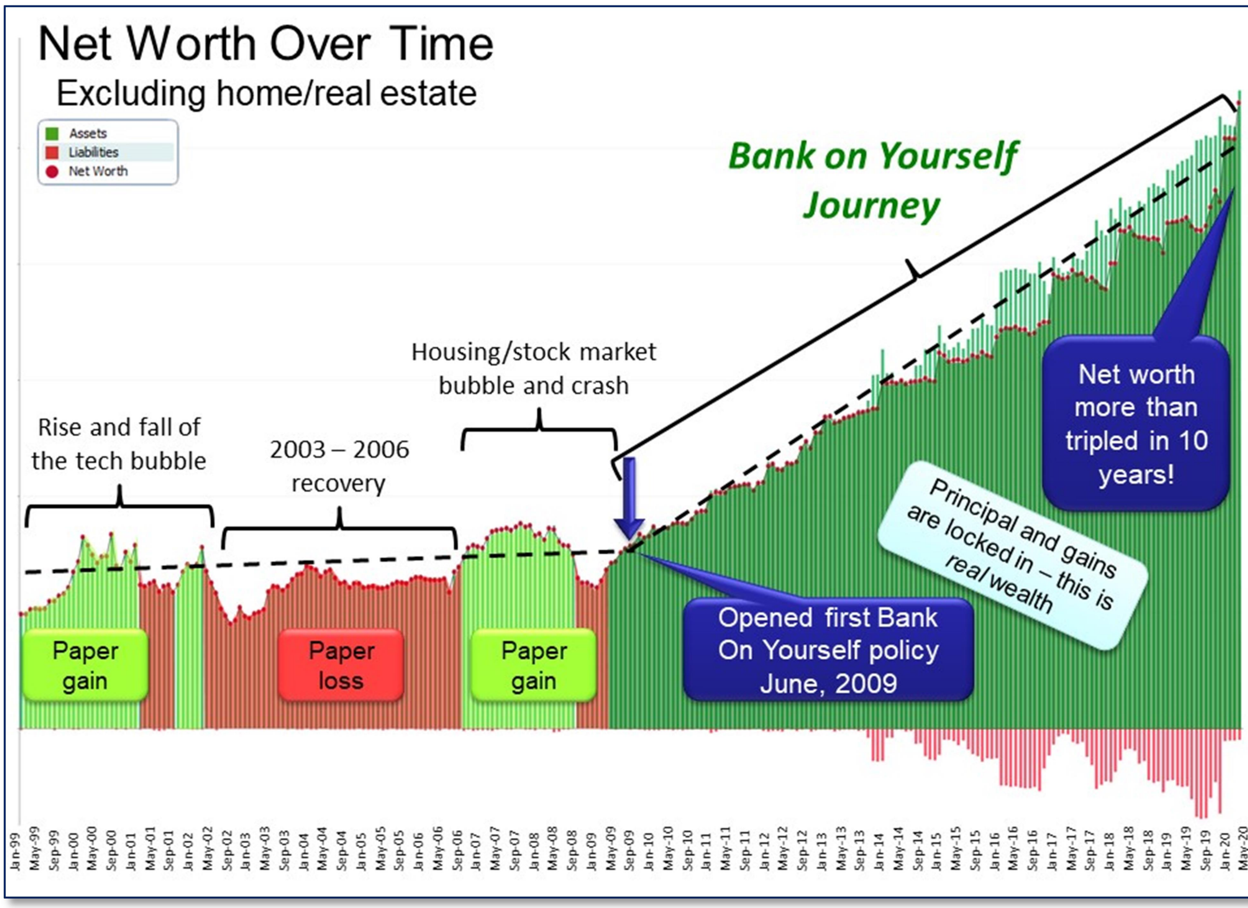
And that may seem dumb, but that year I was in investments that could go up and could go down. And sure enough, sometimes they went up, and sometimes they went down. And I went nowhere.

Here, I started to get out of the stock market. I was only in things that couldn't go down, and sure enough, it pretty much only went up. So that was a really surprising thing to me.

This was real. I mean, this is literally a screenshot off of Quicken.

Pamela said we could share the current one, so I'll show you that, also. [See Chart #3, below.]

Chart #3:
Dan Proskauer's Net Worth Chart 11 Years *After* He Started Using The Bank On Yourself Strategy:
October 1999 – May 2020
[Actual Quicken Screenshot, with Annotations]



So, this is the current one. It didn't stop [June 2009 to May 2020, above].

And then, I started using Bank On Yourself to manage my cash flow.

So, we have been doing that a bit more. We did a cash-out refinance two weeks ago on our house because the mortgage market is so attractive right now. I'm like, "Well, I'll just take money and plow it into the policies, because it's just a way to help take advantage of the financial system and turn it to an advantage for me.

So that is "The Mountain Chart."

Pamela: Okay, thanks! So, a little over a month ago, you sent me and Alan an email that you titled, "Why This Time Is Different." It was about a whole *new* epiphany you had, and we would love to have you tell us about it.

The Pandemic and Economic Shutdown Makes Dan Realize How Bank On Yourself Lets You Feel in Control, Even When Uncertainty Surrounds You…

Dan: Sure, no problem. So, "Why This Time Is Different." And this really was funny. I really woke up one morning and said, "Wow! This feels different." Like, this was right when the market was really down, and I was remembering what it was like in the financial crisis, and how I felt like a victim, and how I felt like it wasn't fair and that I had no control, and that our family was at risk because of things that were happening that were out of our control.

And why this felt different to me is because of Bank On Yourself, and because of what we had done between the end of the financial crisis and now, the stock market was crashing, the economy was coming to some kind of catastrophic halt or slow down, and it's not that I didn't care, because I care a lot. *But I didn't feel scared. I didn't feel like a victim. I didn't feel like our family was at risk.*

I felt like I was in control, even in uncontrollable times, and it was because of what we had done with Bank On Yourself. And to me that was very meaningful. But I know that it would feel different if I were still investing the way I had been investing before Bank On Yourself. I would feel very differently.

Pamela: I absolutely can relate, and a lot of us can. It's about choices. And when you make the right choices and you don't follow conventional wisdom, it's amazing how much peace of mind you can have.

Dan: Yep.

How Bank On Yourself Works For Everyone – Regardless of Their Net Worth

Pamela: So, you say, Dan, that Bank On Yourself can work for everyone. Can you tell us first about why you believe it's so valuable for high net worth clients?

Dan: [Chuckles] I would say we're in that bucket. For me, there is this whole mantra that comes from Wall Street that says, "In order to get where you need to go, you have to take risk." That's what they say to people who are struggling. And then with people who are *not* struggling, they say, "You're in a great position. You can afford to take risk."

And I just look at that and laugh. So, either “You have to do it because it’s the only way?” or “You might as well do it because you can afford to lose?” – “Do it because if you don’t roll the dice you’re definitely going to lose,” or “Do it because you can afford to lose, so roll the dice some more.”

That’s a stacked deck!

So, I look it as if you’re in a comfortable situation, you can afford *not* to take the risk. And if you can afford *not* to take the risk, why *would* you take the risk? It’s ludicrous.

What Bank On Yourself offers is so many different axes of flexibility. Most high net worth folks, their income on any given year is going to be somewhat variable.

So, the ability to structure plans so that you can put in very little or a lot, with catch-up provisions and all kinds of things – that is a fantastic benefit that people don’t understand.

The fact that you’re not going to lose the money is a huge thing that a lot of people don’t get, because they’re not used to that. The fact that you have easy access to your own capital to use for investments that may not come around very often – even if you feel like investing in the stock market.

So, for high net worth individuals, it offers an incredible amount of flexibility and security and growth that is very much *good enough* – especially if you look at it from a tax-equivalent standpoint and that you’re not going to ever have to pay taxes on it if you do things right, and if nobody changes the tax laws (which could, of course, happen).

But that’s a fantastic flexibility, good performance, very tax efficient, and safe. So, from my perspective, it’s a great thing for people who can really understand financial engineering.

Pamela: Dan, we talk a lot about how Bank On Yourself puts you in a position to be able to take advantage of opportunities that arise, just as inevitably as the you-know-what hitting the fan.

So, moving on, can you tell us now about Bank On Yourself’s value for *lower* net worth clients, because I think you have a family story about that.

Dan Shares a Personal Story of How Bank On Yourself Can Work for Lower Net Worth Folks

Dan: Yeah, so, my brother, he’s also a smart guy, but he’s a teacher. And as you know, teachers don’t get paid nearly enough, and as a lot of parents have found out after homeschooling their kids unwillingly, that teachers *definitely* don’t get paid enough. And his wife is the guidance counselor, and they live in Puerto Rico.

And she’s Puerto Rican. Her family’s down there, and it’s a beautiful place, and all. So, he’s always kind of struggled a little bit more with money. He majored in comparative religions, and I majored in computer science engineering.

I happen to really love something that also had lots of jobs that paid well, and he was in a different situation. He had to go to grad school before he could really start working. He used to do one of those things where you get new credit cards and transfer the balance from the old credit cards and pay no interest for six months or twelve months, and you try not to screw up ever, because if you screw up, you owe a lot. He used to do that.

And when they were first married, they had kids pretty much right away, and their first kids were twins, so they were struggling a bit. And his wife liked to spend money and liked to shop. And she kind of grew up in an environment where you didn't save money, you spent money. And if you didn't have the money, you borrowed the money to spend. And so, they had a bit of a back and forth on their philosophy about their family finances. And they definitely struggled.

When we started doing this [Bank On Yourself], I started telling him about it. And I said, "You should really look at this, because this is something that will help you both do what you're comfortable with. You're comfortable saving, and you want to save money, and you want to be more secure. And your wife wants to spend money and is very comfortable borrowing money. If you start building up cash value in policies, and then you borrow it to do something, but you're borrowing it from *yourself* and you pay *yourself* back, then you both win.

Because in the end, you're going to have more savings, and she'll still feel the pressure of the debt, which seemed to be the only thing that worked, was this having this pressure of, like, "Okay, we borrowed this much money, and we have to pay back every month" – and that was something that she was used to."

And he says, "Really?"

So he started to learn about it, and I connected him with Alan, and then I tried to step out of it, because I didn't really want to be in the middle of anything going on between him and his wife and their money.

But it has worked!

He's building a new house on some property they got. They've both gotten a bunch of raises and stuff. They're not nearly in the situation they were in before, but they had some dream place in Puerto Rico that they wanted to live, and some land became available, and they bought this land, and they're building their dream house. And they couldn't get a decent construction loan down there. It's very expensive to get loans in Puerto Rico. So, he's financing his construction with a policy loan from one of my policies.

Hi Alan.

Bank On Yourself Can Help You Reach Your Financial Goals and Dreams – Without Taking Unnecessary Risks

Alan: Hi Dan! … The moral of the story is, based on what he can do on premiums and loan repayments, that we know he can pay for the rest of his kids' college, and we know that he'll be okay on the construction with your help on the one part, so even though he's not dealing with anywhere near the numbers that you are, because of the annual increases in cash value and dividends, that helped him.

Pamela: Dan, we are so grateful for you for, first of all, being willing to invest your time in this – I know you spent a lot of time doing preparation for it – and for your unending inquisitiveness and analysis of this. This is really phenomenal validation of everything that we do and that we work so hard to try to educate people about. We can't thank you enough for your time here today. … Thank you!

Dan: Yep! No problem!

How to Enjoy More Financial Peace of Mind and Steady, Predictable and Guaranteed Growth of Your Nest-Egg...

As you've heard Dan discuss, Bank On Yourself can work for almost *anyone* – regardless of income or net worth. Neither age nor health need be obstacles, either.

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