

**WHAT YOU
SHOULD
KNOW ABOUT**

**FDIC
Deposit
Insurance
Coverage**

5 Important Facts About Your FDIC Coverage

The **FDIC**—short for the **Federal Deposit Insurance Corporation**—is an independent agency of the United States government. The FDIC protects depositors against the loss of their insured deposits if an FDIC-insured bank or savings association fails. FDIC insurance is backed by the full faith and credit of the United States government to at least \$250,000.

From the Federal Deposit Insurance Corporation's first day of operation in 1933 through today, not one depositor has ever lost a penny of FDIC insured deposits.

1 What FDIC Deposit Insurance Covers

FDIC insurance covers deposits received at an insured bank. Types of deposit products include: checking, NOW and savings accounts, money market deposit accounts (MMDA), and time deposits such as certificates of deposit (CDs).

2 FDIC Insurance Amounts

The basic insurance amount is \$250,000 per depositor, per insured bank. This includes principal and accrued interest up to a total of \$250,000. The \$250,000 amount applies to all depositors of an insured bank. This increased coverage is scheduled to be in effect through 2009, when it would return to \$100,000.

- If you have a non-interest-bearing transaction deposit account you may have **unlimited** coverage. See your banker to learn more.
- Deposits in separate branches of an insured bank are not separately insured unless maintained in different categories (see below).
- Deposits in one insured bank are insured separately from deposits in another insured bank.
- Deposits maintained in different categories of legal ownership at the same bank can be separately insured. Therefore, it is possible to

INSURED...OR NOT?

FDIC-Insured

- Checking Accounts, including money market deposit accounts
- Savings Accounts including passbook accounts
- Certificates of Deposit
- Certain Retirement Accounts

Not FDIC-Insured

- Investments in mutual funds (stock, bond or money market mutual funds) whether purchased from a bank, brokerage or dealer
- Annuities (underwritten by insurance companies but sold at some banks)
- Stocks, bonds, Treasury securities or other investment products, whether purchased through a bank or a broker/dealer.
- Contents of a safe deposit box

have deposits of more than \$250,000 at one insured bank and still be fully insured. See back panel to learn how to calculate your insurance

3 Recent Changes in FDIC Coverage

- Basic coverage increased from \$100,000 to \$250,000 through December 2009.
- Unlimited coverage extended to certain non-interest-bearing transaction accounts.
- IRAs and other retirement accounts permanently increased to \$250,000.
- Rules for insuring revocable trust accounts—commonly known as *payable-on-death accounts* and *living trust accounts*—simplified. The new rules are easier to understand and apply, and provide at least as much coverage as the former rules for revocable trust accounts. The concept of "qualifying" beneficiaries based on certain family relationships has been eliminated.

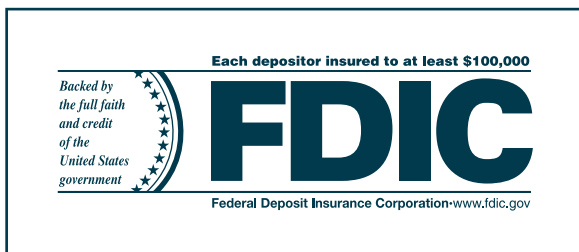
4 Who Pays for FDIC Insurance

The FDIC is funded not with taxpayer money but with deposit insurance premiums imposed on banks. Though the FDIC has the authority to borrow from the Treasury Department to meet its obligations, it has never done so to cover losses.

5 How to Know if a Bank is FDIC Insured

Insured banks must display an official sign at each teller window or station where deposits are regularly received. You can find out whether a particular bank or savings association has FDIC

insurance coverage by contacting the FDIC using one of the resources listed on the back panel. Look for this symbol of coverage:



Safety...soundness...security. Three simple words that tell you what you need to know about banks and the banking system. How safe is your money? If it's in an FDIC insured institution, it is guaranteed by the full faith and credit of the United States government.

Resources

To learn more about exactly how your deposits are insured, obtain a copy of the FDIC booklet "Your Insured Deposits." Ask your banker, or go directly to FDIC: **Web: www.fdic.gov; phone: 1-877-275-3342**



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