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FDIC insurance

You may be eligible for significantly more FDIC insurance than you believe. The popular belief is that you have $250,000 of FDIC insurance at any one bank. In some circumstances, this may be true, but you may be surprised.

The first step in determining your FDIC insurance coverage is to confirm the bank where you hold your accounts is FDIC insured. Banks are not required by law to be registered with the FDIC, but an overwhelming number of banks are. If you are concerned your bank may not be registered, you can call your bank, call the FDIC at 1-877-ASK-FDIC, or check the FDIC website: [https://research.fdic.gov/bankfind/.](https://research.fdic.gov/bankfind/)

After determining that your bank is FDIC insured, the next question is determining how much of your money at that bank is FDIC insured, as that amount could be significantly more than $250,000. The FDIC insures by account types. Each account type you hold can be insured for at least $250,000, even if at the same bank. The most common account types eligible for protection are single accounts; joint accounts; IRAs and certain other retirement accounts; revocable trusts; corporate or partnership accounts; and irrevocable trusts. The rules for each account type and a table of comprehensive coverage is below. You may only want to review the account types that apply to you or the comprehensive table to avoid confusion.

Ownership and FDIC coverage [in thousands]

		single	joint	retirement	revocable			corporate		irrevocable	total
					trust A	trust B	trust C	TAB	BAT		
Tom	total	$300	$300	$200	$800						$1,600
	covered	$200	$250	$200	$800						$1,450
Bet	total	$250	$150								$400
	covered	$250	$150								$400
Ann	total		$150								$150
	covered		$150								$150
Bill	total		$150								$150
	covered		$150								$150
Thomas, Sr.	total						$2,200			$400	$2,600
	covered						$1,350			$250	$1,600
multiple ownership	total					$1,500		$300	$100		$1,900
	covered					$1,200		$250	$100		$1,550
total	total	$550	$750	$200	$800	$1,500	$2,200	$300	$100	$400	$6,800
	covered	$450	$700	$200	$800	$1,200	$1,350	$250	$100	$250	$5,300

For each example we will use Tom, his wife Bet, and their family who have a number of accounts at Wells Fargo, an FDIC insured bank.

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1. Single accounts are insured for $250,000. Single accounts include checking, savings, CDs, sole proprietorships, or similar accounts with a single account owner. All cash across single accounts at the bank is added up, with $250,000 coverage on those accounts.

    Tom has an individual checking account, savings account, and CD with cash balances of $125,000, $100,000, and $75,000 respectively. Bet also has an individual checking account with a balance of $250,000.

    Tom's total account value = 125,000 + 100,000 + 75,000 = 300,000
    Tom's covered amount = $250,000; uncovered amount = $50,000

    Bet's total account value = 250,000
    Bet's covered amount = 250,000; uncovered amount = 0

    Tom and Bet's combined coverage is $500,000 on $550,000 of deposits.

2. Joint accounts are the same account types as single accounts, but they have multiple owners. Joint accounts are insured for $250,000 per co-owner. If an individual is a co-owner across multiple accounts, the percentage of each account is added up and insured up to $250,000.

    Tom and Bet have a joint checking account with $300,000, Account A. Tom, his sister Ann, and his brother Bill have a joint checking account with a balance of $450,000, Account B.

    Tom's total account value, Accts A+B = (300,000 x 50%) + (450,000 x 33.3%) = 300,000
    Tom's covered amount = 250,000; uncovered amount = 50,000

    Bet's total account value, Acct A = 300,000 x 50% = 150,000
    Bet's covered amount = 150,000; uncovered amount = 0

    Ann's total account value, Acct B = 450,000 x 33.3% = 150,000
    Ann's covered amount = 150,000; uncovered amount = 0

    Bill's total account value, Acct B = 450,000 x 33.3% = 150,000
    Bill's covered amount = 150,000; uncovered amount = 0

    The group has combined coverage of $700,000 on $750,000 of deposits.

3. IRAs and other retirement accounts are summed and have $250,000 of coverage.

    Tom has a Roth IRA and an IRA with cash balances of $100,000 each.

    Tom's total account value = 100,000 + 100,000 = 200,000
    Tom's covered amount = 200,000; uncovered amount = 0

4. Revocable Trust coverage depends upon the number of owners and the number of beneficiaries. If the revocable trust has five or fewer beneficiaries, the trust is covered for $250,000 per beneficiary, per owner. If the revocable trust has six or more beneficiaries, the trust is insured for the greater of (1) each eligible beneficiary's actual interest in deposits up to $250,000 per owner, or (2) $1,250,000 per owner.

    Tom owns a revocable trust, Trust A, with a deposit balance of $800,000. Each of Tom and Bet's 4 children are beneficiaries. Tom and Bet are both owners of a revocable trust, Trust B, with a deposit balance of $2,200,000. Their 4 children are the beneficiaries. Tom's father, Thomas, Sr., owns a revocable trust, Trust C, with a $1,500,000 deposit balance. Tom is a 50% beneficiary and Bet and the 4 children are 10% beneficiaries.

    Trust A is owned solely by Tom. The 4 children are beneficiaries.
    Total account value of Trust A = 800,000
    Total covered amount of Trust A = 800,000; uncovered amount = 0

    Trust B is owned by Tom and Bet. The 4 children are beneficiaries.
    Total account value of Trust B = $1,500,000
    Coverage available under Tom's ownership = (4 x 250,000) – 800,0001 = 200,000
    Coverage available under Bet's ownership = (4 x 250,000) = 1,000,000
    Total covered amount of Trust B = $1,200,000; uncovered amount = 300,000