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FDIC Insured Amounts for Common Types of Accounts

While most Americans know that their bank deposits are insured by the Federal Deposit Insurance Corporation, also known as the FDIC, few understand how their coverage is determined. Fewer still know that the FDIC insures beneficiaries of accounts. This alert summarizes the insurance coverage provided by the FDIC for individual, joint, revocable, irrevocable trust, retirement, and business entity accounts. For quick reference, the following table summarizes the amount of FDIC coverage by type of account per FDIC-insured institution:

Type of Account	**Insured to Maximum of**
Single Account w/o named beneficiary	$250,000
Joint Account w/o named beneficiary	$250,000 per owner
5 or fewer beneficiaries of: Any individual or joint account with: Pay-on-death designation Transfer-on-death designation OR Revocable (Living) Trust Accounts (identified "first-level" beneficiaries in trust agreement)	$250,000 per different beneficiary Note: If co-owned account, the total coverage for the account is the number of owners times the number of different beneficiaries times $250,000. *Each owner's interest is deemed equal and is insured up to $250,000 per different beneficiary.* *Account owners are not separately insured.*
6 or more different beneficiaries and more than $1,250,000 of: Any account with: Pay-on-death designation Transfer-on-death designation OR Revocable (Living) Trust Accounts	The greater of (1) $1,250,000 or (2) the aggregate amount of the interests of each different beneficiary named in the trust, to a limit of $250,000 per beneficiary. *Each beneficiary's actual financial interest is insured up to a maximum of $250,000.* *Account owners are not separately insured.*

Irrevocable Trust Accounts with non contingent (mandatory) distributions*	$250,000 per different non contingent beneficiary.
Irrevocable Trust Accounts with contingent (discretionary) distributions*	$250,000 in the aggregate for the trust.
Fiduciary Account (held for benefit of another, by a trustee, executor, agent, nominee, guardian, conservator, custodian) Fiduciary relationship must be evident from the deposit account records	$250,000 for individual deemed owner of the account (principal, ward, estate, etc.) If multiple deemed owners, use joint account ownership rules.
Certain Retirement Accounts (IRA, 401k, Keogh, 457) Cannot be self-directed	$250,000 (The existence of named beneficiaries does not increase the available insurance coverage)
Health Savings Accounts	Coverage determined under rules for individual account without named beneficiaries or individual account with named beneficiaries. Not treated as a separate account type.
Corporations, Partnerships, LLCs	$250,000

The FDIC's standard maximum deposit insurance amount (SMDIA) is currently $250,000. A person's deposits at single insured depository institution (think bank, but not separate bank branch) are covered based on the types of accounts the person has at the bank. Accounts of the same type are generally aggregated together for the same person. For example, if you have two single individual accounts at the same bank, one that receives automatic deposits from your employer and another account that you put money aside for vacations, both of these accounts will be aggregated together to determine your available coverage.

*A change in the law takes effect in 2024 on irrevocable trusts.

For a detailed explanation of the schedule above with examples, or how these rules apply to a particular circumstance, please call 316.631.3131.

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