

## Changes in FDIC Deposit Insurance Coverage

### New FDIC Rules for Revocable Trust Deposits

**Effective September 26, 2008:** The FDIC has simplified its rules for the insurance coverage of revocable trust accounts. The new rules ensure that a revocable trust owner has at least as much coverage as he or she had under the former revocable trust account rules. *These changes are permanent and do not expire.*

The new rules change the calculation of coverage for revocable trust deposits in two significant ways:

First, the new rules provide that the owner of a revocable trust deposit is eligible to receive per-beneficiary coverage for any beneficiary named in the revocable trust, as long as the beneficiary is an individual, a charity or another nonprofit organization (recognized as such in the Internal Revenue Code).

Second, the new rules provide for a streamlined method of calculating insurance coverage depending on the number of beneficiaries who are entitled to receive the deposits when the trust owner (or owners) dies. Specifically, the rules provide that:

- *For Revocable Trusts with Five or Fewer Beneficiaries:* All revocable trust deposits belonging to one trust owner are insured up to \$250,000 times the number of beneficiaries. For example, if a revocable trust owner has one beneficiary; his or her maximum coverage is \$250,000 for all trust deposits at the same insured bank. If a revocable trust owner has five beneficiaries, his or her maximum coverage is \$1,250,000 for all trust deposits at the same insured bank.
- *For Revocable Trusts with Six or More Beneficiaries:* All revocable trust deposits belonging to one trust owner are insured to the **greater** of either \$1,250,000 or the aggregate amount of all the beneficiaries' actual proportional interests in the revocable trust(s), up to a maximum of \$250,000 per beneficiary.

### \$250,000 Standard Deposit Insurance Amount Now Permanent

**Effective October 3, 2008 & Permanently Increased on July 21, 2010:** With the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act, all eligible deposits at FDIC-insured institutions are now permanently insured up to at least \$250,000 per depositor.

#### New Basic FDIC Deposit Insurance Limits for Common Ownership Types

Single Accounts (owned by one person)	\$250,000 per owner
Joint Accounts (two or more persons)	\$250,000 per co-owner
IRAs and other certain retirement accounts	\$250,000 per owner
Revocable Trust (ITF/POD) Accounts	\$250,000 per owner per beneficiary subject to specific limitations and requirements
Corporation/Partnership/Organization Accounts	\$250,000

To calculate your insurance coverage, visit EDIE (Electronic Deposit Insurance Estimator) online: [www.fdic.gov/edie](http://www.fdic.gov/edie)

### Temporary *Unlimited* FDIC Insurance Coverage of Non-Interest Bearing & NOW Transaction Accounts

**Effective October 14, 2008 & Extended (from 6/30/10 to 12/31/10) effective May 20, 2010:** FDIC announced its temporary Transaction Account Guarantee Program (TAGP), which provides depositors with unlimited coverage for noninterest-bearing transaction accounts at participating FDIC-insured institutions.

Noninterest-bearing checking accounts include Demand Deposit Accounts (DDAs) and any transaction account that has unlimited withdrawals and that cannot earn interest. Also included are Interest on Lawyers Trust Accounts (IOLTAs), regardless of the interest rate; and Negotiable Order of Withdrawal (NOW) accounts that do not earn more than 0.25% interest from July 1, 2010 through December 31, 2010.

**Royal Palm Bank is participating in the FDIC's Transaction Account Guarantee Program. Under this program, through December 31, 2010, all non-interest bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account. Coverage under the Transaction Account Guarantee Program is in addition to and separate from the coverage available under the FDIC's general deposit insurance rules.**

*Please Note: Beginning December 31, 2010 through December 31, 2012, deposits held in noninterest-bearing transaction accounts will be fully insured, regardless of the amount in the account, at all FDIC-insured institutions.*

For more information, you may contact the FDIC at 877-ASK-FDIC (877-275-3342) or visit their website: [fdic.gov](http://fdic.gov)