



Attorneys at Law
CARLILE PATCHEN & MURPHY LLP

The Business Law Firm

**WHEN BANKS FAIL, YOU LOSE . . . OR, DO YOU?
MAXIMIZING YOUR FDIC COVERAGE**

The stock markets are down, then up, then down again. More and more homes go into foreclosure in neighborhoods all across America every day. And the hard-earned money you save goes safely into your local bank, right? Maybe not.

Regulators are preparing for over 100 bank failures in the next two years, with many of those failures occurring in "Rust Belt" states like Ohio, according to one policy analyst. These bank failures could lead to a loss of life savings for many individuals. Fortunately, to prevent such catastrophic

personal losses, the Federal Deposit Insurance Corporation (FDIC) insures deposits at FDIC insured banks. But what does that mean for your money?

The FDIC insures deposits such as checking accounts, savings accounts and certificates of deposit up to a cumulative \$250,000 per depositor. This amount drops to \$100,000 in 2010. Certain retirement accounts are insured up to \$250,000. Deposits by a depositor at different banks are separately insured, but deposits at different branches of the same bank are not separately insured. However, due to the several types of ownership categories for depositors, one's insurance

coverage may exceed \$250,000, even when all accounts are held at the same bank.

The ownership categories for depositors include individual accounts, certain retirement accounts, joint accounts, revocable trust accounts (which



Richard Seils
Family Wealth Planning

include "payable-on-death" accounts) and irrevocable trust accounts. If the specific rules for each category are met, up to \$250,000 of total deposits within each category will be insured. For example, deposits of a revocable trust account with one grantor and four beneficiaries can be insured at

one bank for up to \$1,000,000 (\$250,000 per beneficiary). That same trust grantor would also be insured for up to \$250,000 in an individually-owned account and up to \$250,000 in a joint account with another person. Additional insurance coverage would be available for deposits qualifying for the other ownership categories.

The bottom line is, if you have deposits exceeding \$250,000 at the same bank, you are at risk. Now more than ever, it is essential to review your assets to ensure that you are maximizing your FDIC insurance protection, especially if you are acting in a fiduciary capacity.

CARLILE PATCHEN & MURPHY LLP, Attorneys at Law
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366 East Broad Street • Columbus, Ohio 43215 • Phone 614.228.6135
RSJ@cpmlaw.com • www.cpmlaw.com