

DEPOSIT INSURANCE FAQs

Below are answers to some of the most common questions about the FDIC and deposit insurance. If you have questions that are not addressed here, please visit the [FDIC Information and Support Center](#) to submit a request for deposit insurance coverage information or call 1-877-ASK-FDIC (1-877-275-3342).

Q: What is the FDIC?

A: The FDIC (Federal Deposit Insurance Corporation) is an independent agency of the United States government that protects bank depositors against the loss of their insured deposits in the event that an FDIC-insured bank or savings association fails. FDIC insurance is backed by the full faith and credit of the United States government.

Q: What is deposit insurance?

A: FDIC deposit insurance protects bank customers in the event that an FDIC-insured depository institution fails. Bank customers don't need to purchase deposit insurance; it is automatic for any deposit account opened at an FDIC-insured bank. Deposits are insured up to at least \$250,000 per depositor, per FDIC-insured bank, per ownership category.

Deposit insurance is calculated dollar-for-dollar, principal plus any interest accrued or due to the depositor, through the date of default. For example, if a customer had a CD account in her name alone with a principal balance of \$195,000 and \$3,000 in accrued interest, the full \$198,000 would be insured.

Q: What happens when a bank fails?

A: In the unlikely event of a bank failure, the FDIC responds in two capacities.

First, as the *insurer of the bank's deposits*, the FDIC pays insurance to depositors up to the insurance limit. Historically, the FDIC pays insurance within a few days after a bank closing, usually the next business day, by either 1) providing each depositor with a new account at another insured bank in an amount equal to the insured balance of their account at the failed bank, or 2) issuing a check to each depositor for the insured balance of their account at the failed bank.

In some cases—for example, deposits that exceed \$250,000 and are linked to trust documents or deposits established by a third-party broker—the FDIC may need additional time to

determine the amount of deposit insurance coverage and may request supplemental information from the depositor in order to complete the insurance determination.

Second, as the **receiver of the failed bank**, the FDIC assumes the task of selling/collecting the assets of the failed bank and settling its debts, including claims for deposits in excess of the insured limit. If a depositor has uninsured funds (i.e., funds above the insured limit), they may recover some portion of their uninsured funds from the proceeds from the sale of failed bank assets. However, it can take several years to sell off the assets of a failed bank. As assets are sold, depositors who had uninsured funds usually receive periodic payments (on a pro-rata "cents on the dollar" basis) on their remaining claim.

Q: How can I get deposit insurance?

A: Depositors do not need to apply for or purchase FDIC deposit insurance. Coverage is automatic whenever a deposit account is opened at an FDIC-insured bank. If you want your funds insured by the FDIC, simply place your funds in a deposit account at an FDIC-insured bank and make sure that your deposit does not exceed the insurance limit for that ownership category. See [“Are My Accounts Insured by the FDIC?”](#) for more information about the types of insurable products that are covered by FDIC insurance and the amount of deposit insurance coverage that may be available under FDIC’s different ownership rights and capacities.

Q: How do I find out if a bank is FDIC-insured?

A: To determine if a bank is FDIC-insured, you can ask a bank representative, look for the FDIC sign at your bank, or you can use the [FDIC's BankFind tool](#). BankFind allows you to access detailed information about all FDIC-insured institutions, including branch locations, the bank's official website, the current operating status of your bank, and the regulator to contact for additional information and assistance. You can also submit a request using the [FDIC Information and Support Center](#) or call 1-877-275-3342.

Q: How much deposit insurance coverage do I qualify for?

A: The standard deposit insurance amount is \$250,000 per depositor, per FDIC-insured bank, per ownership category.

See [“Are My Accounts Insured by the FDIC?”](#) for more information about the types of insurable deposit products that are covered by FDIC insurance and the amount of deposit insurance coverage that may be available under FDIC’s different ownership categories. [Your Insured Deposits](#) includes even more comprehensive information about deposit insurance coverage, and provides examples of deposit insurance coverage for various ownership categories.

To calculate your specific deposit insurance coverage, you can use the FDIC's Electronic Deposit Insurance Estimator ([EDIE](#)).

Q: Is every financial product at a bank covered by the FDIC?

A: No. FDIC deposit insurance only covers certain deposit products, such as checking and savings accounts, money market deposit accounts (MMDAs), and certificates of deposit (CDs). See [“Are My Accounts Insured by the FDIC?”](#) for a full list of the types of deposit products that are covered by FDIC insurance and the amount of deposit insurance coverage that may be available under FDIC’s different ownership categories.

Investment products that are not deposits, such as mutual funds, annuities, life insurance policies and stocks and bonds, are not covered by FDIC deposit insurance. See [“Financial Products that Are Not Insured by the FDIC”](#) for more information about uninsured financial products.

Q: What is the difference between “deposit products and “ownership categories”?

A: Deposit products include checking accounts, savings accounts, CDs and MMDAs and are insured by the FDIC. The amount of FDIC insurance coverage you may be entitled to, depends on the ownership category. This generally means the manner in which you hold your funds. Some examples of FDIC ownership categories, include single accounts, certain retirement accounts, employee benefit plan accounts, joint accounts, trust accounts, business accounts as well as government accounts.

Q: Can I have more than \$250,000 of deposit insurance coverage at one FDIC-insured bank?

A: Yes. The FDIC insures deposits according to the ownership category in which the funds are insured and how the accounts are titled. The standard deposit insurance coverage limit is \$250,000 per depositor, per FDIC-insured bank, per ownership category.

Deposits held in different ownership categories are separately insured, up to at least \$250,000, even if held at the same bank. For example, a revocable trust account (including living trusts and informal revocable trusts commonly referred to as payable on death (POD) accounts) with one owner naming three unique beneficiaries can be insured up to \$750,000. See [“Revocable and Irrevocable Trust Accounts”](#) for more information about how deposit insurance is calculated for these types of accounts.

See [“Are My Accounts Insured by the FDIC?”](#) for more information about the types of deposit products that are covered by FDIC insurance and the amount of deposit insurance coverage that may be available under FDIC’s different ownership categories.

Q: How Does the FDIC Insure Prepaid Cards?

A: Prepaid cards that are registered with the card issuer are insured when certain FDIC requirements are met. The funds underlying the prepaid cards must be deposited in a bank. Please remember that FDIC deposit insurance coverage only applies when a bank fails. Deposit insurance coverage does not apply to lost or stolen prepaid cards or if the prepaid card provider declares bankruptcy.

Q: What are the FDIC coverage limits for Prepaid Cards?

A: If certain FDIC requirements are met, funds on a prepaid card will be insured up to \$250,000 (together with any other funds in the same ownership category that the cardholder may have established in another deposit account in the same bank). [Click here for more information about deposit insurance coverage for prepaid cards.](#)

Q: Can I check to see if my accounts are fully covered?

A: Yes. You can get detailed information about your specific deposit insurance coverage by accessing the FDIC's Electronic Deposit Insurance Estimator ([EDIE](#)) and entering information about your accounts. You can also visit the [FDIC Information and Support Center](#) to submit a request for deposit insurance coverage information or you can also call the FDIC at 1-877-ASK-FDIC (1-877-275-3342) and an FDIC deposit insurance specialist will help you calculate your deposit insurance coverage.