Federal Deposit Insurance Corporation

J.P. Morgan

Cash in deposit accounts at J.P. Morgan is insured by the Federal Deposit Insurance Corporation (FDIC), which sets the requirements for all of its U.S. member banks.

BASIC INSURANCE

- Any person or entity can have FDIC insurance on a deposit.
- A depositor does not have to be a United States citizen or even a resident of the United States.
- A depositor never has to apply for or request FDIC insurance coverage.
- FDIC insurance is automatic.
- In the event of a bank failure, FDIC insurance protects deposits that are payable in the United States. Deposits that are only payable overseas, and not in the United States, are not insured.
- As of July 21, 2010, with the signing of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the standard maximum deposit insurance amount (SMDIA) was permanently increased to $250,000 per depositor, per insured bank for each account ownership category. Accrued interest through the date of the financial institution's closing (failure) is included when calculating insurance coverage.
- The most common categories of ownership are single (or individual) ownership, joint ownership, IRAs and certain other retirement accounts and revocable trust accounts.

COVERED DEPOSITS

- All types of deposits received by a U.S. financial institution in its usual course of business have basic insurance coverage. These include: savings deposits, checking deposits, NOW account deposits, Christmas Club accounts, and time deposits, such as certificates of deposits (CDs).
- Deposits in multiple institutions are insured separately. But, if an institution has one or more branches, the main office and all branch offices are considered to be one institution. Financial institutions owned by the same holding company, but separately chartered, are separately insured.

NON-COVERED DEPOSITS

- Securities, mutual funds and similar types of investments are not covered by deposit insurance. Creditors (other than depositors) and shareholders of a failed bank or savings association are not protected by FDIC insurance.
- Treasury securities (bills, notes and bonds) purchased by an insured depository institution on a client's behalf are not insured by the FDIC.
- FDIC insurance does not cover safety deposit boxes or their contents.

COVERAGE BY ACCOUNT OWNERSHIP

FDIC insurance is determined by legal ownership categories that are defined by the U.S. government. Deposit insurance is not increased by rearranging the names or the Social Security numbers on an account. It also is not increased by substituting the word "and" for the word "or" in the account's title.

Following are the most common categories of ownership:

- All single (individual) ownership accounts established by, or for the benefit of, the same person at the same insured bank are added together. The total is insured up to a maximum of $250,000, including principal and interest.
- The interests of each individual in all joint accounts at the same FDIC-insured depository institution are added together and insured up to $250,000 maximum. Each person's interest (or share) in a joint account is deemed equal unless otherwise stated on the deposit account records.
- Deposit accounts owned by one person and titled in the name of that person's retirement account are considered "retirement accounts." These include all types of IRAs, all Section 457 deferred compensation plan accounts, self-directed defined contribution plan accounts and self-directed Keogh plan accounts (or H.R. 10 plan accounts). All deposits that an individual has in any of these types of retirement plans at the same insured bank are added together, and the total is insured up to $250,000.

- Revocable trust accounts are deposit accounts that are either an informal trust, such as a "payable on death" (POD), a "Totten trust" or an "in trust for" (ITF) account or a formal trust known as a living or family trust account. Deposit insurance coverage is provided to the owner of the trust, but the amount of the insurance coverage is based on the number of beneficiaries in the trust and, in some cases, the interests allocated to the beneficiaries, up to the $250,000, per beneficiary, per insured bank. For informal trust accounts, the beneficiaries must be specifically named in the deposit account records of the bank.

Note: Deposits maintained in different categories of legal ownership at the same bank are separately insured. So, it is possible for one depositor to have more than $250,000 insurance coverage in a single institution.

EXAMPLES OF COVERAGE BY OWNERSHIP

Note: Although the examples that follow are believed to be accurate, calculating FDIC insurance coverage can be confusing and complex, especially when determining certain trust account coverage. A list of Frequently Asked Questions can be found on the FDIC's website at **www.fdic.gov/edie/fdic_info.html**, and individuals can use the FDIC's EDIE the Estimator to calculate their FDIC insurance coverage. They may also call the FDIC toll-free at 1.877.ASK.FDIC (1.877.275.3342) or the Hearing Impaired Line at 1.800.925.4618.

INSURANCE COVERAGE FOR SINGLE (INDIVIDUAL) OWNERSHIP ACCOUNTS

John Smith has the following three accounts at the bank in his name only: savings ($100,000), a certificate of deposit ($100,000) and a checking account ($100,000), for a total of $300,000. Because these funds all fall within the single account ownership category, they are not fully insured by the FDIC.

	Total Deposits
Savings Account	$100,000
CD	$100,000
Checking Account	$100,000
Total Deposits	$300,000
Total Amount Insured by the FDIC	$250,000
Funds Not Insured by the FDIC	$50,000

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INSURANCE COVERAGE FOR JOINT OWNERSHIP ACCOUNTS

John and Mary Smith have a checking account ($200,000) and a certificate of deposit ($200,000). Mary also has a savings account with her two children, John Jr. and Jennie ($150,000), for a total of $550,000 in the joint account ownership category. Assuming none of the depositors have any other joint accounts at the bank, all $550,000 is insured.

	Mary	John	John Jr.	Jennie	Total
Checking Account	$100,000	$100,000	–	–	$200,000
Savings	$50,000	–	$50,000	$50,000	$150,000
CD	$50,000	$150,000	–	–	$200,000
Total Deposits	$200,000	$250,000	$50,000	$50,000	$550,000
Total Amount Insured by the FDIC	$200,000	$250,000	$50,000	$50,000	$550,000
Funds Not Insured by the FDIC	$0	$0	$0	$0	$0

INSURANCE COVERAGE FOR REVOCABLE TRUST OWNERSHIP ACCOUNTS

John Smith has a POD account with his wife as the beneficiary (Account #1 = $250,000); Mary Smith has a POD account with her husband as the beneficiary (Account #2 = $250,000); John AND Mary have a POD account with their three children as the beneficiaries (Account #3 = $1,500,000); John has a POD account with his two nieces, his two nephews and his two cousins as the beneficiaries (Account #4 = $1,500,000); and John AND Mary have a POD account with their grandson as the beneficiary (Account #5 = $500,000), for a total of $4,000,000 as the total deposits in their revocable trust accounts at the bank. Assuming each beneficiary on the accounts has equal interests and John and Mary have no other revocable trust accounts at the same insured bank, all of the $4,000,000 is insured. The owner is entitled up to $250,000 of insurance coverage for each beneficiary. John has $2,750,000 of insurance coverage because he names 11 beneficiaries ($250,000 x 11 = $2,750,000), and Mary has $1,250,000 of insurance coverage because she names five beneficiaries ($250,000 x 5 = $1,250,000).

	Account Title	Husband	Wife	Total Rev Trust Acct Deposits
Account #1	Husband POD Wife	$250,000	–	$250,000
Account #2	Wife POD Husband	–	$250,000	$250,000
Account #3	Husband and Wife POD 3 Children	$750,000	$750,000	$1,500,000
Account #4	Husband POD 2 Nieces, 2 Nephews and 2 Cousins	$1,500,000	–	$1,500,000
Account #5	Husband and Wife POD Grandson	$250,000	$250,000	$500,000
Total Deposits		$2,750,000	$1,250,000	$4,000,000
Total Amount Insured by the FDIC		$2,750,000	$1,250,000	$4,000,000
Funds Not Insured by the FDIC		$0	$0	$0

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INSURANCE COVERAGE FOR A CLIENT'S ACCOUNTS THAT QUALIFY FOR MULTIPLE OWNERSHIP CATEGORIES

Mary Smith could own the following accounts at JPMorgan Chase Bank, N.A.:

Account Type	Account Title	Balance
Individual 6-Month CD	Mary Smith	$50,000
Individual Savings	Mary Smith	$100,000
Joint Savings with Husband	Mary or John Smith	$150,000
Joint Savings with Son	Mary or John Smith, Jr.	$50,000
POD with Son as Beneficiary	Mary Smith POD to John Smith, Jr.	$100,000
Roth IRA	Mary Smith—Roth IRA	$200,000
Traditional IRA*	Mary Smith—Traditional IRA	$100,000
	Total Deposits	$750,000

*Only cash in deposit accounts qualify for FDIC coverage within an IRA.

Based on Mary's ownership status of the total deposits of $750,000, she would have a total of $600,000 of FDIC-insured deposits and $50,000 of uninsured deposits. The accounts would qualify for the following coverage:

1. $150,000 of single account coverage for the total of $150,000 in the CD and savings account
2. $100,000 of joint account coverage as follows: one-half of the $150,000 joint with husband and one-half of the $50,000 joint with son, or $75,000 + $25,000 = $100,000 (with her husband qualifying for $75,000 and her son qualifying for $25,000 in joint account coverage, respectively, assuming they do not have ownership interests in other joint accounts at the same bank that would in aggregate cause either of them to exceed the maximum of $250,000 in joint coverage that each could have)
3. $100,000 of revocable trust account coverage for the POD account
4. $250,000 of retirement account coverage for the two IRAs; $50,000 would be uninsured, as the maximum is $250,000

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