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FDIC Insurance

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As a result of the recent collapse of IndyMac Bank and other financial institutions, many consumers are concerned about whether their funds are fully insured by the Federal Deposit Insurance Corporation ("FDIC"). The FDIC insures individual accounts up to $100,000 per depositor, per insured bank, and up to $250,000 for many types of retirement accounts. However, a depositor may qualify for additional FDIC coverage at a single bank if the depositor maintains accounts in different ownership categories. The FDIC considers individual accounts, joint accounts, trust accounts and certain types of retirement accounts as separate ownership categories, and insures each depositor up to $100,000 (or up to $250,000, in the case of a retirement account) per ownership category. (The FDIC Web site [*www.fdic.gov*] contains a general description of its insurance regulations and account categories.)

Money held in accounts listed solely in one individual's name will be aggregated and insured up to $100,000 per bank. In a joint account, if all owners have equal rights to withdrawal funds, each person's share of all joint accounts at the same insured bank are added together and the total is insured up to $100,000, per owner. For example, if a husband and wide had joint accounts at an FDIC-insured bank, each would be insured up to $100,000 for funds held in the joint accounts, providing up to $200,000 in coverage for the couple's joint accounts at that bank. However, the husband and wife would also be insured up to $100,000 each for any funds held in individual accounts at that bank, and up to $250,000 each for any funds held in individual retirement accounts. The FDIC has developed a deposit insurance calculator (available on its Web site) to help consumers determine the amount of insurance coverage available for all of their accounts.

Trust accounts are also considered a separate ownership category for purposes of FDIC insurance. Generally, revocable trust accounts, including living trusts and payable on death ("POD") trusts, are insured up to $100,000 per beneficiary, if the beneficiary is the trust owner's spouse, child, grandchild, parent or sibling. The FDIC regulations regarding trust accounts are complicated; therefore, if you have a trust account, please contact one of the firm's attorneys or your financial advisor to receive more specific information regarding coverage.

The FDIC also insures funds held by Dean Mead on behalf of our clients. Client funds held by Dean Mead are placed in a special type of trust account, and each client is insured by the FDIC as if the funds were deposited directly by the client. Generally, this means each client will be insured up to $100,000; however, coverage could be reduced or eliminated if a client has other deposits held in the same name at that bank. If you have questions or concerns regarding coverage of funds held in Dean Mead accounts, please contact your primary attorney at the firm.

About the Authors:
Stan Gravenmier is chair of Dean Mead's Real Estate Department. He concentrates his practice on commercial loan transactions, real estate development, financing and leasing. Stephanie Weisbrod is a summer associate at Dean Mead.

About Dean Mead:
Dean Mead is a commercial law firm that provides full-service legal representation to businesses and individuals throughout Florida. The firm has close to 50 lawyers practicing in Orlando, Fort Pierce and Viera.