

Advanced Markets

Trust Rule Changes to FDIC Coverage

The FDIC insures Market-Linked CDs up to applicable limits, based on account ownership categories. Coverage for these investments owned through Trust accounts have distinct rules for calculating insurability. **Effective April 1st, 2024**, the FDIC will make an important change to the amount of insurance coverage available for assets within Trust accounts.

Currently

Coverage for these investments owned through Trust accounts have distinct rules for calculating insurability. The insurable capacity of any Trust (Revocable and Irrevocable¹) account is generally calculated based on the number of unique beneficiaries, which must be a living person, charity, or non-profit organization. Under these current guidelines, FDIC coverage is effectively limitless.

Number Of Unique Beneficiaries	Maximum Deposit Insurance Coverage
1 Beneficiary	\$250,000
2 Beneficiaries	\$500,000
3 Beneficiaries	\$750,000
4 Beneficiaries	\$1,000,000
5 Beneficiaries	\$1,250,000

Number Of Unique Beneficiaries With Equal Interests ²	Maximum Deposit Insurance Coverage
6 Beneficiaries	\$1,500,000
7 Beneficiaries	\$1,750,000
8 Beneficiaries	\$2,000,000
9 Beneficiaries	\$2,250,000
10+ Beneficiaries	+\$250,000 Each Additional

Source: [New Trust Account Rule \(April 2024\) Deposit Insurance Seminar For Bankers \(fdic.gov\)](#)

Effective April 1, 2024

The new **FDIC Trust Account Rule** will combine all Trust accounts associated with a grantor, Revocable or Irrevocable, to determine applicable FDIC coverage. If a Trust has more than one owner, each owner's insurance coverage is calculated separately. These combined Trust accounts will have a \$250,000 insurance limit per named beneficiary, with a maximum deposit insurance coverage total of \$1,250,000 regardless of the number of beneficiaries.

Number Of Unique Beneficiaries	Maximum Deposit Insurance Coverage
1 Beneficiary	\$250,000
2 Beneficiaries	\$500,000
3 Beneficiaries	\$750,000
4 Beneficiaries	\$1,000,000
5 Or More Beneficiaries	\$1,250,000

Source: [New Trust Account Rule \(April 2024\) Deposit Insurance Seminar For Bankers \(fdic.gov\)](#)

¹ Insurability may be restricted in cases of grantor retained interests. Contingent beneficiaries are not considered in calculation of coverage

² When exceeding 5 unique beneficiaries, all interests must be equal



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Scan here to access and bookmark the current digital copy of our FDIC brochure

It's Important to Note...

Market-linked products are intended to be buy and hold investments. There may not be a liquid secondary market and if sold prior to maturity, principal may be at risk. Any return of principal, interest and gains generated is subject to the credit risk of the issuer. For market-linked CDs, the FDIC insures principal amounts up to applicable limits in the event the issuer defaults. Dividends paid on the underlying index are not passed through to the market-linked product. To understand the specific terms that may impact the performance of a particular MLCD, you should review the relevant offering documents.

Questions?

Contact InspereX at **888.849.5732** or **advisorsupport@insperex.com**

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