



## NCUA Insurance

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### **What is NCUA?**

The National Credit Union Administration (NCUA) is the independent agency that administers the National Credit Union Share Insurance Fund (NCUSIF). Like the FDIC's Deposit Insurance Fund, the NCUSIF is a federal insurance fund backed by the full faith and credit of the United States government. The NCUSIF insures member savings in federally insured credit unions, which account for about 98 percent of all credit unions in the United States. Deposits at all federal credit unions and the vast majority of state-chartered credit unions are covered by NCUSIF protection.

### **What is the purpose of NCUSIF?**

The NCUSIF protects members' accounts in federally insured credit unions, in the unlikely event of a credit union failure. The NCUSIF covers the balance of each member's account, dollar-for-dollar up to the insurance limit, including principal and posted dividends through the date of the failure.

### **How do I know if my credit union is federally insured?**

All federally insured credit unions must prominently display the official NCUA insurance sign at each teller station, where insured account deposits are normally received in their principal place of business and in all branches. Federally insured credit unions are also required to display the official sign on their Internet page, if any, where they accept share deposits or open accounts. No credit union may end its federal insurance without first notifying its members.

### **What types of accounts are eligible for NCUA insurance?**

NCUA share insurance covers many types of share deposits received at a federally insured credit union, including deposits in a share draft account, share savings account, or time deposit such as a share certificate. NCUA insurance covers members' accounts at each federally insured credit union, dollar-for-dollar, including principal and any accrued dividend through the date of the insured credit union's closing, up to the insurance limit. This coverage also applies to nonmember deposits when permitted by law.

NCUA does not insure money invested in stocks, bonds, mutual funds, life insurance policies, annuities or municipal securities, even if these investment or insurance products are sold at a federally insured credit union. Credit unions often provide these services to their members through third-parties, and the investment and insurance products are not insured by the NCUSIF.

### **How can I keep my share deposits within the NCUA insurance limits? \***

If you and your family have \$250,000 or less in all of your share deposit accounts at the same insured credit union, you do not need to worry about your insurance coverage — your shares are fully insured. A member can have more than \$250,000 at one insured credit union and still be fully insured provided the accounts meet certain requirements and are properly structured. In addition, federal law provides for insurance coverage of up to \$250,000 for certain retirement accounts.

*\*These share insurance coverage limits refer to the total of all shares that account owners have at each federally-insured credit union. The listing above shows only the most common ownership types that apply to individual and family shares, and assumes that all NCUA requirements are met.*

### **What are the basic NCUA coverage limits?\***

- Single Ownership Accounts (owned by one person with no beneficiaries): \$250,000 per member-owner
- Joint Ownership Accounts (two or more persons with no beneficiaries): \$250,000 per owner (with the primary owner a member of the credit union)
- IRAs and other certain retirement accounts: \$250,000 per member-owner
- Revocable trust accounts: Each member-owner is insured up to \$250,000 for each eligible beneficiary named or identified in the revocable trust, subject to limitations and requirements.
- Irrevocable trust accounts: Each owner (so long as all owners OR all beneficiaries are members of the credit union) is insured up to \$250,000 for each beneficiary named or identified in the irrevocable trust, subject to specific limitations and requirements. Coverdell Education Savings Accounts, formerly education IRAs, are insured as irrevocable trust accounts.

A qualifying eligible beneficiary must be a natural person, or a charitable organization or non-profit entity under the Internal Revenue Code.

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**Is it possible to have more than \$250,000 at one federally insured credit union and still be fully covered?**

You may qualify for more than \$250,000 in coverage at one insured credit union if you own share accounts in different ownership categories. The most common account ownership categories for individual and family shares are single owner accounts, joint accounts, certain retirement accounts, revocable trust accounts, and irrevocable trust accounts.

Visit this link for additional information regarding share insurance:

<http://www.mycreditunion.gov/estimator/Pages/calculator.html>