

Basic NCUA Share Insurance Coverage Limits¹

Single Ownership Account	Joint Ownership Account	IRA and certain other retirement accounts	Trust Accounts (including payable-on-death accounts)
<ul style="list-style-type: none"> •\$250,000 per owner** 	<ul style="list-style-type: none"> •\$250,000 per co-owner (must have equal rights to funds)** 	<ul style="list-style-type: none"> •\$250,000 per owner •Keogh accounts are insured separately from IRA accounts up to \$250,000 	<ul style="list-style-type: none"> •\$250,000 per owner per beneficiary subject to specific limitations and requirements**

**The legislation authorizing the increase in share insurance coverage limits is effective October 3, 2008, through December 31, 2009.

Change in NCUA Rules – “Qualified Beneficiary”

To maintain parity with FDIC insurance coverage, the NCUA Board approved a change to Part 745.4 of the NCUA Rules and Regulations eliminating the concept of “qualified beneficiary”. Beneficiaries are now defined as natural persons as well as charitable organizations and other non-profit entities recognized as such under the Internal Revenue Code of 1986. For members with revocable trust accounts totaling no more than \$1,250,000, coverage will be determined without regard to the proportional beneficial interest of each beneficiary in the trust.

Under the amended rules, a trust account owner with up to five different beneficiaries named in all of his or her revocable trust accounts at one NCUA-insured institution will be insured up to \$250,000 per beneficiary. Revocable trust account owners with more than \$1,250,000 and more than five different beneficiaries named in the trust(s) will be insured for the greater of either: \$1,250,000 (5 X \$250,000) or the aggregate amount of all the beneficiaries’ interests in the trust(s), limited to \$250,000 per beneficiary.

Share Insurance Information, Brochures, Posters, and Decals:

NCUA has created the Share Insurance Tool Kit webpage that provides an updated version of the “Your Insured Funds” brochure as well as new posters and print ads reflecting the increase in insurance coverage to \$250,000. In addition to versions that can be printed from the NCUA website, new brochures and NCUA decals will be available in 4 to 6 weeks and can be ordered using the information found at: <http://www.ncua.gov/about/pages/Graphics.aspx>

¹ These insurance coverage limits refer to the total of all shares that a member(s) has at each NCUA-insured credit union. The examples provided only show the most common ownership categories that apply to individual and family shares, and assumes that all NCUA requirements are met.

I encourage you to share these changes with your members and to remind your members that not one penny of federally insured shares has ever been lost. America's 89 million credit union members will greatly benefit from the above changes. NCUA looks forward to working with federally insured credit unions to implement these share insurance enhancements.

Should you have questions, please contact your district examiner, regional office, or state supervisory authority.

Sincerely,

/S/

Michael E. Fryzel
Chairman