

# Cinfed Insured Savings

## We've Got You Covered

Your share accounts are insured up to \$500,000 and your retirement accounts are insured up to \$500,000 at Cinfed Credit Union.

This exceptional level of coverage is attained through a combination of federal insurance provided by the National Credit Union Administration (NCUA) and private insurance by Excess Share Insurance Corporation (ESI).

## What Is The NCUA?

The National Credit Union Administration, commonly referred to as NCUA, is the federal government agency that charters and supervises federal credit unions. NCUA also operates and manages the National Credit Union Share Insurance Fund (NCUSIF). Backed by the full faith and credit of the U.S. government, NCUSIF insures the accounts of millions of account holders in all federal credit unions and the majority of state-chartered credit unions.

## Why Is NCUSIF Share Insurance Coverage Important?

Share insurance coverage, offered through the NCUSIF, protects members against losses if a federally insured credit union should fail. You can confidently join and conduct business with federally insured credit unions because no member has ever lost money insured by the NCUSIF.

Historically, insured funds are available to members within just a few days after the closure of an insured credit union. Failures of federally insured credit unions are rare because only those with sound operational standards qualify to receive NCUSIF coverage. NCUA also regularly reviews the operations of all federal credit unions and works closely with state regulatory authorities to evaluate federally insured state-chartered credit unions.

## What Basic Coverage Is Provided By The NCUSIF?

The NCUSIF provides all members of federally insured credit unions with \$250,000 in coverage for their individual accounts. These accounts include regular shares, share drafts (checking accounts), money market accounts, and share certificates. Individuals with account balances totaling \$250,000 or less at the same insured credit union have full NCUSIF coverage. If a person has more than \$250,000 at any single credit union, several options are available for additional coverage because, as discussed in greater detail below, the NCUSIF provides separate insurance for other types of accounts.

Members have full NCUSIF coverage at each federally insured credit union where they are qualified members. While NCUSIF coverage protects members at all federally insured credit unions from losses on a broad spectrum of savings account and share draft products, it does not cover losses on money invested in mutual funds, stocks, bonds, life insurance policies, and annuities.

## Does The NCUSIF Provide Additional Coverage?

All members of federally insured credit unions have coverage that is separate from and in addition to the coverage of their individual accounts.

## **Retirement Accounts**

Members with traditional and Roth Individual Retirement Accounts (IRAs) and KEOGH retirement accounts at federally insured credit unions have additional coverage available at each federally insured credit union where they qualify and become members. The NCUSIF insures members traditional and Roth IRAs for \$250,000 in the aggregate at each credit union.

Retirement account insurance protection is separate and apart from insurance coverage on other credit union accounts. For example, if you have a regular share account, an IRA, and a KEOGH at the same credit union, the NCUSIF insures the regular share account for up to \$250,000 and the IRA for up to an additional \$250,000.

## **Joint Account**

Joint accounts are savings or share draft accounts owned by two or more people who have equal rights to withdraw money from the account. The NCUSIF provides joint account holders with \$250,000 coverage for their aggregate interest at each federally insured credit union. For example, a two person joint account has \$500,000 in coverage. This coverage is separate from and in addition to the coverage available for other accounts such as individual accounts and retirement accounts.

## **Trust Accounts**

The NCUSIF provides separate coverage for both revocable and irrevocable trusts. Credit unions can establish a common revocable trust payable-on-death (POD) account without additional documentation; however, some trusts require additional, valid documentation to qualify for coverage. While this website briefly discusses how the NCUSIF insures trusts, members should consult appropriate professionals to properly establish and document trust arrangements.

### **Revocable Trusts**

Payable on Death accounts (POD) are revocable trust accounts. POD receive coverage up to \$250,000 per beneficiary (up to five beneficiaries). For a total of up to \$1,250,000 of insurance coverage. Trust accounts with more than \$1,250,000 and more than five beneficiaries may also be fully insured, so check with your credit union to obtain the maximum coverage possible.

Also, a recent permanent rule change widens the definition of a beneficiary to "a natural person, or a charity, or other non-profit organization."

### **Irrevocable Trusts**

Funds placed in an account by a trustee under an irrevocable trust have separate coverage based on the beneficial interest under such trust. The interest of each beneficiary in an account (or accounts) established as an irrevocable trust has separate NCUSIF coverage of \$250,000. In cases where a beneficiary has an interest in more than one trust arrangement created by the same owner, the interests of the beneficiary in all accounts established under such trusts are added together for insurance purposes and insured for a total of \$250,000 that is separate from and in addition to the coverage the NCUSIF provides other types of accounts.

## **NCUA Share Insurance Estimator**

NCUA has a Share Insurance Estimator on its Internet site to help members better understand the protection offered by the NCUSIF. This interactive site allows users to input hypothetical data to compute the amount of NCUSIF coverage available under different account structure scenarios. This resource is available at the link <http://webapps.ncua.gov/ins>

Keep in mind that in addition to the NCUA coverage, your board of directors also has chosen to provide an additional \$250,000 of coverage to qualifying accounts through Excess Share Insurance Corporation (ESI), a licensed property and casualty insurance company. All accounts insured by NCUA receive the additional \$250,000 coverage at Cinfed.

### **What is ESI?**

The Excess Share Insurance Corporation is a wholly owned subsidiary of American Share Insurance, the nation's largest private deposit insurer for credit unions, is headquartered in Dublin, Ohio. To operate in this state, the company was required to file with, and receive authorization from, the state's department of insurance. Furthermore, ESI is required to file periodic reports and undergo regular review from the state to assure its compliance with statutes and regulations. The corporation is also subjected to an annual examination by a nationally recognized auditing firm, and an actuarial assessment of its reserves for losses by an independent actuary.

### **About ESI Coverage**

Members exceeding the maximum level of coverage provided by the NCUA are also insured up to an additional \$250,000 by ESI. For example, if a member has a savings account, checking account and a certificate account at the credit union, that when added together totals \$140,000...\$250,000 is insured by NCUA with the remaining insured by ESI. Deposit insurance is provided on a dollar-for-dollar basis and is payable only upon the failure and liquidation of the credit union.

### **Termination of ESI**

Either the credit union or the Excess Share Insurance Corporation may terminate this coverage, but in either case you must be notified of any changes in the insurance of your accounts.

### **How Can I Get More Information?**

Click here for a comprehensive brochure, entitled [Your Insured Funds](#), with a detailed discussion of all available types of coverage offered by the NCUSIF, along with examples illustrating how the coverage actually works in practice.

For more information about ESI, visit their website at <http://www.excessshare.com/>

If you have questions about insurance coverage on your specific accounts call our Member Services Department at 513-333-7863.