



**FDIC**



**FDIC  
Insurance**

*For IRAs and Other  
Tax Preferred Accounts*

**Questions & Answers**

## **Introduction**

This brochure describes the insurance coverage under Federal Deposit Insurance Corporation (FDIC) regulations for certain accounts commonly held by depositors in insured depository institutions. Its purpose is to help you understand the nature and conditions of FDIC deposit insurance protection.

The primary purpose of this brochure is to explain the FDIC insurance coverage of traditional IRAs, Roth IRAs, SEPs, SIMPLEs, Profit Sharing, Money Purchase, 401(k) and other retirement plan deposits.

The FDIC is an independent agency of the U.S. government. It was established by Congress in 1933 to insure bank deposits and thereby maintain sound conditions in our financial system and protect the nation's money supply in case of financial institution failure.

## **FDIC Operation**

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### **Which financial institutions are insured by the FDIC?**

The FDIC insures deposits in national and most state banks, including commercial, savings and mutual savings banks and most savings and loan associations. Deposits in some U.S. branches of foreign depository institutions also are insured. Insured depository institutions are required to display the official FDIC sign at each teller's window or station.

### **How does the FDIC protect the depository institution's depositors against loss?**

Each depository institution approved for deposit insurance must meet high standards of safety and soundness in its operating practices. Adherence to these standards is determined through regular depository institution examinations by Federal or state agencies.

If, despite these precautions, an insured depository institution gets into financial difficulties and must be closed for purposes of liquidation, the FDIC is on hand promptly with cash to protect insured depositors. The FDIC usually begins payments to depositors within a few days after the date of an insured depository institution's closing.