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FDIC insurance-Is My Money Safe?

Warren Buffet's first principle for investing is to never lose money. In today's uncertain market that is easier said than done.

I would typically pull my money out of the market and sock it away someplace safe. I have neither the time nor the inclination to learn to become a trader. I believe my time is better spent growing my business than trading stocks!

We can't rely on that option this time. IndyMac's failure is the first of the bank failures. This casts doubt on the safety of our deposits.

I can rely on FDIC...or Can I?

I've always known that FDIC will protect my deposits. There has always been a lingering doubt on what that means. Is the \$100k protection per account, per bank, or per person? What do I have to do to get my money after the failure?

[Suze Orman wrote an article today on FDIC insurance.](#) I recommend you read it to better understand what is involved. People are losing a lot of money on their deposits at IndyMac because they didn't take the time to learn the rules. Some of the basics are:

- One name on the account:\$100,000 per person per bank. What about two accounts at the same bank? The \$100k total limit still applies.
- Joint account: \$200,000 per joint account. *This is in addition* to the \$100k per individual account.
- IRAs: Your bank IRA (why would you have an IRA through a bank?) is covered up to \$250,000. Note: this is only cash instruments. No stocks or mutual funds.
- Trust/Pay on Death Accounts: complicated. Check with the [FDIC](#) and your advisers.

I again recommend you read the article and check your accounts to make sure you are covered. Also remember that I am not a financial adviser or planner. Please consult your financial professionals before you make any decisions.

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