

## Protecting Your Assets: What You Should Know about the Safety of Your Financial Accounts

There are many types of accounts available for the safekeeping—and potential growth—of your valued assets. The type of account you select depends on your individual needs and circumstances, as well as your desired long-term objectives and tolerance for risk. The following information provides an overview of the security of some of the types of financial accounts that are available.

### TRUST AND FIDUCIARY ACCOUNTS

Assets held in trust and fiduciary accounts, other than cash, are not considered assets or liabilities of the financial institution at which they are held; they are owned by the individuals or entities for whose benefit the institution is acting as a trustee or fiduciary. While the institution may provide investment management, administration, and other services for the account, the assets belong to the client. They are segregated from the institution's assets and are not subject to the claims of third-party creditors of the financial institution. Cash held by the trustee bank is considered to be a deposit and is covered by FDIC insurance up to current FDIC insurance limits.

### CUSTODY ACCOUNTS

Securities and other assets, other than cash, that are held by a financial institution for safekeeping in custody accounts are not considered assets or liabilities of that financial institution and cannot be reached by any creditors of the institution. The assets remain the property of the owner, whether they are registered in the individual's name, the institution's name, or in nominee name. The financial institution simply acts as custodian, holding such assets on the client's behalf and performing duties such as collecting dividends and interest, and others, at the direction of the client. Cash held by the financial institution in custody accounts is considered to be a deposit and is covered by FDIC insurance up to current FDIC insurance limits.

### DEPOSIT ACCOUNTS

Deposit accounts (including checking, savings, and certificates of deposit) are considered liabilities of the financial institution at which they are held and would be subject to the claims of the institution's

As a fiduciary and financial institution with more than 100 years of experience, the Wilmington Trust corporate family is committed to serving each and every client with integrity, responsibility, and the utmost professionalism. We believe that only the highest standard of business and ethical conduct is acceptable. Dealing fairly, keeping client confidences, and avoiding conflicts of interest are paramount values in our relationships with our clients and foster our success as a financial institution.

creditors. However, since 1933, the Federal Deposit Insurance Corporation (FDIC) has provided certain protections for depositors at FDIC-insured institutions. Specifically, the FDIC insures all deposits, including cash deposits and certificates of deposit, up to at least \$250,000\* per depositor, per institution. For individuals holding accounts in other ownership categories, coverage in excess of \$250,000\* may be possible depending on how each account is titled. Individual Retirement Accounts (IRAs) continue to be insured separately up to \$250,000 per individual per financial institution, under a permanent FDIC insurance increase that became effective April 1, 2006.

### Non-Interest-Bearing Checking Accounts

All Wilmington Trust banks are participating in the Temporary Liquidity Guarantee Program for transaction deposit accounts, which provides for separate FDIC insurance coverage on the full balance of personal and non-personal checking accounts, so long as they are non-interest bearing. This is in addition to the FDIC coverage on other deposits up to \$250,000 per depositor and lasts through June 30, 2010.

As always, the FDIC does not insure investments nor does it cover losses in principal value of assets held in stocks, bonds, mutual funds, life insurance policies, annuities, or municipal securities.

### BROKERAGE ACCOUNTS

Clients of brokerage firms that are members of the Securities Investor Protection Corporation (SIPC) are afforded certain protections to cover losses of client securities in cases of fraud or the brokerage firm's insolvency. Should a brokerage firm fail, SIPC either acts as trustee or works with an independent court-appointed trustee to recover a client's assets and non-negotiable securities, such as stocks and bonds. In most cases, SIPC protects each client up to a maximum of \$500,000, including a maximum of \$100,000 on any claim for cash. SIPC does not protect investors from principal losses

due to market fluctuations. In addition, the Securities and Exchange Commission (SEC) requires registered broker-dealers to place client assets into accounts segregated from the brokers' own proprietary funds and securities, protecting clients from the firm's trading losses.

Our clients are assured that we are always working in their interests, adhering to the prudent business practices that have enabled us to maintain our independence while also forging new paths. Holding fast to our founding principles of integrity, stability, and continuity, we continually embrace new thinking and innovations to help our clients succeed.

*This article is not designed or intended to provide financial, tax, legal, accounting, or other professional advice since such advice always requires consideration of individual circumstances. If professional advice is needed, the services of a professional advisor should be sought. This document is for informational purposes only; it is not intended as a recommendation, offer, or solicitation with respect to the purchase or sale of any security.*

*Brokerage services, mutual funds, and other securities are offered by Wilmington Brokerage Services Company (WBSC), a registered broker/dealer and wholly owned subsidiary of Wilmington Trust Company and a member of FINRA and SIPC. Investment products are not deposits of or other obligations of or guaranteed by Wilmington Trust or any other bank or entity, and are subject to investment risks, including the possible loss of principal amount invested.*

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*\*The standard insurance amount of \$250,000 per depositor is in effect through December 31, 2013. On January 1, 2014, the standard insurance amount will return to \$100,000 per depositor for all account categories except IRAs and certain other retirement accounts, which will remain at \$250,000 per depositor.*