WELLS FARGO Advisors

A guide to FDIC insurance coverage

What you should know

Investors should understand that FDIC insurance is not the same as the protection offered by the Securities Investor Protection Corporation (SIPC). SIPC is a nonprofit, congressionally chartered membership corporation created in 1970 for the purpose of restoring funds to eligible investors in the event a brokerage firm becomes insolvent or is otherwise financially troubled. In such cases, SIPC works to replace missing securities and cash up to $500,000, including up to $250,000 in cash per client, in accordance with SIPC rules. However, SIPC does not insure investors against a loss in the value of investments. More information about SIPC protection, including protection limits and eligibility, is available at **sipc.org**.

FDIC insurance coverage basics

The Federal Deposit Insurance Corporation (FDIC) is an independent agency of the United States government that protects depositors of insured banks located in the United States against the loss of deposits if an insured bank fails. FDIC insurance is backed by the full faith and credit of the United States government and covers any person or entity with deposits in an insured bank, up to established dollar limits. You do not have to be a U.S. citizen or resident to have deposits insured by the FDIC. Wells Fargo Bank is a member of the FDIC.

Which products are protected by FDIC insurance and which are not?

All types of deposit products held at an insured bank are covered by FDIC insurance, including checking accounts, savings and money market savings accounts, NOW (negotiable order of withdrawal) accounts, certificates of deposit (CDs), deposit products held in IRAs and other retirement accounts, and outstanding cashier checks and other checks issued by an insured bank. The FDIC does not insure nondeposit investment products, such as annuities, mutual funds, stocks, bonds, life insurance policies, government securities, municipal securities, U.S. Treasury securities, and the contents of safe deposit boxes.

FDIC insurance coverage limits

The FDIC Standard Maximum Deposit Insurance Amount (SMDIA) for deposits is currently $250,000 per depositor per insured financial institution.

FDIC general deposit insurance rules

The FDIC provides separate insurance coverage for deposit accounts held in different categories of ownership. It is possible to qualify for more than the current $250,000 in coverage at one insured bank if you own deposit accounts in different ownership categories. The ownership categories are (1) single, (2) joint, (3) revocable trust (informal revocable trusts such as payable-on-death accounts and formal revocable trusts such as living/family trusts created for estate planning purposes), (4) irrevocable trusts, (5) certain retirement plans, (6) employee benefit plans, (7) business (corporation, partnership, unincorporated associations), and (8) government.

FDIC insurance on deposit products offered through Wells Fargo Advisors

In addition to considering traditional bank deposit products, such as checking, savings, and CD accounts at an insured bank when determining your FDIC insurance coverage, you should also consider insured deposit products offered through intermediaries, such as brokerage firms. The following deposit products are offered by the firm and should be considered in your overall FDIC insurance coverage analysis for Wells Fargo Bank.

Market-linked certificates of deposit (MLCDs)—Market-linked certificates of deposit are a particular type of structured market-linked investment issued by Wells Fargo Bank and other third-party issuers. Keep in mind that FDIC insurance is applicable only to market-linked investments issued in the form of bank-issued certificates of deposit (CDs). Other types of market-linked investments are not insured by the FDIC. The deposit amount of a market-linked CD is insured by the FDIC up to applicable limits, per depositor, per insured bank, for each account ownership category.

Remember, there is no maximum limit on the amount that may be invested in market-linked CDs, but the FDIC deposit insurance only covers market-linked CDs up to the applicable insurance limit. Please consider when evaluating specific CDs that any interest that has not yet been ascertained and become due and any secondary market premiums paid by an investor above the deposit amount of the CD are not insured by the FDIC. More information concerning market-linked CDs is available via the *Guide to Investing in Market Linked Certificates of Deposit* available at **wellsfargoadvisors.com/guides**.

Brokered certificates of deposit—Traditional bank CDs are "time deposits" that earn a contractual rate of interest over a specified period of time. Investors agree to deposit money with a bank for a fixed period of time and, in return, depositors receive a stated rate of interest that is paid in various installments ("coupon payments") over the term of the CD. Because depositors give up the right to withdraw their money without penalty (and possibly at all) before the CD matures, they generally receive a higher interest rate than they would on traditional checking or savings accounts.

Most people are familiar with CDs available through a local bank branch. Many banks are highly motivated to gain depositors beyond local walk-in customers, so they use the nationwide brokerage community for distribution of CDs. The CDs obtained in this manner are referred to as "brokered" CDs. These CDs are eligible for FDIC insurance coverage up to applicable FDIC limits per depositor, per insured depository institution, for each account ownership category (and will be aggregated with any other deposits the depositor may have at the same insured bank, either directly or indirectly, under the same account ownership category when determining the amount of FDIC deposit insurance coverage). More information concerning Brokered Certificates of Deposits is available at **wellsfargoadvisors.com/guides**.

Bank Deposit Sweep Program—The cash sweep program ("sweeps") allow your otherwise uninvested cash holdings to "sweep" automatically from your brokerage account into a bank-deposit interest-bearing account that is eligible for FDIC insurance up to applicable FDIC limits per depositor, per insured depository institution, for each account ownership category. These sweep options are generally liquid in nature, giving investors the ability to earn a return on cash holdings or funds being set aside for a future purchase. The bank deposit sweep is not subject to market risk and value loss but is subject to the risk of a bank's failure.

At Wells Fargo Advisors, we offer an Expanded Bank Deposit Sweep and a Standard Bank Deposit Sweep. The Expanded Bank Deposit Sweep is the primary Cash Sweep Vehicle for eligible new accounts. Resource accounts and retirement accounts in our discretionary advisory programs are not eligible for the Expanded Bank Deposit Sweep.

The Expanded Bank Deposit Sweep consists of interest-bearing deposit accounts at affiliated (wholly-owned subsidiaries of Wells Fargo & Company), and unaffiliated (banks not affiliated with Wells Fargo) banks ("Program Banks"). The Expanded Bank Deposit Sweep will provide up to $1.25 million in FDIC insurance ($2.5 million for joint accounts with two or more owners). The Standard Bank Deposit Sweep is available for clients who elect to exclude the unaffiliated Program Banks from the Expanded Bank Deposit Sweep.

The Standard Bank Deposit Sweep consists of interest-bearing deposit accounts at two or more banks affiliated with Wells Fargo Advisors ("Affiliated Banks"). The Standard Bank Deposit Sweep will provide a minimum $500,000 in FDIC insurance ($1 million for joint accounts with two or more owners).

Balances on deposit in the Bank Deposit Sweep Programs, together with any other of your deposits held directly at the Program Banks, are insured by the FDIC, an independent agency of the U.S. government, up to a maximum amount in accordance with the rules of the FDIC. Deposits (including principal and interest) at each of the Program Banks are eligible for federal deposit insurance up to $250,000. Different ownership categories of accounts are separately insured.

The following examples of how FDIC insurance coverage applies assume the use of the Expanded Bank Deposit Sweep:

Single accounts—Accounts owned by one person, and titled in that person's name only, are added together and the total insured up to $250,000 at each Program Bank (for a total of up to $1,250,000 when deposited at all of the Program Banks).

Joint accounts—For accounts owned by two or more people, each person's share is insured up to $250,000 separately at each Program Bank in addition to the $250,000 allowed on other deposits owned individually in one or more single accounts (for a total of up to $2,500,000 for accounts with two joint owners when deposited at all of the Program Banks). The Bank Deposit Sweep Programs can recognize joint accounts with only two joint owners.

Revocable trust accounts—A revocable trust account indicates an intention that the deposit will belong to one or more named beneficiaries upon the death of the owner(s). A revocable trust can be terminated at the discretion of the owner. There are two types of revocable trusts: informal trusts, known as Payable on Death (POD) or "Totten Trusts," and formal trusts, known as "living" or "family" trusts. Both informal and formal revocable trusts are insured up to $250,000 per owner for each beneficiary if the FDIC requirements are met. All deposits that an owner holds in both informal and formal revocable trusts are added together for insurance purposes and the insurance limit is applied to the combined total. A revocable trust account established by a husband and wife that names the husband and wife as sole beneficiaries will be treated as a joint account, and will be aggregated with other joint accounts subject to the rules described above under "Joint Accounts."

The listing above shows only the most common ownership categories that apply to individual/family deposits and assumes that all FDIC requirements are met.

For additional information regarding the Bank Deposit Sweep Programs, please reference https://www.wellsfargoadvisors.com/financial-services/account-services/cash-sweep.htm.

Importance of knowing your holdings

As a reminder, it is important that you understand that the amounts you hold in any of the deposit accounts outlined above will be aggregated with any other deposit accounts you maintain, either directly or indirectly, at Wells Fargo Bank under the same account ownership category in determining the total amount of your FDIC deposit insurance coverage. You are responsible for monitoring your bank balances in this program and the balances you maintain at Wells Fargo Bank in the same account ownership category to determine if any of your deposits exceed applicable FDIC insurance limits, you should carefully consider whether you should arrange for the direct investment of amounts exceeding such coverage. Also, funds held in the Bank Deposit Sweep are not covered by SIPC.

The client account statement will indicate the balance, detail transactions, and interest relating to the program. The account statement will also indicate whether the client is in the Expanded Bank Deposit Sweep or Standard Bank Deposit Sweep program.

Your FDIC coverage at Wells Fargo

Wells Fargo & Company has multiple affiliated and unaffiliated banks where deposits can be made. The affiliated banks are wholly owned subsidiaries of Wells Fargo & Company, and Wells Fargo Advisors is a nonbank affiliate of the affiliated banks and Wells Fargo & Company. The affiliated and unaffiliated Program Banks are regulated by bank regulatory agencies under various federal banking laws and regulations. Additional information regarding the affiliated Program Banks and Wells Fargo & Company is available at **wellsfargo.com**.

Deposits are obligations of each Program Bank where the monies are deposited and are not obligations of, or guaranteed by, Wells Fargo & Company or any of its affiliates, including Wells Fargo Advisors. Neither Wells Fargo & Company nor Wells Fargo Advisors guarantees in any way the financial condition of the Program Banks nor are they responsible for any insured or uninsured portion of any deposits with the Program Banks. If you maintain other deposits, either directly or indirectly, at the Program Banks, you must aggregate all such deposits you have in the same account ownership category (including Bank Deposit Sweep balances) for purposes of determining FDIC insurance coverage. If your total funds on deposit at any Program Bank exceed the applicable FDIC insurance limit, the FDIC will not insure your funds in excess of the limit.

SIPC protection

Wells Fargo Advisors is a member of the Securities Investor Protection Corporation (SIPC), a nonprofit, congressionally chartered membership corporation created in 1970. SIPC protects clients against the custodial risk of a member investment firm becoming insolvent by replacing missing securities and cash up to $500,000, including up to $250,000 in cash, per client in accordance with SIPC rules. (Note that SIPC coverage is not the same as, nor is it a substitute for, FDIC deposit insurance; securities purchased through Wells Fargo Advisors are not FDIC-insured.) For more information about SIPC, please visit **sipc.org**.

Additional insurance coverage we’re providing to our clients

Above and beyond SIPC coverage, Wells Fargo Advisors maintains additional insurance coverage through London Underwriters (led by Lloyd’s of London Syndicates), (referred to here as “Lloyd’s”). For clients who have received the full SIPC payout limit, Wells Fargo Advisors’ policy with Lloyd’s provides additional coverage above the SIPC limits for any missing securities and cash in client investment accounts up to a firm aggregate limit of $1 billion (including up to $1.9 million for cash per client). In other words, the aggregated amount of all client losses covered under this policy is subject to a limit of $1 billion with each client covered up to $1.9 million for cash.

About Lloyd's of London Syndicates

Lloyd's is the world's specialist insurance market. The business written at Lloyd's is brought to specialist syndicates, who price and underwrite risk, via brokers and cover holders. Currently, A.M. Best has given Lloyd's a financial strength rating of "A (Excellent) Stable Outlook." For more information about Lloyd's, please visit **lloyds.com**.

The limits of SIPC and Lloyd's insurance coverage

Please note that coverage provided by SIPC and Lloyd's does not protect against the loss of market value of securities. All coverage is subject to the specific policy terms and conditions.

Additional information:

To assist clients with calculating their aggregated deposits and the associated insurance coverage, the FDIC has an online Electronic Deposit Insurance Estimator available at **edie.fdic.gov/calculator.html**. To learn more about FDIC insurance and how you are covered at Wells Fargo, you can call the FDIC toll-free at 1-877-ASK FDIC (877-275-3342) from 8:00 a.m. until 8:00 p.m. Eastern Time, or contact the FDIC online at **fdic.gov/edie**.