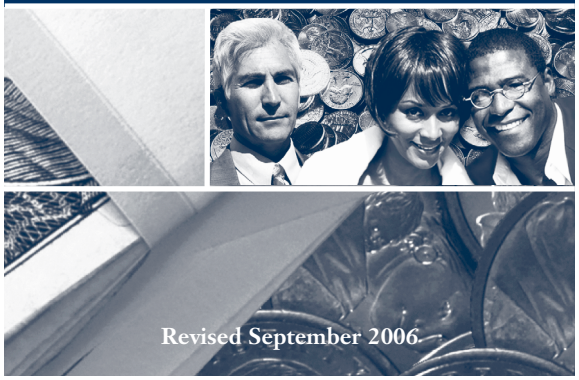
A Message from the
Federal Deposit Insurance Corporation

FDIC-Insured Deposits for Retirement: Now Guaranteed Up to 250,000



Revised September 2006

FDIC

FDIC Insurance for IRAs, Certain Other RetirementDeposits Increased to $250,000

For the first time in more than 25 years, Congress has raised the limit on the federal deposit insurance coverage that protects your retirement savings.

The new law provides up to $250,000 of protection for the combined total of traditional and Roth IRAs (Individual Retirement Accounts), Simplified Employee Pension (SEP) IRAs, Savings Incentive Match Plans for Employees (SIMPLE) IRAs, self-directed Keoghs and certain other retirement accounts an individual may have on deposit at an FDIC-insured bank or savings institution, up from $100,000 previously. In general, self-directed means the consumer chooses how and where the money is deposited.

These retirement accounts are insured to $250,000 separately from any other deposits you may have at the same institution. The higher coverage took effect on April 1, 2006.

FDIC insurance coverage for retirement accounts applies primarily to certificates of deposits or "CDs," which are deposit accounts typically held for anywhere from one month to five years.

The FDIC does NOT insure investments that are not bank deposits — for example, mutual funds, stocks, bonds, life insurance policies and annuities — even if you purchased them from an FDIC-insured institution.

Good News for Many Savers

The increase in FDIC coverage for retirement accounts is good news for the many people who have saved substantial sums for their retirement and want to deposit more than $100,000 at one bank — for safety, convenience or other reasons — knowing that up to $250,000 will be completely protected by FDIC insurance.

No Change in Coverage for Other Accounts

It's important to remember that the basic insurance coverage for other deposit accounts remains at $100,000 per depositor. However, as before, there are ways to qualify for more than the basic coverage. For example, the checking and savings accounts (not retirement accounts) you have in your name alone are insured to $100,000 separately from your share of any checking and savings accounts held jointly with other people.

For More Information from the FDIC

Start by going to the FDIC web site at www.fdic.gov to find publications as well as the Electronic Deposit Insurance Estimator (EDIE), an interactive tool allowing you to get a summary of your FDIC coverage. Or call toll-free 1-877-ASK-FDIC (1-877-275-3342) Monday through Friday, 8:00 a.m. to 8:00 p.m., Eastern Time. For the hearing-impaired, the number is 1-800-925-4618.