

Excess Share Insurance: Protecting Your Future



The information provided in this pamphlet is designed to help you understand MSIC's unique program of Share and Deposit Insurance for credit unions, but does not constitute legal or financial advice. Specific issues should be discussed with your credit union and your legal or financial advisors.

If you need additional information, please contact your credit union or MSIC directly.



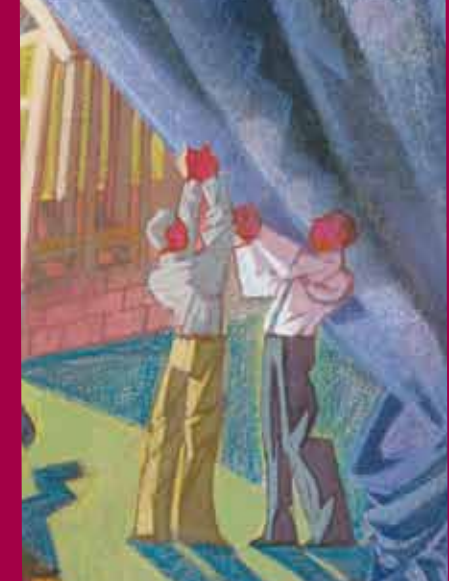
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You're Covered!

You and your family deserve no less than the peace of mind that comes from knowing that your savings are safe and secure. Your credit union has made sure that no portion of your share or deposit accounts will be uninsured, up to certain legal limits. The Massachusetts Credit Union Share Insurance Corporation (MSIC) is proud to insure your savings that exceed the federal deposit insurance limit.



Automatic & At No Cost

MSIC provides Excess Share and Deposit Insurance to all members of your credit union automatically, with no need to apply. The coverage is a benefit of membership in your credit union; you do not pay directly for the insurance. That portion of any legal, verifiable share or deposit account that exceeds NCUSIF coverage is protected by MSIC, up to certain Massachusetts legal limitations. See inside for more information on the coverage.

Added Protection

Excess Shares and Deposits are the amounts of your shares and deposits that you have at your credit union that exceed the amount insured by the federal government. The National Credit Union Share Insurance Fund (NCUSIF) provides this federal share and deposit insurance. The National Credit Union Administration (NCUA), an independent agency of the United States Government, administers this fund.

Share and deposit accounts maintained in different forms of ownership are insured separately by both the NCUSIF and MSIC. For example, a member can have both a Single Account and a Joint Account at the same credit union and increase the amount of his/her savings that are insured. See the attached table for the insurance limits for your credit union by type of account.

Together Protecting Your Future

MSIC is proud to work with your credit union to protect your hard-earned savings. The Corporation has a proven track record of strength and stability. No member of an MSIC-insured credit union has ever lost a penny of savings.

Founded in 1961, MSIC was the first insurance company in the nation to provide deposit insurance protection for members of credit unions. MSIC was created by a special act of the Massachusetts Legislature that gives it the mandate of maintaining a fund for the insurance of shares and deposits of members of credit unions doing business in the Commonwealth. The Massachusetts Commissioner of Banks supervises MSIC's activities and a major accounting firm audits MSIC's financial statements annually.

Member Owned

As a cooperative insurer, owned by its members and headquartered in Massachusetts, it is the only insurer of its kind in the Commonwealth for credit union shares and deposits. The insurance fund is invested in highly rated, marketable securities. The Corporation's reserves consistently exceed the standards required by Massachusetts' law. MSIC is

managed by a professional staff that works with a Board of Directors elected by MSIC's insured member credit unions.

MSIC only insures shares and deposits in credit unions conducting business in Massachusetts. The Corporation insures more than \$1.5 billion⁶ in member savings in credit unions across the Commonwealth. MSIC's member credit unions serve members across a range of industries in the Commonwealth. As a result, MSIC's strength is not threatened by the economic health of any one industry.

As you know, credit unions are different from many other financial institutions such as banks and savings & loans. Credit unions are member owned, non-profit financial institutions that operate for the benefit of their members, not for the profit of stockholders. MSIC shares this commitment to acting for the greater benefit of the credit union community and its members.

Frequently Asked Questions

What are "Excess" shares/deposits?

Excess shares and deposits are the amounts you have on deposit at your credit union above the level insured by the federal government. These amounts are typically uninsured unless your credit union has Excess insurance.

Do the coverage limits apply to each account of a member?

No, the limits represent aggregate totals for each account type. All of the accounts of an

individual must be added together. For example, funds in your individual share draft (checking) account and your individual share (savings) accounts are aggregated for the Single Account insurance coverage.

Does the Amount Insured (Limits) include the shares insured by the NCUSIF?

Yes. For example, a Single account of \$500,000 would be insured by the NCUSIF for \$250,000 and for \$250,000 by MSIC.⁶

What accounts are included in the "Single" account coverage limit?

Generally, any account in which there is only one owner listed on the account. This can include Regular Share accounts, Share Draft accounts, and Certificates of Deposit. NOTE: IRA accounts are insured separately.

What accounts are included in the "Joint" account coverage limit?

Generally, any account in which there are two or more owners listed on the account. This can include Regular Share accounts, Share Draft accounts, and Certificates of Deposit.

Are "Interest" and "Dividends" insured?

Yes, MSIC will insure all interest and dividend amounts posted to a member's account even if the interest posted to each account causes the account to exceed the coverage limits.

Can a member get additional insurance by reversing the order of joint account owners?

No, a Joint account listed as owned by "Member B and Member A" is the same as a Joint account listed as owned by "Member A and Member B." The order is irrelevant for purposes of determining the federal and MSIC aggregate insured amounts.

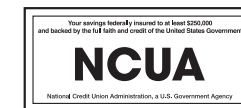


Coverage Levels

MSIC insures your savings that exceed the federal share insurance limit. The amount insured (limits) for each account type is listed below. The amounts include the federal insurance.

ACCOUNT TYPE	AMOUNT INSURED (LIMITS)
Single Account	\$ 500,000
Joint Account.....	\$ 600,000
Organizational Account	\$ 600,000
Club Account	\$ 10,000
IRA Account	Unlimited

- Account limits represent aggregate totals for each type of account per member or shareholder.
- Account coverages by type can be aggregated. For example, a couple could have single and joint accounts where the insurance coverage totals \$1,600,000.
- Single and joint accounts include regular shares, share drafts, certificates of deposit and trusts.
- Organizational Accounts pertain to businesses.
- Interest and dividends are insured even if the interest or dividends posted to each account causes it to exceed the limitations. There may be an exception to a certificate on maturity.
- The Helping Families Save Their Homes Act of 2009, signed into law on May 20, 2009, continued an increased level of NCUA insurance coverage on all accounts of up to \$250,000 through December 31, 2013. MSIC continues to insure shares and deposits in excess of the NCUA limits up to the limits set by Massachusetts law.



This credit union is federally insured by the National Credit Union Administration.

MASSACHUSETTS CREDIT UNION®



The shares and deposits of the credit union in excess of NCUA limits are insured by the Massachusetts Credit Union Share Insurance Corporation up to the limits set by Massachusetts law.