

Government Insurance Agency Comparison for Deposit Accounts 1983-2014

by Paul Renfroe, Cross Your Line LLC

People may wonder, how safe are the deposit institutions, if they aren't banks? Your money has to be safe, so this is a good question to ask.

After all, for decades, people have associated ultimate safety with the Federal Deposit Insurance Corporation (FDIC). The bank accounts offered by Cross Your Line LLC are all FDIC insured.

But there are equivalent agencies that cover other deposit institutions. For instance, the National Credit Union Association (NCUA) covers consumer accounts in Credit Unions, up to \$250,000 just like the FDIC. In the case of annuities, the National Organization of Life Insurance and Health Guaranty Associations (NOLHGA) is the agency.

If you want a higher-earning account insured by a government agency, you are not limited to banks. FDIC is not the only game in town! Different institutions have different alphabet agencies that stand behind them. And in fact, FDIC has a history that a security-minded customer wants to know about.

Page 2 is from the FDIC website. Notice, the figures leave off the last 3 zeroes. In other words, all those figures are in thousands. That is a screenshot from the FDIC Report on Bank & Thrift Failures from 1983-2014. The FDIC report for that period is 58 pages long, so we didn't want to list every bank that failed! It shows \$4.8 Trillion of FDIC insurance backing was required for failed American banks in the last 30 years. It looks like this: \$4,779,986,144,000, or 13 digits.

Page 3 shows the guarantee backing which has been required for insurance companies that issue annuities, through NOLHGA. The number is \$6.2 billion from 1983 to 2014. That looks like this: \$6,200,000,000—only 10 digits.

Banks required 218 times more agency insurance than annuity companies required. This is another reason you can feel safe with an annuity, if an annuity is your choice. Are insurance companies that offer annuities safe? That segment of the financial industry looks 218 times safer than the banking system.

It makes sense that the government agency behind annuity deposits, with far fewer payouts, might be at least as good as the FDIC, right? Both are good.

State agencies regulate all insurance companies, including annuities. Each nationwide annuity company has to give account to 50 pairs of eyes; banks answer to two agencies. The broader regulation of insurance companies should make you feel at least as safe with them as your bank or credit union.

The account you want and like is always the best one for you. Just because they are not FDIC insured, doesn't mean that are not insured. FDIC insurance gets headlines because banks fail at a much greater rate. The companies that don't fail much—insurance companies—don't need to broadcast that they are insured by state-based agencies.

You can feel safe, whatever account you open with Cross Your Line! LLC.


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Page 2—FDIC performance 1983-2014 has been much needed!

Table BF01
 Federal Deposit Insurance Corporation
 Failures and Assistance Transactions
 United States(50 states and DC)
 (Dollar amounts in thousands)

Effective Date(s): 1983 - 2014		
Insurance Fund	Charter Type	Transaction Type
ALL	ALL	All Failures

 www2.fdic.gov/hsob/hsobRpt.asp

	# Banks	Total Deposits	Total Assets	Est. Loss
Total Failures	2868	1,048,102,942	1,352,844,858	191,990,079
Total Assistance Transactions	460	1,533,919,271	3,427,141,286	1,868,961
Total Institutions	3328	2,582,022,212	4,779,986,144	193,859,039

“Estimated losses reflect unpaid principal amounts deemed unrecoverable and do not reflect interest that may be due on the Deposit Insurance Fund's administrative or subrogated claims should its principal be repaid in full.” *From FDIC website*

\$4.8 TRILLION
 ASSETS
 AT BANKS
 REQUIRING FDIC
 COVERAGE

\$194 BILLION
 FDIC LOSSES
 ON BANKS
 REQUIRING FDIC
 COVERAGE

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Page 3—NOLHGA performance 1983-2014 has been far less necessary!

<http://www.nolhga.com/policyholderinfo/main.cfm/location/systemworks>



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Policyholder Information

The Safety Net at Work

- [Associations & the Receivership Process](#)
- [Benefits & Continuing Coverage](#)
- [Why the System Works](#)

State guaranty associations play a vital role in keeping the promises made by the insurance industry and protecting policyholders when their company goes out of business. Since 1983, state guaranty associations have:

- Provided protection to more than 2.5 million policyholders
- Guaranteed more than \$22 billion in coverage benefits
- Contributed approximately \$6.2 billion toward the fulfillment of insurer promises

\$22 BILLION
ASSETS
AT INSURANCE
COMPANIES
REQUIRING
NOLHGA
INTERVENTION

\$6.2 BILLION PAID
OUT BY NOLHGA
INTERVENTION

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to promote peace of mind

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