

*Deposit Insurance*  
*Protection that's on the Money*

Joint Accounts

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What is the deposit insurance coverage on joint accounts?

Accounts held under any form of joint ownership are insured up to TT\$125,000.

This insurance is separate from an account held by any of the co-owners as an individual account.

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### Joint Ownership Accounts

Topics covered:

1. Joint Accounts held in combination with Single (Individual) Accounts
2. Multiple Joint Accounts bearing the same names in varying sequences  
Multiple Joint Accounts bearing different names
3. Joint Accounts where the total amount of the deposits is in excess of the deposit insurance coverage limit
4. Filing of Claims
- 5.

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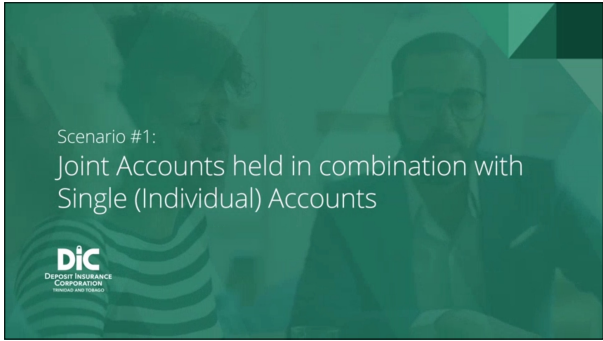

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Scenario #1:  
Joint Accounts held in combination with  
Single (Individual) Accounts



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Scenario #1 - Joint Accounts held in combination with Single (Individual) Accounts

**Example**

Shelly Ann and Sarah maintain a joint account in the sum of \$125,000.

In addition, each maintains a separate account as an individual containing \$125,000.

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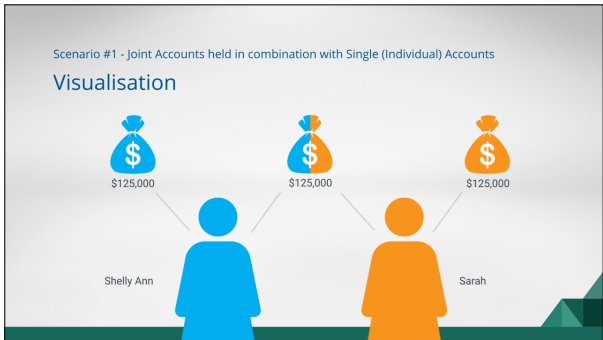
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Scenario #1 - Joint Accounts held in combination with Single (Individual) Accounts

### Coverage

Shelly Ann (Individual Account)	\$125,000
Sarah (Individual Account)	\$125,000
Shelly Ann's Deposit Insurance Coverage	\$125,000 (Individual Account) + \$62,500 (half joint account) = \$187,500
Sarah's Deposit Insurance Coverage	\$125,000 (Individual Account) + \$62,500 (half joint account) = \$187,500

Each individual account is fully insured up to the TT\$125,000 maximum.

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Scenario #2:  
Multiple Joint Accounts bearing the  
same names in varying sequences



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Scenario #2 - Multiple Joint Accounts bearing the same names in varying sequences

### Guiding Principle

All joint accounts in the same DIC member institution, with the same names (notwithstanding alterations to the sequence of names) are added together and insured up to the TT\$125,000 maximum.

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Scenario #2 - Multiple Joint Accounts bearing the same names in varying sequences

### Example

Alvin, Simon and Theodore maintain 3 joint accounts at the same DIC member institution. Each joint account is for the sum of \$125,000 and all three joint accounts bear all 3 names in different sequences as follows:

Account No. 1 - Alvin + Simon + Theodore

Account No. 2 - Theodore + Alvin + Simon

Account No. 3 - Simon + Theodore + Alvin

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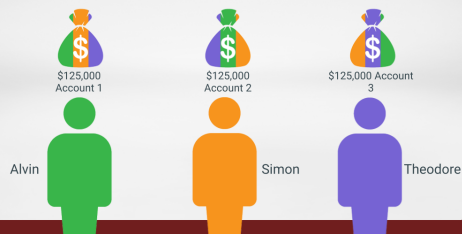
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Scenario #2 - Multiple Joint Accounts bearing the same names in varying sequences

### Visualisation



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Scenario #2 - Multiple Joint Accounts bearing the same names in varying sequences

### Coverage

The three (3) joint accounts held by Alvin, Simon and Theodore will be added together and insured up to the TT\$125,000 maximum.

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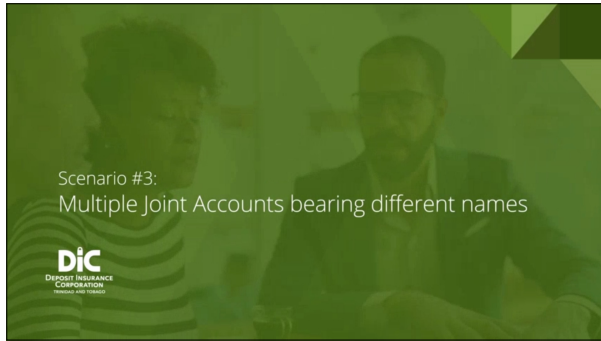

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Scenario #3:  
Multiple Joint Accounts bearing different names



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Scenario #3 - Multiple Joint Accounts bearing different names

### Example

Three joint accounts are owned by Luke, Leia and Han, as follows:

Account No. 1 - Luke + Leia	\$125,000
Account No. 2 - Luke + Leia	\$30,000
Account No. 3 - Luke + Han	\$45,000



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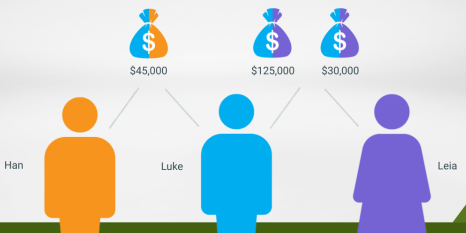
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Scenario #3 - Multiple Joint Accounts bearing different names

### Visualisation



Han Luke Leia

\$45,000 \$125,000 \$30,000



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Scenario #3 - Multiple Joint Accounts bearing different names

### Joint Account Interests

	Luke	Leia	Han	Total
Account No. 1 Luke + Leia	\$62,500 ½ of Account	+ \$62,500 ½ of Account		= \$125,000
Account No. 2 Luke + Leia	\$15,000 ½ of Account	+ \$15,000 ½ of Account		= \$30,000
Account No. 3 Luke + Han	\$22,500 ½ of Account		+ \$22,500 ½ of Account	= \$45,000

Scenario #3 - Multiple Joint Accounts bearing different names

Treatment Required to find the deposit insurance coverage allowed:

Account numbers 1 and 2 are owned by the same combination of individuals Luke and Leia. These are added together and insured to TT\$125,000 in the aggregate, leaving \$30,000 uninsured.

Settlement of the uninsured amount of \$30,000 will depend on the possible declaration of dividends by the liquidator during the liquidation process.

Scenario #3 - Multiple Joint Accounts bearing different names

What is Leia's Deposit Insurance entitlement?

Leia's Deposit Insurance entitlement is \$62,500. This is extracted from Leia's total interest of \$77,500 in Accounts No.1 and No. 2 (Account No. 1 - 62,500 + Account No. 2 - \$15,000).

Scenario #3 - Multiple Joint Accounts bearing different names

What is Luke's Deposit Insurance entitlement?

Luke's Deposit Insurance entitlement on Accounts No. 1 and No. 2 is \$62,500. This is extracted from Luke's total interest of \$77,500 in Accounts No.1 and No. 2 (Account No. 1 - 62,500 + Account No. 2 - \$15,000).

Luke's Deposit Insurance entitlement on Account No. 3 (which is fully insured) is \$22,500.

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Scenario #3 - Multiple Joint Accounts bearing different names

What is Han's Deposit Insurance entitlement?

Han's Deposit Insurance entitlement is \$22,500.00. Based on the fact that Han was not party to the joint-account arrangements for Accounts No. 1 and No. 2, Han's entitlement is restricted to account No. 3 only.

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Scenario #4:  
Joint Accounts where the total amount  
of the deposits is in excess of the  
deposit insurance coverage limit



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Scenario #4 - Joint Accounts where the total amount of the deposits is in excess of the deposit insurance coverage limit

Guiding Principle

The interests of the co-owners of each joint account are deemed equal for deposit insurance purposes.

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Scenario #4 - Joint Accounts where the total amount of the deposits is in excess of the deposit insurance coverage limit

Example

The following accounts are held by Andre, Blair and Charlie:

Account No. 1	Andre + Blair	\$125,000
Account No. 2	Andre + Charlie	\$125,000
Account No. 3	Blair + Charlie	\$125,000
Account No. 4	Andre + Blair + Charlie	\$125,000

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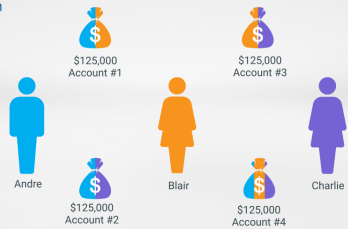
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Scenario #4 - Joint Accounts where the total amount of the deposits is in excess of the deposit insurance coverage limit

Visualisation



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Scenario #4 - Joint Accounts where the total amount of the deposits is in excess of the deposit insurance coverage limit

Joint Account Interests

	Andre	Blair	Charlie
Account No. 1 Andre + Blair	\$62,500 ½ of account	\$62,500 ½ of account	
Account No. 2 Andre + Charlie	\$62,500 ½ of account		\$62,500 ½ of account
Account No. 3 Blair + Charlie		\$62,500 ½ of account	\$62,500 ½ of account
Account No. 4 Andre + Blair + Charlie	\$41,677 ⅓ of account	\$41,677 ⅓ of account	\$41,677 ⅓ of account

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Scenario #4 - Joint Accounts where the total amount of the deposits is in excess of the deposit insurance coverage limit

Joint Account Interests

	Andre	Blair	Charlie
Total Deemed Allocation	\$166,667 $\frac{\$62,500 + \$62,500 + \$41,667}{3}$	\$166,667 $\frac{\$62,500 + \$62,500 + \$41,667}{3}$	\$166,667 $\frac{\$62,500 + \$62,500 + \$41,667}{3}$
Maximum Coverage For Joint Accounts	\$125,000	\$125,000	\$125,000

The total amount of the deposits is in excess of the deposit insurance coverage limit.

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Scenario #4 - Joint Accounts where the total amount of the deposits is in excess of the deposit insurance coverage limit

Treatment Required to find the deposit insurance coverage allowed:

Step 1:

Reduce each total deemed allocation by the amount in excess of the maximum deposit insurance coverage limit as follows:

Total Deemed Allocation	\$166,667
Deduct Maximum Deposit Insurance Coverage Limit	<u>(\$125,000)</u>
Excess	<u>\$ 41,667</u>

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Scenario #4 - Joint Accounts where the total amount of the deposits is in excess of the deposit insurance coverage limit

Treatment Required to find the deposit insurance coverage allowed:

Step 2:

Find the percentage of the excess in relation to the total deemed allocation.

$$(\text{Excess} / \text{Total Deemed Allocation}) \times 100 = \text{Reduction \%}$$

$$\$41,667 / \$166,667 \times 100 = 25\%$$

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Scenario #4 - Joint Accounts where the total amount of the deposits is in excess of the deposit insurance coverage limit

Treatment Required to find the deposit insurance coverage allowed:

Step 3:

Reduce the deposit insurance allocation applied to each account by 25%.

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Scenario #4 - Joint Accounts where the total amount of the deposits is in excess of the deposit insurance coverage limit

New configuration showing deposit insurance coverage allowed:

	Andre		Blair		Charlie		Total
Account No. 1 Andre + Blair	\$46,875	+	\$46,875			=	\$93,750
Account No. 2 Andre + Charlie	\$46,875			+	\$46,875	=	\$93,750
Account No. 3 Blair + Charlie			\$46,875	+	\$46,875	=	\$93,750
Account No. 4 Andre + Blair + Charlie	\$31,250	+	\$31,250	+	\$31,250	=	\$93,750
<b>Deposit Insurance Coverage</b>	<b>\$125,000</b>		<b>\$125,000</b>		<b>\$125,000</b>		

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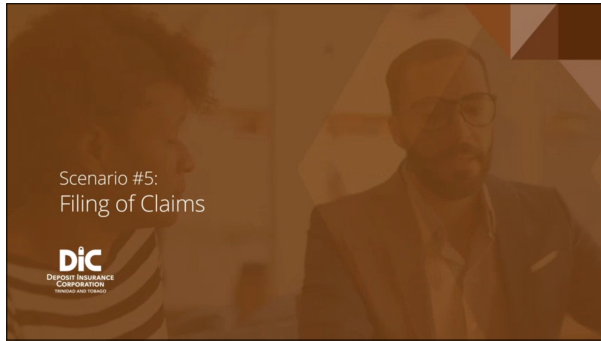
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**Who should file a claim for deposit insurance on a joint account?**

A claim for deposit insurance must be filed by a person authorised to make withdrawals from the account.

For example, a claim for deposit insurance on an account where either of two parties was authorised to sign for withdrawals as indicated by the use of "and / or" in the establishment of the account, the claim may be made by either party. Example joint account in the names of Vanna Richie and / or Pat Richie.

If two signatures were required to make withdrawals as indicated by the use of "and", then both signatures will be required on the claim for deposit insurance. Example joint account in the names of Vanna Richie and Pat Richie.

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**In instances of joint accounts, in whose name will the deposit insurance payment be made?**

The respective interests of the co-owners of joint accounts are deemed equal for deposit insurance purposes.

Therefore, 1 deposit insurance payment will be made and it will be payable in the names of all the depositors as they appear on the deposit document.

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**Scenarios you've covered:**

1. Joint Accounts held in combination with Single (Individual) Accounts
2. Multiple Joint Accounts bearing the same names in varying sequences
3. Multiple Joint Accounts bearing different names
4. Joint Accounts where the total amount of the deposits is in excess of the deposit insurance coverage limit
5. Filing of Claims

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