

ANNUITY CONTRACT ACCOUNTS

(12 C.F.R. § 330.8)

I. Definition

An annuity contract account is an account established by an insurance company or other corporation to hold funds for the sole purpose of funding life insurance or annuity contracts and any benefits incidental to such contracts.

II. Insurance Limit

Under this category, the insurance company is entitled to deposit insurance coverage of up to \$250,000 for each annuitant's interest provided that:

- The corporation establishes a separate account for such funds;
- The account cannot be charged with the liabilities arising out of any other business of the corporation; and
- The account cannot be invaded by the corporation's other creditors if the corporation becomes insolvent and its assets are liquidated.

No aggregation with other accounts

This coverage is separate from any other accounts the insurance company or the annuitants may have at the same IDI.

III. Titling of Accounts at an IDI

Typically annuity contract deposits are titled to reflect the relationship between the annuitant and the insurance company. For instance, an account titled as "ABC Insurance Company Annuitants Account" is sufficient to establish the necessary relationship for deposit insurance purposes.