

## **SEC. 2103. INCREASE IN DEPOSIT INSURANCE COVERAGE.**

(a) In General- Section 11(a)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(1)) is amended--

(1) by striking subparagraph (B) and inserting the following new subparagraph:

“(B) NET AMOUNT OF INSURED DEPOSIT- The net amount due to any depositor at an insured depository institution shall not exceed the standard maximum deposit insurance amount as determined in accordance with subparagraphs (C), (D), (E) and (F) and paragraph (3).”; and

(2) by adding at the end the following new subparagraphs:

“(E) STANDARD MAXIMUM DEPOSIT INSURANCE AMOUNT DEFINED- For purposes of this Act, the term ‘standard maximum deposit insurance amount’ means \$100,000, adjusted as provided under subparagraph (F) after March 31, 2010.

“(F) INFLATION ADJUSTMENT-

“(i) IN GENERAL- By April 1 of 2010, and the 1st day of each subsequent 5-year period, the Board of Directors and the National Credit Union Administration Board shall jointly consider the factors set forth under clause (v), and, upon determining that an inflation adjustment is appropriate, shall jointly prescribe the amount by which the standard maximum deposit insurance amount and the standard maximum share insurance amount (as defined in section 207(k) of the Federal Credit Union Act) applicable to any depositor at an insured depository institution shall be increased by calculating the product of--

“(I) \$100,000; and

“(II) the ratio of the published annual value of the Personal Consumption Expenditures Chain-Type Price Index (or any successor index thereto), published by the Department of Commerce, for the calendar year preceding the year in which the adjustment is calculated under this clause, to the published annual value of such index for the calendar year preceding the date this subparagraph takes effect under the Federal Deposit Insurance Reform Act of 2005.

The values used in the calculation under subclause (II) shall be, as of the date of the calculation, the values most recently published by the Department of Commerce.

“(ii) ROUNDING- If the amount determined under clause (ii) for any period is not a multiple of \$10,000, the amount so determined shall be rounded down to the nearest \$10,000.

`(iii) PUBLICATION AND REPORT TO THE CONGRESS- Not later than April 5 of any calendar year in which an adjustment is required to be calculated under clause (i) to the standard maximum deposit insurance amount and the standard maximum share insurance amount under such clause, the Board of Directors and the National Credit Union Administration Board shall--

`(I) publish in the Federal Register the standard maximum deposit insurance amount, the standard maximum share insurance amount, and the amount of coverage under paragraph (3)(A) and section 207(k)(3) of the Federal Credit Union Act, as so calculated; and

`(II) jointly submit a report to the Congress containing the amounts described in subclause (I).

`(iv) 6-MONTH IMPLEMENTATION PERIOD- Unless an Act of Congress enacted before July 1 of the calendar year in which an adjustment is required to be calculated under clause (i) provides otherwise, the increase in the standard maximum deposit insurance amount and the standard maximum share insurance amount shall take effect on January 1 of the year immediately succeeding such calendar year.

`(v) INFLATION ADJUSTMENT CONSIDERATION- In making any determination under clause (i) to increase the standard maximum deposit insurance amount and the standard maximum share insurance amount, the Board of Directors and the National Credit Union Administration Board shall jointly consider--

`(I) the overall state of the Deposit Insurance Fund and the economic conditions affecting insured depository institutions;

`(II) potential problems affecting insured depository institutions; or

`(III) whether the increase will cause the reserve ratio of the fund to fall below 1.15 percent of estimated insured deposits.'

(b) Coverage for Certain Employee Benefit Plan Deposits- Section 11(a)(1)(D) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(1)(D)) is amended to read as follows:

`(D) COVERAGE FOR CERTAIN EMPLOYEE BENEFIT PLAN DEPOSITS-

`(i) PASS-THROUGH INSURANCE- The Corporation shall provide pass-through deposit insurance for the deposits of any employee benefit plan.

`(ii) PROHIBITION ON ACCEPTANCE OF BENEFIT PLAN DEPOSITS- An insured depository institution that is not well capitalized or adequately capitalized may not accept employee benefit plan deposits.

`(iii) DEFINITIONS- For purposes of this subparagraph, the following definitions shall apply:

`(I) CAPITAL STANDARDS- The terms `well capitalized' and `adequately capitalized' have the same meanings as in section 38.

`(II) EMPLOYEE BENEFIT PLAN- The term `employee benefit plan' has the same meaning as in paragraph (5)(B)(ii), and includes any eligible deferred compensation plan described in section 457 of the Internal Revenue Code of 1986.

`(III) PASS-THROUGH DEPOSIT INSURANCE- The term `pass-through deposit insurance' means, with respect to an employee benefit plan, deposit insurance coverage based on the interest of each participant, in accordance with regulations issued by the Corporation.'

(c) Increased Amount of Deposit Insurance for Certain Retirement Accounts- Section 11(a)(3)(A) of the Federal Deposit Insurance Act (12 U.S.C.

1821(a)(3)(A)) is amended by striking `\$100,000' and inserting `\$250,000 (which amount shall be subject to inflation adjustments as provided in paragraph (1)(F), except that \$250,000 shall be substituted for \$100,000 wherever such term appears in such paragraph)'.

(d) Effective Date- This section and the amendments made by this section shall take effect on the date the final regulations required under section 9(a)(2) take effect.