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சென்செக்ஸ்  
**33,844** ▲ 51.35

நிஃப்டி 50  
**10,459** ▲ 16.25

கோல்டு (எம்சிஎக்...  
**29,096.00** ▼ -129.00

யுஎஸ்டி/ஐஎ...  
**63.51** ▼ -0.03

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## Want your bank deposits safe? Be ready to pay for it

BY ET ONLINE | JAN 03, 2018, 02.31 PM IST

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Though there is little clarity on the controversial "bail-in" clause in the Financial Resolution and Deposit Insurance (FRDI) Bill, many people are worried about their [bank deposits](#).

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Under the current Deposit Insurance and Credit Guarantee Corporation Act, 1961, any amount of more than Rs 1 lakh in a deposit account could be forfeited in the event of a bank failure. However, the [FRDI Bill](#) proposes a resolution corporation would be set up and it in consultation with the Reserve Bank of India would fix the threshold for deposit insurance. This suggests that the government is considering increasing the insured amount in deposits since the compensation was last fixed almost 25 years ago.

The limit of Rs 1 lakh covered most of the bank accounts 25 years ago when only a small part of the accounts held more than Rs 1 lakh. Today, the government may have to raise the deposit insurance cover by more than 12 times in the proposed insurance bill if it has to ensure a safety net for at least 90 per cent of deposits, which was the base when the limit was last revised a quarter century ago. As of March 2016, 97 per cent of deposit accounts had Rs 15 lakh or less.

Here's what customers need to consider:

Currently, banks have to pay a premium of about 10 paise per Rs 100 insured. Any hike in the threshold would raise the amount of premium that banks will have to shell out. If the government raises the limit to Rs 15 lakh from the present Rs 1 lakh, the premium too will go up steeply.

Can the banks afford to bear the higher premium cost? At present, the banks pay the premium, but if it goes up the customers may have to pay for it above a certain limit. So, there could be a cost to keeping your deposits safe.



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