BULL RUN INVESTMENT MANAGEMENT
BRIM

CLIENT GUIDE

Charles Schwab's Security Guarantee, SIPC Insurance, and How to Protect Your Accounts

Your accounts at Schwab are protected by several layers of security. Here is what is covered, what is not, and what you should do on your end.

Schwab's own pages: Security Guarantee · Account protection and SIPC · SchwabSafe.

1. Schwab's Security Guarantee

Schwab reimburses 100% of any losses in your accounts that result from unauthorized activity.

What is covered

- Unauthorized transfers, withdrawals, or trades.
- Schwab brokerage accounts, Schwab Bank accounts, IRAs, Roth IRAs, inherited IRAs, and advisor-managed accounts.
- Related fees or interest charges caused by the unauthorized activity.

What is not covered

- Activity by anyone you have authorized: spouse, employer, accountant, advisor, third-party apps.
- Activity where your login was shared or stored insecurely.
- Activity through third-party financial apps that Schwab has not approved.

Your responsibilities, part 1: third-party apps

The guarantee only applies when unauthorized activity happens without your involvement, authorization, or credential sharing. That distinction matters most with retail financial apps and any platform that asks for your Schwab username or password.

- Do not enter your Schwab username or password into any third-party app (Mint, Credit Karma, Rocket Money, Monarch, Empower, and the like) unless Schwab has explicitly partnered with it.
- If you voluntarily give your login to any app, site, plug-in, browser extension, budgeting tool, or data aggregator, that app and its employees count as authorized by you.
- If anything happens after that, even if the third party is hacked, the Security Guarantee does not apply.

Advisor software is different

Bull Run uses institutional tools (RedBlack, Black Diamond, RightCapital) that receive Schwab data through Schwab-authorized, Schwab-controlled data feeds. You never give those systems your credentials, so your Security Guarantee stays fully intact. Schwab has confirmed that even if one of these vendors had a breach, the guarantee would still hold, because you never shared or delegated access.

The rule to follow: do not connect your Schwab account or enter your Schwab login into any outside app before speaking with us. We will tell you whether the app is Schwab-approved or whether using it would void the guarantee.

2. SIPC insurance

Every Schwab brokerage account is protected by SIPC, which covers you if the brokerage firm itself fails financially.

	What it means
Coverage	Up to $500,000 per account type, including up to $250,000 for cash.
Covers	Missing securities or cash if Schwab were ever to fail. It kicks in after assets are recovered in liquidation.
Does not cover	Market losses, declines in the value of any security, futures, or commodities.
Excess SIPC	Schwab carries additional coverage beyond the SIPC limits, up to $600 million across all clients. It is very unlikely ever to be needed, but it is in place.

3. SchwabSafe

SchwabSafe is Schwab’s security program: technology, trained staff, and secure processes, built around a partnership with you.

- Multi-layered defenses: encryption in transit and at rest, risk-based security controls, automated fraud detection, identity verification, and 24/7 monitoring.
- The Security Center lets you set real-time alerts for account activity such as logins and transactions, and enroll in advanced authentication with a one-time code by app, text, or token.
- Continuous automated monitoring for suspicious patterns, paired with alerts to you so you can respond fast.

Additional account protections

FDIC insurance (Schwab Bank products)

- Covers deposits held at Schwab Bank or at program banks through the Schwab Bank Sweep.
- Up to $250,000 per depositor, per bank, per ownership category.
- Covers checking, savings, CDs, and Bank Sweep balances. Does not cover brokerage assets; those fall under SIPC.

How Schwab safeguards your assets

- Your fully paid securities are kept separate from Schwab's own assets, at third-party depositories such as DTC and BNY Mellon.
- Schwab cannot use your assets for its own obligations. The SEC Customer Protection Rule requires strict segregation of client assets.
- Only securities tied to a margin loan can be rehypothecated. Everything else stays fully segregated.

Your responsibilities, part 2: five settings to change today

These are the steps that keep your accounts fully protected and eligible for the 100% Security Guarantee.

1 **Two-factor authentication**

Turn on two-step verification. Choose **Always at login**, and pick the **Security token** method through Symantec VIP for the strongest protection. Download the Symantec VIP Access app on your phone, then follow the enrollment prompts in Schwab's Security Settings.

2 **Account alerts**

Turn on text and push notifications for **Profile Information Changes**, **Portfolio Alerts**, and **Deposits and Transfers**, so you hear about any activity on your accounts immediately.

3 **Login restrictions**

Set your **Web Session Timeout** to 15 minutes, the shortest option, so idle sessions end on their own.

4 **Biometrics**

Do not enable **Voice ID**. A voice cannot be changed if it is compromised, and AI-generated deepfake voices make it vulnerable to spoofing.

5 **Trusted devices**

Keep two-factor set to **Always at login**, so verification is required every time on every device. Never trust a public or shared device.

Personal best practices

- Use strong, unique passwords: 12 to 16 characters with upper and lower case, numbers, and symbols. Never reuse a password between financial accounts.
- Avoid logging in over public Wi-Fi. Use a VPN if you must, or stay on cellular data.
- Keep your phone, laptop, and antivirus updated. Turn on auto-updates.
- Be careful with emails or calls claiming to be Schwab. If unsure, hang up and call Schwab Alliance directly at 1-800-515-2157. Schwab will never ask for your password.

Fraud and identity-theft insurance

Schwab does not sell fraud insurance; its Security Guarantee covers unauthorized account activity. Broader identity-theft protection (legal fees, lost wages, document recovery) comes from services such as LifeLock, Identity Guard, or Aura, or as an add-on to homeowners insurance. These run about $100 to $300 a year and often include up to $1 million of identity-theft reimbursement.

The bottom line for Bull Run clients

Your accounts at Schwab sit behind Schwab's 100% Security Guarantee, SIPC and excess SIPC coverage, FDIC coverage on any banking balances, strict segregation of client assets, and the security controls and alerts above. Combined with good personal habits and our oversight, that is one of the strongest security frameworks in the industry.

If you ever see something that does not look right, contact us immediately and call Schwab Alliance at 1-800-515-2157.

Questions?

If you want us to walk through the Schwab security settings with you on a call, we are glad to.

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