



# Ontario

Deposit Insurance  
Corporation of Ontario

Société ontarienne  
d'assurance-dépôts

Protection. Security. Stability.



# Info

December, 2009

Your deposits are **protected**

## DICO's 2009 Financial Results and 2010 Premiums

During 2009 DICO recorded insurance losses of over \$29 million of which \$13 million related to prior years' failures. The vast majorities of these losses were attributable to illegal and alleged fraudulent activities by former employees and directors of failed credit unions. As a result, at the end of 2009 DICO's insurance fund is estimated to be \$81 million or 40 basis points of insured deposits. This is well below our minimum target of 56 basis points of insured deposits.

To minimize the impact of these failures on the insurance fund DICO, in its dual capacity as liquidator and deposit insurer, is actively pursuing recovery through a number of activities including bond claims and legal actions against external auditors, certain former directors and employees of the failed credit unions. We are hopeful that these actions will produce sufficient recoveries to reduce the need for an increase in deposit insurance premium levels or a special assessment to rebuild the insurance fund. Accordingly, DICO's board has recommended to the Minister of Finance that premium rates remain unchanged for 2010 until such time as an assessment can be made of the recovery efforts.

## Regulatory Affairs

In light of its new responsibilities as solvency regulator and to address concerns about potential conflicts with its existing deposit insurance role, DICO has established the posi-

tion of Director, Regulatory Affairs. The new function is responsible for prudential regulation. The Director's mandate includes ensuring regulatory orders (compliance, supervision and administration) are developed and properly issued, managing the process for variations, applications, decisions and appeals, recommending the issuance of administrative penalties and producing communications on interpretations of the Act and regulations. A summary of prudential regulatory activity, copies of orders issued, and frequently asked questions will be available on DICO's website early in 2010. Institutions are welcome to direct questions and issues on regulatory matters to the Director, Richard Dale, via e-mail at [rdale@dico.com](mailto:rdale@dico.com) or telephone 416 325-9422 (Toll free 1 800 268-6653 ext. 59422).

## DICO's 2010 Annual Meeting

DICO will hold its annual meeting for all stakeholders in conjunction with Central 1's Annual Meeting at 4 pm on Thursday, April 29, 2010. Please plan to attend.

## DICO Ombudsman

A reminder to all credit unions and caisses populaires that DICO's Office of the Ombudsman has been operational since June 2008. The Ombudsman, Beryl Roberto, reports to DICO's Board and is independent from operational programs. She investigates complaints that cannot be resolved at the operational level related to regulatory issues between insured institutions and DICO or to disputes between depositors or

borrowers related to credit unions that are being liquidated. The Ombudsman assists in resolving problems by helping the complainant to clearly focus and communicate the issue(s) in dispute and recommending possible solutions to the parties involved. DICO's complaint resolution process is detailed on our website ([www.dico.com](http://www.dico.com)). If you have an issue which has not been resolved, Ms. Roberto may be contacted via e-mail: [ombudsman@dico.com](mailto:ombudsman@dico.com), telephone 416-325-9446 (Toll free: 1 800 268-6653 ext. 59446), or fax 416-325-9568.

## Thank you!

On behalf of the Board and staff of DICO we would like to take the opportunity of thanking all of our insured institutions, their boards and staff for their support over the past year and reiterate our commitment to ensure the ongoing stability and success of the Ontario credit union and caisse populaire sector.



*Season's Greetings and  
Happy New Year!  
from the Board and Staff of DICO  
Our very best wishes for a  
wonderful holiday season and a  
prosperous  
New Year!*

## Your Feedback Is Important

We welcome your feedback on any issues related to DICO. If you have any comments or questions please do not hesitate to contact us at **1-800-268-6653** or at [info@dico.com](mailto:info@dico.com).