



# Ontario

Deposit Insurance  
Corporation of Ontario

Société ontarienne  
d'assurance-dépôts

Protection. Security. Stability.



# Info

December 2010

Your deposits are **protected**

## DICO Financial Results

The Deposit Insurance Reserve Fund will be \$95 million or 44 basis points (bps) of insured deposits at the end of 2010. This is ahead of budget but still well below the target range of between 56 and 68 bps. Net operating expenses for the year were 9% under budget.

## 2011 Premiums

During 2008 and 2009 claims against the Deposit Insurance Reserve Fund exceeded \$50 million relating primarily to losses which arose from alleged fraudulent/illegal activities at three institutions. As a result, the balance in the Fund has been reduced significantly.

To help rebuild the Fund, DICO's Board of Directors recommended to the Minister of Finance a revision to Regulation 237/09 to increase premium rates for credit unions and caisses populaires with year ends on and after December 31, 2010. These changes have now been approved.

The new rates (per \$1,000 of insured deposits) are as follows:

Class	Points	Rate
1	85	\$1.00
2	70-84	\$1.15
3	55-69	\$1.40
4	40-54	\$1.75
5	<40	\$3.00

## Important Changes to Reporting Requirements

(Sector Release #64, Nov. 30, 2010)

DICO is implementing changes to the reporting requirements for all credit unions and caisses populaires starting in 2011. The new reporting system is designed to provide greater flexibility and allow for collection of information

based on each institution's class, size and complexity of operations.

## By-law #5: Standards of Sound Business and Financial Practices

Following a comprehensive review and consultation with the sector, By-law #5 has been revised to reflect recent changes to the Act and to ensure that it appropriately reflects best practices and emerging risks. A major new requirement is the implementation of an Enterprise Risk Management (ERM) framework for Class 2 institutions.

Once proclaimed in the spring of 2011, each insured institution will be required to be in compliance with this By-law by the end of its first financial year ending on or after December 31, 2011.

## By-law #6: Reserves and Monthly Provision for Doubtful Loans

This by-law was revised to reflect changes in accounting rules and terminology under International Financial Reporting Standards (IFRS) which take effect on or after January 1, 2011 and also to better align this By-law with the Act, Regulations and current industry practices.

By-law #6 was proclaimed on December 1<sup>st</sup>, 2010 and has become effective for all insured institutions with a financial year that starts after December 31, 2010.

## DICO Ombudsman

### Complaint Resolution Process

Insured institutions and individuals have access to a formal complaint resolution process that provides information needed to get in touch with the staff at

DICO who can help resolve any problems.

The resolution process begins by contacting the Vice-President with responsibility for the specific area of DICO's operations that related to the problem. Should a satisfactory resolution not be achieved, the complaint should be then directed to DICO's President and CEO.

If the complainant feels that the dispute has still not been resolved at this level, the next step is to contact **Beryl Roberto**, Ombudsman at 416-325-9446 or email [ombudsman@dico.com](mailto:ombudsman@dico.com). Further details about the complaint resolution process can be found on the DICO website.

## Thank you!

On behalf of the Board and staff of DICO we would like to take the opportunity of thanking all our insured institutions for their support over the past year. DICO remains committed to ensuring the stability and success of the Ontario credit union and caisse populaire sector during 2011.



*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).