



Ontario

Deposit Insurance
Corporation of Ontario

Société ontarienne
d'assurance-dépôts

Deposit Insurance Coverage for Ontario Credit Unions

How Your Deposits Are Protected

The Deposit Insurance Corporation of Ontario (DICO) provides deposit protection for all eligible deposits held at Ontario credit unions.

Deposit Insurance is part of a comprehensive protection program in all Ontario credit unions which is backed by provincial legislation.

For a quick overview on DICO's deposit insurance, please read DICO's publication "[Your deposits are protected](#)".

General Framework

DICO insures your deposits subject to the eligibility criteria and maximum coverage explained below. Subject to coverage limits, eligible deposits held with DICO member institutions are automatically insured: you do not need to apply.

The maximum basic coverage that is available for all eligible deposits that are held in the name of a depositor at a single member institution is \$100,000 (includes interest and dividends). DICO provides separate coverage up to a maximum of \$100,000, (includes interest and dividends) for each of the following types of eligible deposits:

- deposits held jointly in the name of two or more persons;
- deposits held in trust for one or more beneficiaries;
- deposits held in registered plans such as RRSPs, RRIFs, RESPs and OHOSPs;
- deposits held in the name of a corporation, partnership or association.

Eligible deposits held at different credit unions are separately insured. Eligible deposits held at different branches of the same credit union are combined for the purposes of determining the maximum insurance coverage.

Eligibility Criteria for DICO Deposit Insurance

To be eligible for DICO deposit insurance protection, deposits must be:

- in Canadian currency, payable in Canada;
- held in an Ontario credit union.

Provided they meet the eligibility criteria, DICO insures the following types of deposits:

- savings and chequing accounts;
- term deposits;
- guaranteed investment certificates (GICs).

Some types of deposits and investments offered by member institutions are NOT insurable by DICO. Among the most common types are:

- foreign currency deposits (for example, accounts in U.S. dollars);
- mutual funds;
- membership shares and investment shares of a credit union;
- treasury bills;
- government and corporate bonds;
- stocks and debentures.

DICO Protects Your Deposits

The following are explanations of the various categories of deposit accounts along with examples of coverage for each:

Basic Coverage

DICO provides deposit insurance protection for each individual depositor up to \$100,000. The maximum basic coverage applies to the total of all insurable deposits held at the same institution.

Basic deposit insurance protection applies to savings accounts, chequing accounts and term deposits including guaranteed investment certificates.

Example 1:

DICO would provide full deposit protection if you held the following deposits in a member credit union.

Deposit	Amount
Savings account	\$5,000
Chequing account	\$1,000
Term deposit	\$28,000
Total deposits at this credit union	\$34,000
Total deposits covered by DICO	\$34,000

Example 2:

DICO would provide deposit protection up to the \$100,000 limit, if you held the following deposits in a member credit union.

Deposit	Amount
Savings account	\$25,000
Chequing account	\$4,000
Term deposit	\$85,000
Total deposits at this credit union	\$114,000
Total deposits covered by DICO	\$100,000
Uninsured deposits	\$14,000

Note: Deposits in the name of an individual over \$100,000 are not insured.

Example 3:

DICO would provide deposit protection for \$45,000, if you held the following deposits in a member credit union.

Deposit	Amount
Savings account (Canadian Dollars)	\$10,000
Chequing account (U.S. Dollars)	\$5,000
Term deposit	\$35,000
Mutual funds investments	\$10,000
Total deposits at this credit union	\$60,000
Total deposits covered by DICO	\$45,000
Uninsured deposits	\$15,000

Note: Mutual fund investments and foreign currency deposits are not insured.

Joint Deposits

DICO provides separate deposit insurance protection for deposits held jointly with other members.

DICO provides protection for all deposits held by the same joint owners up to \$100,000. The \$100,000 limit applies to the joint owners collectively, NOT to each individual.

If you have eligible joint deposits with another person or other joint deposits with a different joint owner(s) at the same member institution, these would be insured separately from each other to the \$100,000 limit.

Example:

DICO would provide full deposit protection for all deposits for each individual member *plus* the deposits held in joint names if you held the following deposits in a member credit union.

Deposit	Amount
<i>Individual # 1</i>	
Savings account	\$35,000
Chequing account	\$5,000
Total deposits of individual #1	\$40,000
Total deposits covered by DICO	\$40,000
<i>Individual # 2</i>	
Savings account	\$35,000
Chequing account	\$1,000
Total deposits of individual #2	\$36,000
Total deposits covered by DICO	\$36,000
<i>Joint Account (Individual # 1 and/or Individual # 2)</i>	
Savings account	\$24,000
Chequing account	\$1,000
Term deposit	\$35,000
Total deposits held in joint names	\$60,000
Total deposits covered by DICO	\$60,000

Deposits Held in Trust

DICO provides separate deposit insurance protection for deposits held in trust for other beneficiaries.

Deposits held in trust must clearly indicate the beneficiaries to be eligible for separate deposit insurance protection up to \$100,000. So long as each beneficiary is properly designated, each beneficiary is entitled to the maximum insurance coverage. The following information should be available on the records of the trust account:

- the fact that the deposits are held in trust;
- the name and address of the trustee (s);
- the name and address of the beneficiary, or each beneficiary if there are two or more;
- if there are two or more beneficiaries, the percentage or amount of each beneficiary's interest in the trust.

These deposits are also insured separately from deposits held by any of the beneficiaries in his or her own name. If there is more than one beneficiary of an eligible deposit that is held in trust, the amount or percentage of each beneficiary's interest in the deposit must be disclosed on the member institution's records.

Example 1:

DICO would provide full deposit protection for all deposits in your name **plus** all the deposits held in trust, if you held the following deposits in a member credit union.

Deposit	Amount
<i>Your Name</i>	
Savings Account	\$15,000
Chequing Account	\$1,000
Term deposit	\$50,000
Total deposits in your name	\$66,000
Total deposits covered by DICO	\$66,000
<i>Trust account set up by you for an individual beneficiary</i>	
Term deposit	\$55,000
Total deposits in trust	\$55,000
Total deposits covered by DICO	\$55,000

Example 2:

DICO would provide full deposit protection for all deposits in your name **plus** all the deposits held in trust for each of the beneficiaries, if you held the following deposits in a member credit union.

Deposit	Amount
<i>Your Name</i>	
Savings Account	\$15,000
Chequing Account	\$1,000
Term deposit	\$50,000
Total deposits in your name	\$66,000
Total deposits covered by DICO	\$66,000

Trust Account set up for Three Beneficiaries (equal shares)

Term deposit	\$150,000
Total deposits held in trust	\$150,000
Total deposits covered by DICO	\$150,000

Note: In this example each beneficiary's share of \$50,000 would be covered.

Deposits Held in Registered Plans (e.g. RRSP, RRIF, etc.)

DICO provides separate deposit insurance protection for deposits held in registered plans. DICO insures deposits held in registered plans separately from other deposit accounts held in the depositor's name. Each RRSP (contract) is insured to a maximum of \$100,000.

Example:

DICO would provide deposit insurance protection for the \$35,000 held in your savings and chequing accounts, plus \$110,000 for deposits held in your registered plans, if you held the following deposits in a member credit union.

Deposit	Amount
Savings account	\$33,000
Chequing account	\$2,000
Total deposits in your name	\$35,000
Total deposits covered by DICO	\$35,000
RRSP – savings account	\$15,000
RRSP – term deposit	\$85,000
RRSP mutual funds	\$60,000
Total Registered Funds	\$170,000
Total registered plans covered by DICO	\$110,000
Uninsured registered plans	\$60,000

Note: the \$60,000 RRSP with mutual fund investment is not insured.

Deposits Held in the Name of a Corporation, Partnership or Association

DICO provides separate deposit insurance protection up to \$100,000 for the deposits held in the name of a corporation, partnership or association. Eligible accounts must be designated on the member institution's records by name and the member institution must maintain copies of the appropriate supporting documentation.

Eligible types of business accounts include:

- Corporations (registered under either the provincial or federal Corporations Act)
- Partnerships (registered with partnership agreement)
- Associations (e.g. Community Hockey Association)

Deposits for eligible business accounts are insured separately from deposits held in the names of any of the individual principals.

Example:

DICO would provide deposit insurance protection for the \$58,000 held in your individual account, plus the \$90,000 for your business account, if you held the following deposits in a member credit union.

Deposit	Amount
<i>Your Name</i>	
Savings account	\$13,000
Chequing account	\$5,000
RRSP - term deposit	\$40,000
Total personal deposits at this credit union	\$58,000
Total deposits covered by DICO	\$58,000
<i>Your Business (Corporation)</i>	
Current Account	\$10,000
Term deposit	\$80,000
Total business deposits at this credit union	\$90,000
Total deposits covered by DICO	\$90,000

Frequently Asked Questions

The following represent frequently asked questions regarding DICO deposit insurance coverage.

How will I know that my credit union is insured by DICO?

All active credit unions in Ontario are required by legislation to be insured by DICO. Each of these institutions is required to display the official DICO membership sign, which confirms that deposits are insured. In addition a listing of all insured credit unions is provided on DICO's Web site.

In the unlikely event my credit union ceases operations, are my deposits still insured?

Your deposits will continue to be insured by DICO in accordance with the specified coverage limits.

How do I apply for deposit insurance?

It is not necessary to apply for deposit insurance. Deposit insurance, to a **maximum of \$100,000** applies automatically to the combined total of all deposits, plus \$100,000 for deposits in each individual registered savings plan.

How can I achieve maximum coverage?

By planning your investment portfolio with an understanding of deposit protection, you can achieve maximum coverage for your combined savings. For example, if you and your spouse had individual deposit accounts, plus a joint account you could achieve coverage up to \$300,000 (maximum of a \$100,000 on each account).

If I have deposits in separate branches of the same credit union, is each deposit insured separately?

No. The deposit insurance coverage applies to the combined total of your deposits in any one member credit union.

If I have deposits in different credit unions, are deposits in each insured separately?

Yes. Deposit insurance coverage limits are applied separately to the deposits held in each credit union.

Are my business / corporate accounts covered?

Yes. Separate deposit insurance coverage up to a maximum of \$100,000 is provided for each business that holds an account or accounts at a member credit union. Businesses include corporations, partnerships and associations.

If I open two deposit accounts, one John H. Jones and the other J. Jones, are both accounts insured separately to a maximum of \$100,000?

No. Each depositor of a credit union is limited to a maximum of \$100,000 coverage on their deposit accounts.

What deposit insurance coverage is provided on trust accounts?

Each trust account is insured separately from any individual deposit accounts of the trustee, provided that the interest of the beneficiary is disclosed upon the records of the credit union. Each unique trust account of a different trustee and beneficiary combination is insured to a maximum of \$100,000. In addition, provided that the interest of each beneficiary in the deposit is disclosed upon the records of the credit union, then the interest of each beneficiary is separately insured to a maximum of \$100,000.

Are term deposits with terms over 5 years insured?

Yes. DICO insures Term Deposits regardless of the term of the deposit.

Are my mutual funds insured by DICO?

No. Only deposits are insured.