

# Deposit Insurance Coverage for Ontario Credit Unions

The Deposit Insurance Corporation of Ontario (DICO) protects insurable deposits held with Ontario credit unions. Deposit insurance is part of a comprehensive depositor protection program that ensures the safety and soundness of credit unions.



All credit unions in Ontario are required to prominently display the official decal of DICO at each of their locations.



**Your deposits  
are protected.**

## Contact Us

Visit our website  
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1-800-268-6653

This document contains general information and is not intended to be a legal interpretation of Ontario provincial legislation respecting deposit insurance.

*Ce document est également disponible en français.*

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## What you need to know.

### Who pays for deposit insurance coverage?

- Credit unions pay for deposit insurance coverage through premiums paid to DICO. All insurable deposits held by depositors are automatically covered.

### What happens if a credit union goes out of business?

- Payments for insurable deposits are made as soon as possible;
- The payment includes principal and interest up to \$250,000 for insurable deposits held in non-registered accounts aggregated together and unlimited for insurable deposits held in registered accounts;
- Borrowers are responsible for repayment of outstanding debt until paid in full and will be notified by letter from DICO with specifics.

### As an account owner what can I do to ensure complete and prompt payment if my credit union fails?

- Ensure your credit union always has your current and complete contact information;
- Understand what's covered and what's not.

# What's covered?

Deposits held in non-registered accounts in Canadian currency payable in Canada are insurable up to a maximum of \$250,000. Insurable deposits include:

- Chequing and savings accounts
- Guaranteed Investment Certificates (GIC) and other term deposits (regardless of term of investment)
- Money orders
- Funds in transit
- Index-linked term deposits (principal portion only)

All insurable deposits in the following registered accounts have unlimited coverage:

- Locked-in retirement account (LIRA)
- Life income fund (LIF)
- Registered retirement savings plan (RRSP)
- Registered retirement income fund (RRIF)
- Registered disability savings plan (RDSP)
- Registered education savings plan (RESP)
- Tax-free savings account (TFSA)

To be eligible for deposit insurance coverage, **you must be a member of the credit union.**

# What's not covered?

The following are not covered under DICO's deposit insurance program:

- Mutual funds
- Membership shares
- Patronage, investment or preferred shares issued by a credit union
- Foreign currency deposits
- Contents of safety deposit boxes
- Securities held for safekeeping

# What is the maximum insurance coverage?

## Basic Coverage

The maximum basic coverage for insurable deposits held in non-registered accounts is \$250,000 (principal and interest combined) per depositor in each Ontario credit union and unlimited for insurable deposits held in registered accounts. Deposits held in different branches of the same credit union are not separately insured.

## Separate Coverage

DICO provides separate coverage for insurable deposits held in joint accounts, trust accounts and registered accounts.

## Non-Registered Accounts

### Joint Accounts

Deposits held jointly by depositors are insured separately from insurable deposits in each individual depositor's name, provided the records of the credit union identify the name and address of each joint owner. The maximum insurance coverage for deposits having the same combination of joint owners at each credit union is \$250,000 (held jointly, not per individual owner).

### Trust Accounts

Insurable deposits held in trust accounts are insured separately from deposits owned by the trustee or the beneficiary. Each beneficiary's portion is insured up to \$250,000. Insurable deposits having both the same trustee and the same beneficiary combination are added together and the total is insured to a maximum of \$250,000 for each beneficiary.

## Registered Accounts

All insurable deposits in registered accounts are all fully insured.

# DICO coverage

Below is an example showing how DICO covers insurable deposits for a family.

	Deposit Type Details	Amount	Covered	Not Covered (with explanation)
Rachel	Savings Account	\$ 200,000	<b>\$ 258,000</b>	\$ 15,000 Mutual Funds are not insured.
	Chequing Account	\$ 8,000		
	GIC held in TFSA	\$ 50,000		
	Mutual Funds	\$ 15,000		
	<b>TOTAL</b>	<b>\$ 273,000</b>		
John	Chequing Account	\$ 2,000	<b>\$ 37,000</b>	\$ 5,000 Foreign currency accounts are not insured.  Amounts held in all non-registered accounts are combined for deposit insurance coverage limits.
	GIC held in RRSP	\$ 25,000		
	US \$ Savings Account	\$ 5,000		
	Term Deposits	\$ 10,000		
	<b>TOTAL</b>	<b>\$ 42,000</b>		
Rachel & John	Joint Savings Account	\$ 125,000	<b>\$ 125,000</b>	\$ 0 Joint accounts are insured up to \$250,000, in addition to accounts that may be held separately.
	<b>TOTAL</b>	<b>\$ 125,000</b>		
Rachel, held in trust for Alice & Bob (equally)	Term Deposits in trust for Alice	\$ 170,000	<b>\$ 340,000</b>	\$ 0 The portion for each beneficiary is separately insured up to \$250,000.
	Term Deposits in trust for Bob	\$ 170,000		
	<b>TOTAL</b>	<b>\$ 340,000</b>		

Note: All amounts include principal and interest (in Canadian dollars)