



## Task Title: Deposit Insurance Coverage

### OALCF Cover Sheet – Learner Copy

**Learner Name:** \_\_\_\_\_

**Date Started:** \_\_\_\_\_

**Date Completed:** \_\_\_\_\_

**Successful Completion:** Yes ☐ No ☐

**Goal Path:** Employment ☐ Apprenticeship ☐

Secondary School ☐ Post Secondary ☐ Independence ☐

**Task Description:** Learners will locate information about deposit insurance in Ontario to understand how credit unions work.

#### Main Competency/Task Group/Level Indicator:

- Find and Use Information/Read continuous text/A1.2

#### Materials Required:

- Pen/pencil and paper and/or digital device


## Learner Information

The Deposit Insurance Corporation of Ontario (DICO) is an Ontario Provincial Agency established under the Credit Unions Act. DICO's role is to protect people from loss.

Scan "Deposit Insurance Coverage for Ontario Credit Unions".

### Deposit Insurance Coverage for Ontario Credit Unions

The role of the Deposit Insurance Corporation of Ontario (DICO) is to protect depositors of Ontario credit unions. Deposit insurance is part of a comprehensive protection program in all Ontario credit unions which is backed by provincial legislation. DICO is an agency of the Province of Ontario established in 1977 and has responsibilities for ensuring its insured institutions operate in accordance with sound business and financial practices. All credit unions in Ontario are required to display the official sign of DICO which confirms that deposits are insured.



Deposits protected / Dépôts protégés

Insured by the Deposit Insurance Corporation of Ontario / Assurée par la Société ontarienne d'assurance-dépôts

FOR DETAILS SEE FOR A BROCHURE INSIDE OR CALL 1-800-268-9852 / POUR PLUS DE DÉTAILS DEMANDER LA BROCHURE AU COMPTOIR OU APPELÉZ LA 1-800-268-9852

www.dico.com / www.soad.com

### What You Need to Know

**What Happens if a Credit Union Amalgamates with Another Credit Union?**

If an amalgamation of credit unions results in your total insurable deposits with the new credit union exceeding the \$100,000 maximum, special rules apply:

- Term deposits remain insured until maturity;
- Demand deposits remain insured until withdrawn;
- All deposits in registered savings plans remain fully insured until withdrawn.

**What Happens if a Credit Union Goes Out of Business?**


- DICO writes to the insured depositors advising them of how and when they will receive payment;
- Payments for deposits are made as soon as possible or upon maturity;
- The payment includes principal and interest up to \$100,000 for each separate deposit account except for deposits in registered savings plans which are fully insured;
- Loans outstanding will continue until paid.

**Who Pays for Deposit Insurance?**

Credit unions pay for deposit insurance protection through premiums paid to DICO.

**What Is the Deposit Insurance Reserve Fund?**


DICO maintains a deposit insurance reserve fund to cover potential claims. A review of this fund is undertaken annually by DICO's board of directors to ensure that it remains within an appropriate range. In addition to this fund, DICO has access to a line of credit backed by the Government of Ontario.



**Ontario**  
Deposit Insurance Corporation of Ontario  
Société ontarienne d'assurance-dépôts

**Protection.Security.Stability.**

## Your deposits are protected



- Unlimited coverage for registered savings plans
- Other eligible deposits up to \$100,000

## Work Sheet

**Task 1: What are all credit unions in Ontario required to display?**

Answer:

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**Task 2: How does a customer of a credit union find out about their payment if their Credit Union goes out of business?**

Answer:

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**Task 3: Why does DICO keep a deposit insurance reserve fund?**

Answer:

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**Task 4: How often does the board of directors of DICO review the fund?**

Answer:

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