



CDIC

Canada Deposit
Insurance Corporation

PROTECTING YOUR DEPOSITS

From \$1 to \$100,000



Canada

The Canada Deposit Insurance Corporation (CDIC) is a federal Crown corporation created in 1967 to protect the money you deposit in member financial institutions in case of their failure.

CDIC's members are banks, trust companies, loan companies and cooperative credit associations that take deposits and display this sign:



WHAT DOES CDIC INSURE?

CDIC insures eligible deposits you make with our members. Insurable deposits include:

- savings accounts and chequing accounts;
- term deposits, such as guaranteed investment certificates (GICs) and debentures issued by loan companies;
- money orders, travellers' cheques and bank drafts issued by CDIC members and cheques certified by CDIC members; and
- accounts that hold funds to pay realty taxes on mortgaged properties.

To be eligible for deposit insurance protection, your deposit must be payable in Canada, in Canadian currency. Term deposits must be repayable no later than five years after the date of deposit.

Not all deposits and investments offered by our members are insurable.

For example, CDIC does not insure:

- foreign currency deposits (e.g., accounts in U.S. dollars);
- term deposits with a maturity date of more than five years from the date of deposit;
- debentures issued by banks, trust companies or cooperative credit associations;
- bonds or debentures issued by governments and corporations;
- Treasury bills; and
- investments in mortgages, stocks or mutual funds.

WHAT IS THE MAXIMUM INSURANCE PROTECTION?

Basic Protection

The maximum basic protection for eligible deposits is \$100,000 (principal and interest combined) per depositor in each CDIC member institution. Deposits are not insured separately if made at different branch offices of a member.

Separate Protection

CDIC insures eligible deposits separately in each of the following cases:

- savings held in one name;
- savings held in more than one name (joint deposits);
- savings held in trust for another person;
- savings held in registered retirement savings plans (RRSPs);
- savings held in registered retirement income funds (RRIFs);
- savings held in tax-free savings accounts (TFSAs); and
- savings held for paying realty taxes on mortgaged properties.

You are responsible for ensuring that the member institution's records include all information required for the separate protection of these deposits (see following sections for details).

Joint Deposits

Deposits you own jointly with someone else are insured separately from deposits in your own name, provided that the records of the member institution:

- indicate the deposits are owned jointly; and
- include the name and address of each joint owner.

The maximum insurance for all deposits having the same joint owners at each member institution is \$100,000 (collectively, not per individual owner).

Trust Deposits

Deposits held in trust are insured separately from deposits owned personally by the trustee or the beneficiary(ies) provided that the records of the member institution:

- state that the deposit is held in trust;
- identify the name and address of the trustee(s); and
- identify the name(s) and address(es) of the beneficiary(ies).

If a trust deposit is held for more than one beneficiary, the dollar amount or percentage owned by each beneficiary must be identified on the CDIC member's records each year as of April 30. Each beneficiary's share then is insured up to \$100,000.

For more information on CDIC's joint and trust account disclosure requirements, please visit our Web site at www.cdic.ca

Registered Plans

CDIC does not insure all investments held in registered plans. To be insurable, deposits must be held in a savings account, in GICs or other term deposits with an original term to maturity of five years or less, or in debentures issued by loan companies with an original term to maturity of five years or less, and must be payable in Canadian currency.

- Your maximum deposit insurance for all eligible deposits held by you in RRSPs with the same CDIC member is \$100,000 (principal and interest combined).
- Your maximum deposit insurance for all eligible deposits held by you in RRIFs with the same CDIC member is \$100,000 (principal and interest combined).
- Contributions you make to an RRSP or a RRIF plan for your spouse or common-law partner are combined with other deposits held in an RRSP or a RRIF in the name of your spouse or common-law partner with the same CDIC member, not with deposits in your own RRSPs or RRIFs.
- Your maximum deposit insurance for all eligible deposits held in TFSAs with the same CDIC member is \$100,000 (principal and interest combined).
- Your maximum deposit insurance for all eligible deposits held in Registered Disability Savings Plans (RDSP) with the same CDIC member is \$100,000 (principal and interest combined).
- Your maximum deposit insurance for all eligible deposits held in Registered Education Savings Plans (RESP) at the same CDIC member that are structured as a trust is \$100,000 (principal and interest combined). (Eligible deposits held in RESPs that are not structured as trusts are not separately insured, but fall under the basic coverage. You can ask your CDIC member whether your RESP is structured as a trust.)
- You may be eligible for additional coverage if you have two or more of the same type of registered plan, depending on how those plans are set up. For more information, please visit our Web site at www.cdic.ca

WHAT HAPPENS IF A CDIC MEMBER AMALGAMATES WITH ANOTHER MEMBER?

If an amalgamation of CDIC members results in your total insurable deposits with the merged member institution exceeding the \$100,000 maximum, your insured demand deposits (e.g., savings and chequing accounts) in each institution on the date of the merger continue to be insured until withdrawn, and your insured term deposits continue to be protected until their maturity date, as if the CDIC members had not merged. During any time when your deposits with the amalgamated CDIC member total more than \$100,000, new deposits placed at the merged member are not insured.

If your deposits made with the institutions before the merger total less than \$100,000, any new deposits you make with the amalgamated CDIC member will be added to those previous deposits, and the total will be insured to the \$100,000 maximum.

The following table shows how deposit insurance applies to eligible deposits at a CDIC member institution.

DEPOSITOR	DETAILS		INSURED	UNINSURED
Carole	Savings	\$ 25,000	\$ 100,000	\$ 8,000
	Chequing	\$ 3,000		
	Term deposits	\$ 80,000		
		\$ 108,000		
Carole, RRSP	Term deposits	\$ 40,000	\$ 40,000	—
Robert in trust for Carole	Term deposits	\$ 70,000	\$ 70,000	—
Paul	Chequing	\$ 2,000	\$ 2,000	—
Paul, RRSP	Term deposits	\$ 50,000	\$ 50,000	—
Paul, RRIF	Term deposits	\$ 115,000	\$ 100,000	\$ 15,000
Carole and Paul, jointly	Savings	\$ 30,000	\$ 100,000	\$ 30,000
	Term deposits	\$ 100,000		
		\$ 130,000		
Paul, TFSA	Savings	\$ 5,000	\$ 5,000	—

*Notes: All amounts include principal and interest.
Term deposits must be repayable no later than five years after the date of deposit.*

WHAT HAPPENS IF A MEMBER INSTITUTION FAILS?

- It is not necessary to file a claim with CDIC.
- CDIC will communicate with the depositors of the failed member institution to advise how and when they will receive payment.
- Payments are made as soon as possible.
- The payment(s) will include principal and interest up to \$100,000.
- No insurance is payable on interest earned on a deposit after the date the CDIC member failed.
- To avoid collapsing registered plans, CDIC transfers the insured funds to another member.

**CDIC: Savings protection
Canadians can count on**

HOW IS DEPOSIT INSURANCE FUNDED?

CDIC's member institutions fund deposit insurance through premiums paid on the insured deposits that they hold. If required, CDIC is authorized to borrow additional funds, which CDIC repays with interest.

Additional information or the *CDIC Membership* brochure can be obtained by contacting a CDIC member institution or by calling toll-free **1-800-461-2342** (1-800-461-CDIC).

Web site: www.cdic.ca

E-mail: info@cdic.ca

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



Mixed Sources

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