Task Title: Deposit Insurance Coverage

OALCF Cover Sheet – Practitioner 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.

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

Protection.Security.Stability.

Your deposits are protected

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- Demand deposits remain insured until withdrawn;
- All deposits in registered savings plans remain fully insured until withdrawn.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

- 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:

_____

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

Answer:

_____

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

Answer:

_____

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

Answer:

_____

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Answers

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

Answer: The official sign of DICO, which confirms that deposits are insured.

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

Answer: DICO writes to the insured depositors advising them of how and when they will receive payment.

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

Answer: To cover potential claims.

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

Answer: Annually.

Performance Descriptors

Levels	Performance Descriptors	Needs Work	Completes task with support from practitioner	Completes task independently
A1.2	scans text to locate information			
	locates multiple pieces of information in simple texts			
	obtains information from detailed reading			
	begins to identify sources and evaluate information			

This task: Was successfully completed ☐ Needs to be tried again ☐

Learner Comments:

Instructor (print):   Learner (print):

_____   _____

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