

CUDIC

CREDIT UNION
DEPOSIT INSURANCE
CORPORATION



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CHARLOTTETOWN, PE
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PROVIDING DEPOSIT INSURANCE PROTECTION TO CREDIT UNION MEMBER DEPOSITS

The Credit Union Deposit Insurance Corporation (CUDIC) was incorporated under the laws of Prince Edward Island to protect the money you deposit in Credit Unions. Subsection 173(9) of the Credit Unions Act provides that the Government of Prince Edward Island will ensure that this obligation of the Corporation is carried out. CUDIC's members are Credit Unions.

ARE ALL PRINCE EDWARD ISLAND CREDIT UNIONS MEMBERS OF THE CUDIC?

All Island Credit Unions are required to be members of the Credit Union Deposit Insurance Corporation. Members display this sign:



ARE MEMBERS OF CUDIC EXAMINED?

Yes. All credit unions are examined at least annually.

WHAT DOES CUDIC INSURE?

CUDIC insures the following deposits:

- membership share accounts;
- savings and chequing accounts;
- term deposits;
- drafts;
- certified cheques;
- registered plans;
- foreign currency deposits (savings accounts, chequing accounts and term deposits);

To be eligible for deposit insurance protection, deposits must be repayable to the depositor no later than five years after the date of deposit. A depositor may be an individual, joint owners, an association of individuals, a corporation, an association of corporations or a government.

CUDIC does not insure:

- investments in mutual funds, stocks and mortgages
- term deposits that are locked in longer than five years;
- debentures issued by a credit union;
- bonds and debentures issued by governments and corporations;
- treasury bills;

WHAT IS THE MAXIMUM INSURANCE PROTECTION?

Basic Protection:

The maximum basic deposit insurance protection that you can have with the same credit union is \$250,000 (principal and interest combined). The \$250,000 maximum, therefore, applies to all of the insurable deposits that you have with the same member credit union.

Deposits are not insured separately in each branch of the same credit union.

Separate Protection:

In addition to basic deposit insurance protection, CUDIC provides separate unlimited deposit insurance protection for deposits held in registered plans, such as RRSPs, RRIFs, RESPs, RDSPs TFSAs and FHSAs.

Joint Deposits

If you have a deposit in your name as well as a deposit that is owned jointly with someone else, the deposit is insured separately. The maximum deposit insurance for the same joint owners with the same credit union is \$250,000.

Trust Deposits

If you are a trustee for another person, and the trusteeship is on record with the credit union, the deposit is insured separately from other deposits that you have in your own name. This deposit is also insured separately from deposits made directly by the beneficiary.

A trust deposit can have more than one beneficiary. If the member institution has on its records a breakdown of the interests of each person holding money in the trust deposits, each beneficiary is insured up to \$250,000.

Registered Plans

CUDIC insures the full value of deposits held in Registered Retirement Savings Plans (RRSPs), Registered Education Savings Plans (RESPs), Registered Retirement Income Funds (RRIFs), Registered Disability Savings Plans (RDSPs), Tax-Free Savings Accounts (TFSAs) and First Home Savings Accounts (FHSAs), as defined in the *Income Tax Act (Canada)*. To be insured, the deposits must be invested in savings accounts or in term deposits that meet the five year requirement.

The following is an example of the deposit insurance protection that you and another member benefit from with the same credit union:

REGISTERED PLANS

RRSPs RRIFs TFSAs & FHSAs 100% of deposits*

YOU

Shares, savings, chequing and term deposits	\$250,000
Deposits made in trust for another person	\$250,000
RRSPs RRIFs TFSAs & FHSAs 100% of deposits*	\$500,000

THE OTHER MEMBER

Shares, savings, chequing and term deposits	\$250,000
Deposits made in trust for another person	\$250,000
RRSPs RRIFs TFSAs & FHSAs 100% of deposits*	\$500,000

DEPOSITS HELD JOINTLY BY BOTH OF YOU

Shares, savings, chequing and term deposits	\$250,000
	\$250,000

I) TOTAL COVERAGE REGULAR DEPOSITS

\$1,250,000

II) TOTAL COVERAGE RRSPs RRIFs TFSAs & FHSAs

100% of deposits*

* Subject to insurability

IF I HAVE DEPOSITS IN ONE CREDIT UNION, DOES THIS AFFECT MY COVERAGE LIMITS FOR DEPOSITS IN ANOTHER CREDIT UNION?

Your deposits in each member credit union are protected separately. The deposit protection limits apply to each credit union. Eligible deposits in one credit union do not affect the deposit protection limits for eligible deposits in another credit union.

WHAT HAPPENS IF A MEMBER INSTITUTION CHANGES ITS NAME OR AMALGAMATES WITH ANOTHER MEMBER?

The changes do not affect insured deposits made before the date of the change. For information on the protection of deposits made after that date, please call our office.

WHAT HAPPENS IF A MEMBER INSTITUTION FAILS?

- It is not necessary to file a claim with CUDIC.
- CUDIC writes to the insured depositors advising them of the particulars for the payment.
- Payments are made as soon as possible.
- The payment includes principal and interest up to \$250,000.
- For registered plans, CUDIC transfers the insured funds to another member credit union.

The information in this brochure is presented in a non-technical way and is not intended to be a legal explanation of CUDIC's Act and By-Laws.

Information can be
obtained by contacting us at

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or visiting us at

www.peicudic.com

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