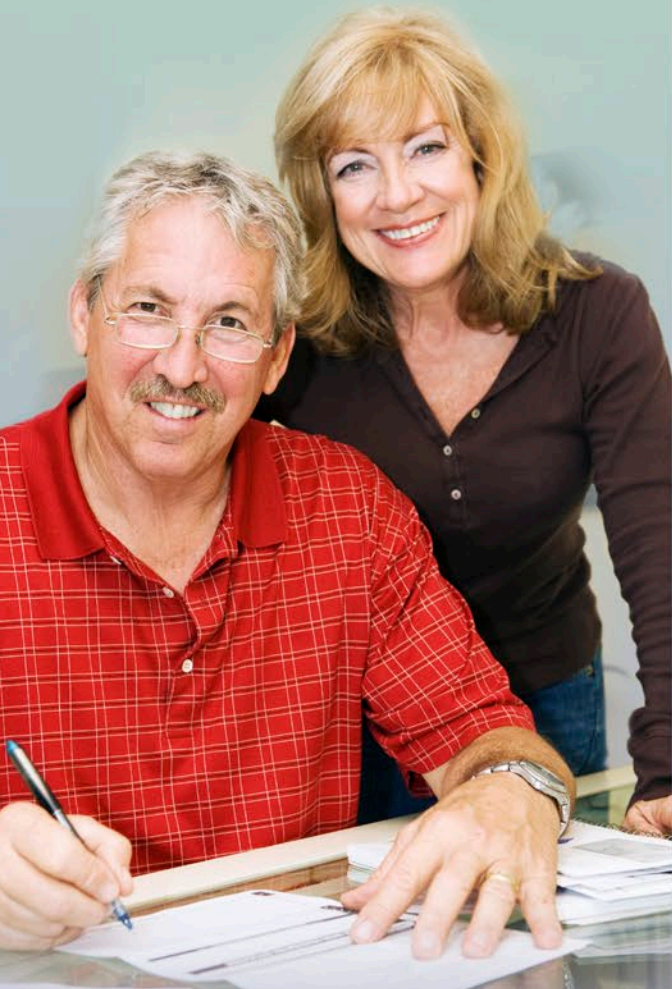


Your Guide to Deposit Insurance Protection in New Brunswick Credit Unions



**New Brunswick
Credit Union Deposit
Insurance Corporation**

Peace of Mind Through Security

The New Brunswick Credit Union Deposit Insurance Corporation (NBCUDIC) is a Crown Corporation of the Province of New Brunswick that provides deposit insurance to members of provincial credit unions. NBCUDIC does not provide deposit insurance to members of a federal credit union or caisse populaire.

Credit unions that are eligible for deposit insurance from NBCUDIC are listed on the website at www.assurance-nb.ca and display this sign on their premises:



This brochure is a publication of NBCUDIC in cooperation with the provincial credit union movement and was developed to explain the deposit protection provided by NBCUDIC and the credit union movement.

Deposit protection

Whenever you deposit money in a credit union member of NBCUDIC, your deposits are safeguarded by three levels of protection:

1. At the credit union level

The *Credit Unions Act* requires that each credit union maintain a minimum level of equity to provide protection against potential financial losses.

2. At the level of the Risk Management Agency (RMA)

Credit unions that are members of NBCUDIC have pooled their resources to establish a stabilization fund administered by the RMA. The stabilization fund is specifically for NB credit unions. The stabilization fund may be used to provide financial assistance to member credit unions or may be used in the event of a deposit insurance payout by NBCUDIC.

In addition to providing financial assistance, the RMA carries out inspections and monitors the financial condition of all credit unions on an ongoing basis.

3. At the NBCUDIC level

What is covered?

NBCUDIC insures **eligible deposits** held by a member at a New Brunswick provincial credit union including accrued interest to a limit of **\$250,000 for each of the following categories:**

Eligible deposits held in one name	\$250,000
Eligible deposits held in trust for someone else	\$250,000
Eligible deposits held in two or more names (joint deposits)	\$250,000
Eligible deposits held in registered retirement savings plans (RRSPs)	\$250,000
Eligible deposits held in registered retirement income funds (RRIFs)	\$250,000
Eligible deposits held in tax-free savings accounts (TFSAs)	\$250,000

What is an eligible deposit?

A combination of savings, chequing accounts, term deposits and guaranteed investment certificates (GICs) with an original term to maturity of five years or less, money orders, and certified cheques;

Deposits must be payable in Canada, in Canadian currency.

What is not eligible for insurance coverage?

The Corporation does not insure all accounts and financial products. The following are not covered by deposit insurance:

- investments in mortgages, mutual funds and stocks;
- deposits made or payable by a member that are not repayable in Canadian dollars (e.g. accounts in U.S. dollars);
- term deposits and guaranteed investment certificates (GICs) with an original term to maturity of more than five years;
- bonds and debentures issued by governments and corporations;
- membership shares and other types of shares issued by credit unions; and
- treasury bills.

Joint Deposits

Deposits owned jointly with someone else are insured separately from deposits in your own name, provided the records of the credit union identify that:

- the deposit is jointly owned;
- the name and address of each joint owner.

The maximum insurance for all deposits having the same joint owners at each member credit union is \$250,000 (collectively, not per individual owner).

Trust Deposits

Deposits held in trust accounts are insured separately from deposits owned by the trustee or beneficiary. The records of the credit union must identify:

- that the deposits are held in trust;
- the name and address of the trustee(s);
- the name and address of the beneficiary(ies).

If a trust has more than one beneficiary, the interest of each beneficiary must be identified on the records of the credit union. Each beneficiary's portion is insured up to \$250,000. Eligible deposits having both the same trustee and the same beneficiary are combined and the total is insured to a maximum of \$250,000.

For more information on trust deposits disclosure requirements that provide alternative disclosure for specific trustees, please consult the by-laws of the Corporation on the website at: www.assurance-nb.ca

Who is covered?

Depositor	Details	Insured	Uninsured	
Peter	Savings Chequing Eligible term deposits	\$125,000 \$ 30,000 \$180,000	\$250,000	\$85,000
Peter, RRSP	Eligible term deposits Mutual funds	\$60,000 \$90,000	\$60,000	\$90,000
Peter, held in trust for Brenda and Janet equally	Eligible term deposits	\$550,000	\$250,000 for each beneficiary	\$50,000
Peter and Joanne, jointly	Chequing Eligible term deposits	\$65,000 \$140,000	\$205,000	Eligible deposits held jointly are insured separately from Peter's own deposits.
Peter and Bob, jointly	Chequing Savings account	\$35,000 \$60,000	\$95,000	Joint accounts are insured separately up to \$250,000 for different combinations of joint accounts

Registered plans

Registered plans are insured separately from the other deposits held by a member. This includes the RRSP, RRIF and TFSA of a member.

All eligible RRSP deposits of a member are combined to determine the amount insured up to a maximum of \$250,000. The same applies to RRIF and TFSA eligible deposits.

NBCUDIC does not insure all moneys held in registered plans. To be insured the funds must be held in eligible deposits which include a combination of savings, term deposits and guaranteed investment certificates (GICs) with an original term to maturity of five years or less.

Deposits must be payable in Canada, in Canadian currency.

For more information contact:

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This document contains general information and is not intended to be a legal interpretation of New Brunswick legislation and NBCUDIC by-laws regarding deposit insurance available on the website of the Corporation.