

FAQ

Personal Banking

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CDIC and insurable deposits

<p>What does CDIC do?</p>	<p>CDIC insures the deposits of Canadians in the event of the failure of a CDIC-member institution.</p> <p>In the event of failure, CDIC will refund depositors the amount of their insured savings, depending on the deposit category, up to a maximum of \$100,000 per member institution.</p> <p>CDIC ref.: cdic.ca > About CDIC</p>
<p>What would happen if National Bank failed? Has a financial institution ever failed in Canada?</p>	<p>Although it is highly unlikely:</p> <ul style="list-style-type: none"> • If your information has been disclosed, National Bank will send you a notice within 20 days of the failure in order to update your information. • CDIC will contact you to inform you how and when you will receive your refund. • You will be refunded as quickly as possible. • To prevent registered accounts from being cancelled, CDIC will transfer the insured funds to another CDIC-member institution. <p>CDIC ref.:</p> <ul style="list-style-type: none"> • cdic.ca > Newsroom > Industry news and events > CDIC: Resolution authority for our members • cdic.ca > About CDIC > Our history > History of failures
<p>What's an insurable deposit?</p>	<p>It's a deposit in one of the products covered by CDIC:</p> <ul style="list-style-type: none"> • Chequing accounts • Savings accounts • Term deposits (e.g. Guaranteed Investment Certificates – GICs) • Deposits in American or other currency <p>CDIC ref.: cdic.ca > Your coverage > Protecting your deposits</p>

<p>What isn't covered by CDIC?</p>	<p>CDIC does not insure:</p> <ul style="list-style-type: none"> • Mutual funds • Stocks • Bonds • Exchange-Traded Funds (ETFs) • Cryptocurrencies • Any deposit invested with an institution that is not a CDIC-member <p>CDIC ref.: cdic.ca > Your coverage > Protecting your deposits</p>
<p>Do I have to pay a premium to CDIC to be insured?</p>	<p>No. No premiums are payable. Premiums are paid to CDIC by CDIC-member institutions to cover the cost of insuring their deposits.</p> <p>CDIC ref.: cdic.ca > Deposit insurance calculator</p>

Calculating deposit insurance

<p>How is deposit insurance calculated for deposits held in trust?</p>	<p>CDIC protects insurable deposits held in trust for another person separately from other deposits that a trustee or beneficiary could hold in their name at the same member institution.</p> <p>Each beneficiary's portion is insurable up to \$100,000 (principal and interest).</p> <p>All insurable deposits held in trust by one trustee for one beneficiary at one financial institution are combined, and the total is insured:</p> <ul style="list-style-type: none"> • up to \$100,000 if there is only one beneficiary • up to \$100,000 multiplied by the number of beneficiaries if there are several beneficiaries <p>CDIC ref.: cdic.ca > Deposit insurance calculator</p>
<p>I have more than \$100,000 in my account. Am I still insured by CDIC?</p>	<p>CDIC insures your savings up to \$100,000.</p> <p>The CDIC calculator can help you understand your coverage.</p> <p>CDIC ref.: cdic.ca > Deposit insurance calculator</p>
<p>I have \$75,000 at National Bank and \$75,000 at another financial institution. Does that mean that only \$100,000 is covered by CDIC?</p>	<p>No. CDIC insurance applies to each member institution. That means that for deposit insurance purposes, your deposits at National Bank (which is a member institution) are not added to amounts you hold at other financial institutions.</p> <p>Visit the CDIC website to find out if a financial institution is a CDIC member or if your deposits qualify for deposit insurance.</p> <p>CDIC ref.:</p> <ul style="list-style-type: none"> • cdic.ca > Your coverage > Protecting your deposits • cdic.ca > Deposit insurance calculator

Will my personal deposits and those of my business be counted together for deposit insurance?	Yes, if your business is not a partnership or incorporated. Although insurable deposits of an individual business are protected, they are not separate from the deposits of the business owner.
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Your obligations as a trustee

Do I have to complete the form you sent if the total deposits held in trust is not more than \$100,000?	<p>Yes. National Bank's records must contain the name and address of all the beneficiaries as well as their percentage interest as at April 30 of each year so that each deposit made on behalf of a beneficiary in one account is insured separately.</p> <p>If you do not provide the information and the deposit amount maintained for each beneficiary were to change, the beneficiaries would only be entitled to share the maximum \$100,000 deposit insurance refund.</p>
I've already provided this information. Why do I have to provide it again?	<p>Updating this information annually guarantees that deposits are protected up to \$100,000 for each beneficiary separately from any other deposit made in your name.</p> <p>If the trust account is maintained for more than one beneficiary, each beneficiary's portion, as at April 30 (as a percentage) must be entered into our records no later than May 30 of each year.</p> <p>If we do not hear from you, we will consider the information in our records to be up-to-date.</p>
The deadline for returning the form was April 30. The deadline has passed. Is it too late to send it?	This year activity has now ended (April 30), but we nevertheless recommend sending us the form as soon as possible so that we can have up-to-date information.
When will the new CDIC rules take effect?	They will take effect on April 30, 2022.

Dormant, closed, business or foreign currency accounts

My account is dormant. Do I have to complete the form? Can I reactivate my account?	<p>Yes, if the funds are still held in trust, you must complete the form and return it to us. Your account will then be automatically reactivated.</p> <p>Not responding could have an impact on your CDIC coverage.</p>
I have a business account. Is it insured?	<p>Yes, if your business is not a partnership or incorporated.</p> <p>Note that insurable deposits of an individual business are not separate from the deposits of the business owner. All deposits held at one member institution will be combined for deposit insurance purposes.</p>

I have a U.S. dollar account. Is it insured?	<p>Yes. CDIC insures deposits in American or other currency.</p> <p>CDIC ref.: cdic.ca > Your coverage > Protecting your deposits</p>
You've sent me a letter for a closed account. Why?	<p>You may have taken steps to close your account between the time we extracted the list of clients to contact and the time you received the letter.</p> <p>Please ignore the notice if your account is closed.</p>
I want to close my account. How should I proceed?	<p>You have to meet with your branch advisor and follow the appropriate procedure.</p>

Beneficiaries of deposits held in trust

I'd like to modify one or more of my beneficiaries. How should I proceed?	<p>You have to meet with your branch advisor and follow the appropriate procedure.</p>
One of my beneficiaries has died. What should I do?	<p>You have to contact your advisor and follow the appropriate procedure.</p>
Why is each beneficiary assigned a percentage of interest?	<p>That's the portion of the trust deposit that belongs to each beneficiary. In order for a beneficiary to be entitled to deposit insurance of up to \$100,000, you must provide us with their names, addresses and, if there is more than one beneficiary, the percentage of interest for each beneficiary.</p>
What happens to beneficiaries' percentage of interest if beneficiaries are removed or new ones are added during the year?	<p>Information concerning deposit insurance coverage is updated annually on April 30. Any changes made after that day will be compiled at the next update, i.e. on April 30 of the following year.</p> <p>In addition, if we receive no instructions from you, the deposits will be shared equally among the beneficiaries whose names appear in our records.</p>
Can I modify the beneficiaries' percentage of interest of the total amount during the year?	<p>Yes. Simply contact your advisor.</p>
I don't have the full address for one of my beneficiaries.	<p>All the information to be provided on the form is required by CDIC so that the deposits held in trust can be insured separately up to \$100,000 per beneficiary.</p>
What unique alphanumeric code or other identifier do I need to indicate on the form? How can I obtain one?	<p>Unique alphanumeric codes or other identifiers are used by certain professionals acting in the capacity of trustees (e.g. notaries, lawyers and federal, provincial or municipal governments) who designate beneficiaries in their records with a unique alphanumeric code or other identifier to keep the names, addresses and percentage of interest of their beneficiaries confidential.</p>

	If you don't know the code, you can simply provide us with your beneficiaries' names, addresses and percentage of interest of the deposit total.
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Letter and form to be completed

Why have I received this letter?	Our records show that you have a bank account or a trust or in-trust investment. As a CDIC-member institution, we must ask you to provide us with certain information required by CDIC. This information and updates to it will provide beneficiaries with deposit insurance of up to \$100,000 separately from other deposits held in your name.
This is the first time I've been contacted about this. Is National Bank in financial difficulty?	You can rest assured, National Bank is not in financial difficulty. Since 2011, CDIC has been asking its member institutions to send a notice to their clients to update certain information. However, the rules before did not require us to request confirmation of information regarding in-trust accounts for a single beneficiary. It is however now required under CDIC's new rules for 2022, which is why you received the notice.
Can I confirm the information or update it at a branch or by calling your customer service department?	No. You must sign and return the form in the postage-paid return envelope included with the letter. If you no longer have this envelope, you can return it to us in another envelope to the address indicated at the top of the form.
I have to meet with my advisor at my branch. Can I give the information directly to them?	No. The form must be signed and returned by mail in the postage-paid return envelope included with the letter because the information about the beneficiaries will be recorded by a specialized department.
I lost my form. Can I get another one?	Of course. Visit nbc.ca/cdic or go to a branch before April 30.
To what address should I send you the form?	You must return the form in the postage-paid return envelope included with the letter. If you no longer have this envelope, you can return it to us in another envelope to the address indicated at the top of the form.
I forgot to return the form. Am I still covered?	<p>If we do not hear from you, we will consider the information in our records to be up-to-date, and your coverage will be based on that information.</p> <p>We will also presume that the deposit amount is to be shared equally among the beneficiaries if each one's percentage is not indicated in our records.</p>
Will I receive a confirmation once the information has been updated?	No. No confirmation notice will be sent.



If more than one signature is required for the account, will all the trustees be required to sign the form?

Since no transaction or account modification is involved, not all signatures are required. One signature will suffice.