Frequently Asked Questions

Commercial Banking – Trustees Other Than Professional Trustees

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CDIC and deposit insurance

What does CDIC do?

CDIC insures the deposits of Canadians in the event of the failure of an institution, as long as that institution is a CDIC member.

In the event of failure, CDIC will refund depositors the amount of their insured savings up to a maximum of $100,000 per deposit category per member institution.

CDIC ref.: cdic.ca > About CDIC

How does deposit insurance work?

CDIC insures deposits up to a maximum of $100,000 (principal and interest) per depositor (or group of co-holders in the case of group deposits), per CDIC member institution.

This rule applies to each of the following types of deposits:

- Savings in the name of a single person
- Group savings (in the name of several people)
- Savings held in trust for another person

To be insurable, deposits must be payable in Canada, in Canadian dollars, U.S. dollars or another currency. As a general rule, deposits are payable in Canada if they are entrusted to one of the branches or to another business place of a CDIC-member institution in Canada.

The following deposits are insurable:

- Chequing accounts and savings accounts
- Guaranteed Investment Certificates (GICs) and other term deposits
- Deposits in U.S. dollars or another currency
- Money orders, certified cheques and bank drafts issued by CDIC member institutions

What would happen if a financial institution failed?

CDIC is mandated to promote the stability of the Canadian financial system. It therefore provides deposit insurance under certain conditions.

To learn about the methods and tools available to it, go to cdic.ca.

CDIC ref.:

- cdic.ca > Bank failure > Resolution of large banks
- cdic.ca > Bank failure > See the history of failures

What isn’t covered by the CDIC?

CDIC does not insure:

- Mutual funds
- Shares and bonds
- Exchange-traded funds (ETFs)
- Cryptocurrencies
- Any deposit invested with an institution that is not a CDIC member

CDIC ref.: cdic.ca > Depositors > What’s covered?

Do I have to pay a premium to CDIC to be insured?

No. No premiums are payable. Premiums are paid to CDIC by CDIC member institutions to cover the cost of insuring their deposits.

CDIC ref.: cdic.ca > Calculator (menu at top)

Why am I insured by CDIC? I never asked for this service.

You don't have to ask for deposit insurance. CDIC automatically insures eligible deposits, up to $100,000.

CDIC ref.: cdic.ca > Calculator (menu at top)

Calculating deposit insurance

How is deposit insurance coverage calculated for deposits held in trust?

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.

Each beneficiary's portion of (or interest in) the deposit held in trust is insurable up to a maximum of $100,000 (principal and interest).

All insurable deposits held in trust by one trustee for one beneficiary at one financial institution are combined, and the total is insured up to a maximum of $100,000 per beneficiary.

This rule applies regardless of the number of beneficiaries.

CDIC ref.: cdic.ca > Calculator (menu at top)

I have more than $100,000 in my account. Am I still insured by CDIC?

CDIC insures your savings up to $100,000.

The CDIC calculator can help you understand the coverage offered by CDIC.

CDIC ref.: cdic.ca > Calculator (menu at top)

I have $75,000 at National Bank and $75,000 at Natcan Trust Company. Does that mean that only $100,000 is covered by CDIC?

No. CDIC coverage applies by deposit category and by CDIC member institution. That means that for deposit insurance purposes, your deposits in a given category at National Bank (a member institution) are not added to amounts in the same category held at Natcan Trust Company (another member institution).

Visit the CDIC website to find out if a financial institution is a CDIC member and if your deposits qualify for deposit insurance.

CDIC ref.:

- cdic.ca > Depositors > What's covered?
- cidc.ca > Calculator (menu at top)
- cdic.ca > List of institutions (menu at top)

Will my personal deposits and those of my business be counted together for deposit insurance?

Not if your business is a partnership or incorporated. In such cases, insurable deposits made in business accounts are insured separately from insurable deposits made in personal accounts or accounts in the name of one or more business owners.

Your obligations as a trustee

Do I have to update the information on my beneficiaries if the total deposits held in trust are equal to or less than $100,000?

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.

If you do not update 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 reimbursement.

I've already provided this information. Why do I have to provide it again?

Updating this information annually ensures its accuracy and reliability to guarantee deposits are protected up to $100,000 for each beneficiary separately from any other deposit made in your name.

If the trust account is maintained for more than one beneficiary, each beneficiary's portion must be communicated to us by April 30 (as a percentage).

If we do not receive an update from you, we will consider the information in our records to be accurate and reliable.

Foreign currency accounts

I have a U.S. dollar account. Is it insured?

Yes. CDIC insures deposits in U.S. dollars or other currencies. However, these deposits are not considered to be a separate category.

CDIC ref.: cdic.ca > Depositors > What's covered?

Closed accounts

You've sent me a letter for a closed account. Why?

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.

Please ignore the notice if your account is closed.

Beneficiaries of deposits held in trust

I don't have the full address for one of my beneficiaries.

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.

Letter and form to be completed

Why have I received this letter?

Our records show that you have an account held in trust. As a CDIC member institution, we must ask you to provide us with certain information required by CDIC. In accordance with applicable conditions, this information and updates to it will allow beneficiaries to take advantage of deposit insurance of up to $100,000 separately from other deposits held in your name.

Also, CDIC coverage allows you to designate some of your accounts as professional trustee accounts (PTAs). This attestation means that you will be exempted from providing us with the information that is normally required about the beneficiaries of these accounts. Instead, you will be required to maintain your own up-to-date beneficiary records and provide this information to CDIC *upon request only*.

I lost my form. Can I get another one?

Of course. Here it is: Information Regarding the Beneficiaries of a Deposit Held in Trust for trustees other than professional trustees.

What address should I send the form to?

You must return the form before April 30 in the postage-paid return envelope included with the letter. If you no longer have this envelope, you can use another envelope to return it to us at the address indicated at the top of the form.

I forgot to return the form. Am I still covered?

If we do not receive an annual update from you, we will consider the information in our records to be up to date, accurate and reliable, and your coverage will be based on that information.

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.

Can I email the form to my advisor?

No. The form must be signed and returned by mail before April 30 in the postage-paid return envelope included with the letter because the information about the beneficiaries will be recorded by a specialized department. If you no longer have this envelope, you can use another envelope to return it to us at the address indicated at the top of the form.

I have to meet with my advisor at the branch. Can I give the information directly to them?

No. The form must be signed and returned by mail before April 30 in the postage-paid return envelope included with the letter because the information about the beneficiaries will be recorded by a specialized department. If you no longer have this envelope, you can use another envelope to return it to us at the address indicated at the top of the form.

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. The signature of one trustee will suffice.

I asked not to be solicited by mail. Why have I received this letter?

This letter is not a promotional offer. Rather, it's a notice containing important information for all our trust depositors.