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## Frequently Asked Questions

### Increase in Deposit Insurance Coverage and Member Institution Premium Levied

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**1. What are the new developments in deposit insurance in Trinidad & Tobago?**

- Increase in coverage from TT\$125,000 to TT\$200,000 to take effect from October 1, 2024.
- increase in premium levied on Member Institutions from 0.2% to 0.3% which will be staggered over a two-year period and will take effect from October 1, 2024.

**2. Why the increase in Coverage?**

The Deposit Insurance Corporation regularly reviews the adequacy of deposit insurance protection in order to ensure adherence to international best practices including the recommendations of the International Monetary Fund (IMF), the International Association of Deposit Insurers' (IADI) as well as to local macroeconomic conditions.

**3. Do these increases mean that there is a problem with my Member Institution?**

No. The Deposit Insurance Corporation conducts biennial reviews which consider the adequacy of deposit insurance protection in order to ensure adherence to international best practices which includes recommendations of the International Monetary Fund (IMF), the International Association of Deposit Insurers' (IADI) as well as to local macroeconomic conditions.

**4. What will Member Institutions contribute to the Fund as a result of the increase in premium contributions?**

The increase in premium from 0.2% to 0.3% will result in an accumulated incremental increase in premium levied by the Deposit Insurance Corporation of approximately TT\$95Mn annually.

**5. Is there a change in the initial contribution for a *newly licensed* Member Institutions?**

No, there is no change in the initial contribution by newly licensed Member Institutions. The initial contribution of a newly licensed member institution remains as per 44M . i.e. The rate of 0.4% is applied to the aggregate of the deposit liabilities of the institution, outstanding as at the end of the first and second quarters of the first twelve months of operation divided by two.

**6. How will this increase in premium affect existing Member Institutions?**

The annual premium to be paid to the Fund by each member of the Fund shall be based on the applicable rate applied to the aggregate of the deposit liabilities of the member, outstanding at the end of each quarter of the preceding year divided by four.

The annual premium rate of 0.3% payable shall:

- (a) for the period commencing October 1, 2024 be payable by the Member Institution based on a rate of 0.25%;
- (b) from October 1, 2025 onwards be payable by the Member Institution based on a rate of 0.3%.

**7. Have the types of accounts covered changed?**

The types of accounts covered have not changed. Deposit insurance continues to remain applicable to savings accounts, chequing accounts, demand deposits and time deposit accounts held in Trinidad and Tobago dollars.

**8. Does the increase in Coverage limit change DIC's Coverage with respect to the rights and capacities of Individual, Joint and Irrevocable Express Trust accounts?**

No. Deposit Insurance coverage continues to remain applicable for Single Accounts, Joint Accounts and Irrevocable Express Trust Accounts.

**9. What is the maximum claim a depositor is entitled to, assuming they maintain deposits in all rights and capacities at a Member Institution prior to closure?**

Effective October 1, 2024 onwards the coverage limit will be TT\$200,000 for each depositor in respect of deposits held in each Member Institution in each right and capacity.

**10. How will the Member Institutions treat this additional cost as a result of the increase in premium rates?**

Each Member Institution, will consider, in their individual capacity, how to manage its contribution to the Fund.

**11. Are foreign currency accounts protected by the increase in Coverage limit?**

No. Foreign currency accounts are not protected by deposit insurance. Only deposits held in Trinidad and Tobago and payable in Trinidad and Tobago dollars are insured up to the Coverage limit of \$200,000.

**12. Does the increase in the Coverage limit affect prior insurance payouts?**

No. The increase in Coverage takes effect from October 1, 2024.

**13. Do depositors need to contribute directly in order to be eligible for the increase in the deposit insurance Coverage limit?**

No. Deposit insurance is funded by the Member Institutions licensed under the Financial Institutions Act 2008.