Vision

To promote and inspire financial system confidence and stability

Mission Statement

The Jamaica Deposit Insurance Corporation is committed to:

• Providing insurance against the loss of depositors’ funds
• Minimising the Corporation’s exposure to loss
• Contributing to the stability and confidence in Jamaica’s financial system

through sound management of the Deposit Insurance Fund in an environment which fosters and encourages professionalism and excellence and allows employees to realise their full potential.
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Deposit Insurance is a system that protects depositors in the case that their bank or other insured financial institution (Policyholder) fails or is unable to make payments on deposits. It is an integral part of a country’s financial system safety net.

Deposit Insurance in Jamaica is governed by the Deposit Insurance Act (DIA), 1998 which established the Jamaica Deposit Insurance Corporation (JDIC/the Corporation). The JDIC was created by the Government of Jamaica to protect depositors. The principal objects of the Corporation are to establish and manage a Scheme for the insurance of deposits or parts thereof against the risk of loss. In fulfilling this mandate the Corporation is committed to:

- Providing insurance against the loss of depositors’ funds
- Minimizing the Corporation’s exposure to loss
- Contributing to the stability and confidence in Jamaica’s financial system.

The DIA provides that the Corporation must pay out of the Deposit Insurance Fund in respect of an insured deposit up to a maximum of $600,000 to every depositor of a Policyholder in circumstances where the Policyholder fails or is unable to make payment in respect of a deposit.

The online version of this brochure is available on the JDIC’s website at www.jdic.org.

The information in this brochure is based on the Deposit Insurance Act and regulations in effect at publication. These rules can be amended and therefore some of the information in this brochure may no longer be applicable.
1. Institutions Covered

Member institutions are called Policyholders. They are:

- Commercial Banks
- Trust & Merchant Banks
- Building Societies

2. Deposits Covered

Deposits that qualify for deposit insurance coverage are as follows:

- Savings and chequing accounts
- Time deposits and certificates of deposits
- Share accounts in a Building Society (that is, other than capital shares, deferred shares or preference shares)
- Foreign currency accounts
- Managers’ cheques
- Money orders and drafts
- Travellers cheques issued by the Policyholder
- Prepaid letters of credit
- Credit balances of deposit instruments in transit
- Interest accrued and/or payable on all insurable deposits
- Any other deposit liabilities

“Any other deposit liabilities” include the following:

- Monies held for the payment of taxes and insurance on mortgaged property
- Funds held for the payment of principal and interest
- Deposits pledged as collateral
- Deposits that are held in trust accounts and/or nominee accounts for beneficiaries. These accounts may be held in the name of a: Policyholder; Statutory or Government Company; Ministry, Department or Agency of the Government; Parish Council, the Kingston and St Andrew Corporation or a municipal council.
3. Deposit Insurance Payment

- The Deposit Insurance Coverage limit is $600,000 per depositor, per insured institution (Policyholder).
- The Corporation must make payments to depositors when a Policyholder fails.
- Deposit insurance payments will be made to depositors whose names are listed in the records of the Policyholder and on proof of ownership.
- Where a depositor holds more than one deposit in a Policyholder –
  a. In different ownership categories – each deposit will be treated as a separate deposit.
  b. In the same ownership category – all deposits will be added together and treated as a single deposit.
- The ownership categories are: Individual Accounts; Joint Accounts; Trust Accounts; Nominee Accounts; Business Accounts.
- The Corporation will assume that all the owners of an account have an equal interest in the account unless otherwise stated in the records of the failed Policyholder.
- The Corporation will make deposit insurance payment at the earliest possible date after the failure of a Policyholder. If payments do not commence within three (3) months, the Corporation will be liable to pay interest.
- Interest on deposits held at a Policyholder will cease to accrue from the date of closure of the institution.
- Where the Corporation is obliged to make a payment in respect of an insured deposit that is in a foreign currency, the equivalent amount will be paid in Jamaican currency, up to the maximum coverage limit.
- Deposit Insurance payments must be collected within eighteen months (18) after the date the insured institution (Policyholder) failed.
- Deposit insurance payments will be reduced by amounts that are owing, that is, amounts in arrears in respect of any credit facilities; deposits pledged as collateral; called-in guarantees; and unsecured overdrafts due from the depositor to the failed Policyholder.
- Where a depositor holds deposits at two or more Policyholders that merge, these deposits will be insured separately for a period of up to two (2) years after the merger.
- If a Policyholder fails, depositors will be issued with a statement that will reflect the deposit insurance payment made by the JDIC and any uninsured amount. This statement should be presented to the Liquidator who will be responsible for paying any uninsured balances to depositors when the failed institution’s assets are available for distribution.
4. Deposit Account Ownership Categories

Deposit Insurance entitlement is based on depositors’ ownership categories. The following are the ownership categories that the Corporation recognizes for the purpose of Deposit Insurance entitlement:

- Individual Accounts
- Joint Accounts
- Trust Accounts
- Nominee Accounts
- Business Accounts – sole trader; partnership; company and unincorporated association

4.1 Calculating Your Deposit Insurance Entitlement

4.1.1 Individual Accounts

These accounts represent funds that are owned by an individual and deposited in one or more deposit accounts in his/her name only. These account balances are added together and insured up to the maximum limit of $600,000.

Scenario 1:
Adrian Simpson has a savings account (Account A) with a balance $500,000 and a certificate of deposit (CD) with a balance $300,000 (Account B) at the same Policyholder. Both accounts are in his name only. For the payment of deposit insurance both accounts will be added together and insured up to the maximum coverage limit. In this case, the amount to be paid to Adrian Simpson is $600,000 as shown below.

<table>
<thead>
<tr>
<th>Deppositor</th>
<th>Account</th>
<th>Total Deposits</th>
<th>Insured Deposits</th>
<th>Uninsured Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adrian Simpson</td>
<td>A &amp; B</td>
<td>800,000</td>
<td>600,000</td>
<td>200,000</td>
</tr>
</tbody>
</table>
4. Deposit Account Ownership Categories

4.1 Calculating Your Deposit Insurance Entitlement

4.1.1 Individual Accounts cont’d

Scenario 2:
Ryan James has a certificate of deposit (Account A) with a balance of $1,500,000 at ABC Bank. Mr James also has a personal loan at ABC Bank that was in arrears ($100,000) as at the date of closure. The following deposit insurance payment would apply:

Table 2: Deposit Insurance Computation

<table>
<thead>
<tr>
<th>Depositor</th>
<th>Account</th>
<th>Total Deposits</th>
<th>Insured Deposits</th>
<th>Uninsured Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ryan James</td>
<td>A</td>
<td>1,500,000</td>
<td>600,000*</td>
<td>900,000</td>
</tr>
</tbody>
</table>

*Notably, deposit insurance payment to Ryan James would be $600,000 less the loan amount in arrears of $100,000. Hence, his final payment would be $500,000.

4.1.2 Joint Accounts

Joint accounts are held in the names of two or more persons (co-owners). Where the combination of co-owners refers to the same individuals, accounts held jointly by them will be added together and insured up to the maximum coverage limit of $600,000.

Deposit insurance cannot be increased by (1) rearranging the owner’s names; (2) changing the styling of the names; (3) opening more than one accounts with the same names; or (4) including “and”, “or”, “and/or” to separate the names.

Co-owners of joint accounts are considered to have equal interests in the account, unless otherwise stated on the records of the institution.
Scenario 3:
The following accounts are held at ABC Bank Limited:

<table>
<thead>
<tr>
<th>Account #</th>
<th>Account Name</th>
<th>Type of Deposit</th>
<th>Account Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1002</td>
<td>J. Berry &amp; Susan Simms</td>
<td>Savings</td>
<td>$300,000</td>
</tr>
<tr>
<td>1003</td>
<td>John Berry and S. Simms</td>
<td>Chequing</td>
<td>$500,000</td>
</tr>
<tr>
<td>1005</td>
<td>Susan Simms &amp; K. Henry</td>
<td>Savings</td>
<td>$350,000</td>
</tr>
</tbody>
</table>

The records of the ABC Bank Limited showed that S. Simms and Susan Simms are the same person; and J. Berry and John Berry refer to the same person. The following would apply in the event of a payout:

<table>
<thead>
<tr>
<th>Depositor</th>
<th>Account</th>
<th>Total Deposits</th>
<th>Insured Deposits</th>
<th>Uninsured Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Berry and Susan Simms</td>
<td>1002 &amp; 1003</td>
<td>800,000</td>
<td>600,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Susan Simms and K. Henry</td>
<td>1005</td>
<td>350,000</td>
<td>350,000</td>
<td>-</td>
</tr>
</tbody>
</table>

Scenario 4:
The account details of John Brown and his family are listed below. All the accounts are held in the same institution.

<table>
<thead>
<tr>
<th>Account #</th>
<th>Account Name</th>
<th>Type of Deposit</th>
<th>Account Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1002</td>
<td>John Brown &amp; Cynthia Brown</td>
<td>Savings</td>
<td>$300,000</td>
</tr>
<tr>
<td>1003</td>
<td>Cynthia Brown &amp; John Brown</td>
<td>Chequing</td>
<td>$500,000</td>
</tr>
<tr>
<td>1004</td>
<td>Kyle Brown</td>
<td>Certificate of Deposit</td>
<td>$450,000</td>
</tr>
<tr>
<td>1005</td>
<td>Kyle Brown &amp; Cynthia Brown</td>
<td>Savings</td>
<td>$350,000</td>
</tr>
</tbody>
</table>
4. Deposit Account Ownership Categories

4.1 Calculating Your Deposit Insurance Entitlement

4.1.2 Joint Accounts cont’d

Table 4: Deposit Insurance Computation

<table>
<thead>
<tr>
<th>Depositor</th>
<th>Account</th>
<th>Total Deposits</th>
<th>Insured Deposits</th>
<th>Uninsured Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Brown &amp; Cynthia Brown</td>
<td>1002 &amp; 1003</td>
<td>800,000</td>
<td>600,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Kyle Brown</td>
<td>1004</td>
<td>450,000</td>
<td>450,000</td>
<td>-</td>
</tr>
<tr>
<td>Kyle Brown &amp; Cynthia Brown</td>
<td>1005</td>
<td>350,000</td>
<td>350,000</td>
<td>-</td>
</tr>
</tbody>
</table>

4.1.3 Trust Accounts

A trust account is one managed by an individual, company, association or group (trustee) for the benefit of another party (beneficiary). The parties to a trust are the:

- **Settlor** – the person who creates the trust;
- **Trustee** – the person who manages and administers the assets and liabilities of the trust; and
- **Beneficiary** – the person for whose benefit the trust is created.

**Deposit Insurance Coverage for the Beneficiaries of Trust Accounts**

Deposit insurance coverage recognizes the beneficiaries of a trust as a depositor for the purpose of deposit insurance entitlement. As such, each beneficiary of a trust is insured up to $600,000, separately from the other deposits that are held by the beneficiary in other ownership categories and other trusts.
Scenario 5:
Michael James was appointed as trustee to manage the assets of a trust established by Jonathan Brown for the benefit of Hanna Young and Marvin Crawford. The assets include a sum of money in the amount of $1,600,000 for which Michael James opened a trust account (Account A) at ABC Bank Limited. The account is in the name of Michael James. Hanna Young and Marvin Crawford, as beneficiaries, have equal interests in the account. Additionally, Hanna Young has a certificate of deposit with a balance of $250,000 (Account B); and Marvin Crawford has a savings account with a balance of $900,000 (Account C).

The following would apply in a payout scenario:

<table>
<thead>
<tr>
<th>Depositor</th>
<th>Account</th>
<th>Total Deposits</th>
<th>Insured Deposits</th>
<th>Uninsured Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michael James</td>
<td>A</td>
<td>800,000</td>
<td>600,000</td>
<td>200,000</td>
</tr>
<tr>
<td>For Hanna Young</td>
<td>A</td>
<td>800,000</td>
<td>600,000</td>
<td>200,000</td>
</tr>
<tr>
<td>For Marvin Crawford</td>
<td>A</td>
<td>800,000</td>
<td>600,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Hanna Young</td>
<td>B</td>
<td>250,000</td>
<td>250,000</td>
<td>-</td>
</tr>
<tr>
<td>Marvin Crawford</td>
<td>C</td>
<td>900,000</td>
<td>600,000</td>
<td>300,000</td>
</tr>
</tbody>
</table>

The certificate of deposit held by Hanna Young for $250,000 (Account B) and the savings account held by Marvin Crawford for $900,000 (Account C) would both be insured separately as Individual accounts for $250,000 and $600,000 respectively.

Deposit Insurance Entitlement for Beneficiaries of Trust Accounts with the Same Parties

Two or more trusts accounts are considered to have the same deposit insurance entitlement if the settlor(s); beneficiary(ies); and trustee are the same. Deposits for a beneficiary in more than one trust account with the same parties are added together and insured up to the maximum coverage limit. Of note, these deposits are insured separately from the other deposits of the beneficiary that are maintained in other ownership capacities or other trusts.
4.1 Calculating Your Deposit Insurance Entitlement

4.1.3 Trust Accounts cont’d

Scenario 6:
Michael James was appointed as trustee to manage the assets of a trust established by Jonathan Brown for the benefit of Hanna Young. The assets include a sum of money in the amount of $1,000,000. Michael James opened two accounts with this amount at ABC Bank Limited and deposited $700,000 in a savings account (Account A) and $300,000 in a certificate of deposit (Account B). The account is in the name of Michael James. The following would apply in a payout scenario:

Table 6: Deposit Insurance Computation

<table>
<thead>
<tr>
<th>Depositor</th>
<th>Account</th>
<th>Total Deposits</th>
<th>Insured Deposits</th>
<th>Uninsured Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michael James:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For Hanna Young</td>
<td>A&amp;B</td>
<td>1,000,000</td>
<td>600,000</td>
<td>400,000</td>
</tr>
</tbody>
</table>

Deposit Insurance Entitlement for Beneficiaries of Trust Accounts with Different Parties
Two or more trust accounts are considered to have different deposit insurance entitlement if the settlor (s); beneficiary (ies); or trustee are not the same. Deposits that are held under different trusts for the same beneficiary (ies) are insured separately from the other deposits held by the same beneficiary (ies) in other trusts or ownership categories.
Scenario 7:

Michael James was appointed as trustee to manage the assets of a trust established by Jonathan Brown for the benefit of Hanna Young. The assets include a sum of money in the amount of $1,000,000. Michael James opened a trust account (Account A) with this amount at ABC Bank Limited. The account is in the name of Michael James.

Additionally, Susan Simms was appointed to manage a sum of $500,000 for the benefit of Hanna Young. This sum of money was also deposited at ABC Bank in a savings account (Account B). The account is held in the name of Susan Simms. The following would apply in a payout scenario:

<table>
<thead>
<tr>
<th>Depositor</th>
<th>Account</th>
<th>Total Deposits</th>
<th>Insured Deposits</th>
<th>Uninsured Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michael James</td>
<td>A</td>
<td>1,000,000</td>
<td>600,000</td>
<td>400,000</td>
</tr>
<tr>
<td>For Hanna Young</td>
<td>A</td>
<td>1,000,000</td>
<td>600,000</td>
<td>400,000</td>
</tr>
<tr>
<td>Susan Simms</td>
<td>B</td>
<td>500,000</td>
<td>500,000</td>
<td>-</td>
</tr>
<tr>
<td>For Hanna Young</td>
<td>B</td>
<td>500,000</td>
<td>500,000</td>
<td>-</td>
</tr>
</tbody>
</table>

4.1.4 Nominee Accounts

A nominee account is held by an agent; a guardian; a custodian; or the Supreme/Resident Magistrate's Court for the benefit of a principal or ward, a minor or patient as the case may be. The parties to a nominee account may be:

- The agent and its principal
- the guardian and its minor or patient
- The custodian and its custodee
- The Supreme Court on behalf of a beneficiary
4. Deposit Account Ownership Categories

4.1 Calculating Your Deposit Insurance Entitlement

4.1.4 Nominee Accounts cont’d

Deposit Insurance Coverage for the principal/ward of Nominee Accounts
Deposit insurance coverage recognizes the principals/wards of a nominee as a depositor for the purpose of deposit insurance entitlement. As such, each principal/ward of a nominee is insured up to $600,000, separately from the other deposits that are held by the principal/ward in other ownership categories and other nominee accounts.

Scenario 8:
John Brown was entrusted with $2,000,000 for two principals; Dwayne Burke and Jessica Simpson, in his capacity as agent. He then deposits this money equally in a savings account (Account A) for the principals at ABC Bank. In addition, John Brown has a personal account with a balance of $300,000 (Account B) and Jessica Simpson has a certificate of deposit with $350,000 (Account C) at ABC Bank. The following would apply in the case of a payout:

<table>
<thead>
<tr>
<th>Depositor</th>
<th>Account</th>
<th>Total Deposits</th>
<th>Insured Deposits</th>
<th>Uninsured Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Brown:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For Dwayne Burke</td>
<td>A</td>
<td>1,000,000</td>
<td>600,000</td>
<td>400,000</td>
</tr>
<tr>
<td>For Jessica Simpson</td>
<td>A</td>
<td>1,000,000</td>
<td>600,000</td>
<td>400,000</td>
</tr>
<tr>
<td>John Brown</td>
<td>B</td>
<td>300,000</td>
<td>300,000</td>
<td>-</td>
</tr>
<tr>
<td>Jessica Simpson</td>
<td>C</td>
<td>350,000</td>
<td>350,000</td>
<td>-</td>
</tr>
</tbody>
</table>

Table 8: Deposit Insurance Computation
The personal account held by John Brown for $300,000 (Account B) and Jessica Simpson’s certificate of deposit for $350,000 (Account C) would both be insured separately as Individual accounts for $300,000 and $350,000 respectively.

**Deposit Insurance Entitlement for principal/ward of Nominee Accounts with the Same Parties**
Two or more nominee accounts are considered to have the same deposit insurance entitlement if they share the same principal/ward and nominee. Deposits for a beneficiary in more than one nominee account with the same parties are aggregated and insured up to the maximum coverage limit. Of note, these deposits are insured separately from the other deposits of the beneficiary that are maintained in other ownership categories.

**Scenario 9:**
Ryan James was entrusted with $1,000,000 as an agent for Jonathan Smith. Mr James deposited the money in two different accounts at ABC Bank; $500,000 in a savings account (Account A) and the other $500,000 in a certificate of deposit (CD) (Account B). The following would apply in a payout:

<table>
<thead>
<tr>
<th>Depositor</th>
<th>Account</th>
<th>Total Deposits</th>
<th>Insured Deposits</th>
<th>Uninsured Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Jonathan Smith</td>
<td>A &amp; B</td>
<td>1,000,000</td>
<td>600,000</td>
<td>400,000</td>
</tr>
</tbody>
</table>

**Deposit Insurance Entitlement for Beneficiaries of Nominee Accounts with Different Parties**
Two or more nominee accounts are considered to have different deposit insurance entitlement if the principal/ward or the nominee is not the same. Deposits that are held by different nominees for the same principal/ward are insured separately from each other and from the other deposits that are held by the same beneficiary (ies) in other ownership categories.
Scenario 10:
John Brown maintains a savings account (Account A) at ABC Bank with a balance of $800,000 as an agent for Jonathan Smith. Susan Simms is also an agent for Jonathan Smith and maintains a certificate of deposit (Account B) with a balance of $400,000 at ABC Bank on his behalf. The following would apply in the event of a payout:

Table 10: Deposit Insurance Computation

<table>
<thead>
<tr>
<th>Depositor</th>
<th>Account</th>
<th>Total Deposits</th>
<th>Insured Deposits</th>
<th>Uninsured Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Brown:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For Jonathan Smith</td>
<td>A</td>
<td>800,000</td>
<td>600,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Susan Simms:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For Jonathan Smith</td>
<td>B</td>
<td>400,000</td>
<td>400,000</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>1,200,000</td>
<td>1,000,000</td>
<td>200,000</td>
</tr>
</tbody>
</table>

4.5 Business Accounts

4.5.1 Sole Trader/Sole Proprietorship Accounts
Business accounts owned by a sole trader/sole proprietor are added together and covered separately from any other accounts of the owner. Personal funds
of the owner are insured separately according to the ownership category in which they are held.

The titles of these accounts usually include the name of the owner, for example, “Susan Ming Business Account” or “John Brown trading as (T/A) SOP Auto Parts”. Notably, these titles do not include an indication of incorporation (e.g. ABC Limited).

**Scenario 11:**
Susan Ming maintains two accounts for her business Susan Ming T/A SM Supplies. These accounts include a savings account with a balance of $300,000 (Account A) and a certificate of deposit with a balance of $1,000,000 (Account B). The following would apply in a payout:

<table>
<thead>
<tr>
<th>Depositor Account</th>
<th>Total Deposits</th>
<th>Insured Deposits</th>
<th>Uninsured Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Susan Ming T/A SM Supplies A &amp; B</td>
<td>1,300,000</td>
<td>600,000</td>
<td>700,000</td>
</tr>
</tbody>
</table>

**Scenario 12:**
Susan Ming has in her name only, a certificate of deposit with a balance of $250,000 (Account A) and an account for her business; Susan Ming T/A SM Supplies (Account B), with a balance of $500,000 at the same Policyholder. In the event of a payout, the following would apply:

<table>
<thead>
<tr>
<th>Depositor Account</th>
<th>Total Deposits</th>
<th>Insured Deposits</th>
<th>Uninsured Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Susan Ming A</td>
<td>250,000</td>
<td>250,000</td>
<td>-</td>
</tr>
<tr>
<td>Susan Ming T/A SM Supplies B</td>
<td>500,000</td>
<td>500,000</td>
<td>-</td>
</tr>
</tbody>
</table>
4. Deposit Account Ownership Categories

4.5 Business Accounts

4.5.2 Partnership Accounts

Business accounts owned by a partnership are added together and covered separately from any other accounts of the owners. Personal funds of the owners are insured separately according to the ownership category in which they are held.

Scenario 13:
Pastries and More, a partnership, maintains two accounts at ABC Bank. These accounts include a savings account with a balance of $150,000 (Account A) and a certificate of deposit with a balance of $600,000 (Account B). The following would apply in a payout:

<table>
<thead>
<tr>
<th>Depositor</th>
<th>Account</th>
<th>Total Deposits</th>
<th>Insured Deposits</th>
<th>Uninsured Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pastries &amp; More</td>
<td>A &amp; B</td>
<td>750,000</td>
<td>600,000</td>
<td>150,000</td>
</tr>
</tbody>
</table>

Scenario 14:
Pastries and More, a partnership, maintains a current account (Account A) with a balance of $500,000 at ABC Bank. The shareholders of the business, John Brown and Winston Frederick also maintain deposit accounts at the same institution. John Brown has a certificate of deposit (Account B) with a balance of $300,000, while Winston Frederick holds a certificate of deposit (Account C) with a balance of $800,000. The following would apply in a payout:
Table 14: Deposit Insurance Computation

<table>
<thead>
<tr>
<th>Depositor</th>
<th>Account</th>
<th>Total Deposits</th>
<th>Insured Deposits</th>
<th>Uninsured Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pastries and More</td>
<td>A</td>
<td>500,000</td>
<td>500,000</td>
<td>-</td>
</tr>
<tr>
<td>John Brown</td>
<td>B</td>
<td>300,000</td>
<td>300,000</td>
<td>-</td>
</tr>
<tr>
<td>Winston Frederick</td>
<td>C</td>
<td>800,000</td>
<td>600,000</td>
<td>200,000</td>
</tr>
</tbody>
</table>

4.5.3 Company Accounts

Business accounts owned by a company are added together and covered separately from any other accounts of the owners. Personal funds of the owners or officials are insured separately according to the ownership category in which they are held.

Scenario 15:

Crown Supplies Limited maintains two current accounts (payroll and operations accounts) at ABC Bank. The payroll account (Account A) has a balance of $400,000, while the operating account (Account B) has a balance of $500,000. The following would apply in a payout:

Table 15: Deposit Insurance Computation

<table>
<thead>
<tr>
<th>Depositor</th>
<th>Account</th>
<th>Total Deposits</th>
<th>Insured Deposits</th>
<th>Uninsured Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crown Supplies Limited</td>
<td>A &amp; B</td>
<td>900,000</td>
<td>600,000</td>
<td>300,000</td>
</tr>
</tbody>
</table>
4. Deposit Account Ownership Categories

4.5 Business Accounts

4.5.3 Company Accounts cont’d

Scenario 16:
Crown Supplies Limited maintains a current account (Account A) with a balance of $500,000 at ABC Bank. The shareholders of the business, John Brown and Winston Frederick, as well as the Chief Executive Officer Susan Simms maintain the following accounts at the same bank:

- John Brown - $1,000,000 (Account B)
- Winston Frederick - $900,000 (Account C)
- Susan Simms - $500,000 (Account D)

The following would apply in a payout:

<table>
<thead>
<tr>
<th>Depositor</th>
<th>Account</th>
<th>Total Deposits</th>
<th>Insured Deposits</th>
<th>Uninsured Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crown Supplies Limited</td>
<td>A</td>
<td>500,000</td>
<td>500,000</td>
<td>-</td>
</tr>
<tr>
<td>John Brown</td>
<td>B</td>
<td>1,000,000</td>
<td>600,000</td>
<td>400,000</td>
</tr>
<tr>
<td>Winston Frederick</td>
<td>C</td>
<td>900,000</td>
<td>600,000</td>
<td>300,000</td>
</tr>
<tr>
<td>Susan Simms</td>
<td>D</td>
<td>500,000</td>
<td>500,000</td>
<td>-</td>
</tr>
</tbody>
</table>
5. Other Deposit Liabilities that are Eligible for Deposit Insurance Coverage

5.1 Deposit Insurance Coverage: Select Qualifying Deposit Liabilities

5.1.1 Credit Balances in Transit

Items in transit including wire transfers are to be treated consistent with the rules governing the finality of payments under the Clearing Payment and Settlement Act. Where such items are to be applied to a depositor’s account, the account balance as at the closure date will be adjusted, for the purpose of determining deposit insurance payments.

5.1.2 Draft / Managers’ Cheque

Where a Policyholder issues a draft or manager’s cheque which is linked to a deposit account and that instrument remains unpaid as at closure date, the value of the manager’s cheque is eligible for deposit insurance coverage.

5.1.3 Tax and Insurance (T&I) Accounts

This type of account contains monies for the purpose of tax and insurance payment on a mortgaged property on behalf of a borrower. These funds are held in a fiduciary capacity and are therefore insured in the same manner as trust/nominee accounts.

5.1.4 Funds that are held by Executors or Administrators of a Deceased Person’s Estate

Executors or administrators are agents that manage the assets and liabilities of the estate of a deceased person. Deposits of a deceased person whether held in his/her name or by an administrator or executor is covered under the Deposit Insurance Scheme as per the ownership category in which the deposit is held.
5. Other Deposit Liabilities that are Eligible for Deposit Insurance Coverage

5.1 Deposit Insurance Coverage: Select Qualifying Deposit Liabilities

5.1.4 Funds that are held by Executors or Administrators of a Deceased Person’s Estate cont’d

Deposits that are held in the name of a deceased person are covered up to the maximum coverage limit as per the respective ownership categories in which the funds are held. Deposit insurance payment is made to the estate of the deceased person when an administrator or executor has been appointed by the Courts.

Scenario 17:
John Brown is the owner of a certificate of deposit (Account A) with a balance of $500,000 at ABC Bank. He also owns a current account (Account B) with a balance of $800,000 for his sole trader business; John Brown T/A Brown’s Groceries. In February of 2011, John Brown died and two months after ABC Bank was closed. An administrator of his estate was subsequently appointed by the Courts. The following would apply in a payout:

Table 17: Deposit Insurance Computation

<table>
<thead>
<tr>
<th>Depositor</th>
<th>Account</th>
<th>Total Deposits</th>
<th>Insured Deposits</th>
<th>Uninsured Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Brown</td>
<td>A</td>
<td>500,000</td>
<td>500,000</td>
<td>-</td>
</tr>
<tr>
<td>John Brown T/A Brown’s Groceries</td>
<td>B</td>
<td>800,000</td>
<td>600,000</td>
<td>200,000</td>
</tr>
</tbody>
</table>

Notably, these deposit insurance payments will ONLY be made to the estate of John Brown after the Courts has appointed an administrator.
Deposits that are held in the name of an administrator or executor for a deceased person are covered separately from the personal funds of the administrator or executor.

**Scenario 18:**
Susan Simms is the executor of the estate of John Brown, which includes a sum of $1,100,000. Susan Simms then deposited these funds in a savings account (Account A) at XYZ Bank. She also maintains a personal account (Account B) with a balance of $400,000 at the same institution. The following would apply in a payout.

### Table 18: Deposit Insurance Computation

<table>
<thead>
<tr>
<th>Depositor</th>
<th>Account</th>
<th>Total Deposits</th>
<th>Insured Deposits</th>
<th>Uninsured Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Susan Simms</td>
<td>A</td>
<td>1,100,000</td>
<td>600,000</td>
<td>500,000</td>
</tr>
<tr>
<td>For the Estate of</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>John Brown</td>
<td>B</td>
<td>400,000</td>
<td>400,000</td>
<td></td>
</tr>
</tbody>
</table>
6. Separate Coverage for Deposits held at more than one Policyholder

Deposits held at different Policyholders are insured separately from each other even if the Policyholders are affiliated through common ownership. Therefore, all deposits that are maintained at one Policyholder are insured separately from, and without regard to, other accounts that the same depositor maintains at another Policyholder.

**Scenario 19:**

Norman Pryce holds an individual deposit account with $850,000 at GHI Commercial Bank (GHI) and another deposit account with $400,000 at JKL Building Society (JKL). The two institutions became insolvent and subsequently ordered closed. The following would apply in a payout:

<table>
<thead>
<tr>
<th>Depositor</th>
<th>Account</th>
<th>Total Deposits</th>
<th>Insured Deposits</th>
<th>Uninsured Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norman Pryce</td>
<td>GHI</td>
<td>850,000</td>
<td>600,000</td>
<td>250,000</td>
</tr>
<tr>
<td>Norman Pryce</td>
<td>JKL</td>
<td>400,000</td>
<td>400,000</td>
<td>-</td>
</tr>
</tbody>
</table>
7. Separate Deposit Insurance Coverage Where Policyholder Institutions Merge

Where Policyholder institutions merge and a depositor has accounts in each of the merged institutions the respective deposits will have separate deposit insurance coverage for up to two (2) years after the merger.

Scenario 20:

Norman Pryce has two deposit accounts; one at BCE Bank with a balance of $700,000 and the other at MNO Building Society with a balance of $400,000. The two institutions merged and formed XYZ Bank. Norman Pryce will be provided with separate deposit insurance coverage for up to 2 years at XYZ Bank.

<table>
<thead>
<tr>
<th>Depositor</th>
<th>Account</th>
<th>Total Deposits</th>
<th>Insured Deposits</th>
<th>Uninsured Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norman Pryce</td>
<td>XYZ (BCE Bank A/c)</td>
<td>700,000</td>
<td>600,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Norman Pryce</td>
<td>XYZ (MNO Building Society A/c)</td>
<td>400,000</td>
<td>400,000</td>
<td>-</td>
</tr>
</tbody>
</table>

Scenario 21:

After 2 years, Norman Pryce’s deposits will be added together and insured as deposits that are held in one insured institution. Assuming that there are no changes to his deposit holdings ($1,100,000) at XYZ Bank the following deposit insurance coverage would apply to Norman Pryce’s deposits:

<table>
<thead>
<tr>
<th>Depositor</th>
<th>Account</th>
<th>Total Deposits</th>
<th>Insured Deposits</th>
<th>Uninsured Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norman Pryce</td>
<td>XYZ Bank</td>
<td>1,100,000</td>
<td>600,000</td>
<td>500,000</td>
</tr>
</tbody>
</table>
For the purpose of making payments out of the Fund, the Policyholder records must clearly and accurately reflect the actual ownership of the funds in a deposit account. Section 19 (1 a) of the DIA states that payment shall be made out of the Fund “to persons in whose names deposits are listed in the records of the Policyholder concerned in the production of evidence of deposit ownership satisfactory to the Corporation.”

The following are Policyholder record-keeping guidelines for specific ownership categories:

- **Joint Accounts** – “Where a depositor is a joint owner with another and the joint interest is disclosed on the records of the Policyholder, the name and address and such other information as may be required by the Corporation of the respective joint owners must be disclosed on the records of the Policyholder.”

- **Trust/Nominee Accounts** – “In order to qualify for separate coverage, the records of the Policyholder must disclose the names of the trustee and nominee and each beneficiary and such other information as the Corporation may require from time to time. Where the depositor is acting as trustee or nominee for two or more beneficiaries, the amount or percentage of the deposit attributed to each beneficiary must also be disclosed.”

Trustees and nominees should maintain and submit accurate records of the trust/nominee arrangement to the Policyholder from time to time or as may be required. In so doing, the trustee or nominee will better protect the interests of their beneficiaries or wards and also indemnify the Policyholder of legal proceedings relating to the accuracy of such records. Notably, the Corporation shall not separately insure deposits held in a trust/nominee account for any beneficiary if, in the opinion of the Corporation, the account exists for the purpose of obtaining or increasing deposit insurance.

Subsequent to the merger of two or more Policyholders, the newly formed entity is required to maintain separate account records for each of the Policyholders that existed before the amalgamation, for up to two years after the merger. This is required to facilitate the recognition and calculation of separate deposit insurance entitlement for depositors at each of the Policyholders that existed before the amalgamation.
**Capital Shares:** A permanent non-withdrawal share issued on term that it may be interest-bearing, but does not include a redeemable preferences share.

**Closure Date of a Financial Institution:** A financial institution is deemed to be closed on the date of the occurrence of any of the following circumstances:

- The Policyholder's license to carry on its business operations has been revoked by the Minister of Finance;
- A winding up order has been made by a court against the Policyholder or a resolution for a creditor's voluntary winding up has been passed;
- The Policyholder is unable, by reason of an order of a court or of any action taken by the Minister of Finance or the Bank to make any payment in respect of the deposit; or
- The Policy of deposit insurance issued to the Policyholder has been cancelled subsequent to the making of the insurable deposit.

**Company:** An artificial person established under the Companies Act which is separate and distinct from its owners.

**Coverage Limit:** The maximum amount deposit insurance will pay on a deposit.

**Deferred Share:** A share issued on terms that it shall not be withdrawable for not less than three years, and that it may be interest-bearing.

**Deposit:**

- A sum of money paid on terms under which it will be repaid with or without interest or a premium, and either on demand or at a time or in circumstances agreed; including interest payable in respect of the sum of money. This does not include money paid which is referable to the provision of property or services or the giving of security;
- A share in a Building Society, other than a capital share, deferred share or preference share;
- Such other liabilities as may be determined by the Minister of Finance, on advice of the Board of the Corporation.

**Deposit Insurance Fund:** A Fund established under the Deposit Insurance Act to pay depositors should their insured financial institution fail or to offer financial assistance to Policyholders.
Depositor: A person or entity entitled, or prospectively entitled to a repayment of a deposit, whether made by the depositor or not.

Financial Institution: As per the DIA, financial institution means:

- A bank licensed under the Banking Act or a financial institution licensed under the Financial Institutions Act. Example a commercial bank or merchant bank;
- A Building Society licensed under the Building Societies Act; or
- Subject to subsection (3), any other person or undertaking whose business includes the accepting of deposits and who has been declared by the Minister under the Bank of Jamaica Act to be a specified financial institution.

Insurable Deposit: A deposit received or held by a Policyholder from or on behalf of a depositor other than a deposit from –

- Another Policyholder;
- A statutory body or authority or government company;
- A ministry, department or agency of the Government; and
- A Parish Council, the Kingston and St. Andrew Corporation or a Municipal Council.

Insured Deposit: The portion of a deposit which is covered by deposit insurance, that is, the amount to be paid to a depositor in a payout.

Partnership: An association of two or more persons or entities formed to carry on an enterprise under a partnership agreement.

Payout: Where the Corporation is obliged to disburse insured deposit amounts to depositors due to the failure of a Policyholder.

Policyholder: Deposit-taking financial institutions licensed by the Bank of Jamaica and insured under the Deposit Insurance Scheme (banks, FIA Licensees and building societies).

Prepaid letters of Credit: A binding document that a buyer request from his bank in order to guarantee that the payment for goods be transferred to the seller/supplier (the letter of credit gives the seller/supplier reassurance that he will receive the payment).

Sole Proprietorship: A type of business entity that has one owner and is registered as such under the Registration of Business Names Act.