

# RRSP's not guaranteed by government

It's that time of year when everyone rushes out to purchase a registered retirement savings plan (RRSP). These plans are an extremely important retirement financial option and offers taxation benefits which are attractive. But have you ever questioned yourself about the protection

or insurability of your plans? "Many people assume that because an RRSP is registered with the federal government, that the plan is guaranteed by the government," says Ronald A. McKinlay, Chairman of the Canada Deposit Insurance Corporation (CDIC). Another

misunderstanding is that people feel that the plan is insured by CDIC because the trustee of their plan is a CDIC member. "This is not the case," says McKinlay.

CDIC does not insure all types of investments that are available for RRSPs. "That doesn't necessarily mean that the investments are at risk. Before making an investment decision, people should be familiar with the investment they are making and be aware of any risks that may be involved," advises McKinlay. "Ask questions. Read and understand any documents that you get - especially those that you have to sign. Take your time. Don't be rushed. The safety of your savings is ultimately your responsibility."

To be insurable, the funds must be payable in Canada, in Canadian currency, and must be invested in savings accounts or in term deposits that are repayable no later than five years after the date of deposit. The maximum deposit insurance for RRSPs with the same member is \$60,000 (principal and interest combined).

CDIC is a federal Crown corporation that was created in 1967 to protect money deposited in member institutions. CDIC's members are banks, trust companies, and loan companies. To ensure that members can be easily identified, CDIC has introduced a new membership sign which

its members must display. The new sign shows the name of the member(s) accepting deposits at the location where the sign is displayed.

If you're planning to invest in an RRSP this year, and need information about deposit insurance protection, call CDIC at 1-800-461-CDIC.

## What do I do if I discover my credit card has been lost or stolen?

—There is always the danger that we might lose our credit cards, or that they might be stolen. The thought of having a thief spending our money is frightening.

The first thing to point out is this area is not regulated by the government. Instead, each credit company has its own guidelines. When you receive your card, the company sends you a copy of the credit agreement you are entering into. In that agreement there is usually provision with respect to lost or stolen cards. Check your agreement to find out what your particular credit company says about lost or stolen credit cards.

Generally speaking, credit companies advise you to report the loss or theft to the company immediately. If you do this, the company will assume complete responsibility for the fraudulent use of your card. If you fail to notify the loss or theft to the company, most credit card agreements limit your liability for fraudulent use to \$50.00. But remember that this is not a limit imposed by law and therefore it can vary from company to company and from time to time.

So, the first thing to do if you discover that your credit card is missing, is to phone the issuer immediately and report it. If you can't reach them by telephone, send a registered letter with all the relevant details.



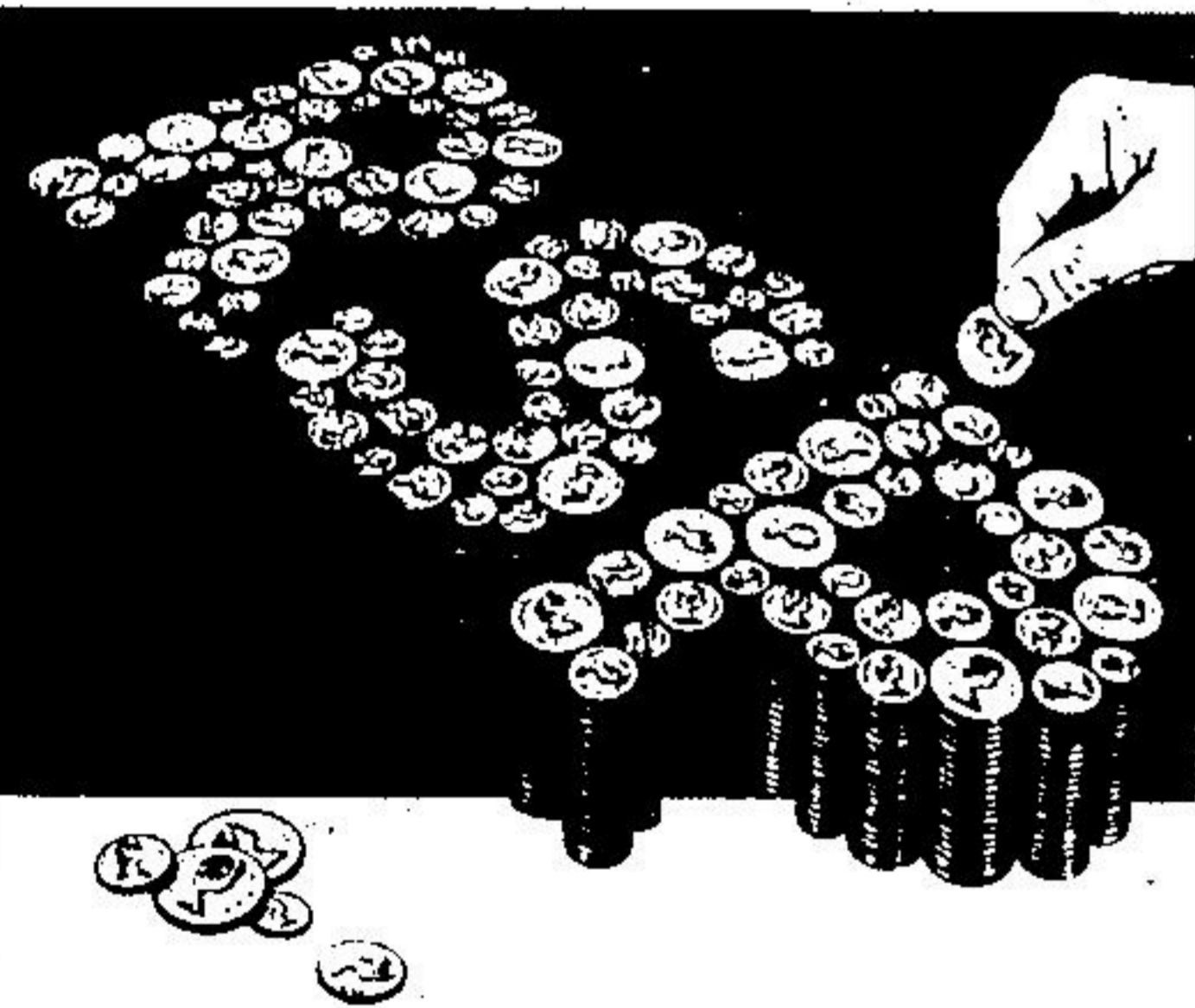
### THE LAW AND YOU

by Colin McKinnon  
LL. B. Q.C.

It is a good idea to keep a list of your credit cards with the account number, and the telephone number of each company or bank concerned. Of course you should keep that list in a place other than where you keep the credit cards themselves.

Another idea you might want to explore is insurance for your stolen credit cards. Speak to your insurance agent about this. Some insurance companies now provide coverage, for an annual premium of course, to protect you from claims for payment when someone steals and uses your card to run a bill in your name.

For more information, contact the Dial-A-Law service and ask for tape #110 entitled, "Credit Cards: Unsolicited, Lost or Stolen". In Metro Toronto and area, call (416) 947-3333. Outside Metro and in the 416 area code, call toll-free 1-800-387-2920. From Ottawa and the local 513 area call, (613) 233-5941. From area codes 519, 613, and 705, call 1-800-387-2992. From area code 807 call, 1-800-668-8525.



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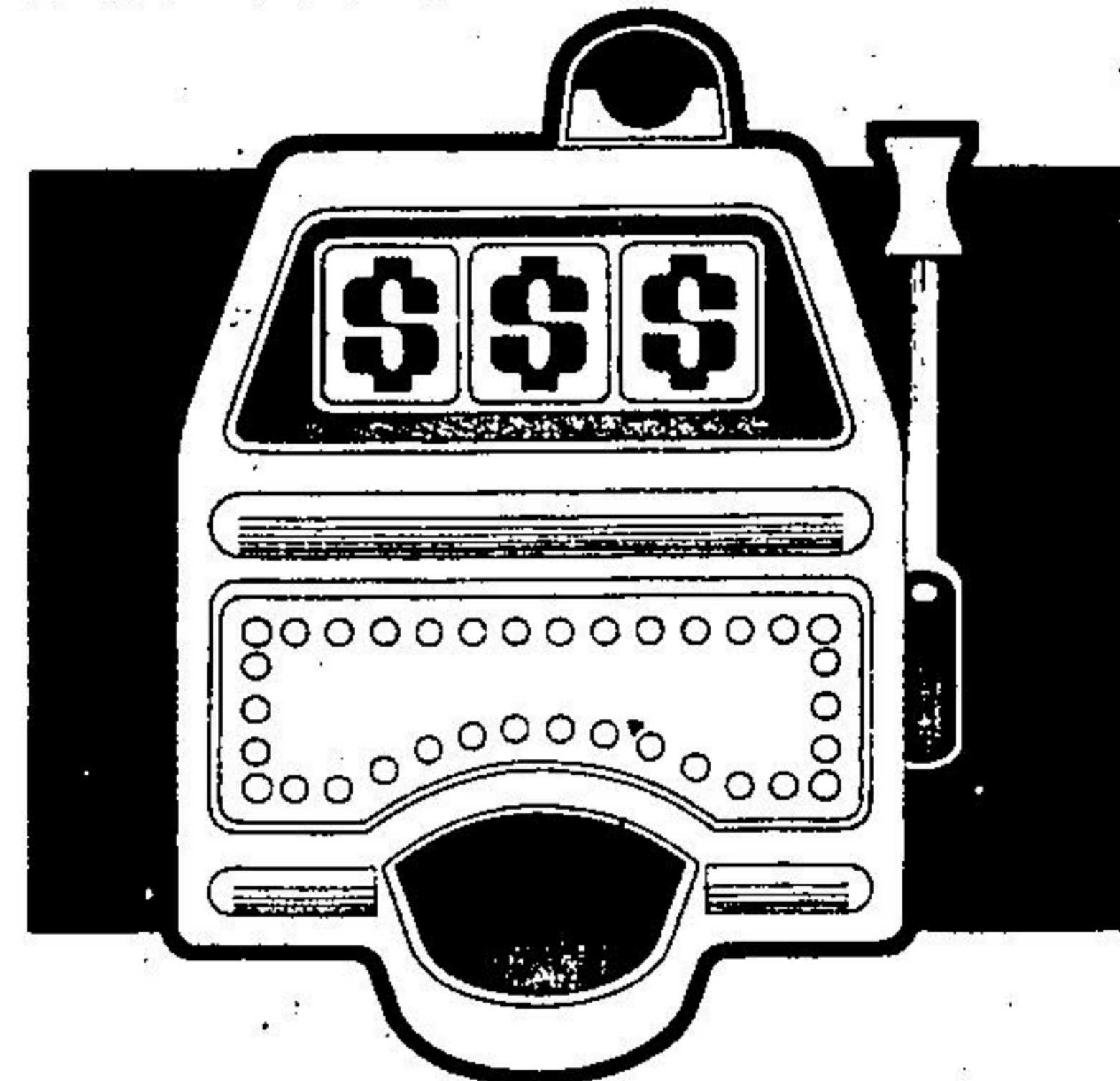
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