



February 28, 2018
File No.: 71500-10-X020946
Ref. No.: 1032

To: Board Chairs/CEOs/General Managers of British Columbia Credit Unions

Re: Administration of Master Bond Program (MBP)

The purpose of this letter is to inform British Columbia credit unions that the Commission has consented to the amendment of the March 11, 1996 Order issued by the Financial Institutions Commission pursuant to Section 206 of the *Financial Institutions Act* (formerly Section 205). A copy of the revised Order dated February 7, 2018 is enclosed.

This consent enables the termination of the agreement between Central 1 Credit Union (Central 1) and Stabilization Central Credit Union (SCCU) whereby Central 1 was retained to administer the MBP.

The termination date has been established as March 31, 2018. On this date, Central 1 will cease to provide management services in respect of the administration and operation of the MBP. SCCU will begin to operate and administer all aspects of the program in-house.

Should you have any questions or concerns regarding the above, please feel free to contact Ron Muller, Managing Director, Statutory Approvals by telephone at 604 218-2517 or by email at Ron.Muller@ficombc.ca.

Yours truly,

Melanie Achtemichuk
Executive Director, Policy and Approvals

Enclosure

MB/hs



IN THE MATTER OF THE FINANCIAL INSTITUTIONS ACT
R.S.B.C. 1996, C. 141

ORDER under Section 206

WHEREAS the Financial Institutions Commission has determined that in order to protect the interests of depositors every credit union should maintain insurance coverage against a number of specified risks.

NOW THEREFORE the Financial Institutions Commission Orders pursuant to section 206 of the Financial Institutions Act, that every credit union must maintain insurance against the following risks with the minimum coverage as specified.

MASTER BOND PROGRAM

The credit union shall maintain insurance under the Master Bond Program offered by Stabilization Central Credit Union of British Columbia against loss due to dishonest or fraudulent acts of employees, officers and directors of the credit union and all subsidiaries. The credit union shall also maintain coverage for money and negotiable securities on the premises and in transit, counterfeit money or securities, forgery, computer fraud and related risks as covered under this program. An employee, officer or director may not continue to serve in that capacity if not covered under the Master Bond Program.

Issued this 7th day of February, 2018
at Vancouver, British Columbia

Stanley W. Hamilton, Chair
Financial Institutions Commission

BRITISH
COLUMBIA