

DOLLAR & SENSE

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a newsletter of Nelson & District Credit Union

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Spring - Summer Edition

What to Consider as Flooding Concerns Increase

We have all seen the images: murky brown water swirling over fields, streets, and lawns where children once played. The damage is astonishing; the grief of the communities is heartbreaking. We ask, how can we help? How can we protect ourselves?

Not too many years ago, residential flood insurance simply wasn't available. Emergency Management BC would step in and provide (limited) funds for rebuilding. A few years ago, however, the Emergency Program Act changed to advise that "eligible costs [do] not include costs or expenses...for which insurance [is] reasonably and readily available." (EMBC, May 4, 2016)

Fortunately, insurers responded and most began to offer flood coverage for homes. 'Flood' is usually referred to as 'Overland Water' coverage to distinguish it from the usual Water Damage and Sewer Backup coverages that cover water leaks and drain backups inside homes. Unfortunately, this coverage was not rolled out as a uniform product: each insurer developed its own criteria for eligibility, limits, and conditions. A property might not be eligible with one company, but would with another. Some companies lumped losses previously covered by Sewer Backup in with Overland Water – relevant for hillside dwellers who otherwise wouldn't feel the need. Others have developed separate coverages like Ground Water or include it all under a global Water Damage package.

Other coverages, such as Additional Living Expense and Mass Evacuation, will only kick in *IF* you have purchased the coverage for the peril causing the evacuation or home damage. Making mortgage payments while living in a hotel – if you can find a room – is a daunting proposition.

Some folks decline to buy Overland Water because it can be costly, especially if you live on a flood plain. They refer to the EMBC statement that the insurance has to be "reasonably and readily available" and have decided 'reasonable' is a subjective term that means it should be 'affordable'. As 'affordable' is also a subjective term, your insurance broker would suggest that you not rely on a court's definition of 'reasonable' to determine if you could get Provincial funding should you turn down Overland Water coverage on your home policy.

If you've declined the coverage on your policy, thinking that you might get it later depending on what the snowpack looks like, be aware that you may be too late. Once there is any kind of High Streamflow Advisory, Evacuation Alert or Evacuation Order, most insurers (including ICBC) will restrict binding of any new coverage or policy. This has implications for those moving or buying new properties, though policies that already have the coverage will renew as usual.

Going through any kind of natural disaster is frightening and stressful. Home insurance cannot replace photos or cherished keepsakes, but it is immense peace of mind knowing you won't bear the financial burden alone. As we wait for the waters to recede, our thoughts will be with affected communities, and our hope is that they have the coverage they need to rebuild.

If you are wondering if your home insurance will cover you for flood, and haven't yet reviewed your policy, please contact a Kootenay Insurance Services Ltd. broker to do so.

Lorien Quattrocchi, BA, CIP, CAIB

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*Rates can change. Terms & conditions apply. Visit nelsoncu.com/100milemortgage for more details.

Getting the Most out of an RESP

Families can help put their kids through post-secondary education with smart planning and a boost from both federal and provincial government grants and matching funds.

Canada Education Savings Grant

The Canadian Education Savings Grant (CESG) program offers a 20% grant on the first \$2,500 saved a year in a Registered Education Savings Plan (RESP), for children up to age 17. That means your child's RESP could grow by an extra \$500 each year (\$7,200 lifetime maximum).

Canada Learning Bond

Lower income families who have no education savings often qualify for the Canada Learning Bond (CLB). Qualify for the CLB and add \$500 to your child's RESP instantly, and \$100 each year until they turn 15. Add it all up, and it can be worth as much as \$2,000 in a student's education fund. The Bond is available for children born after December 31, 2003 into families who receive the National Child Benefit Supplement as part of the Canada Child Tax Benefit.

BC Training and Education Savings Grant

As of August 15, 2015 parents can apply for the new British Columbia Training and Education Savings Grant. With this grant the B.C. Government will contribute a grant of \$1,200 to eligible children who meet the following criteria:

1. Born in 2006 or later
2. At the time of application the child and a parent/guardian of the child are residents of BC
3. At the time of application the child is the beneficiary of an RESP with a participating financial institution.

Don't miss out on extra contributions to your child's post secondary education savings. A trusted Nelson & District Credit Union advisor will be happy to help guide you through the process of starting to save.

ENTER TO WIN ONE ROUND OF GOLF FOR TWO AT GRANITE POINTE

Enjoy one round of 18 holes of golf for two players, including cart, at Granite Pointe Golf Club in Nelson during the 2018 season. Not valid with any other offer. Expires 2018/10/31.

To be entered into the draw please return this clip-out to your community branch of Nelson & District Credit Union by 5:00pm on Friday, July 13, 2018.

NAME:

CONTACT:

or email tatkins@nelsoncu.com by the deadline

67th Annual General Meeting Re-cap



Paula Kiss

At Nelson & District Credit Union's 67th Annual General Meeting held in Nelson, BC on Tuesday, April 24, 2018, the Credit Union released its financial results for 2017. Tom Murray, CEO of NDCU announced that, "Earnings results were the best they have been in a decade! Rebounding from a bit of a loss last year was a great team effort. We were also pleased with our assets growing to \$216 million, members' deposits increasing by 2% and an increase in members' loans of over 9% from last year! We also contributed nearly \$80,000 to community groups in our three service areas." In addition, long-term employee service awards were announced as were the board of directors' election results.



Michael Ramsey

At the AGM, results of the election for a three year term for the Nelson Representative Area were released with Paula Kiss being the successful candidate. Acclaimed directors included: Karina Farr for the Rossland Representative Area (three year term), Michael Ramsey for the Rossland Representative Area (one year term) and John Edwards for the East Shore Representative Area (three year term). Andy Chute's years of service on the board were also acknowledged as he was bid a reluctant but fond farewell.



Karina Farr



John Edwards

With the departure of Andy Chute, the board elected Director At Large, Lorne Westnedge to the position of board chair. Also elected were Director At Large, Laureen Barker to the position of first vice-chair and John Kortram, Nelson Representative Area as second vice-chair.

An update to an amalgamation initiative known as Exploring Strength and Unity being undertaken by seven credit unions was also provided at the AGM. Representatives from all seven credit unions which are located in the Boundary, Kootenay and Columbia Valley regions are still going through their due diligence and developing a business case. Members were given an opportunity to provide feedback and ask questions regarding the process and the specifics surrounding the proposal. Though amalgamation amongst credit unions is not unusual, this is a first for one of this magnitude. A lot more work still needs to be done and ultimately the members would decide if this is something they desire for their future credit union.

Even though this year's election process has completed, it is not too early to start thinking about next year. If being a part of the Nelson & District Credit Union's board of directors is something that interests you, we encourage you to contact our Executive Assistant, Virginia Makaroff, at 877.352.7207 or vmakaroff@nelsoncu.com.