

# Power of Knowledge

## Core Principles & Practitioners' Experience of Public Awareness



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July 30, 2010**



# Protecting Depositors?







# Maintaining Stability?





# Lessons Learned

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- Confidence in banks and financial market can easily be shattered
- An effective deposit insurance system is needed
- The public should be educated





# Contents

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- Core principle of public awareness of DIS
- IADI guidance paper on public awareness
- Taiwan's experience in promoting public awareness
- Future perspectives



# *Core Principles of Effective Deposit Insurance Systems*



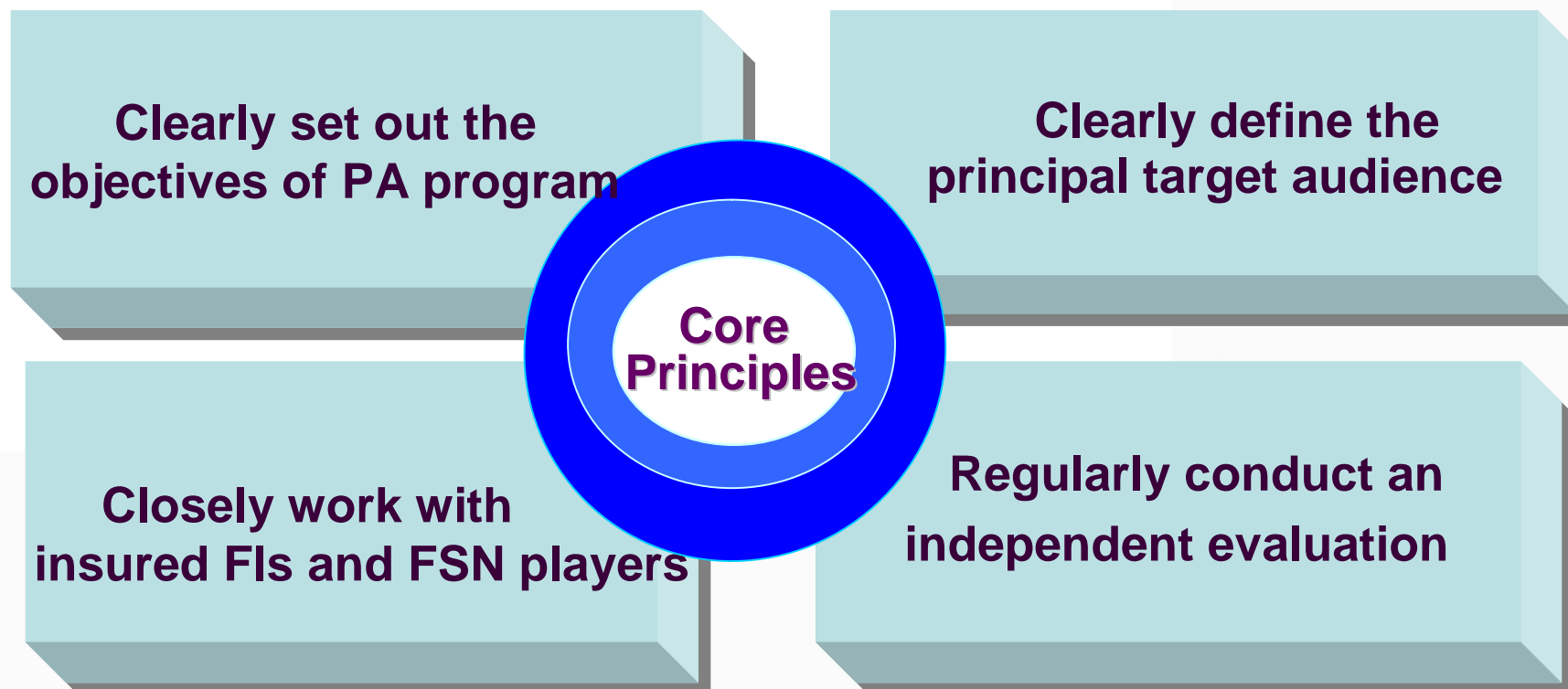
# Core Principle on Public Awareness

- In order for a deposit insurance system to be effective it is essential that the public be informed on an ongoing basis about the benefits and limitations of the deposit insurance system.*





# Supporting Guidance on PA







- *IADI Guidance Paper on  
Public Awareness of Deposit  
Insurance Systems*



# IADI Guidance Paper on PA

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- Project conducted by RGC Subcommittee and chaired by CDIC Taiwan
- Guidance Paper issued in May 2009
- Topics covered in the paper:
  - ü objectives of a PA program
  - ü organizing an effective PA campaign
  - ü applying special strategies to special occasion



# Objectives of a PA Program

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- Enhancing the effectiveness of a deposit insurance system
- Reinforcing consumer protection





# Enhancing the Effectiveness of a DIS

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# Reinforcing Consumer Protection

- Public awareness should be promoted from the perspective of consumer protection
- Financially-informed and knowing their rights of consumers can impose additional discipline on the banking system







# *Ongoing Public Awareness Activities in Normal Time*



# Organizing an Effective PA Campaign

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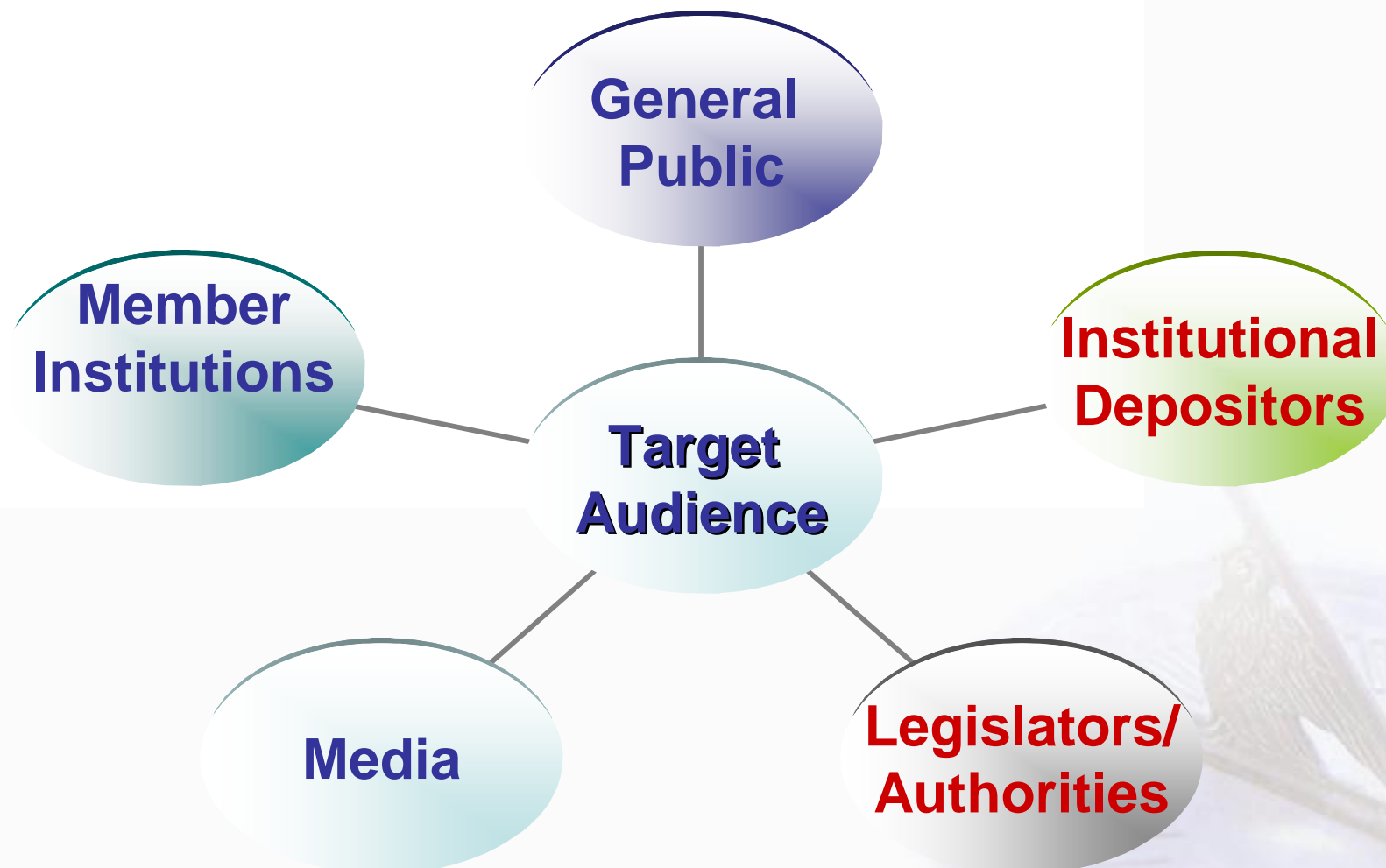
- Target audience
- Messages
- Communication tools
- Budgets and resources
- Evaluation





# Target Audience

- Clearly define principal target audience





# Messages

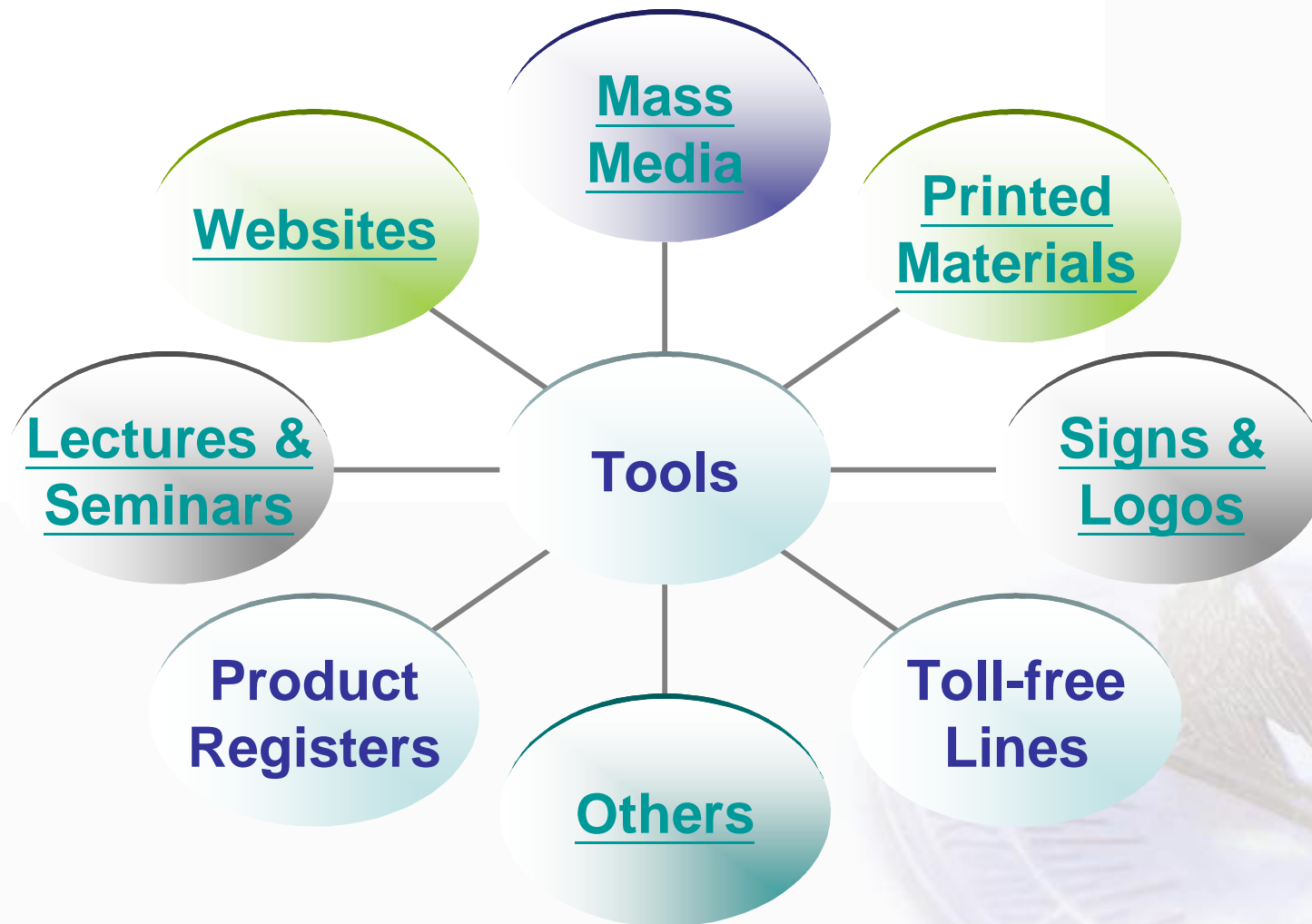
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- Provide information affecting depositors' savings
- Keep messages short and concise
- Messages should be consistent
- Use plain language to avoid ambiguity and misinterpretation
- Messages delivered in various languages



# Communication Tools

- Employ a wide variety of tools and channels







# Budgets and Resources

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- Make budget allocations to build and maintain desired level of awareness
- Consider using external public relations and branding expertise to supplement internal expertise





# Evaluations

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- Conduct regular and independent evaluation of awareness level
  - Most practical approach to know awareness level
  - Understand result of a PA campaign
  - Learn where/what to focus for further PA campaigns
  - Outsource professional firms to conduct survey



# *Public Awareness Activities under Special Occasions*





# Transitioning to Limited Coverage

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- Engage in public awareness activities early
- Disseminate accurate information of coverage limit and transition schedule





# Bank Runs

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- Communication must be quick and wide reach
- Manage the media: press release and media updates
- Distribute announcement of deposit protection at bank units and to bank staff







# Bank Failures

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- Plan ahead
- Communication plan should be part of SOP
- Activate the dark site for reimbursement
- Utilize all media to disseminate information about reimbursement
- Coordinate with other financial safety net players to maximize synergies



# *Taiwan's Experience in Promoting Public Awareness*





# Objectives of PA Programs

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- To enhance fulfillment of public policy objectives and responsibilities of deposit insurers
- To maintain a sound deposit insurance system
- To elevate the level of awareness of deposit insurance





# Public Policy Objectives of CDIC Taiwan

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- Protecting the interest of depositors
- Maintaining order in the credit system
- Promoting the healthy development of the financial industry





# Designing a PA Program

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- Deposit insurance annual promotion plan
  - ü To promote the current/new policies
  - ü Based on the public awareness survey results
  - ü Can be adjusted during the implementation period
- Budget
  - ü The budget is accordingly prepared by CDIC Taiwan and approved by the Parliament





# Target Audience

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## ***Before 1999***

- Small depositors
- Financial institutions

## ***1999- to date***

- All depositors
- Financial institutions



# Target Segment

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- Female depositors
- Middle-aged depositors
- Future depositors-students
- Financial institutions





# Basic Information for Depositors

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- The maximum coverage
  - NT\$ 1.5 million (US\$49,0)
  - Full coverage (Oct. 2008-Dec. 2010)
- The scope of deposit insurance coverage
- Basic information on CDIC Taiwan
  - Corporate image



# Provide Blanket Guarantee

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存款全額保障延長至99年12月31日

**全額保障**

免付費專線: 0800-000-148  
網址: <http://www.cdic.gov.tw>

 中央存款保險公司  
Central Deposit Insurance Corp.





## Messages:

### ***What Depositors Need to Know ?***

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- What is deposit insurance ?
- Which parties should pay deposit insurance premiums ?
- Are all banks insured ? How will I know?
- Am I insured and for how much?
- Are all deposits insured ?
- Will banks fail ?
- How and when do I get my deposit back ?



# Responsible Parties

## Maintaining Financial Stability





# Communication Tools

- Educational materials
  - ü Fliers, pamphlets, brochures and annual report
- Multi-media
  - ü TV, radio, newspapers and magazines
- Toll-free line
  - ü 0800-000-148
- A customer service
  - ü a mailbox and a fax line
- Bilingual corporate website
  - ü [www.cdic.gov.tw](http://www.cdic.gov.tw)

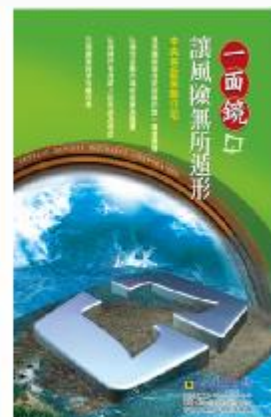
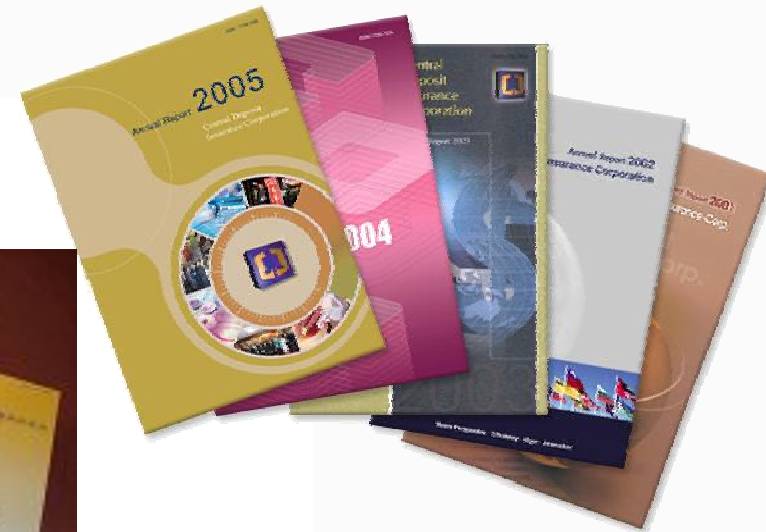






# Educational Materials

- Annual reports
- Deposit Insurance Journals
- Brochures
- Fliers
- Posters







# Mass Media

- Television
- Radio
- Newspapers
- Magazines
- Toll-free line





# Chinese Website -www.cdic.gov.tw

中央存款保險股份有限公司 CENTRAL DEPOSIT INSURANCE CORP. - Mozilla Firefox

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存款全額保障，延長至 99年12月31日

最新消息

- 公告欄 近期更新內容項目 2010/7/7
- 業務動態 業務動態 2010/7/5
- 新聞稿 中央存款保險公司委託字珍國際藝術有限公司辦理慶豐商業銀行古董藝術品第二場次拍賣結果公告 2010/7/1
- 新聞稿 中央存款保險公司委託字珍國際藝術有限公司辦理慶豐商業銀行古董藝術品第一場次拍賣結果公告 2010/6/28
- 新聞稿 慶豐銀行所有之1,864件書畫由國立故宮博物院購藏及委託字珍國際藝術有限公司拍賣事宜補充說明 2010/6/24
- 新聞稿 有關5月26日媒體報導，本公司誤扣楊志健君財產乙事之說明 2010/5/26
- 公告欄 財政部所屬公營事業「逗陣來捐血，讓愛傳出去」活動 2010/5/19
- 公告欄 中央存款保險公司受託辦理中聯信託投資公司特定不動產標售結果公告 2010/5/6
- 公告欄 中央存款保險公司受託辦理中聯信託投資公司特定不動產標售公告 2010/4/22
- 公告欄 慶豐商業銀行古董藝術品拍賣修正公告 2010/4/21

更多消息

國際交流

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# CDIC English Website



中央存款保險公司 Central Deposit Insurance Corporation - Mozilla Firefox

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**Central Deposit Insurance Corporation**

Your Deposits are in Good Hands with CDIC

What's New | About Us | Deposit Insurance | Laws & Regulations | Publications | Financial Restructuring Fund | Links

CDIC guarantees full deposit coverage at all insured financial institutions until December 31, 2010.

Welcome to CDIC

Hot News

- 2010/6/23 CDIC President Mr. Howard Wang attended the 30th Executive Council meetings of International Association of Deposit Insurers (IADI) held in Mexico City, Mexico in early June 2010 (Announcement)
- 2010/5/27 CDIC Chairman Fred Chen paid a visit to Deposit Insurance Corporation of Japan and the Resolution and Collection Corporation in mid-May 2010 (Announcement)
- 2010/5/12 CDIC President Howard N. H. Wang led the delegation to

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下午 05:50



# Communication Tools (cont.)



- Holding international symposiums and professional seminars for financial institutions
- Organizing open seminars for the general public





# Communication Tools (cont.)

- Deposit insurance signs
  - A large-sized sign
  - A small-sized sign
- Sticker
- Souvenirs







# Communication Tools (cont.)

## CDIC History Exhibition Hall

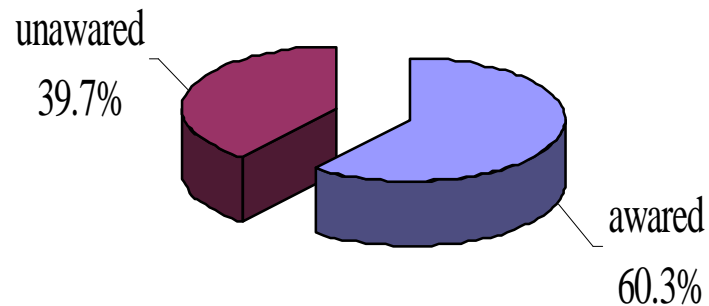




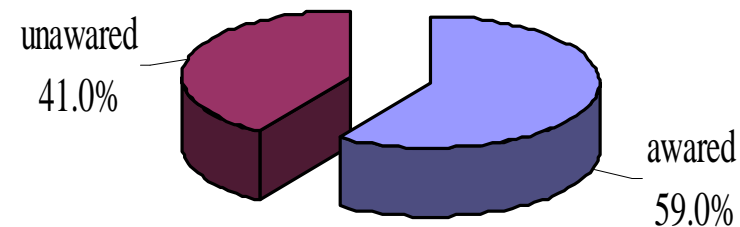
# Performance Evaluation

- Overall awareness level of the general public at the end of 2009

the level of awareness of deposit insurance

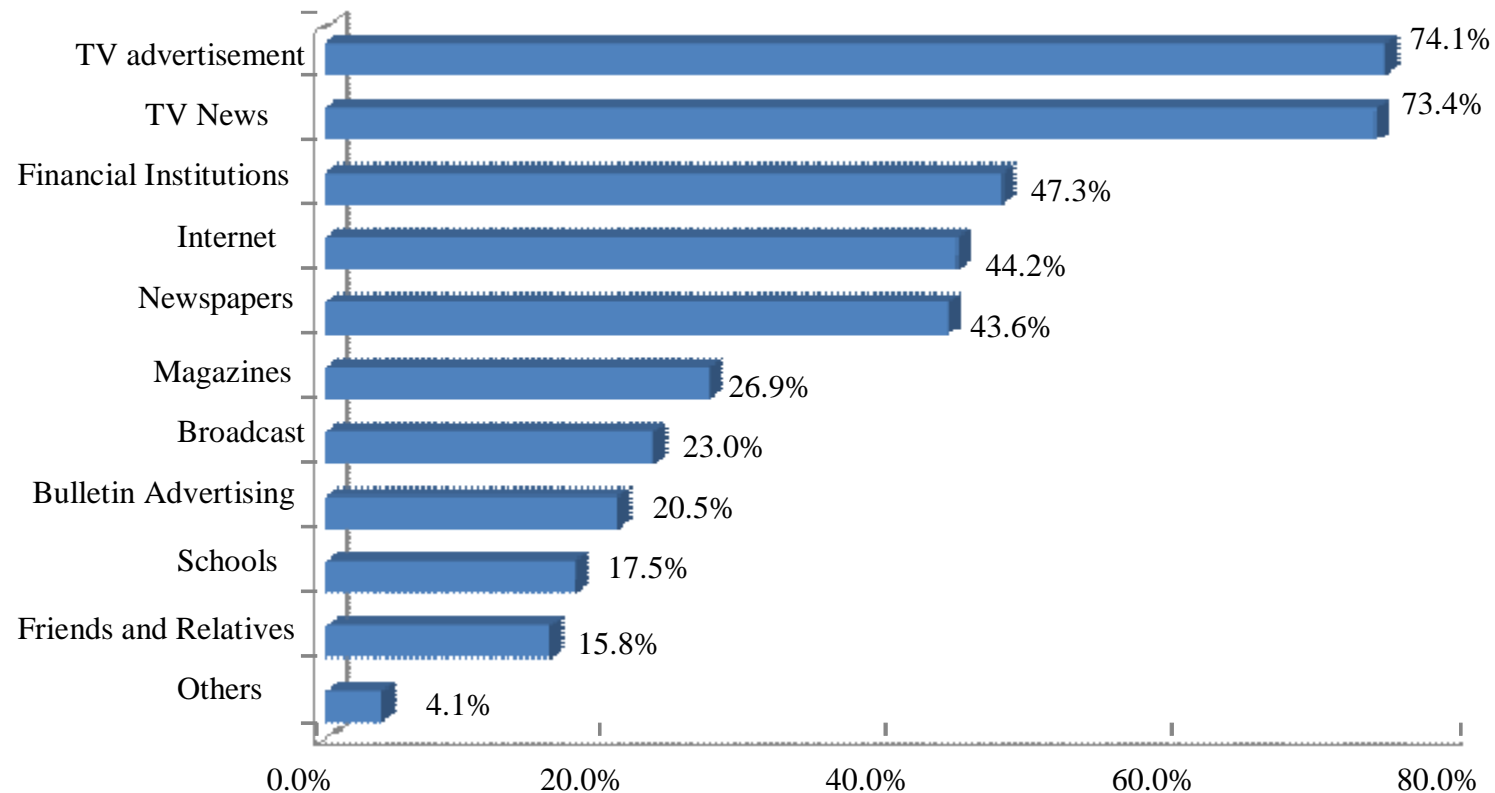


the level of awareness of CDIC





# The Most Effective Tools in Taiwan



Source : 2009 public awareness on CDIC Taiwan and deposit insurance survey





# Special Occasions for Promoting DIS

- **Transition to limited coverage system**

- Message

- ü Proposed transition schedule

- ü The maximum coverage

- ü Insured items





# Special Occasions for Promoting DIS (cont)

- **Handling Bank Runs**

- ü Dispatch staff into the branches to halt the runs
- ü Hold press conferences with the competent authorities
- ü Issuing press releases for the public
- ü Putting up large notices in prominent areas





# Future Perspectives

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- More active role of CDIC Taiwan in raising public awareness
- Multilateral cooperation for consumer protection and public awareness among safety net players
- To prepare crisis communications plan to deal with emergency situations



# Public Awareness

## - Power of Knowledge



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