





Approaches for Public Awareness for DIS Taiwan's Experience


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Outline

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




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Core Principle on Public Awareness

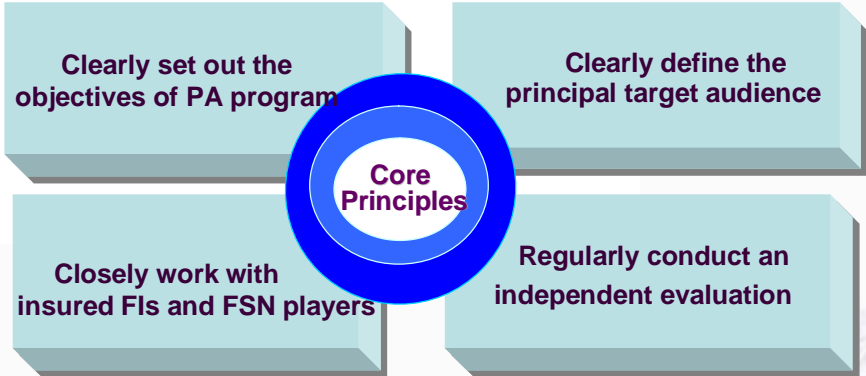
- In order for a deposit insurance system to be effective it is essential that the public be informed on an ongoing basis about the benefits and limitations of the deposit insurance system.*



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Supporting Guidance on PA



Clearly set out the objectives of PA program

Clearly define the principal target audience

Closely work with insured FIs and FSN players

Regularly conduct an independent evaluation

Core Principles

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IADI Guidance Paper on PA



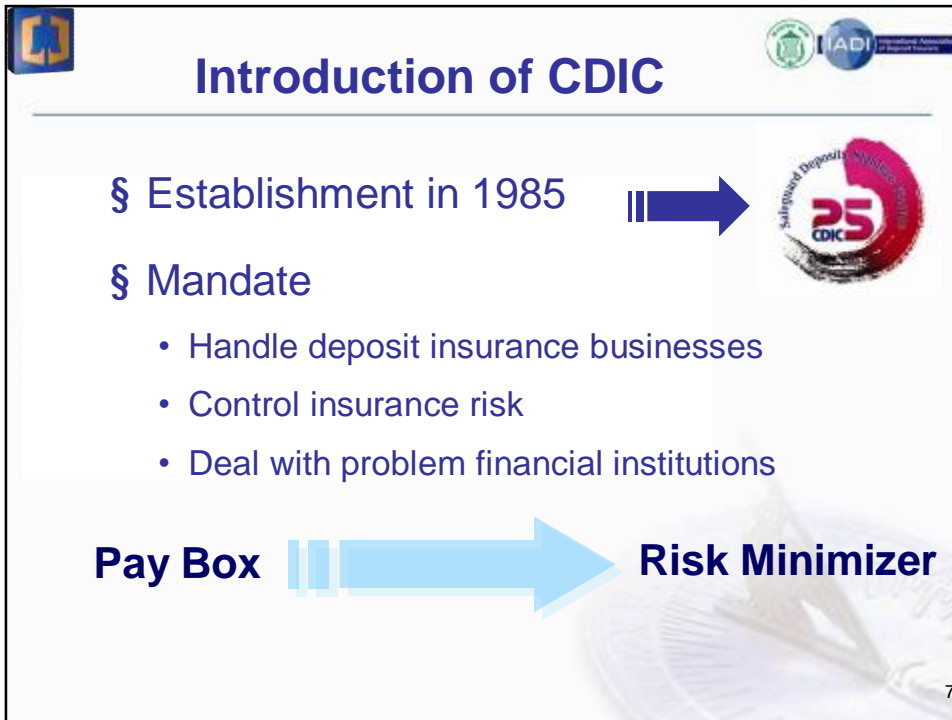
- Project conducted by RGC Subcommittee and chaired by CDIC Taiwan
- Guidance Paper issued in May 2009
- Topics covered in the paper:
 - ü objectives of a PA program
 - ü organizing an effective PA campaign
 - ü applying special strategies to special occasion

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- Taiwan's experience in promoting public awareness

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Introduction of CDIC

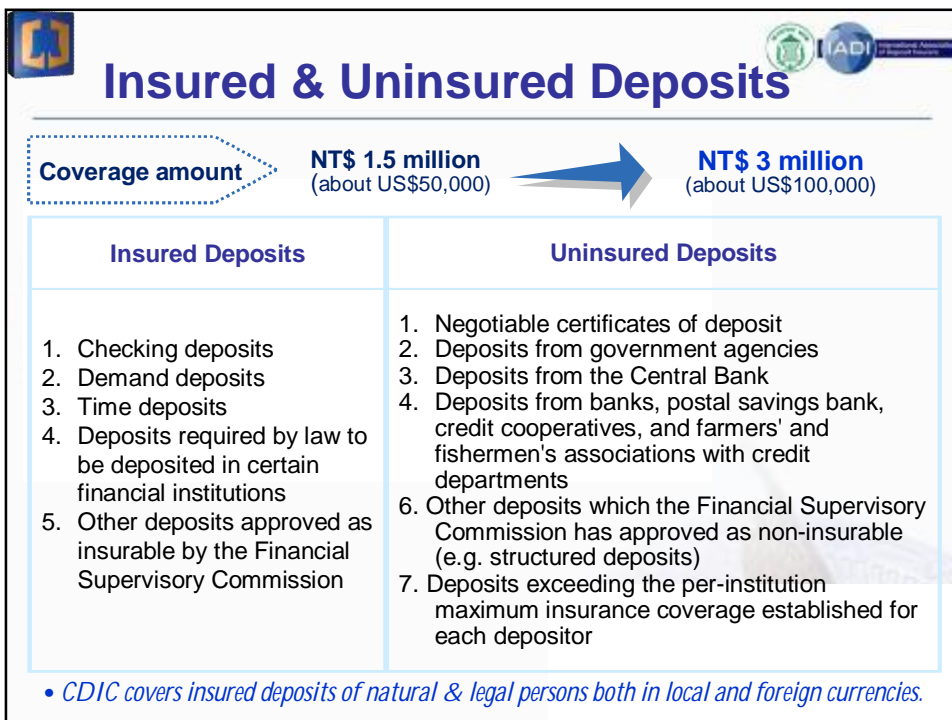
§ Establishment in 1985 → 

§ Mandate

- Handle deposit insurance businesses
- Control insurance risk
- Deal with problem financial institutions

Pay Box → **Risk Minimizer**

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Insured & Uninsured Deposits

Coverage amount: **NT\$ 1.5 million** (about US\$50,000) → **NT\$ 3 million** (about US\$100,000)



Insured Deposits	Uninsured Deposits
<ol style="list-style-type: none"> 1. Checking deposits 2. Demand deposits 3. Time deposits 4. Deposits required by law to be deposited in certain financial institutions 5. Other deposits approved as insurable by the Financial Supervisory Commission 	<ol style="list-style-type: none"> 1. Negotiable certificates of deposit 2. Deposits from government agencies 3. Deposits from the Central Bank 4. Deposits from banks, postal savings bank, credit cooperatives, and farmers' and fishermen's associations with credit departments 6. Other deposits which the Financial Supervisory Commission has approved as non-insurable (e.g. structured deposits) 7. Deposits exceeding the per-institution maximum insurance coverage established for each depositor

• CDIC covers insured deposits of natural & legal persons both in local and foreign currencies.






Objectives of PA Programs

- To enhance fulfillment of public policy objectives and responsibilities of DIS in Taiwan
- To maintain a sound deposit insurance system and financial stability
- To elevate the level of awareness of deposit insurance





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Target Audience

- Clearly define principal target audience



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graph TD
    A([General Public]) --- B([Target Audience])
    C([Insured Institutions]) --- B
    D([Financial Safety Net Players]) --- B
    E([Media]) --- B
    
```



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n Major target: The General Public

- ü Natural and legal persons
- ü Future depositors-students



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Messages

- **Disseminating strategies**

- ü Manage the public expectation by providing positive news

- ü Provide simple and easy to understand messages

e.g.

No— Blanket guarantee is expired

Yes— You will continue enjoying protection

Yes— Your protection will be increased

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Messages (cont.)

- **Key messages**
 - ü Coverage limit
 - ü Coverage scope
 - ü CDIC signs

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Promotion Tools

n Choosing different tools based on different target groups and geographic areas

1. Multi-media
 - ü TV, cinema, radio, newspapers, magazines, cell phone text messages, and Internet

(TV film)

(newspapers)

(magazines)

(internet)

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Promotion Tools (cont.)

2. Apply **Integrating Communication Marketing** strategies: Intensive exposure through various channels at the same time

(press conference) (media interview)

(outdoor billboards) (banner on public transportation)

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Promotion Tools (cont.)

3. Other tools

- ü Customer service: trilingual toll-free line, email and mail boxes
- ü Bilingual corporate website
- ü Fliers, pamphlets, brochures, annual reports & souvenirs

(trilingual toll free line) (corporate website)

(annual reports)

(quarterly journals) (brochures) (souvenirs)



Promotion Tools (cont.)

- **Use networks of insured institutions-free channels**
 - Deposit insurance signs
 - A large sign (required by law to place in every business unit of insured banks)
 - A desktop sign (for counters of business units)
 - Films and stickers (for ATMs or business units)



(desktop sign)



(large sign)



(stickers)

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Promotion Tools (cont.)

- **Use network of insured institutions-free channels**
 - Posters (for business units)
 - Scrolling banners (standard language provided by CDIC)


(posters)



(Scrolling banners)


**自100年起存款保額提高為新臺幣300萬元
加倍保障 加倍安心** **中央存款保險公司**





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The General Public- Students

- **Include DI information into school curricula**
 - ü Cooperate with education department and the financial competent authorities
 - ü Raise the financial literacy level for young people & students
- **Choose communication channels accordingly**
 - ü Campus campaign
 - ü Competition of deposit insurance poster/film
 - ü Internet

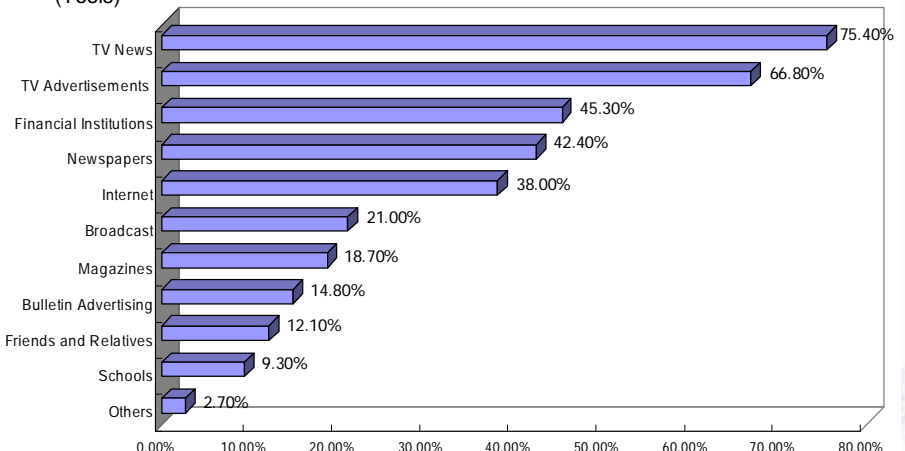




The Most Effective Tools in Taiwan

(Tools)



Tool	Percentage
TV News	75.40%
TV Advertisements	66.80%
Financial Institutions	45.30%
Newspapers	42.40%
Internet	38.00%
Broadcast	21.00%
Magazines	18.70%
Bulletin Advertising	14.80%
Friends and Relatives	12.10%
Schools	9.30%
Others	2.70%

(% of source of deposit insurance information)

Source : 2010 public awareness on CDIC and deposit insurance survey



Toward Insured Institutions

- **Key messages**

- ü Benefit of promoting deposit insurance awareness

- ü Risk management issues

- Inappropriate deposit structure
- Maturity mismatch between assets & liabilities
- Poor funding capacity

- ü Latest deposit insurance policies (e.g. revising premium rates, building up e-data, etc.)

- **Promotion tools**

- ü Issue letter notices (e.g. request submitting financial reports for monitoring purpose)

- ü Hold meetings and domestic/international seminars



Toward the Financial Safety Net Players

- **Key messages**

- Win their supports on public awareness policies
- Deliver coordinated and consistent messages to maximize synergy

- **Communication channel**

- ü The specific task force among the FSN for the transitioning



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Toward the Media

- **Promoting Strategies**
 - Actively release the press communiqué referring the DIS regularly and promptly respond to media's inquiries
 - Receive interviews with the media

Build up a long-term good relationship and serve as trial balloons of public opinions


The more the media know about deposit insurance, the better they can provide balance reports when necessary

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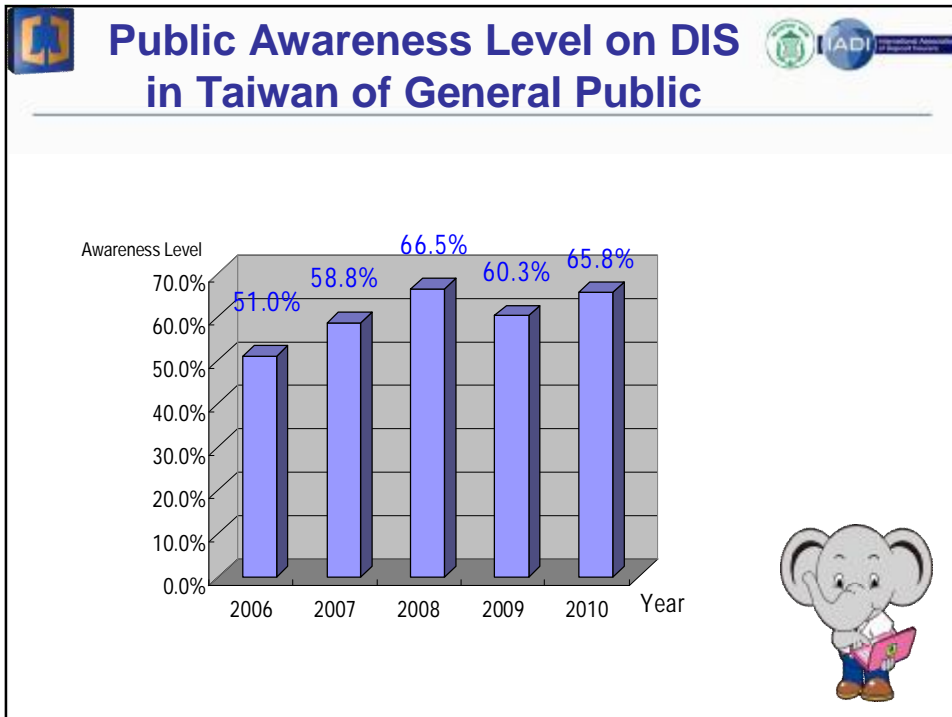
 

Evaluation

- 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



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- Budget & Other Resources**
- Budget prepared by CDIC and approved by the Parliament
 - About 5% of annual business expenses (about US\$ 1 M)
 - Fully utilize free service channels sponsored or provided by other government agencies or insured institutions
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Conclusion

- How to Maintain Awareness Level?

Keep on Doing !!!

Because People's Memories are SHORT!



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Thank You

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