

DEFINITIONS OF TERMS USED IN CONNECTION WITH INSURANCE REQUIREMENTS  
OF THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Insured account. "An 'insured account' is a withdrawable or repurchasable share, investment certificate, or deposit account held by an insured member in an institution insured by the Corporation, up to but not exceeding \$5,000 to any insured member. Accounts which cannot be withdrawn or the value thereof paid to the holder until all of the liabilities of the institution have been fully liquidated and paid upon the winding up of the institution are not insurable . . ."

Account of an insured member. "An 'account of an insured member' is the total amount credited to any member in withdrawable or repurchasable accounts, whether or not subject to any pledge, and whether insured in full or only in part. The total insurance which any insured member may have in any one insured institution is \$5,000, whether the insured member has one or more insurable accounts. . . ."

Account of an insurable type. For the purpose of determining insurance premiums, an "account of an insurable type" is the same as an "account of an insured member" as defined above.

Creditor obligation. A creditor obligation is an obligation which establishes a debtor-creditor relationship, and does not include a contract or trust which will merely subject an institution to damages if the contract or trust is not performed -- for example, a loan closed but not entirely paid out.

**Federal Savings and Loan Insurance Corporation  
Comparison of Potential Liability and Reserves  
As of June 30: 1935 to 1943  
(Amounts in millions of dollars)**

June 30	Potential Liability <sup>1/</sup>	Reserves and Earned Surplus <sup>2/</sup>	Ratio of Reserves and Earned Surplus to Potential Liability (Per cent)
1935	\$ 370	\$ 1.6	.43
1936	640	3.8	.60
1937	1,101	8.2	.75
1938	1,400	13.1	.94
1939	1,725	18.3	1.06
1940	2,056	23.6	1.15
1941	2,464	29.4	1.19
1942	2,772	32.7	1.18
1943	3,181	41.4	1.30

1/ Total of all insured accounts and creditor obligations of all insured institutions.

2/ Net worth less capital. Includes reserve required by law, reserve for contingencies, and earned surplus.