

April 26, 1954

SUBJECT: INSURANCE

WITHDRAWN

The Following Circular Letter was Issued in the Form of a Press Release With the Approval of Superintendent of Insurance Alfred J. Bohlinger:

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Deputy Superintendent of Insurance Raymond Harris has ruled that insurance companies may invest in mortgage loans insured under the Canadian National Housing Act of 1954.

Mr. Harris, who also is counsel of the New York Insurance Department, held that such mortgage loans are recognized as eligible reserve investments, "being substantially the same kind, class and investment grade" as Federal Housing Act mortgage loans.

Pointing out that the principal difference between the Canadian National Housing Act and the United States Housing Act is that under the former only 98% of the principal is insured whereas under the Federal Housing Act 100% of principal is insured, Mr. Harris said that this difference is to a great extent counterbalanced by comparing other provisions of the two acts. He added that in comparing the ultimate amounts receivable under the insurance provisions of the two acts, the difference is negligible.