

modifications in practice—merely attempts, perhaps generally honest enough, to bolster up an unsound system. The first of these companies appeared in Canada in 1885 and the last disappeared about 15 years ago. Legislation in respect of these companies required that they should represent the nature of their business correctly to the public and the insured. A deposit of \$50,000 was required; death benefits were to be a first-charge on all assessments; each policy had to state: "This association is not required by law to maintain the reserve which is required of ordinary life insurance companies"; and the words "Assessment System" were required to be printed on every policy, application, circular, etc.,

Fraternal societies made their appearance in Canada at a very early date. So far as life insurance is concerned, the development is, as in the case of old line life companies, of more recent years. As above noted, they were at first exempt from the provisions of the Dominion Acts applicable to assessment companies. Notwithstanding the exemption, fundamentally, the business and the methods of the two types of institution as respects life insurance were fairly analogous, though the machinery differed. Eventually the provisions of the statutes originally designed for assessment companies were applied to fraternal societies, and continued to apply until the passing of the 1919 Amendment to the Insurance Act.

The fate of friendly societies has been more fortunate than that of assessment companies. Many of them have gone through several readjustments of rates and benefits, and although this has meant loss in membership and a temporary set-back, they are now doing business with due regard for sound principles. The 1919 Amendment requires friendly societies to be valued annually by an actuary and if a deficiency in funds is shown, it must be made good within a reasonable period by an adjustment of rates or benefits. Thus, societies are in no way in the dark as to their actual condition, and if any weakness should be disclosed, the necessary remedy can be applied before anything in the nature of a serious situation arises.

With the passing of the 1919 Amendment, certain United States societies, previously transacting business in Canada under provincial authority, were required to obtain Dominion licenses or discontinue business. Eleven of these societies have so far been licensed. Some of them are not actuarially solvent, but unless they attain solvency by March 31, 1925, they must thereafter discontinue business in Canada.

The progress of life insurance in Canada may be studied from the tables appended.

**Life Insurance Statistics.**—The business of life insurance was transacted in Canada in 1920 by 44 active Dominion companies, including 25 Canadian, 8 British and 11 foreign companies.

As shown by the historical statistics of Table 82, the life insurance business in Canada has expanded from very small beginnings, the total life insurance in force in Dominion companies in 1869 being only \$35,080,082, while in 1920 it was \$2,657,025,493, the amount