"the 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 setback, they are now doing business with due regard for sound principles. The 1919 amendment requires the benefit funds of 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.

It may be noted that an actuary performing valuations for a friendly society must be a Fellow of one or more of the following societies, namely, the Institute of Actuaries of Great Britain, the Faculty of Actuaries in Scotland or the Actuarial Society of America.

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. Up to July 15, 1924, fifteen of these societies were licensed, some of which were actuarially solvent at the date of first license; some have attained solvency since being licensed; the remainder have until March 31, 1925, to attain solvency; otherwise they must thereafter discontinue transacting business in Canada.

The 1922 amendment to the Insurance Act, 1917, in addition to some minor amendments, defines several new classes of insurance; permits life insurance companies to carry on other classes of insurance business under specified conditions; authorizes the issue of life policies, including indemnity benefits in event of accident or sickness, not exceeding a weekly payment of ½ p.c. of the sum assured, and an additional accidental death benefit not exceeding the sum assured; provides for the valuation of securities redeemable at a fixed date, if the market values are "unduly depressed," at values in excess of the market values, but not higher than the values shown in the next preceding annual statement of the company; it also requires Government approval of agents soliciting applications for insurance, but approval is deemed to have been given unless and until the company is advised to the contrary.

In 1894 an Act was passed (see above) forbidding the transaction of life insurance in combination with any other insurance business. As above noted, this principle was reversed by the 1922 amendment, which authorizes a life company, on passing a by-law, confirmed by the members of the company and sanctioned by