

burdensome; healthy persons, especially the young, found they could get insurance much cheaper in ordinary companies and declined to pay the assessments. With their withdrawal, mortality, with no adequate reserves built up to draw upon, soon became unmanageable, and the final *débâcle* was in sight. It is impossible here to follow assessmentism through all its 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 1907. Legislation in respect of these companies required that they should represent the nature of their business correctly to the public. A deposit of \$50,000 was obligatory; death benefits were to be a first charge on all assessments; each policy had to state “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 now 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. Some of these societies were actuarially solvent and were licensed under the general provisions of the Amendment; some others not actuarially solvent were licensed under a special provision of the Amendment giving them up to Mar. 31, 1925, to attain solvency. They have all done so except one society with a sickness fund in an unsatisfactory condition. A special temporary license has been issued to this society, but it is not authorized to transact new business.

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 $\frac{1}{2}$ p.c. of the sum assured, and an