

Subsection 4.—Life Insurance Effected through Fraternal Benefit Societies

In addition to life insurance, some fraternal benefit societies grant other insurance benefits to members, notably sickness benefits, but these are relatively unimportant. Table 19 gives statistics of life insurance effected with fraternal benefit societies by Canadian members, together with statistics of assets, liabilities, income and expenditure relating to the whole business of Canadian societies and to the business in Canada of foreign societies. The rates charged by these societies are computed to be sufficient to provide the benefits granted, having regard for actuarial principles. The benefit funds of each society must be valued annually by a qualified actuary (Fellow, by examination, of the Institute of Actuaries, London; of the Faculty of Actuaries in Scotland; of the Actuarial Society of America; or of the American Institute of Actuaries) and unless the actuary certifies to the solvency of each fund a readjustment of rates or benefits must be made. The statistics in the first part of this table relate to the 12 Canadian societies reporting to the Insurance Department of the Dominion Government, only one of which does not grant life insurance benefits.

Under an amendment to the Insurance Act, effective Jan. 1, 1920, all foreign fraternal benefit societies were required to obtain Dominion authority precedent to transacting business in Canada. However, any such societies which at that date were transacting business under provincial licences, while forbidden to accept new members, were permitted to continue all necessary transactions in respect of insurance already in force. Most of these societies have since obtained Dominion authority to transact business, also some foreign societies that had not previously been licensed by the provinces. Of both classes of society, 30 transacted business in Canada during 1942.

19.—Life Insurance in Canada of Fraternal Benefit Societies Reporting to the Dominion Insurance Department, 1938-42

Item	1938	1939	1940	1941	1942
CANADIAN SOCIETIES					
	No.	No.	No.	No.	No.
Net certificates effected.....	17,216	12,459	11,362	13,591	17,281
Net certificates become claims.....	3,100	3,326	3,361	3,159	3,070
	\$	\$	\$	\$	\$
Net amounts paid by members.....	1,931,515	1,933,470	1,946,902	1,860,398	1,798,294
Net amounts of certificates effected.....	14,445,147	9,982,175	9,140,450	11,319,100	15,308,315
Net amounts in force.....	112,698,333	109,063,645	108,810,930	111,019,989	118,233,025
Net amounts of certificates become claims.....	2,649,795	2,901,633	2,837,154	2,619,639	2,627,440
Net benefits paid.....	3,234,829	3,574,316	3,300,542	3,107,645	3,072,460
Net outstanding claims.....	233,624	270,295	280,824	325,173	398,172
Net amounts terminated by—					
Death.....	1,898,776	2,013,588	1,922,345	1,904,019	1,983,938
Surrender, expiry, lapse, etc.....	12,490,938	13,729,773	10,831,848	9,991,444	8,067,569
Totals, Terminated.....	14,389,714	15,743,361	12,754,193	11,895,463	10,051,507