

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 21 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 16 Canadian societies reporting to the Insurance Department of the Federal 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 prior 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 societies, 30 transacted business in Canada during 1946, two of which do not grant life insurance benefits.

21.—Life Insurance in Canada of Fraternal Benefit Societies Reporting to the Dominion Insurance Department, 1942-46

Item	1942	1943	1944	1945	1946
CANADIAN SOCIETIES¹	No.	No.	No.	No.	No.
Net certificates effected.....	17,281	16,822	15,724	17,781	22,251
Net certificates become claims.....	3,070	3,301	3,363	3,347	3,286
	\$	\$	\$	\$	\$
Net premium income.....	1,798,294	2,007,554	2,328,080	2,428,641	2,466,794
Net amounts of certificates effected.....	15,308,315	15,231,629	15,282,835	17,772,650	22,850,967
Net amounts in force.....	118,233,025	130,088,697	136,047,105	151,255,637	165,792,519
Net amounts of certificates become claims.....	2,627,440	2,732,071	2,695,737	2,845,697	2,812,487
Net benefits paid.....	3,072,460	3,150,963	3,237,437	3,096,212	3,187,842
Net outstanding claims.....	398,172	468,803	395,754	442,543	438,411
Gross Amounts Terminated by—					
Death.....	1,983,938	2,041,619	1,968,409	2,182,901	2,131,975
Surrender, expiry, lapse, etc.....	8,067,569	8,984,637	9,521,647	9,865,312	10,718,409
Totals, Terminated.....	10,051,507	11,026,256	11,490,056	12,048,213	12,850,384
Assets					
Real estate.....	7,893,944	6,787,719	5,572,863	4,523,584	3,698,409
Real estate held under agreements of sale.....	680,839	1,060,593	1,209,325	1,281,834	997,818
Loans on real estate.....	9,006,335	8,538,214	8,331,442	9,250,512	9,790,876
Policy loans.....	7,057,845	6,631,473	6,251,126	5,844,979	5,543,355
Bonds, debentures and stocks.....	58,223,335	63,986,281	67,609,473	70,852,761	74,553,928
Cash.....	1,404,083	1,620,793	1,931,621	1,940,682	1,572,543
Interest and rent due and accrued.....	717,131	739,764	769,824	783,156	763,085
Dues from members.....	297,084	369,591	366,214	329,423	359,822
Other assets.....	573,920	203,344	208,167	246,155	235,608
Totals, Assets.....	85,854,516	89,937,772	92,250,055	95,053,086	97,515,444

¹ Includes business outside Canada.