

varying degrees of enthusiasm, and, at the present time, the Act requires that the basis of reserves for that kind of business shall be specified by the Superintendent of Insurance. Well, it is a practical impossibility for the Superintendent of Insurance to prescribe bases for that type of business for each particular company and the principle is contrary to the general principles elsewhere in the Act in reference to life insurance and all other classes, namely, that the primary responsibility should rest upon the company officers and the Superintendent should be in a position to be able to review the bases used. Consequently, the second change requires the reserves for this type of business—non-cancellable sickness and accident business—to be computed by a qualified actuary and he must make a full report covering the bases he has used, which report will form a part of the annual statement. It is a strengthening in that respect and we think it proper, too, in view of the revival of interest at this time in this particular class of insurance.

Mr. GIBSON: Do the provisions of this Act apply to the insurance business carried on by the province of Saskatchewan—the provincial government?

Mr. MACGREGOR: No, but provincial companies may of their own volition seek registration with the Dominion. It does not apply to provincial companies that are not registered with the Dominion. We have no jurisdiction over them.

The CHAIRMAN: May we finish with section 22? Are there any other questions on section 22?

Carried.

Mr. MACNAUGHTON: May I ask a question on section 20?

The CHAIRMAN: We shall revert to section 20.

Mr. MACNAUGHTON: Merely as a matter of information, do I understand the Society of Actuaries is a Canadian society?

Mr. MACGREGOR: No, sir, it is not. There have been in the past two main actuarial bodies on this continent, both U.S.—the Actuarial Society of America, which is the older, and the American Institute of Actuaries, a newer body. A year ago those two United States organizations were amalgamated into one society, the Society of Actuaries. There are no Canadian societies of actuaries granting degrees. All persons in Canada write the examinations of the Society of Actuaries or the British Institute of Actuaries.

Mr. MACNAUGHTON: Then a Canadian wishing to qualify under section 20, would have to be a fellow of the Institute of Actuaries of Great Britain or the Faculty of Actuaries in Scotland or the Society of Actuaries in the United States?

Mr. MACGREGOR: That is right; and in practice they are. Canadians, as a rule, write the examinations of the Society of Actuaries, as it is now known, and they derive their professional status from that society.

The CHAIRMAN: Are there any other questions?

Shall section 23 carry? Would you care to explain the amendment made by virtue of this section?

Mr. MACGREGOR: The main purpose of section 101 in the Act, dealt with in clause 23 of the bill, is to build up the surplus of fire and casualty companies, the objective being a ratio of assets to liabilities of two to one—that is, to a point where the companies' surpluses are equal to their policy liabilities. The section helps to accomplish that result by limiting the amount of the profits earned each year that may be distributed as dividends.

The section says in effect that at least 25 per cent of the profits of the year last past shall be applied to increase the company's surplus. There are two things being done in this section. The first is merely to clarify what liabilities