"It should be said that the executive officers of the societies, almost without exception, have realized for some years the necessity of a readjustment of their insurance structure and the fact that postponement of the process merely added to existing difficulties. But in those instances where readjustments were defeated the general and controlling membership, having in mind the apparent present prosperity of their orders, have been willing to gamble on the present assets outlasting their individual need for protection, and they refuse to see the liabilities of the order mounting to the point of danger to all. Putting the case bluntly, the organized selfishness of the general membership has been willing to sacrifice the future of the order and the protection of new members to serve its own immediate purposes. This force has overpowered the leadership which the executives endeavored to give.

"This situation made necessary the intervention of the legislature for the protection of new and prospective members and of the public generally.

Ontario Law Rendered Ineffective

"In 1916 an amendment to the Ontario Insurance Act prescribed a compulsory valuation of outstanding insurance certificates of all societies as of the 31st December, 1917, to be followed by a series of triennial valuations of the insurance certificates. Provision was made for action by the department if any society failed to maintain its financial position from valuation to valuation. These amendments are contained in chapter 36 of the statutes of 1916.

"Unfortunately, the addition of section 78 (*i*) has rendered entirely ineffective whatever virtue was contained in the preceding sections providing for action by the department by making their application contingent on the voluntary adoption of these provisions by the society before a fixed date. No society adopted the prescription of the legislative physician. The second of these valuations, made as of 31st December, 1920, will be due on or before the 30th June, 1921, and as the law now stands the department will be powerless to take any action, whatever condition may be disclosed by the valuations.

"In order that this situation may be met both in the interests of the societies and of the public, and in order that friendly societies generally may regain a large measure of public confidence and prospective members be properly safeguarded in insuring therein, it is desirable that the Insurance Act be further amended, first, to make provision for more effective valuations and reports of financial status than at present exist; and second, to prescribe regulations by which all registered friendly societies will attain full actuarial solvency within a reasonable time. The leaders of friendly societies generally recognize the necessity of this course of action, and, it is believed, will co-operate in securing it.

Separation of Insurance Funds

"Attention of the societies and of the public requires to be drawn to a condition which now exists in some societies reporting to this department. Where it has proved impossible to effect immediate readjustments of rates to an approved actuarial basis some societies have adopted new rates applicable to new members joining after a fixed date and to old members voluntarily transferring to the new class. These rates are represented to the new members to be 'adequate rates.' In some cases, however, it has not been made clear either in the constitution or practice of the society whether the funds received from the new members are to be preserved for the absolute protection of the new members or not. In some cases new members may be misled into believing that by the differentiation in rates their position is being made secure as against the claims of old or other members, when, in fact, they are only contributing to a general insurance fund which possibly may not meet all the claims which will accrue against it under a continuation of the same policy. All societies which charge different rates to different classes of members must examine their rules and practice to make certain that the protection afforded to different classes is in accord with their representations to, and the understanding of, new and prospective members.

Foreign Friendly Societies

"In 1919, an act was passed by parliament in amendment to the Dominion Insurance Act, which made special provision for fraternal societies and their attaining actuarial solvency. In this connection the legislation will be a valuable precedent for Ontario. An incident, however, of this act, which had a far-reaching effect, was that fraternal

TABLE I.—LIFE INSURANCE OR BENEFITS IN THE NATURE THEREOF.

Short Name of Society.	Total membership in Ontario at 31st December, 1919.	Amount of Insurance in force in Ontario at 31st December, 1919.	Number of Certificates in force anywhere at 31st December, 1919.	Amount of Insurance in force anywhere at 31st December, 1919.	Number of Claims matured in Ontario in 1919.	Amount of Insurance Benefits paid in Ontario during 1919.	Amount of Disability Benefits paid in Ontario during 1919, including pensions and gratuities.	Assets in Ontario at 31st December, 1919.	Liabilities in Ontario at 31st December, 1919.	Total Assets anywhere at 31st December, 1919.	Total Liabilities anywhere at 31st December, 1919.
		$ c.		$ c.		$ c.	$ c.	$ c.	$ c.	$ c.	$ c.
Chosen Friends, Grand Council, Canadian Order	23,288	21,448,356 80	27,520	24,749 445 80	349	392,037 88	77,609 72	1,330,513 51	61,443 82	1,330,513 51	72,718 82
Civil Service Mutual Benefit Society	640	(a)145,000 00	680	102,650 00	14	3,100 00	....	17,961 86	....	17,961 86	....
Commercial Travellers' Association	13,840	5,858,715 00	13,840	5,858,715 00	(a)154	91,201 67	....	1,516,837 01	....	1,516,837 01	....
Federated Association of Letter Carriers	379	358,250 00	891	....	9	8,250 00	....	10,559 11	....	10,559 11	....
Foresters, Canadian Order of, High Court	39,139	39,307,750 00	77,096	77,076,250 00	558	559,961 83	....	6,836,930 16	165,146 20	7,034,373 40	188,293 26
Foresters, Catholic Order of	8,554	8,797,000 00	155,467	155,097,000 00	96	126,445 93	....	....	25,000 00	8,636,362 72	269,437 50
Hamilton Firemen's Benefit Fund	124	....	124	....	1	450 00	496 29	80,324 54	....	80,324 54	....
Hamilton Police Benefit Fund	103	....	103	....	....	....	(b)6,056 78	144,440 30	536 19	....	536 19
Home Circles, Canadian Order of	4,964	5,891,622 00	5,337	6,287,802 00	99	121,190 23	2,644 13	835,250 21	8,974 83	835,250 21	8,974 83
Knights of Malta, Chapter General of Canada	343	78,000 00	185	78,000 00	7	1,700 00	....	15,333 76	....	15,333 76	....
Knights of Pythias	3,735	238,943 00	76,040	101,248,894 00	8	2,500 00	....	78,981 65	544 97	78,981 65	544 97
London Police Benefit Fund	52	....	52	....	....	....	....	96,505 88	....	96,505 88	....
The Maccabees	8,651	8,783,000 00	293,595	352,343,547 05	113	150,666 42	21,944 38	44,420 24	4,000 00	23,543,392 44	1,785,100 65
Mutual Masonic Compact	197	19,700 00	203	20,300 00	5	500 00	....	36 91	....	36 91	....
Oddfellows, Canadian Order, Grand Lodge	2,615	1,983,520 67	2,805	2,157,770 67	51	31,665 37	900 00	280,920 54	4,021 87	285,990 54	5,521 87
Oddfellows Relief Association	12,273	14,668,750 00	20,996	25,351,750 00	176	253,664 83	3,000 00	1,970,037 53	20,333 33	1,975,037 53	53,083 33
Ontario Commercial Travellers' Association	3,102	1,353,670 00	3,102	1,353,670 00	39	23,940 00	....	424,850 54	2,626 32	424,850 54	3,326 32
Orange Grand Lodge of British America	3,034	2,981,000 00	4,306	4,257,000 00	48	57,707 57	....	157,461 47	5,908 17	157,461 47	8,908 17
Royal Arcanum, Supreme Council	1,404	2,483,741 00	134,373	221,978,058 01	43	86,035 31	....	66,985 17	18,133 00	7,575,869 31	568,074 20
Royal Templars of Temperance	4,000	2,853,500 00	3,530	3,886,500 00	45	71,536 44	....	565,539 00	10,798 13	570,539 00	11,798 13
Sons of England, Supreme Lodge	20,762	2,421,643 01	3,795	2,963,584 40	67	67,900 00	200 00	511,646 88	23,348 97	511,646 88	25,348 97
Sons of Scotland	3,583	2,707,844 00	4,058	3,037,594 00	74	68,016 05	....	756,085 90	17,250 00	756,085 90	17,750 00
St. Joseph Union of Canada	4,845	4,195,425 00	21,603	16,973,875 00	59	71,683 61	15,914 25	1,786,715 34	3,300 00	1,796,715 34	144,296 83
Toronto Police Benefit Fund	658	....	658	....	....	4,250 00	....	854,543 62	....	854,543 62	....
Toronto Firemen's Benefit Fund	432	....	432	....	....	7,600 00	(b)23,153 45	425,279 85	1,356 72	425,279 85	1,356 72
United Workmen, Ancient Order of	11,394	11,102,213 37	11,394	11,102,213 37	276	316,533 34	....	1,428,005 32	26,830 86	1,428,005 32	26,830 86
Totals	172,111	137,677,643 85	862,182	1,016,014,619 30	2,286	2,518,536 43	151,919 00	20,236,236 40	399,553 38	59,958,458 30	3,191,901 62

(a) About. (b) Gratuities and Pensions.