

(according to age at entry), and ranged from £1 7s. 1d. to £2 16s. 4d. per annum. Thus, it will be seen at once that, while the benefits are on the whole somewhat less, the contributions were, even for the youngest entrants, greater than in the case of the Nelson Odd Fellows.

The valuation was made, as usual, on the basis of the Manchester Unity Experience, and a rate of interest of 4 per cent. In view of the circumstance that some friendly societies have demurred to this rate as too low, and as therefore underestimating the prospective assets of lodges, the Valuer, Mr. George Leslie, of Dunedin, entered fully into the grounds for its selection in preference to a higher rate of interest. He pointed out more especially that the recent valuation of the Government Life Insurance Department at  $4\frac{1}{2}$  per cent. could not be pleaded as a precedent, inasmuch as special reserves had been made in the latter case, which have no counterpart in friendly societies' valuations, and which probably more than outweigh the difference of  $\frac{1}{2}$  per cent. in the rate of interest. It might have been added that a life insurance office can reckon, owing to the large number of the insured, on an experience more closely approximating to that expected by the tables than a friendly society can, and that there is consequently less need for that large margin to cover adverse fluctuations, which, in one form or other, is indispensable in the case of friendly society valuations.

The present value of the sickness benefits, estimated on the basis above specified, was £4,797 3s. 11d., or £29 1s. 6d. per member. That of the funeral benefits was £1,568 13s. 8d. (including a reserve of £60 on account of second wives, and future wives of members at present single), or £9 10s. 2d. per member. Thus the total value of all the liabilities was £6,365 17s. 7d., or £38 11s. 8d. per member. The present value of the contributions receivable on account of sick benefits was £3,259 10s. 1d., or £19 15s. 1d. per member. That of the contributions destined to be handed over to the District Funeral Fund, to meet the death claims of this and other courts of the same District, was £782 7s. 1d., or £4 14s. 10d. per member. Thus the total value of future contributions receivable from existing members was £4,041 17s. 2d., or £24 9s. 11d. per member. If all the risks were undertaken by the court alone, it ought, therefore, to have had in hand the difference between £6,365 17s. 7d. and £4,041 17s. 2d., *i.e.*, £2,324 0s. 5d., or £14 1s. 9d. per member, in order to be in a solvent position. The value of the Benefit Funds in hand amounted, however, to only £2,217 8s. 2d., or £13 8s. 9d. per member. Therefore, if the court were unconnected with any District, it would show an actuarial deficiency of £106 12s. 3d., or 13s. per member. But, as the funeral liabilities are undertaken by the district in return for a fixed annual contribution from each member of each court affiliated to it, it is manifest that, *if the District Funeral Fund itself is solvent*, the court need only have in hand a sum which, added to the present value of the contributions for sickness (£3,259 10s. 1d.), shall cover the present value of the sickness benefit (£4,797 3s. 11d.), *i.e.*, a sum of £1,537 13s. 10d., or £9 6s. 5d. per member. On this view, therefore, a surplus of £679 14s. 4d., or £4 2s. 4d. per member, must be held to result. But the reality of this surplus is entirely contingent on the actuarial solvency of the District Funeral Fund, because, if the latter runs short, the district has power to make extra levies on the courts. In the absence of a valuation, it is of course impossible to ascertain the exact position of this fund, but there can be no doubt that it is far too small to permanently meet its engagements; and it is therefore certain that the nominal surplus shown by Court Pride of Parnell will be largely required to cover future deficiencies in the District Fund. How largely, and whether any real surplus remains, it is impossible to determine until all the remaining courts of the District and the District Fund itself shall have been valued. Until such time, the Valuer very properly recommends that the whole of the surplus should be reserved. The causes which have produced the fairly satisfactory condition of the court are stated by the Valuer to have been (1) the favourable sickness experience (885½ weeks in the preceding five years, as against 1,123 expected); (2) the fairly high rates of interest earned (on an average £5 12s. 10d. per cent. during the previous quinquennium); and (3) a heavy secession-rate, 161 members having seceded in the preceding five years. The Valuer considers, however, that the last-named cause has not contributed very greatly to the result, because the secessions have, as is usually the case, been confined to so large an extent to those who are youngest both in point of age and membership. The Valuer commends the secretary on the care exercised in making out the necessary returns.

#### IV.—STATISTICS FOR 1880-81.

From the returns furnished to this office for the year 1880, six statistical tables have been compiled.

Two additional tables (Tables VII. and VIII.) have been prepared from such returns for the year 1881 as had been forwarded in time to be printed with this year's report.

The tables appended to this year's report are similar for the most part to those of the report for the year 1880. Table II. is cast in a new form, giving side by side the respective amounts belonging to the various funds of the societies, together with the average value per member of the Sick and Funeral Funds.

In Tables III., IV., and V. the amounts in the hands of the central bodies have been kept separate (as shown by their being inserted within square brackets) from the funds of the individual lodges, &c., and the grand total of the central bodies' funds has also been given independently. In Table VI. the central bodies' funds have been included in the totals of their respective districts.

In the compilation of the Supplemental Statistics (Table VI.) it was deemed expedient, owing to the imperfect character of the information relative to the unregistered lodges, &c., to put within brackets those totals which in consequence are necessarily incomplete.

Whenever a comparison of the details of a return with those of that of a previous year has shown a discrepancy, the lodge secretary has been written to for an explanation, on receipt of which the error has been in some instances easily rectified; but, in the event of small discrepancies still remaining, the figures which have been furnished have been so dealt with as to avoid any breaks in the entries in corresponding columns. When any such breaks occur, the explanation received has afforded satisfactory evidence that the figures of the former return were inaccurate, and that the more-recently supplied information represents accurately the facts of the case.