

*I.O.O.F. : Valued as at 31st December, 1907.*

This valuation has some unique features, as it was made just as the society was on the eve of consolidating all its Sick Funds. The society was therefore valued as one compact body at a single rate of interest (*viz.*, 4 per cent.), but at the same time a valuation of each lodge was separately made at the same rate of interest, in order to assist in arriving at financial adjustments between lodges on coming into the consolidation scheme.

There were included in the valuation 48 lodges, with 4,160 members. The sickness experience of the male members in the quinquennium was favourable to the extent of £1,142, or 11 per cent., whilst the experience of females was somewhat unfavourable. The mortality of all members for twenty years has been a little below the tables, the deaths being 189, as compared with 201 expected according to the tables.

More than half the lodges failed to earn 4 per cent.; but in consequence of the consolidation these branches (whose funds are in many cases small) will now derive the benefit of the common rate of interest earned by the whole society, which during the quinquennium amounted to nearly 4½ per cent.

The valuation disclosed a surplus of £14,986 over the whole society. Of this, £9,366 represents surpluses in individual lodge Sick Funds, which it was agreed were to be appropriated to the benefit of those particular lodges, and not brought into the consolidation. If, therefore, we exclude this amount, it is seen that the society is in the enviable position of starting its career as a consolidated body with a surplus of £5,620; and this must be deemed to be very satisfactory indeed, reflecting great credit on those responsible. The outlook for the future is very encouraging indeed.

It may be added that the payment of Old Members' Dues Fund, which exists to relieve members from the necessity of paying further contributions after age sixty-five, is not at present in a sound condition; but, I understand, steps are being taken to rectify this.

*North Canterbury District, M.U.I.O.O.F. : Valued as at 31st December, 1906.*

At the valuation date there were 16 branches, with a membership of 2,053.

The sickness experience of male members during the quinquennium was favourable to the extent of £1,029, or about 10 per cent., whilst that of females was unfavourable. The mortality for the last fifteen years has been extremely low—namely, 141 actual deaths, against 187 expected.

Of the 16 lodges, 7 earned over 4 per cent. on their funds, 5 over 3 per cent., and 4 under 3 per cent.

The District Funeral Fund is supported by a periodical levy on the percentage system (15 per cent. for males and 20 per cent. for females), no levy being made so long as the fund exceeds a certain sum. The system is inequitable, and, moreover, the fund is incapable of valuation. After debiting the funeral liabilities against the lodges, 4 are found to have surpluses aggregating £1,597, and 12 deficiencies aggregating £11,802, the net deficiency being therefore £10,205.

The causes of the deficiencies are (1) losses through building halls, and through failure to invest funds remuneratively; (2) low contributions. An improvement has taken place since 1901, owing to gains from favourable sickness experience, and improved interest-earnings, and other causes.

*New Zealand District, I.O.R. (Auckland) : Valued as at 31st December, 1907.*

At the valuation date there were 10 branches, with a membership of 521 (excluding a tent in process of seceding). The district is a consolidated one, with two central benefit funds—*viz.*, the Central Sick Fund and the Central Funeral Fund.

The sickness experience during the quinquennium was favourable to the extent of £248, or about 9¾ per cent., whilst the mortality for the past fifteen years has been slightly lower than the expectation—*viz.*, actual deaths, 45; expected deaths, 50.

The interest earned by the Sick and Funeral Funds combined was 5.25 per cent.

The valuation of the combined Sick and Funeral Fund shows a surplus of £3,165, subject to deduction of an undetermined liability on account of the secession of Eden Tent.

The position is very creditable indeed, and the outlook of the society is encouraging. There is, however, a waste of labour to no purpose in keeping the Central Sick and Funeral Funds separate.

*Otago Railway Employees' Benefit Society : Valued as at 31st December, 1907.*

This is a small separately registered society, and it is somewhat unique, inasmuch as it has admitted no new members since 1888, and therefore furnishes a practical and convincing proof of the fact that the accumulations of a friendly society are required to make good the benefits of the members as their demands increase with age. In an ordinary society the funds of the old and new members are mixed up, but here the funds of the old members are separate, for the simple reason that there are no new members. Although the membership and contribution income are gradually decreasing, *the annual outgo for sickness is nevertheless increasing*, owing to the age of members, and for some years past the funds have been declining in amount. During the five years ended 1907 the members paid in £859, or about £1 18s. per member per annum, and drew out £1,994, or about £4 8s. per member per annum. This is an example of the fact that, whilst a friendly society *receives* money when members are young, it *pays out* money when they are old.

Although the society's Sick and Funeral Fund still amounted to £2,467 at December, 1907, the valuation shows that this sum, together with future contributions and future interest at 4 per cent., are insufficient (to the extent of a present sum of £1,307) to provide the benefits assured to members, on equal sickness-rates to those experienced in the past fifteen years. It should be added that, as the membership is decreasing, there will be a considerable risk of fluctuation in the experience, and it is therefore impossible to estimate the position with the same certainty as if the membership were larger.

A. T. TRAVERSI,

Actuary.

Wellington, 24th May, 1910.