

REPORT BY THE ACTUARY.

Quinquennial valuations due (with the exception of one society as at 1917, and one district as at 1918) are either completed or in hand, and current valuations are being dealt with as the returns come in, always provided the necessary data is supplied by the society in a complete form.

The same mortality and sickness basis has been adopted for valuation purposes as in previous years—namely, the experience of New Zealand friendly societies up to age 70, and Sutton's English Sickness Tables and Farr's Healthy English Mortality Tables after that age, with modifications in special cases. Particulars of the valuations completed during the year, relating to societies with a total membership of 10,740, are given in Appendix IV.

The following societies were valued :—

- (1.) Otago District, M.U.I.O.O.F., comprising thirty-three lodges.
- (2.) Southland District, M.U.I.O.O.F., representing fifteen lodges.
- (3.) Auckland District, A.O.F. (Consolidated), with twenty-three courts.
- (4.) Canterbury United District, A.O.F., comprising thirteen courts.
- (5.) New Zealand District, I.O.R. (Consolidated), with eighteen tents.
- (6.) Eden Temperance Benefit Friendly Society.
- (7.) The Wellington Corporation Tramways and Electric Lighting Friendly Society.

No special comment is necessary regarding numbers (1), (3), (4), (5), and (6), each of which shows a surplus and an improved position compared with the last valuation. In each case the mortality, excepting that at the younger ages, which was adversely affected by the war, was remarkably close to the standard, and the sickness favourable. The interest rates of the societies, taking each as a unit, ranged from $4\frac{3}{4}$ per cent. to $5\frac{1}{2}$ per cent., and looking at the branches separately there were only two cases—viz., in the Canterbury A.O.F.—in which the yield was small enough to require valuation at a rate less than 4 per cent. Friendly society membership decreased during the war, and it is therefore not surprising to find that each society has a smaller membership than at the end of the last quinquennium.

The valuation of No. 2 (the Southland M.U.I.O.O.F.) disclosed a ratio of solvency of only 17s. 10d. in the pound. While this is an improvement on the position at the last valuation, it should be noted that only nine of the fifteen lodges contributed to that improvement, the remaining six showing retrogression. No less than seven of the lodges of this society have fallen below the Manchester Unity solvency test of 17s. in the pound, and in one instance drastic remedial measures should be taken at once.

No. 7 (the Wellington Corporation Tramways and Electric Lighting Society) was valued for the first time since its establishment in 1909, and, considering the fact that it covers the period of the war and the influenza epidemic, the solvency ratio exhibited—namely, 18s. 5d. in the pound—may be regarded as not unsatisfactory.

During the year a considerable amount of consultative work was as usual done for the societies, including the giving of advice as to the best methods of dealing with the surpluses disclosed by valuation, as to the altering of benefits to meet the economic needs of the times, and as to the merits of various proposed schemes. Most of the societies are fully alive to the value of the actuarial assistance afforded them.

19th August, 1922.

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