

friendly society. When it is borne in mind that a member joining at age 20 usually pays from about £1 6s. to £1 10s. per annum for these benefits, it will be clearly seen that a society virtually collects money from members when they are young and pays out to them when they are old. In fact, any one considering the figures for a moment will be able to discover for himself how and why a friendly society comes to accumulate funds, and why a valuation is necessary. The figures should also completely dispel the idea that the earlier members accumulate funds for the benefit of posterity.

I now proceed to give some comments on the societies valued. The figures are fully set out in Appendix IV.

*Hawke's Bay District, M.U.I.O.O.F.: Valued as at 31st December, 1909.*

At the valuation-date there were 11 branches, with a membership of 1,339.

The sickness experience of the quinquennium was favourable to the extent of £815, or nearly 12 per cent., whilst the mortality rate was very much below the expectation. The deaths during a period of twenty-five years numbered 142, against an expectation of 160.

All lodges excepting two (one of which was recently established) earned more than 4 per cent. on their funds. The rate earned by the District Funeral Fund was nearly 5½ per cent.

The valuation was made on a 4-per-cent. basis, excepting that one lodge was valued at the lower rate of 3½ per cent. The result was that the very considerable surplus of £9,974 was brought out, all the lodges but one being shown to be solvent. The improvement as compared with the 1904 valuation is very considerable, and is to some extent due to the energetic manner in which the recommendations in my 1904 valuation report were carried out.

The district is a model of good management, and it is in the proud position of not only being able to guarantee to its members the benefits they have insured for, but also to hold out to them (in almost all the lodges) the practical certainty of further benefits out of the periodical surpluses. This results from an adequate scale of contributions combined with good interest-earnings.

*Southland District, M.U.I.O.O.F.: Valued as at 31st December, 1908.*

At the valuation-date there were 12 branches, with a membership of 1,637.

The sickness experience of the quinquennium was favourable to the extent of £570, or about 7 per cent., while for the past twenty years the mortality has been practically identical with the standard table.

Out of the 12 branches only 3 succeeded in earning more than 4 per cent. on their funds, and of the remainder only 4 earned more than 3 per cent. The District Funeral Fund yielded 2·07 per cent.

The valuation discloses a deficiency of £19,814, the ratio of solvency being 15s. 8d. in the pound, and only one lodge having a surplus. The deficiency is greater by £5,877 than at 1903, this being due largely to an unwarranted increase in the funeral benefits, which not only added to the liabilities, but rendered the scale of contributions less adequate than before. Societies have in the past often found it difficult to deal with the clamours of less-informed members for additional benefits, but it is hoped that the new Act will prove of great assistance in this respect. It is manifest that benefits should not be increased in lodges whose assets fall considerably short of their liabilities.

*Auckland District, A.O.F.: Valued as at 31st December, 1907.*

At the valuation-date there were 20 courts, the same as at last valuation, with a membership of 2,456.

The sickness experience of the quinquennium was unfavourable to the extent of £1,142, or about 9½ per cent., this being due largely to the courts in mining towns. The mortality experience, looking at an extended period, tends to be a little higher than the average of New Zealand friendly societies.

Of the 20 courts, only 4 succeeded in earning more than 4 per cent., and 5 more than 3 per cent., on their funds, the remainder failing to reach 3 per cent. These results are not satisfactory; and though the District Funeral Fund produced over 5 per cent., still, when we take all the benefit funds *in globo*, it is found that the mean rate earned was only 3¾ per cent.

The valuation brings out a deficiency of £34,186, the ratio of solvency being 14s. 10d. in the pound, and none of the courts showing a surplus. The result shows financial retrogression as compared with 1902, due mainly to a combination of low interest-earnings and high sickness. The scale of contributions has been raised since 1902, but this only applies to new members, and hence cannot have had much effect on the result. The scale is still short of adequate at most ages. The society could markedly improve the position by increasing the interest-earnings.

The method of contributing to the District Funeral Fund (by equal levies) is very unfair to young courts.

*South Canterbury District, A.O.F.: Valued as at 31st December, 1908.*

At the valuation-date there were 4 branches, with a membership of 713.

The sickness experience of the quinquennium was favourable to the extent of £906, or 23 per cent., whilst the deaths during the past twenty years numbered 66, as against 81 expected by the tables.