

EXPLANATORY NOTE OF TERMS USED IN REPORT.

A.O.F...	..	..	..	..	Ancient Order of Foresters.
A.O.S...	..	..	..	..	Ancient Order of Shepherds.
B.U.O.O.F	..	..	..	..	British United Order of Odd Fellows.
H.A.C.B.S.	..	..	..	..	Hibernian Australasian Catholic Benefit Society.
I.F.S. ..	..	..	..	..	Isolated friendly society.
I.O.G.T.	..	..	..	..	Independent Order of Good Templars.
I.O.O.F.	..	..	..	..	Independent Order of Odd Fellows.
I.O.R. ..	..	..	..	..	Independent Order of Rechabites.
M.U.I.O.O.F.	..	..	..	..	Manchester Unity Independent Order of Odd Fellows.
N.I.O.O.F.	..	..	..	..	National Independent Order of Odd Fellows.
P.A.F.S.A.	..	..	..	..	Protestant Alliance Friendly Society of Australasia.
S.A.S. ..	..	..	..	..	Specially authorized society.
S.D.T. ..	..	..	..	..	Sons and Daughters of Temperance.
U.A.O.D.	..	..	..	..	United Ancient Order of Druids.
W.M.C.	..	..	..	..	Working-men's Club.

REPORT BY THE ACTUARY.

To the Registrar.

1st August, 1919.

THE difficulty of maintaining a sufficient staff, which was generally experienced by offices during the year, impeded the carrying-out of the valuations, while problems arising out of and entailed by the war have tended to complicate and increase the actuarial work required in connection with the societies.

The same mortality and sickness basis has been adopted for valuation purposes as in previous years—viz., 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 modification in special cases. Particulars of the valuations completed are given in Appendix IV.

Three large societies were valued during the year, as follows:—

- (1.) The New Zealand Branch, M.U.I.O.O.F., which comprises 12 districts and 148 lodges. The Sick and Funeral Funds of two of these districts—that is, the funds of Auckland and Nelson Districts respectively—are to be consolidated from the 1st January, 1916 (the valuation date), and steps are now being taken to carry out these two consolidation schemes.
- (2.) The Otago District, M.U.I.O.O.F., which represents 33 lodges, having separate Sick and Funeral Funds. The rules of this society provide for a joint guarantee of the lodges by one another.
- (3.) The New Zealand District, H.A.C.B.S., with 48 branches.

The net aggregate valuation results of these three societies respectively may be briefly summarized as follows: (1) and (2) are completely solvent, and show a strongly improving tendency, while in the case of (3), although some improvement had taken place, there was still a considerable deficiency as at the valuation date.

A general tendency to improvement is shown in the interest-earnings; and in view of the fact that the present monetary position may lead to higher rates being obtained in the near future, good returns may be considered likely to be maintained for some time to come. It does not, of course, follow when a high rate of interest has been recorded over a district as a whole that all the branches comprised therein have participated. In the case of (3), for instance, the aggregate results disclose good average interest-earnings in the society when considered as a whole, although it has a number of very small branches which show poor investment returns.

An improved scale of contributions, to apply to new entrants, was introduced by (2) prior to the valuation date.

An increase in all contributions has subsequently been enacted by (3). This additional payment, however, goes into a District Supplementary Sick Fund; consequently, while it should be an accession of strength to the society in general, its particular function is to help deficiency branches.

The sickness and mortality experienced in the societies valued were generally below standard rates. Little if any effect was traceable to the war, even in cases where the periods reviewed came within its scope.

Although peace has been declared and the troops are in process of demobilization, there are many actuarial problems in connection with the after-effects of the war which come before the Actuary for solution or advice.

C. E. GALWEY, Actuary.