

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 during the year, relating to societies with a total membership of 16,411, are given in Appendix IV.

The societies valued may be otherwise classified as follows:—

- (1.) Four societies with consolidated benefit funds (152 branches represented).
- (2.) One society comprising four courts with separate benefit funds.
- (3.) Eight isolated lodges or courts.
- (4.) Three Widow and Orphans' Funds.

No special comment is necessary regarding most of the individual societies valued, but the results in respect to the ordinary benefit funds (as apart from special schemes) under the above headings (1), (2), and (4) show that substantial improvement has taken place in every case. It will be seen from the valuation summaries given in the appendix that all the Widow and Orphans' Funds (*vide* (4) above) possess surpluses, and that there are only two districts—viz., the Grand Lodge of Otago and Southland, U.A.O.D. (under (1) above), and the South Canterbury District, A.O.F. (*vide* (2) above)—which are not in the same position.

Although, excluding court surpluses, the aggregate results show the latter district, which is working under a low contribution scale, to be practically in a fully solvent position, progress has hitherto depended on very light sickness cost and other favourable factors which cannot always be relied on to operate.

The position disclosed by valuation of the consolidated Sick and Funeral Fund of the Grand Lodge of Otago and Southland, U.A.O.D., approximates also to one of complete solvency. This society, however, possesses a subsidiary insurance scheme, in respect to which quite insufficient provision for future liabilities has been made, and no fund has been accumulated. Some steps have recently been taken, as in the case of the two other grand lodges with subsidiary schemes, mentioned in last year's report, to put matters on a better footing, but not one of the societies referred to has as yet realized the drastic nature of the alterations necessary to place its special fund on a solvent basis in respect to future engagements.

Some of the isolated societies—*vide* (3) above—are cases of more or less recent secessions from districts, with some sacrifice of funds on secession, which has in one or two instances led to a somewhat less favourable position being now shown than that reported at the previous valuation. Insufficient interest-earnings are recorded in two courts, but the results of the present valuations show an improving tendency generally in regard to this group, and that in most cases satisfactory progress has been made.

In regard to the rates of sickness and mortality recorded generally, it may be said that, apart from the Widow and Orphans' Funds, which were valued as at 1915, the experience of the societies under headings (1), (2), and (3) above comprised the greater part, and in some instances the whole, of the war period. Statistics of the actual sickness among soldier members are not, however, included, as none of the societies valued gave sick-pay to members serving with the Forces. Excessive sickness after discharge would have affected the experience unfavourably, but no such influence is apparent. The mortality experience, on the other hand, records all deaths which took place among members, irrespective of occupation at the time of death, and the high death-rate at the younger ages which characterizes the statistics after 1914 was no doubt a direct effect of the war.

A considerable number of years must elapse before the effects of the war on future rates of mortality and sickness will be fully disclosed. Financially unfavourable influences may, of course, result, but they should, for at any rate some time to come, be largely counteracted by the high interest income now obtainable from investments.

C. E. GALWEY, A.I.A. (London), Actuary.