

view. There still remain, however, certain actuarial questions of great importance to be disposed of before such rates can be recommended by this office. Foremost amongst these is the question as to what allowance, if any, is to be made in the computation of premiums for the reduction of benefits in cases of protracted sickness, which it is the practice of nearly all friendly societies in this colony to make. The peculiar difficulty of this problem arises from the circumstance that, owing no doubt partly to the relative paucity of numbers, the several sets of data which have been collected in regard to what is termed "sickness in periods" are not mutually confirmatory of each other in the same degree as the corresponding sets of data relative to sickness unclassified into periods (up to the age of 65), but disclose, on the contrary, a most remarkable divergence. As has been remarked by Mr. W. Sutton, the Actuary attached to the office of the Chief Registrar of Friendly Societies in England, the subject "is one of great doubt and difficulty." The best advice is being sought on this subject from members of the actuarial profession in Great Britain and in Australia, and a very careful consideration will have to be given to the opinions which may be expressed, before it will be desirable to recommend rates of contribution for the class of benefits referred to.

The adoption of reliable rates of contribution is not sufficient to insure the solvency of societies, unless the benefit funds are managed in accordance with the assumptions on which the tables of contributions are constructed. The present value of the benefits, and consequently the probability of the society being enabled to meet future demands, is calculated on the assumption that all contributions, and all interest received on account of such contributions, shall be so invested, that not less than 4 per cent. interest shall be obtained annually on the total amount of the benefit funds, including accumulated interest. The adoption of this principle is ignored by many registered societies, and the practice obtains of borrowing from the benefit funds for management purposes, reducing thus the value of the security for the accumulated fund, and, as usually only the net amount is refunded, the rate of interest received on the residue of the funds frequently becomes a smaller percentage on the total amount of the fund than the minimum percentage reckoned upon in the actuarial computation of subscriptions. Likewise the practice obtains in some societies (notably in certain districts of the Ancient Order of Foresters) of paying medical expenses from the sick and funeral fund. No allowance in respect of such expenses is made by actuaries, as there are not, and cannot be, any data for any calculations in respect thereof. The cost of attendance varies from year to year, and in different districts, being affected by many circumstances that are not in themselves calculable. Therefore, the scale of contributions is not framed to allow the sick and funeral fund to bear any such claim. All expenses in respect of medical attendance should be borne by a special levy, or by the management fund. It is very desirable that societies should be restrained from adopting an unsound principle of management, that may, and no doubt will, if unchecked, produce ultimate evils. It is true that it is not compulsory upon societies to adopt the rates of contribution that may be recommended by the Registrar; but if they are prohibited from misapplication of funds, and if after that they choose to adopt a scale of contributions of the insufficiency of which they have been warned, they will not be able reasonably to complain if those members who are of the longest lives should find their funds fail when they are most needed, and when the opportunity of applying a remedy to the financial unsoundness of the society may be for ever gone.

THE REVISING BARRISTER.

Under the Friendly Societies Act of 1867 it was necessary to appoint a Revising Barrister for each province, to whom respectively the rules were sent by the societies before being forwarded to the Colonial Secretary's Office for registration. A society submitting rules to a Revising Barrister was required to pay the barrister a fee of two guineas for his certificate of the rules of a society, and one guinea for the certificate of branch rules or amendments of rules. Under the Act of 1877 one Revising Barrister is appointed for the colony, all rules being submitted to him by the Registrar before they can be registered. No fee is payable by any society in respect of the Revising Barrister's certificate. The appointment of Revising Barrister has been conferred on Mr. H. S. Fitzherbert, a solicitor and barrister of the Supreme Court. As his office is in Wellington, facilities are thus afforded for verbal communication and explanations between the Registrar and Revising Barrister, the convenience of which has been already experienced.

ANNUAL RETURNS.

The year 1877 was the first in which annual returns of any considerable value were obtained from friendly societies in New Zealand, and in which statistical tables were compiled on the basis of these returns. These tables were compiled by Mr. C. Godfrey Knight, the Actuary to the Government Insurance Department, with the assistance of Mr. Frankland and of two clerks specially engaged for the work, and were laid before both Houses of the General Assembly. The return forms issued at the commencement of this year were similar in character to those then used, as far as branch funds are concerned, but those issued to central bodies were much modified, the return form issued last year having been found to be unsuited to such bodies.

Annual returns have, up to the present date, been received from the following societies :—*

	No. of Registered Societies.	No. of Returns.
I. Independent Order of Odd Fellows, Manchester Unity ...	68	61
II. Independent Order of Odd Fellows ...	2	2
III. Ancient Order of Foresters ...	38	27
IV. Ancient Order of Shepherds ...	1	1
V. Independent Order of Rechabites ...	3	3
VI. Sons and Daughters of Temperance ...	3	1
VII. Hibernian Australasian Catholic Benefit Society ...	6	4
VIII. Miscellaneous Societies ...	5	4
	126	103

* In a considerable proportion of cases letters have been received from the secretaries of the defaulting societies intimating that the returns were in course of preparation.