

years to come. Taking into account the very much greater amount of sickness and mortality per 100 members experienced at the advanced ages of life (*vide infra*), the practical inference to be drawn is that the present annual rate of expenditure per member in sick and funeral benefits is very much smaller than that which may be expected in the course of decades.

2. *Admissions.*—The maximum age at which new members can be admitted is in most New Zealand friendly societies either 40 or 45, while the minimum age, except in juvenile branches, is 18;* no society in the colony, so far as I am aware, having availed itself of the statutory permission to enrol members at 16 years of age.

Out of the 3,719 members admitted during the quinquennium,—

21.05 per cent. were under 20 years of age.	1.53 per cent. were 40 and under 45.
27.40 " 20 and under 25.	0.38 " 45 " 50.
21.35 " 25 " 30.	0.05 " 55 " 60.
18.96 " 30 " 35.	0.35 " of unspecified age.
8.93 " 35 " 40.	

It will thus be seen that the proportion of members admitted over 40 years of age was exceedingly small.

The above table possesses great practical interest in relation to those societies and branches which charge a uniform contribution of 6d. per week to the sick and funeral fund, as it shows that little more than 20 per cent. of the members are paying a contribution which can afford reasonable hope of proving adequate to the ultimate liabilities.

3. *Withdrawals.*—The data collected enable me to exhibit the average rate of secession at each quinquennial period of age. In order to obtain this, it is necessary to deduct from the total withdrawals those which were merely transfers (technically termed "clearances") from one lodge to another. On making this deduction, the following results are obtained:—

Age.					No. of Years of Life under Observation.	No. of Secessions.	Annual Rate of Secession per cent.
Under 20	...	...	...	...	1,197.5	113	9.44
20 and under 25	...	...	...	...	3,417.0	449	13.14
25 " 30	...	...	...	...	4,120.5	517	12.55
30 " 35	...	...	...	...	6,016.5	581	9.66
35 " 40	...	...	...	...	5,108.0	351	6.87
40 " 45	...	...	...	...	2,668.5	109	4.08
45 " 50	...	...	...	...	924.5	25	2.70
50 " 55	...	...	...	...	205.5	7	[3.41]
55 " 60	...	...	...	...	63.5	2	[3.15]
60 " 65	...	...	...	...	49.5	1	[2.02]
65 " 70	...	...	...	...	13.5	...	[...]
70 and upwards	...	...	...	...	8.5	1	[11.77]
Unspecified	...	...	...	...	153.5	21	[13.68]
Totals	...	...	...	...	23,946.5	2,177	9.09

The percentages derived from a numerical basis too small to be of value are, in this and in subsequent tables, enclosed in square brackets. Excluding these, it will be seen that the percentage of secessions decreases steadily from age-period 20–25 onwards. This is quite in accordance with the general experience on the subject. In the latest experience of the Manchester Unity of Odd Fellows in England the maximum secession-rate (5.397 per cent., very much smaller than the maximum in the above table) is attained at age 23, and from that point it decreases continuously to the end of life.

It would have been very interesting to investigate the connection between the secession-rate and the duration of membership, but to have done so would have required more time than I had at my disposal. It can hardly be doubted that the result would have shown a steady diminution in the rate of secession after the first year or two of membership. It is partly on this account that the profits which societies derive from the secession of their members are not so great as is commonly imagined. Indeed, in a society which possesses a safe scale of contributions—*i.e.*, a scale which is considerably more than adequate to meet the society's *most probable* liabilities—it is obvious that the secession of a recently-admitted member will entail a probable loss. So decidedly is this the case, that actuaries have to observe special precautions in valuing societies lest the possible loss through the secession of recent members should not be allowed for. These precautions are embodied in the rule that no insurance contract shall be taken credit for as an asset.

Rates of secession are observed to vary very much from one society to another. On this and on other grounds, I considered it advisable to classify the societies and branches whose returns I have utilized into four distinct groups, according to the character of the localities in which they are situated. The first group comprises societies and branches situated in one or other of the four large towns of the colony having more than 10,000 inhabitants, *viz.*, Auckland, Wellington, Christchurch, and Dunedin. The second comprises those situated in boroughs having, at the census of 1878, a population of between 2,000 and 10,000 souls. The third comprises lodges, &c., situated in what may be termed "country districts," *i.e.*, in smaller centres of population; while the fourth group includes lodges which are established in gold-mining districts, and which have a considerable proportion of members engaged in gold-mining. The raw facts relating to each of these four groups for the quinquennium under consideration will be found in Schedule II. hereto. As regards the rate of secession, it will be seen that this is very much heavier in the mining districts than in any

* In rare cases it is 17 (See newly-registered rules of the Nelson District, I.O.O.F., M.U.)