

40. The valuations of the under-mentioned societies were made as at the 31st December, 1887:—

M.U.I.O.O.F.—New Plymouth District, Wellington District, Motueka District (including the Widow and Orphan Fund), North Westland District, Ashley District.

I.O.O.F.—Grand Lodge of New Zealand.

A.O.F.—Auckland District, Canterbury United District, United Otago District, Court Coromandel, Court Southern Cross.

U.A.O.D.—Lodges Pioneer, Mistletoe, Star of Anglesea, Ohoka, Timaru, Trafalgar, Auckland, Albion, Linden.

I.O.R.—New Zealand District, New Zealand Central District.

S.D.T.—Grand Division of New Zealand.

H.A.C.B.S.—New Zealand District.

41. Summaries of the results of the valuations are given in two tables (Appendix III.).

Table A shows—

1. Number of members at the date of valuation ;
2. Present value of benefits ;
3. Present value of contributions to benefit funds ;
4. Value of accumulated benefit funds ;
5. Surplus or deficiency ;
6. Average surplus or deficiency per member ;
7. Average age of members ;
8. Average annual contribution, per member, to benefit funds ;
9. Average value, per member, of accumulated benefit funds ;
10. Rate of interest, per annum, credited to benefit funds (average for quinquennium) ;
11. Surplus or deficiency at previous valuation (average per member).

Table B shows—

1. Ratio to liabilities of—(a) Present value of contributions to benefit funds ; (b) Value of accumulated benefit funds ; (c) Total assets ; (d) Surplus or deficiency ;
2. Causes of surplus or deficiency.

For convenience of publication the causes assigned for the surplus or deficiency disclosed by valuation are indicated in Table B by means of letters referring to a list prefixed to the table.

42. An epitome of the valuation reports and occasional extracts therefrom are given hereunder.

VALUATION OF THE NEW PLYMOUTH DISTRICT, M.U.I.O.O.F., AS AT THE 31ST DECEMBER, 1887. (*Mr. Wright.*)

43. In this district, there being no central funeral fund, the death claims are provided for on the "equal levy" system. This method has been condemned as financially unsound and in practice unjust to the younger branches. The valuer reports that the contributions are inadequate, especially those charged to members admitted prior to July, 1887. With one exception the lodges show a deficiency, the Excelsior Lodge being saved from a similar fate by its favourable sickness experience and its profitable investments.

VALUATION OF THE WELLINGTON DISTRICT, M.U.I.O.O.F., AS AT THE 31ST DECEMBER, 1887. (*Mr. Wiggins.*)

44. In this district the "equal levy" system which the valuer, in his report for the quinquennium 1878–82, pointed out as having been condemned by authorities on friendly-society finance is still in existence. Two lodges only appear with a surplus. These are the fortunate possessors of some town property which is valued at a sum considerably above the original outlay. The chief cause of the deficiencies is the utterly inadequate rate of contribution paid by original members. In the oldest lodges the sickness experience exceeded the expectation based on the data of the M.U.I.O.O.F., 1866–70.

Britannia and Antipodean Lodges.—The valuer reports a surplus of £1,930 and £1,300 respectively. This is, however, contingent on the correctness of the value at which the freehold property is estimated. As the valuer states, the property does not earn 4 per cent. upon the principal as set down in the return. This, therefore, *for the purpose of an actuarial valuation*, exceeds its true value. The sickness experience has been heavy, especially in the amount extending beyond twelve months' duration.

Rose of the Valley Lodge.—A large deficiency is shown, and the cause assigned by the valuer is that the contributions of the old members is utterly inadequate, being less than one-half the amount sufficient at the youngest age. When those who are paying under this absurdly reduced scale cease to form a majority the lodge may determine that they shall receive benefits only in proportion to their payments, and no reasonable argument could be adduced against such a course. The old members would do wisely to be guided by the valuer, who advises them to raise the rate of their contribution voluntarily. Another cause of deficiency exists in the form of a hall which has proved, as usual, an encumbrance.

Kainapoura Lodge.—Notwithstanding the small membership there might with good management have been a fairly satisfactory result. Here, however, is a conspicuous instance of the folly of sinking money in a hall which has involved a serious loss, and rendered the financial condition of the lodge apparently hopeless.

Rose of Sharon Lodge.—Upwards of 40 per cent. of the benefit funds are invested in a hall the worth of which is returned at £226. If, as seems likely, this property is far too highly valued, there is a serious deficiency.