14. The percentage of members sick and the average sickness per member at risk, in lodges containing one hundred members and upwards at the beginning of the year, is given in graphic form in Appendix II.

15. Averages and percentages deduced from the tabulated returns for the years 1880–91 are given in Appendix I.

16. In 1890 the percentage of sick members and the average duration of sickness per member were both considerably in excess of the experience of previous years, being due to the prevalence of influenza. In 1891 also societies appear to have suffered severely from this epidemic, as evidenced by the figures in Appendix I.

17. The results of an analysis of the sickness and mortality of the several districts of the M.U.I.O.O.F. and the A.O.F. for the quinquennium 1887–91 are given in the following table:—

Name of Society.	Average Sickness per Annum per Member at Risk (Weeks).	Death-rate per Annum per Thousand Members at Risk.	Name of Society.	Average Sickness per Annum per Member at Risk (Weeks).	Death-rate per Annum per Thousand Members at Risk.
Ashburton District M.U.*	0·60	1·01	Canterbury United District A.O.F.	1·35	7·05
Hawke's Bay " "	0·73	5·92	Nelson " "	1·35	7·69
Hawke's Bay " A.O.F.	0·80	6·02	Wanganui " M.U.	1·39	4·10
Taranaki " "	0·88	7·02	Otago " "	1·46	8·20
North Canterbury " M.U.	0·95	4·78	Marlborough " "	1·55	8·14
Lyttelton " "	1·03	4·01	North Westland " "	1·64	8·54
Auckland " A.O.F.	1·08	4·87	Wellington " "	1·72	8·04
South Canterbury " "*	1·11	6·53	Auckland " "	1·77	9·25
Wellington " "	1·15	6·14	Nelson " "	1·96	5·88
United Otago " "	1·28	8·36	Motueka " "	2·01	6·97
Ashley " M.U.	1·32	3·12	Hokitika " "	2·41	13·23
Invercargill . " "	1·32	4·31	United Westland " A.O.F.	2·89	46·51
New Plymouth " "	1·33	4·67	Total	1·32	6·63

* Four years only.

18. It will be noticed that the average sickness varies considerably. In some societies a high rate is partly due to the higher ages of the members. There is also the widest possible range in the mortality. In the Ashburton District, M.U.I.O.O.F., the death-rate is 1·01 per thousand per annum; while in Court Pride of the West, the only registered branch of the United Westland District, A.O.F., out of an average membership of 26, the number of deaths in five years was 6—not the result, as might be supposed, of some sudden calamity involving several members of a small fraternity in a common fate, but due to natural causes. The total contributions to the Sick and Funeral Fund of this court during the five years was £167, and the total sickness and death claims £414, a conspicuous illustration of the risk arising from violent adverse fluctuation among small numbers.

19. The Registrar of Friendly Societies in New South Wales has recently announced that in future he will enforce that section of the Friendly Societies Act under which an actuary's certificate as to the adequacy of the rates of contribution must accompany application for registration. Under the New Zealand Act the Registrar (except as to annuities certain) has now no such power of refusal of registration, the law on this point in respect of assurances for sickness and death benefits having been reversed in 1877, when the English Act of 1875 was taken as a model. There are some leading members of friendly societies in New Zealand who are dissatisfied with the law as it stands, contending that the State should assume herein a certain control. On the other hand, legislation which demands the adoption of a minimum scale of premiums and benefits as a condition precedent to registration is regarded by many as interfering unduly with individual liberty. Probably few societies in New Zealand would have been registered if the restrictive provision of the Act of 1867 had remained in force and been carried out.

20. A defence of a uniform contribution to the Benefit Fund at all ages has been recently published in the annual report of a New Zealand society. It seems necessary, therefore, to refer to this question once again. The writer says:—

> No good reason has yet been presented to lead us to suppose that the law of averages is not a good law to work under. No man joins the society in ignorance of the fact that we are working under the law of averages, and, so long as we all agree to work under this system, I do not think it is the business of anybody outside our society to find fault with us.

While it is true that, if members of a society enter into a contract, no individual outsider has a right to object, there is yet no reason why the actuary in reporting on right methods of finance should not criticize the conditions of such contract, so far as they are likely to affect the society's solvency. Societies have abandoned the uniform contribution not so much because of its unfairness as because it has proved unworkable. It cannot be denied that the right principle on which to base a mutual assurance society is that each entrant shall pay according to the liability he brings with him, which liability obviously increases with each increase in age. It is easy to affirm that an adequate total contribution can be obtained by demanding from each member his average share; but, as the ages of the members at entry cannot be known beforehand, and as the calculation of the total contribution depends upon this knowledge, it follows that the average is not calculable. No unsound method of finance can be successfully defended. The object of thrift is to provide against risk. Though absolute security may be unattainable, a provision against risk which still retains an element of unavoidable risk is a manifest incongruity.