

REPORT BY THE ACTUARY.

To the Registrar.

DURING the year a considerable amount of attention was occupied by that portion of my duties relating to the advising of societies on actuarial matters. As these strike at the very root of friendly societies' financial organization, it is gratifying to note the increasing tendency of the societies to seek actuarial assistance; and I should not fail to record appreciation of the earnest co-operation and assistance afforded by so many of the leaders of the societies in suitably bringing the somewhat complicated points home to the members. I am able to state that during the last four years the financial progress of societies from the actuarial point of view has not been retarded by any of those sudden launchings upon unsound schemes or ill-considered financial measures which were formerly such a prolific cause of trouble.

Coming now to the valuations, I have to report that, as in previous years, the valuations made during 1913 were based upon the experience of the New Zealand friendly societies up to age 70, and upon Sutton's English Sickness Tables and Farr's Healthy English Mortality Tables after that age. Where a society's experience showed a systematic deviation from the above standard, as in the case of miners and females, the results were suitably modified.

Brief notes regarding the societies valued in the year are appended.

New Zealand Branch, M.U.I.O.O.F.

At the valuation date the New Zealand Branch of the Manchester Unity comprised the following districts, which, while more or less financially independent, are subject to the rules of the branch: Auckland, Taranaki, Wanganui, Hawke's Bay, Wellington Nelson, Marlborough, Motueka, North Westland, Westland, Ashley, North Canterbury, and Ashburton. As this is the first occasion upon which the valuation dates of these districts have been made to fall together, a bird's-eye view of the position of the branch as a whole can be given.

The membership at the valuation date was 15,377. An examination shows that the sickness experience in the four or five years preceding the valuation differed by less than 2 per cent. from the standard New Zealand societies' tables, whilst the mortality was a little below the standard. The mean rate of interest earned on the benefit funds as a whole was $4\frac{3}{4}$ per cent.

At the date of the valuation the Sick and Funeral Funds amounted in all to £354,739, or considerably over one-third of a million, and the valuation disclosed the following result: Surpluses in solvent lodges, £68,990; deficiencies in deficiency lodges, £39,000: net surplus, £29,990. If the surpluses of £68,990 were assumed to be drawn out and used for other purposes (as will certainly be done with part of the amount), the branch would remain in a deficiency of £39,000. This may look a large amount, but it must be remembered that all the figures of the branch are large. In point of fact it represents a deficiency of only 11d. in the pound.

On the whole the position is certainly very good indeed, a result very largely due to the fact that the branch has always insisted upon an adequate scale of contributions. It is quite clear also that a steady improvement will be shown in the near future.

Some of the districts affiliated to the branch are dealt with individually hereunder.

Auckland District, New Zealand Branch, M.U.I.O.O.F.: Valued as at the 31st December, 1910.

At the valuation date there were thirty-six branches, with a membership of 3,787.

The sickness experienced for the four years was unfavourable to the extent of £4,138, or 24 per cent. The mortality for the past nine years has agreed fairly closely with the standard, the deaths over the period numbering 219, as compared with an expectation of 212 by the table.

Of the thirty-six lodges only eleven succeeded in earning more than 4 per cent. on their funds, eleven more than 3 per cent., and the remainder failed to reach 3 per cent.

The valuation shows that eighteen lodges have deficiencies amounting to £18,184, and thirteen have surpluses amounting to £11,900, the net deficiency over the district as a whole being £6,284. This represents a considerable improvement on the preceding valuation, the more so in view of the fact that on this occasion a special addition has been made to the liabilities of mining lodges. The outlook for the future is promising.

North Westland District, New Zealand Branch, M.U.I.O.O.F.: Valued as at the 31st December, 1910.

At the valuation date there were seven branches, with a membership of 471.

The sickness experience for the past three years was unfavourable to the extent of £537, or about 28 per cent., while during the past eighteen years the mortality has agreed very closely with the standard tables, the number of deaths in that period being fifty-six, as against fifty-seven expected. The interest earnings were good in all excepting two new lodges. Three of the seven lodges earned over 5 per cent., one exceeding $7\frac{1}{2}$ per cent. The mean rate earned over the society as a whole was 5.39 per cent.

The valuation disclosed deficiencies in six lodges amounting to £2,185, and a surplus in one lodge amounting to £712, the net deficiency over the society as a whole being £1,473.