

CORRESPONDENCE

THE CERTIFICATION OF FRIENDLY SOCIETY TABLES

To the Editor of the Transactions of the Faculty of Actuaries,

SIR,—I venture to bring to your notice a matter which may be of interest to Actuaries who are asked to certify Tables of Rates in connection with applications for Registration of a Friendly Society under the Friendly Societies Act 1896, when such a Certificate is called for by the Chief Registrar.

I was recently asked to certify some Tables, but before doing so, having regard to the terms of the Rule making provision for the expenses of management, I recommended the rates to be increased.

I noticed that in some instances Actuaries had certified Tables of Rates as being adequate, having assumed certain margins for expenses which were *less* than the provisions for expenses contained in the Rules. I referred the question to the Chief Registrar, who informed me that "In calculating rates of contribution for benefits, the rates must be loaded with the full amount of the provision for expenses of management allowed for under the rules of a Society." It may be that the terms of the Rules were withheld from the Actuaries in the instances in question, but I think there is little doubt that no Actuary should pass Tables without, in the first place, satisfying himself as to the terms and adequacy of the Rules making provisions for expenses, and seeing that the calculations are made in conformity therewith.

I am, etc.,

VYVYAN MARR.

22 GEORGE STREET,
EDINBURGH, 26th December 1907.