

in these two States would practically constitute such a certificate of standing, sufficiency and regularity of operations as to make its admission into any of the other States unquestionable and comparatively simple in detail.

It may be mentioned in this connection that in the course of the application for admission to New York, it became necessary to determine whether the Society had such a reserve as under the law of that State entitled it to the granting of surrender values. This requirement is, in effect, that it shall be such a reserve as would under ordinary conditions be required on the basis of the American Experience Table of Mortality with interest at 4% under insurance in force of the nature and of the classes of insurance actually in force in the Society. While this reserve is no greater in the case of whole life premium paying policies under the American Experience Table with 4% interest than it is under the National Fraternal Congress Table with 4% interest, such required reserve is considerably larger in the matter of paid-up insurance, in which must be included technically that portion of the premium paying business which has been subjected to readjustment that is represented by the annuity granted to the old members in reduction of their rates. This fact called for enhanced reserve which amounted to a substantial sum, especially in the case of those members who were granted the \$3.44 per month rate, instead of being required to pay the actual rate that would have resulted from giving them simply their share of the accumulated fund. For example, take the case of a man admitted in 1886 at age 45, who would, had there been no modification in the readjustment, been required to pay \$7.70 per month, but who in actual fact is required to pay only \$3.44. The purchasing power of this difference really becomes, in the valuation of the character I have named, the representative of paid-up insurance, subject, when the American Experience Table is applied, to the higher single premium charge for paid-up insurance.

Notwithstanding these adverse conditions, the Society was able