

PRUDENTIAL ASSURANCE COMPANY.

CHIEF OFFICES:—62, LUDGATE HILL, LONDON.
WEST-END BRANCH:—7, KING STREET, ST. JAMES'S.

TWENTY-THIRD ANNUAL REPORT, FOR THE YEAR ENDING 31st DECEMBER, 1871.



HE Directors now present their Report for the year 1871.

ORDINARY BRANCH.

During the year the Directors have received 2,329 Proposals for the sum of £353,470. Of these 1,888 have been accepted and completed, assuring the sum of £270,950, and producing a New Annual Premium Income of £9,639 17s. 10d.; 441 Proposals, assuring £82,520, have either been declined or not completed.

The sum of £4,862 17s. 3d. has been received for the purchase of New Annuities.

The claims paid are 283, amounting to £44,188 19s. 11d., being considerably above the average, arising partly from larger policies having fallen in.

Three Annuitants have died, representing Annuities of £61 14s. 6d.

The Surrenders during the year have amounted to £11,705 1s. 4d. These have chiefly referred to foreign policies granted by the International Assurance Society, the Directors being determined to extinguish, as far as possible, all liabilities beyond the limits of the United Kingdom.

The Annual Premium Income at the end of the year is £60,669 12s. 0d. in respect of 11,217 Policies, assuring the sum of £1,790,292 18s., showing an increase of £1,439 14s. 10d. per annum over the year 1870.

The result of the operations of the year in this Branch shows a small surplus only to the Assurance Fund.

SICKNESS AND ASSURANCE ACCOUNT.

This Account is entirely limited to policies in the Ordinary Branch, and there having been no claims for sickness, the total sum received, less a small amount only for commission, is added to the Fund: the number of Policies in force being 25, assuring £13 5s. weekly in sickness, and £1,716 5s. at death, producing an Annual Premium Income of £84 18s. 2d.

INDUSTRIAL BRANCH.

The operations in this Branch have been unusually successful. There were 406,848 New Policies issued, representing a New Annual Premium Income of £139,264 9s.

The Claims paid amount to £81,040 7s. 6d., being nearly one per cent. less than the amount paid in the previous year.

The Annual Premium Income at the close of the year is £288,221 5s. 4d., showing an increase of £61,828 4s. 4d. over the Income of the previous year.

This Branch has contributed very largely to the Assurance Fund.

The Directors are happy to report that the lapsed policies show a very great decrease.

GENERAL RESULTS.

The total Premium Income is £348,975 15s. 6d., showing the very remarkable increase of £63,267 19s. 2d., and being the largest accession of Income during any year of the Company's operations.

The total amount of Claims paid is £125,229 7s. 5d. on 15,128 Policies, raising the whole sum paid to £787,110 17s. These have as usual been paid with undeviating regularity.

The transactions of the year show a surplus of £53,554 5s. 7d., but this amount is diminished by the sum of £19,950 1s. 4d., arising chiefly from writing off the Balance of Purchase of Business Account £13,300, and partly from certain exceptional items, as shown by the Revenue Account, leaving a net surplus of £33,604 4s. 3d., which increases the Assurance Fund to £383,110 0s. 2d.

The number of New Agents appointed during the year is 2,270.

In accordance with their usual custom, the Directors exhibit in detail the Assets of the Company, viz. :—

	£	s.	d.
Mortgages on Property within the United Kingdom.....	8,254	9	6
Loans on the Company's Policies.....	10,857	0	1
Investments :—	18,611	6	5
£20,000 Consols			
Colonial Government Securities, viz. :—	£	s.	d.
£ 5,000 Victoria Bonds	5,126	5	11
£ 5,000 Cape of Good Hope ditto	5,190	0	0
£ 5,000 South Australian ditto	5,325	0	0
£ 10,000 Queensland ditto	9,287	10	0
£ 4,700 New South Wales ditto	4,412	10	0
£ 5,000 Natal ditto	5,095	0	0
£ 5,000 New Zealand ditto	5,347	10	0
£ 4,000 Mauritius ditto	4,263	15	0
£ 1,000 Canada ditto	1,182	13	8
Foreign Government Securities—£6,000 Turkish Stock 5 per cent.	45,230	4	7
Railway and other Debentures	1,936	17	6
Railway and other Shares	6,944	0	0
House Property.....	2,697	15	3
Life and other Interests and Reversions	53,090	11	7
Furniture and Fittings (Head and Branch Offices)	86,490	0	3
Loans upon Personal Security	6,537	1	3
Mortgages of Reversions	29,159	12	10
Agents' Balances	2,444	6	8
Outstanding Premiums.....	14,052	11	8
Ditto Interest.....	6,101	0	1
Amount due from Official Liquidator of International Insurance Society and Purchase of Securities in International	2,199	12	4
Deposits at Three Months' Notice.....	67,527	7	10
Cash :—On Deposit	18,000	0	0
In hand, and on current account	£15,000	0	0
	25,612	8	6
	40,612	8	6
	£420,746	6	4

The item £67,527 7s. 10d., due in respect of the International Insurance Society, is amply covered by Securities in the possession of the Company; a considerable sum was paid off the amount due during the year, but the Directors having previously engaged, under the authority of the Court of Chancery, to purchase other Securities (the completion of which did not take place until 1871), the item is slightly increased over the amount due last year.

The Shareholders will observe that the Cash and immediately convertible Securities have been largely increased, and amount to upwards of £134,000.

It is with very great satisfaction that the Directors are enabled to announce results so extraordinary, and they would urge all their connections to help them in upholding the Company in the very high position it has attained.

One of the early Directors—Dr. PATRICK FRASER—on leaving the country, resigned his office, but having recently returned, applied to be elected to a seat at the Board. The Directors have unanimously elected him, and they will submit his name, with confidence, for confirmation.

The Directors regret to report the death of their colleague, Mr. PETER SERS, with whom they had been associated twenty years, and they are of opinion it is not necessary to fill the vacancy thus created.

The retiring Directors are Messrs. GILLMAN and HORNE, who, being eligible, offer themselves for re-election.

The Auditors—Messrs. ALLANSON and CLARK—also retire, and submit themselves for re-election. The Annual Interest on Shares, at 5 per cent., will be payable on and after the 29th instant.

J. GILLMAN, *Chairman.*

THIRD SCHEDULE.

REVENUE ACCOUNTS of the PRUDENTIAL ASSURANCE COMPANY for the Year ending 31st December, 1871.

(No. 1.) LIFE ASSURANCE ACCOUNT.

	£	s.	d.		£	s.	d.
Amount of Life Assurance Fund at the beginning of the year	349,505	15	11	Claims under Life Policies (after deduction of sums re-assured)	125,229	7	5
Premiums, after deduction of re-assurance premiums	309,888	3	6	Surrenders	11,808	19	2
Consideration for Annuities granted	4,862	17	3	Annuities	3,846	3	11
Interest and Dividends	12,596	1	3	Commission	5,460	16	2
Rent Account	3,202	19	4	Expenses of management	32,217	2	1
Fines for revival of Policies	66	15	0	Extension expenses (including the establishing of 2,270 Agencies and the appointment of 290 Medical Referees, travelling & other expenses)	25,651	13	10
International Interest Account	5,156	12	8	Special New Business Charges on £139,264 New Premium Income in the Industrial Branch only	25,609	1	3
				Agents' Salaries and Expenses attendant upon the weekly collection of premium from 512,208 Policies	46,854	15	6
				Policy Stamps	3,052	10	0
				Law Charges	787	14	1
				Dividends to Shareholders	285	13	5
				Interest on Deposits	1,395	6	7
				Balance written off Purchase of Business Account (now closed)	13,300	14	1
				Amount written off British Mutual Life Account (now closed)	1,839	0	0
				American Expenses, International Business	3,212	4	8
				Mortality Experience and Special Statistical Expenses	1,598	2	7
				Amount of Life Assurance Fund at the end of the year as per Fourth Schedule	383,110	0	2
	<u>£685,279</u>	<u>4</u>	<u>11</u>		<u>£685,279</u>	<u>4</u>	<u>11</u>

(No. 2.) SICKNESS AND ASSURANCE ACCOUNT.

	£	s.	d.		£	s.	d.
No new business transacted for many years				Commission	2	12	9
Amount of Sickness and Assurance Fund at the beginning of year	70	7	3	Claims (no re-assurances)	Nil.		
Premiums received (no re-assurances)	80	18	5	Sickness and Assurance Fund at the end of the year, as per Fourth Schedule	148	12	11
	<u>£151</u>	<u>5</u>	<u>8</u>		<u>£151</u>	<u>5</u>	<u>8</u>

FOURTH SCHEDULE.

BALANCE SHEET of the PRUDENTIAL ASSURANCE COMPANY on the 31st December, 1871.

LIABILITIES.	£	s.	d.	ASSETS.	£	s.	d.
Shareholders' Capital	5,839	8	0	Mortgages on Property within the United Kingdom	8,254	9	6
Life Assurance Fund	383,110	0	2	Loans on the Company's Policies	10,857	0	1
Sickness and Assurance Fund	148	12	11	Investments:—			
	<u>£389,098</u>	<u>1</u>	<u>1</u>	In British Government Securities	18,611	6	5
Claims under Life Policies admitted but not yet paid	£4,468	9	1	Colonial ditto	45,230	4	7
Depositors	27,179	16	2	Foreign ditto	1,936	17	6
				Railway and other Debentures	6,944	0	0
				Ditto Shares	2,697	15	3
				House Property	53,090	11	7
				Life and other Interests and Reversions	86,490	0	3
				Furniture and Fittings (Head and Branch Offices)	6,537	1	3
				Loans upon Personal Security	29,159	12	10
				Mortgages of Reversions	2,444	6	8
				Agents' Balances	14,052	11	8
				Outstanding Premiums	6,101	0	1
				Ditto Interest	2,199	12	4
				Amount due from Official Liquidator of International Society and Purchase of Securities in International	67,527	7	10
				Deposits at three months' notice	18,000	0	0
				Cash—On Deposit	£15,000	0	0
				In hand and on current account	25,612	8	6
					<u>40,612</u>	<u>8</u>	<u>6</u>
	<u>£420,746</u>	<u>6</u>	<u>4</u>		<u>£420,746</u>	<u>6</u>	<u>4</u>

HENRY HARBEN, *Secretary.*

J. GILLMAN, *Chairman.*
EDGAR HORNE, } *Directors.*
H. J. GIBBINS, }

We have examined the foregoing Accounts, find them to be correct, and hereby confirm the same. We have also seen and examined the various securities.

JAMES ALLANSON,)

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PRUDENTIAL
ASSURANCE COMPANY.

DIRECTORS' REPORT
AND
STATEMENT OF ACCOUNTS
FOR
The Year ending 31st December, 1871.

CHIEF OFFICES:
No. 62, LUDGATE HILL, LONDON, E.C.

F. CHIFFEREL, Curator-st. & Church-pass, Chancery-lane, E.C.

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