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# British Prudential Assurance Company.

## ANNUAL REPORT

For some time past the Directors have had the satisfaction of announcing a large and increasing ratio of new business year by year; the success of each succeeding season being even greater than that of its predecessor; on the present occasion they are happy to state that this progress is still more remarkable.

The new Premium income for the year 1859 was £6,879, and that for 1860 was estimated last spring at the rate of £10,000 a year, it has actually risen to £12,000 from the resources of the Prudential alone, and since the union of the two Companies, it has attained the average rate of £18,000 per annum.

In most amalgamations it has been found that a large portion of the old business is usually lost, over and above the ordinary amount of lapsed policies; also, that the combined new business is not equal to that originally effected by the Companies in their separate capacities. In the present instance, however, these general rules have been reversed. First, there has been no loss of old business, but on the contrary, not even the customary amount of lapses has occurred. Secondly, the combined new Premium income has exceeded the previous ratio of the separate Companies.

This tends to prove that all the Agents have worked actively, faithfully, and honorably, and that additional strength and confidence has been imparted by the union of two Companies both of which were in a sound and rising condition.

The total premium income of the Company now amounts to £45,000 a year, a sum which places it in the front rank of kindred institutions, and the Directors rejoice to inform the Meeting that this income, large as it is, is administered at a cost for management expenses little exceeding the same charges for the Prudential alone.

Suggestions have been made as to the expediency of appointing a Public Auditor for large Companies, but the Directors have for years adopted what they conceive to be a more efficient and searching system of checks than could be obtained in any general audit by whomsoever conducted: they have appointed a Finance Committee of their own Board, gentlemen well conversant with all the details of the business, and who have the deepest stake in the honor and prosperity of the Company. This Committee investigate the whole of the cash transactions item by item every week, and make a written report of the same to the Board; while at the end of the year the accounts thus previously and thoroughly checked, are carefully examined by Auditors nominated by the Shareholders from among

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themselves for that purpose. And this vigilance so far from being relaxed in consequence of the amalgamation, has been materially increased by improvements in the system, and devotion of still greater time to the weekly examinations.

The Directors are of opinion that one of the great elements of the success and the acknowledged popularity of the Company will be found to consist in the prompt and cheerful payment of every claim; and they beg to assure both the Shareholders and the Public, that this practice will be continued with the utmost fidelity.

Messrs. Sers and Pugh retire in accordance with the terms of the Deed of Settlement and being eligible offer themselves for re-election.

The Directors recommend the payment of interest at the rate of Five per cent. upon Shares duly paid upon.

In conclusion, the Directors beg to express their conviction that even a further increase of prosperity and progress may fairly be expected, for if, notwithstanding the unavoidable hindrances in the first workings of the new arrangements, combined with the serious depression existing among the commercial, agricultural, and manufacturing classes, such large results as those already mentioned have been obtained, surely, still greater may be anticipated as the season advances and the resources of the institution are more completely developed; and there is every reasonable prospect, that the full account and valuation of the assets and liabilities which will be prepared and laid before the Shareholders at the next General Annual Meeting, will testify the soundness of the business, and will justify the declaration of a fair bonus. This result, however, will be rendered more certain, and its advantages greater, by the hearty co-operation of Shareholders Agents and Policy holders, in promoting the success and enlarging the operations of the Company.

JAMES GILLMAN, *Chairman.*