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PRUDENTIAL ASSURANCE COMPANY

LIMITED.

FORTY-FOURTH ANNUAL REPORT.

FOR THE YEAR ENDING 31ST DECEMBER, 1892.

THE DIRECTORS have much pleasure in presenting their Report and Accounts for the year 1892.

ORDINARY BRANCII.—The number of Policies issued during the year was 56,912, assuring the sum of £5,886,889, and producing a New Annual Premium Income of £319,948.

The Premiums received during the year were £1,665,611, being an increase of £222,865 over the year 1891.

The Claims of the year amounted to £418,667. The number of Deaths was 2,932, and 117 Endowment Assurances matured.

The number of Policies in force was 301,643.

INDUSTRIAL BRANCH.—The Premiums received during the year were £3,849,157, being an increase of £160,819.

The Claims of the year amounted to £1,602,816. The number of Deaths was 178,231 and 1,230 Endowment Assurances matured.

The number of Free Policies granted during the year to those Policyholders of five years' standing, who have desired to discontinue their payments, was 47,395, the number in force being 288,493.

The total number of Policies in force was 10,105,877: the average duration of them is seven years.

The total assets of the Company, as shown in the Balance Sheet, are £16,309,652, being an increase of £1,686,025 over those of 1891.

The Directors have since 1886 been considering a plan whereby the great labour and expense attendant upon the Quinquennial Valuation might be lessened, and have now matured a system of recording and classifying the risks in both Branches from day to day in such a manner as to make the work of actual valuation possible at any moment at a comparatively small cost.

The Directors therefore determined to exercise the power recently conferred upon them by the Shareholders and a complete valuation for the past year has been made, with the following results:—

ORDINARY BRANCH.—The valuation of this Branch has been made upon the same principles as those of the preceding Quinquennium, namely, a net premium valuation on the Institute of Actuaries' (H^M.) Table of Mortality for the life risks, and Mr. Finlaison's Government Annuity Table 1884 for the annuities, the rate of interest in both cases being 3 per cent.

The surplus of Assets over Liabilities amounts to £369,500.

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INDUSTRIAL BRANCH.—The valuation of this Branch has also been made on the basis of a net premium valuation at 3 per cent. interest, the Table of Mortality being Dr. Farr's "English Life Table" No. 3.

The surplus of Assets over Liabilities amounts to £294,609.

The total surplus of the two Branches is £664,109, out of which it is proposed to carry forward £270,000 (£70,000 from the Ordinary Branch and £200,000 from the Industrial). leaving £394,109 for distribution among the participating Policy-holders and Shareholders, in accordance with the Regulations of the Company under its special Act of Parliament.

It may be thought that in carrying over so large a sum as £270,000 the Directors have acted with unnecessary caution; but although ample provision has been made for every known contingency, it must not be forgotten that in so extensive a business the working of a single year cannot be taken as the measure of the average profits over a series of years.

The processes and results of the valuation, which has been carried out by the Actuary, Mr. F. Schooling, have been submitted to Mr. A. H. Bailey, whose report is as follows:—

To the Directors of the PRUDENTIAL ASSURANCE COMPANY.

The results of the valuations of the liabilities of your Company on the 31st December, 1892, have been submitted to me for examination.

The valuations have been made on the same basis that was adopted for the quinquennial valuation a year previously. This has been sufficiently described in former reports, and therefore on this occasion it is only necessary to say that it has my entire approval.

As the investigations are now to be made annually instead of quinquennially as heretofore, greater fluctuations in the rate of profit may be expected to occur. I think, therefore, that the determination to increase the amount of the surplus to be carried forward is judicious.

I am, GENTLEMEN,

Your obedient Servant,

ARTHUR H. BAILEY.

9th February, 1893.

By the adoption of an annual declaration of bonus Policyholders will obtain each year a vested increase to the sum assured and will not have to wait until the end of a Quinquennial period. This advantage is emphasized by the fact that reversionary bonuses can be surrendered for cash.

The Directors desire to record their high appreciation of the efforts of the staff of the Company in carrying out the work of the valuation, which, under the improved methods, was accomplished in less than one month from the close of the year.

The retiring Directors are Mr. Edgar Horne and Dr. Robert Barnes, who offer themselves for re-election.

The Auditors, Messrs. W_{HARRIE} and S_{IMMONDS} , also offer themselves for re-election.

The Balance Sheet has been submitted to Messrs. Deloitte, Dever, Griffiths & Co., whose certificate is appended to the accounts.

EDGAR HORNE,

Holborn Bars, 16th February, 1893.

Chairman.

GENERAL BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED ON THE 31ST DECEMBER, 1892.

	Sharcholders' capital Ordinary Branch funds Industrial Branch fund Claims under life policies	LIABILATI s admitted	 	!	£ 500,000 6,701,537 9,073,414 34,700	3	9 9	 Freehold Ground Rents, and Scotch Feu Duties Mortgages Metropolitan Consolidated Stock, and City of London Bonds Bank of England Stock Freehold and leasehold property	••••	1,599,941 2,066,691 4,119,423 2,275,668 2,233,042 362,145 167,337	9 18 13	3 7 7 4 5 0
								Indian and Colonial Government securities Reversions Railway and other shares Loans on the Company's policies Rent charges Loans upon personal security Outstanding premiums Cash in hands of Superintendents, and Agents' balances Outstanding interest, and rents Cash—On deposit, on current accounts, and in hand	···· · · · · · · · · · · · · · · · · ·	937,766 855,387 1 122,359 1 600,310 161,075 1 22,090 16 710 6 269,388 1 49,880 1 149,402 18 317,029 1	18 9 0 4 6 1 0 0 4 0 1 0 8 6	7 2 9 6 8 0
1	Hos. C. Dewey,		 ·	£	16,309,652	3 (5 		\mathcal{L}^{10}	6,309,652	3 (5

WILLIAM HUGHES, Managers.

W. J. LANCASTER, Secretary.

EDGAR HORNE, Chairman. HENRY HARBEN, ROBERT BARNES,

We have examined the Cash transactions, Receipts and Payments, affecting the accounts of the Assets and Investments for the year ended December 31st, 1892, and we find the same in good order and safe custody as on December 31st, 1892.

DEFORTE DEVEL CRIFFITHS 2. Co.

DELOITTE, DEVER, GRIFFITHS & Co.

P00001298

LIFE ASSURANCE COMPANIES ACT, 1870.—THIRD SCHEDULE.

REVENUE ACCOUNTS OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (ORDINARY BRANCH) FOR THE YEAR ENDING 31ST DECEMBER, 1892.

		-		(N o.	I) LIFE	A :	SS	URANCE ACCOUNT.
Less amount Branch,	ng of the ye t transferred , being prope	ar to the In- ortion of p	 dustrial rofits		0 2 1)	£	S. 1		Claims under life policies (after deduction of sums re-assured) 418,667 9 0 Surrenders 42,712 14 11 Annuities 55,357 18 6 Commission
Interest and rents			emiums 	••• ••• •••	1,665,611 84,979 197,139	8 i	1	Expenses of management	
		-		(No.		£7,385,423 SICKNE			£7,385,423 15 6 SSURANCE ACCOUNT.
Amount of s year 'remiums nterest	sickness ass	surance fu 	nd at the 	beginning a		£ 385 18	5. d. 8 11 5 7 15 7		Claims
			··=			£417	1 O I		£417 10 1

LIFE ASSURANCE COMPANIES ACT, 1870.—FOURTH SCHEDULE.

BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (ORDINARY BRANCH) ON THE 31ST DECEMBER, 1892.

LIABILITIES.	£ s. d.	ASSETS. £ s. d.
Life Assurance fund	6,701,124 10 3	Mortgages on property within the United Kingdom 2,233,042 13 5 Loans on the Company's policies Loans on County Council Rates Rent Charges Metropolitan Consolidated Stock
		City of London Corporation Bonds 195,677 I o
		Investments :— In British Government securities
		Ditto interest
	!	265,221 19 7
	£6,701,537 3 9	$\mathcal{L}_{6,701,537}$ 3 9

THOS. C. DEWEY, WILLIAM HUGHES, Managers. W. J. LANCASTER, Secretary.

seen and examined the various securities.

EDGAR HORNE, Chairman. HENRY HARBEN, ROBERT BARNES, Directors.

We have examined, month by month, the various receipts and payments of the Company. We have also examined the foregoing Accounts, find them to be correct, and hereby confirm the same. We have

THOMAS WHARRIE, J. W. SIMMONDS, THOMAS HENRY COLE,

We have examined the Cash transactions, Receipts and Payments, affecting the accounts of the Assets and Investments for the year ended December 31st, 1892, and we find the same in good order and properly vouched. We have also examined the Deeds and Securities, Certificates, &c., representing the Assets and Investments set out in the above account, and we certify that they were in possession and properly vouched. Described the control of the Assets and Investments set out in the above account, and we certify that they were in possession and properly vouched. safe custody as on December 31st, 1892.

15th February, 1893.

DELOITTE, DEVER, GRIFFITHS & Co.

P00001300

LIFE ASSURANCE COMPANIES ACT, 1870. - THIRD SCHEDULE.

REVENUE ACCOUNT OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (INDUSTRIAL BRANCH) FOR THE YEAR ENDING 31ST DECEMBER, 1892.

LIFE ASSURANCE ACCOUNT.

			* ** **
Amount of Life Assurance Fund at the		Commission: Salaries of 12,324 Agents for the weekly collection of premium from 9,817,384 policies in 298,059 15 4 Expenses of management: Policy, Postage, and Receipt stamps (Head Office only) Superintendency charges, and Medical fees Head Office Expenses (including Printing, Advertising and Valuation expenses) Amount written off House property Amount of Life Assurance Fund at the end of the year, as per	
0 0 7	$\mathcal{L}_{8,582,207}$ 16 9		Surrenders 4,205 4 2
 Amount transferred from Ordinary Brane under Regulations of the Company 			
and regardents of the company	., .,,,,,,		
Premiums			
Interest and Rents			
		1	Expenses of management:
			Office only) $\pounds_{4^2,249}$ 17 7
		ļ	Superintendency charges, and Medical fees 194,503 6 8
		!	
		i	Advertising and Valuation expenses) 246,151 18 8
		•	
			Dividends and Quinquennial Bonus to Shareholders 459,512 0 0
	,	ļ	Fourth Schedule 9,073,414 14 9
		£12,796,442 4 6	£12,796,442 4 6

LIFE ASSURANCE COMPANIES ACT, 1870.—FOURTH SCHEDULE.

BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (INDUSTRIAL BRANCH) ON THE 31ST DECEMBER, 1892.

	LIABILIT	IES.			£	s.	d.		ASSETS				£	s. a
holders' capital	•••		£500,000	0 0				Loans on Municipal and o	ther Rates	•••	•••		3,977,373	9
Assurance fund			9,073,414					Investments:—						
					9,573,41	4 14	9	In British Government	securities		•••		470,605	17 6
s under life policie	es admitted	•••			21.70	00 5	0	Railway Debenture S	tocks		•••		1,721,970	I 2 I 1
is under the poner	,s admitted	•••			34)1	, ,		Freehold Ground Rea		ch Feu	Duties		2,275,668	18 4
								House property—						
								Freehold			£758,477	13 3		
								Leasehold			25,481	16 11		
								•			. —		783,959	10
								Loans upon personal secur	rity		•••		710	0 (
								Agents' balances			•••		8,104	4 1
								Outstanding premiums	•••		•••		171,485	4
								Outstanding interest and r	ents		•••	• • •		3
								Cash in hands of Superint			•	• • •	41,775	16
				Ì				Cash—						
								On current account			£51,557	2 4		
								In hand			250	0 0	:	
													51,807	2 4
							:							
							1	 						
				,	£,9,608,1								£9,608,114	19 1
				i.	たり,000,1	4 19	9							

IOS. C. DEWEY, ILLIAM HUGHES, Managers.

W. J. LANCASTER, Secretary.

THOMAS WHARRIE, J. W. SIMMONDS, THOMAS HENRY COLE,

HENRY HARBEN. Directors. ROBERT BARNES,

² have examined, month by month, the various receipts and payments of the Company. We have also examined the foregoing Accounts, find them to be correct, and hereby confirm the same. We have examined the various securities.

e have examined the Cash transactions, Receipts and Payments, affecting the accounts of the Assets and Investments for the year ended December 31st, 1892, and we find the same in good order and vouched. We have also examined the Deeds and Securities, Certificates, &c., representing the Assets and Investments set out in the above account, and we certify that they were in presession and xly as on December 31st, 1892. DELOITTE, DEVER, GRIFFITHS & Co. chruary, 1893.

PRUDENTIAL

Assurance Company Limited.

DIRECTORS' REPORT

STATEMENT OF ACCOUNTS

At 31st December, 1892.

Printers: Sir Joseph Causton & Sons, London.