PRUDENTIAL ASSURANCE COMPANY

LIMITED.

FIFTIETH ANNUAL REPORT,

For the year ending 31st December, 1898.

THE DIRECTORS have much pleasure in presenting their Report and Accounts for the year 1898.

ORDINARY BRANCH.—The number of Policies issued during the year was 64,708, assuring the sum of £6,420,580 and producing a New Annual Premium Income of £353,113.

The Premiums received during the year were £2,967,501, being an increase of £193,237 over the year 1897.

The Claims of the year amounted to £975,012. The number of Deaths was 5,191 and 2,535 Endowment Assurances matured.

The number of Policies in force at the end of the year was 534,138.

INDUSTRIAL BRANCH.—The Premiums received during the year were $\pounds4,960,756$, being an increase of $\pounds167,165$.

The Claims of the year amounted to £1,891,039. The number of Deaths was 198,308 and 2,181 Endowment Assurances matured.

The number of Free Policies granted during the year to those Policyholders of five years' standing, who desired to discontinue their payments, was 66,379, the number in force being 604,564. The number of Free Policies which became Claims during the year was 12,231.

The total number of Policies in force at the end of the year was 12,949,679: their average duration exceeds eight and a half years.

The assets of the Company, in both Branches, as shewn in the Balance Sheet, are \pounds 33,599,708, being an increase of \pounds 3,161,371 over those of 1897.

Public attention having been for some time past directed to questions of thrift and provision for old age, the Directors have had under consideration how they can further assist those Policyholders who from age and diminished earnings find some difficulty in maintaining the payment of Premiums on their Policies, and they have therefore made provision for all Policyholders in the Industrial Branch who have been assured for twenty-five years to be free from the payment of further Premiums as they attain the age of 75. This alteration takes effect at once, and has of course necessitated a considerable addition to the Reserves.

The Shareholders will be glad to learn that the Staff Provident Fund, which was established last year on the occasion of the celebration of the Company's Jubilee, has been heartily appreciated by the outdoor Staff for whose benefit it was founded, and a large proportion have become contributors. The total amount standing to the credit of the Fund at the end of the year was £58,212 18s. and the number of the contributors was 7,160.

For the valuation the same Mortality Tables and rate of interest have been used as in previous years, namely, in the Ordinary Branch, the Institute of Actuaries (HM.) Table of Mortality for the life risks, and Mr. Finlaison's Government Annuity Table 1884 for the annuities, and in the Industrial Branch. Dr. Farr's English Life Table No. 3. The net premiums only have been valued in both branches, the rate of interest in each case being 3 per cent.

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The results of the valuation are as follows :----

In the ORDINARY BRANCH the surplus shewn is £912,234, including the sum of £244,380 brought forward from last year.

In the INDUSTRIAL BRANCH the surplus shewn is £814,882. The amount brought forward from last year is £397,356, including the sum of £50,000 contributed to the Jubilee Fund. Out of this surplus the Board have added £150,000 to the Reserve Fund, which now stands at £750,000.

The total surplus of the two Branches is thus £1,727,116.

The amounts which the Directors propose to carry forward are £303,683 in the Ordinary Branch, and £331,831 in the Industrial Branch. together £635,514, leaving £941,602 for distribution among the participating Policyholders and Shareholders, in accordance with the Regulations of the Company under its special Act of Parliament.

The processes of the valuation have been carried out by the Actuary, Mr. F. SCHOOLING, and the results submitted to Mr. A. H. BAILEY, whose report is as follows :-

" I have examined the results of the valuations of the liabilities of the Company on

" the 31st December, 1898, which have been submitted to me by Mr. Schooling.

" The tables of Mortality employed have been as on former occasions. In the

"ORDINARY BRANCH — for Assurance risks, that derived from the combined "experience of several other Assurance Companies, and which table is now in general use " for these estimates; for Annuities, that derived from the experience of the Government

" Annuitants.

" In the INDUSTRIAL BRANCH, the tables employed are those which have been "deduced from the records of the population and of the deaths in the whole country, "and in which the sexes are separated.

" The rate of interest expected to be realised upon the funds during the continuance " of the risks, a subject which has been much discussed of late, has been assumed to be " 3 per cent. per annum.

" I think that valuations made on these assumptions as to the rates of mortality and

"interest are the best that are practicable for forming a correct estimate of the liabilities " of the Company; and I concur in the methods that have been employed in making the " calculations.

" Due provision has been made for the increased liability arising from the concession "that has been recently granted to allow the payment of Premium to cease in certain "cases at the age of 75, and, after the proposed distribution among the Shareholders and "Policyholders, there will be retained over and above the estimated liabilities a large sum

" for possible contingencies."

The retiring Directors are Mr. EDGAR HORNE and Dr. ROBERT BARNES, who offer themselves for re-election.

The Auditors, Messrs. DAY and SECRETAN, also offer themselves for re-election.

Co. have examined the Messis, Deloitte, Dever, Griffiths & Securities, and their certificate is appended to the Balance Sheets.

EDGAR HORNE,

Chairman.

HOLBORN BARS, 16th February, 1899.

GENERAL BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED ON THE 31ST DECEMBER, 1898.

	LIABILIT	ES.			£ s. d.	ASSETS.	<u> </u>
harcholders' capital	•••	•••	•••		1,000,000 0 0		\mathcal{L} s. d.
Ordinary Branch funds					17,156,951 11 8	British Government securities (£3,155,000 Consols)	3,153,583 5 1 1
ndustrial Branch fund						Indian, and Colonial Government securities	3,300,877 4 5
eserve fund	•••				14,538,952 13 5	Railway and other Debentures and Debenture Stocks	2,176,498-18-1
aims under life polic			•••	•••	750,000 0 0	Loans on County Council, Municipal, and other Rates	6,246,917 12 3
ander me pone	les aumateu	•••	•••		153,804 0 11	Freehold Ground Rents, and Scotch Feu Duties	2,830,469 8 8
						Freehold and leasehold property	1,934,411 16 10
				1		Mortgages	4,143,948 16 6
						Railway, Gas, and Water Stocks	5,669,891 3 4
				1		Suez Canal Shares	168,489 5 8
				1		Telegraph and other Shares	72,532 8 3
				ľ		Metropolitan Consolidated Stock, and City of London Bonds	358,645 12 6
						Bank of England Stock	200,559 18 6
				1		Foreign Government securities	996,694 г <u>з</u>
				i		Reversions and Life Interests	575,104 1 6
						Loans on the Company's policies	690,268 13 3
						Rent charges	148,164 0 1
				I		Outstanding premiums	
						Cash in hands of Superintendents and Agents' holesus	360,525 9 10
					1	Outstanding interest and rents	49:475 9 10
						Cash—On deposit on current accounts and in here t	241,243 17 0
					· · · · · ·	and deposit, on current accounts, and in hand	281,407 2 4
				12	,33,599,708 6 0	1	33,599,708 6 o

FREDERICK FISHER,)

W. J. LANCASTER, Scienting.

EDGAR HORNE, Chairman, HENRY HARBEN.

We have examined the Cash transactions, Receipts and Payments, affecting the accounts of the Assets and Investments for the year ended December 31st, 1898, and we find the same in good order and safe custody as on December 31st, 1898.

DELOITTE, DEVER, GRIFFITHS & Co.

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REVENUE ACCOUNTS OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (ORDINARY BRANCH)

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FOR THE YEAR ENDING 31ST DECEMBER, 1898.

					(No	o. 1.) LIFI	E A	ASS	URANCE ACCOUNT.
Amount of			the			£	s.	d.	Claims under life policies (after deduction of sums re-assured):- \mathcal{L} s. d.
	ig of the yea			£15,134,269	οι				By Deaths £675,908 16 2
Less amount Branch,		to the Indus		52,194	o o				By Endowments Matured 299,104 3 8 975,012 19 10
						15,082,075	o	I	Surrenders 112,464-12-7.
Premiums, at	fter deductio	on of re-assur	rance į	oremiums		2,967,501	15	8	Cash bonus to policyholders 53,600 12 4
Consideratio	n for annuiti	es granted		•••		102,106	7	11	: Annuities 78,219 8 5
Interest and	rents	•••		•••		520,758	5	3	Commission 207,72111 6
						•			Expenses of management 89.025 12 1
									Amount of life assurance fund at the end of the year, as
									per Fourth Schedule 17,150,393-12-2
						£ 18,672,441	8	11	£ 18,672,441 8 11
					(No.	2.) SICKN	ESS	S A	SSURANCE ACCOUNT.
						£	<i>s</i> .	d.	$\int_{a}^{b} s d$
•	sickness as	surance fun	d at i	the beginning	of the				Chims 12 2 11
year	•••	•••	•••		•••	535	10	2	Commission and expenses 1 14 8
Premiums	••	••	•••	•••	•••	17	6	7	Sickness assurance fund at the end of the year, as per Fourth
Interest	•••	• • •	•••	•••		19	0	4	Schedule 557 19 6
									Ĵ.571 17 1
						£571	17	I	

LIFE ASSURANCE COMPANIES ACT, 1870.-FOURTH SCHEDULE

LIFE ASSURANCE COMPANIES ACT, 1870.—FOURTH SCHEDULE.

BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (ORDINARY BRANCH)

ON THE 31ST DECEMBER, 1898.

LIABILI	l'IES.								
Life assurance fund		$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		ASSETS.			L.	s.	đ.
Sickness assurance fund		_	Mortgages on property	within the United K	ingdom		2,803,803	12	3
Claims under life policies admitted	••• ••• •	557.90	Loans on the company's	policies	•••				
	••• ••• ••	115,496 17 0	Loans on County Counc	il, Municipal and ot	her rates		284,333		
			Rent charges	••• •••	•••				
			Metropolitan Consolidat	ed Stock					
			Investments :				100,400	12	0
			In British Governmen	t securities					
			Bank of England Sto	ool:	•••	•••	1.368,901		
			Indian, and Colonia				200,559		6
			Foreign government	succenting	ies	•••		• •	•
					•••	•••	681,298	-	•
			Railway and other d Railway, gas, water a	elentures and deber	(ture stocks)		456,298	19 ;	2
	1	1	House property		shares	•••	5,910,912	17 3	3
			Reversions and Life	···· ··· Ture :	•••		159,110	6-н	ı.
			Outstanding premiums	Interests •	•••	••••	575,104	1 6	5
			1	••• •••			159,657	3 11	r
			Ditto interest Cash—	••• •••			89,672		
			On deposit		-	Í			
	1			•••	£50,000				
			In hand	•••	136,917	2 1			
	1	•	in hang	••• •••	100	• • ;	. 0		
	ر	617,272,448 8 8	1			·	187,017	2 1	
THOS. C. DEWEY, WILLIAM HUGHES, FREDERICK ENCOUPY			i			Ľ	617,272,448	88	
FREDERICK FISHER,) For General M	iningers.				EDGAR HO	RNE, C	hairman.		
We have examined, month by most of									
We have examined, month by month, the ad examined the various securities.	various receipts and payments	of the Company. We ha	ve also examined the foregoing Ac	counts, find them to L.	W. T. PUG:	11, • •	1 Carators.		
We have manife 1 at the second					ARCHIBATI	D DAY	<u>`</u>		
y vouched. We have also examined the	eccipts and Payments, affecting	the accounts of the Ass	ts and Investments for the sum		ARCHIBALI PHILIP SEC	CRETAN	J Amilitars.		
We have examined the Cash transactions, F y vouched. We have also examined the stody as on December 31st, 1898. <i>February</i> , 1899.	and occurities, Certificate	es, &c., representing the	Assets and Investments set out in	nitional December 31st, in the above account, i	1898, and we rad we certif	e find the fy that th	e same in good wy were in poss	order	an an
				DELOIT	LE DEVED	Chiller	ITHS & Co.		
11 revracey, surge					· ··, ·/// L/,	GAITT	11112 & UO		

LIFE Assurance Companies Act, 1870.—Third Schedule.

REVENUE ACCOUNT OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (INDUSTRIAL BRANCH)

FOR THE YEAR ENDING 31ST DECEMBER, 1898.

Int of life assurance fund at the ginning of the year $\mathcal{L}_{13,568,033}$ 14 10 Int mass for the year $\mathcal{L}_{13,568,033}$ 14 10 Int transferred to Regulations of the company $52,194$ 0 0 13,620,227 14 10 13,620,227 14 10 14,1651 15 11 Policy, postage, and receipt stamps (Head Office only) $\mathcal{L}_{58,874}$ 7 6 Superintendency charges (including Jubilec Bomus) $\mathcal{L}_{58,874}$ 7 6 Superintendency charges (including Jubilec Bomus) $\mathcal{L}_{58,874}$ 7 6 Superintendency charges (including printing, advertising and Jubilee Bonus) $\mathcal{L}_{58,874}$ 7 8 630,825 7 8 Oividends and bonus to shareholders $\mathcal{L}_{50,000}$ 0 0 Amount transferred to Reserve Fund. $\mathcal{L}_{50,000}$ 0 0 Amount transferred to Reserve Fund. $\mathcal{L}_{50,000}$ 0 0 Amount transferred to Reserve Fund $\mathcal{L}_{70,000}$ 15,000 0 0 Amount transferred to Reserve Fund $\mathcal{L}_{70,000}$ 0 0 150,000 0 0							
Amount transferred to Reserve Fund 150,000 0 0 Amount of life assurance fund at the end of the year, as per	beginning of the year mount transferred from Ordin under Regulations of the co remiums	 nary Branch mpany	52,194	0 0	£ s d. 13,620,227 14 10 4,960,756 7 8	Claims under life policiesSurrenders $1,891,039$ 91Surrenders $1,891,039$ 91Commission :Salaries of 14,339 agents for the weekly collection of premium from 12,345,115 policies $11,547$ 44Salaries of 14,339 agents for the weekly collection of premium from 12,345,115 policies $11,547$ 44Special New business charges $\pounds 951,506$ 1211Special New business charges $\pounds 951,506$ 1211Policy, postage, and receipt stamps (Head Office only) $\pounds 58,874$ 76Superintendency charges (including Jubilec Bonus) $197,939$ 100Medical Fees $56,444$ 1111Head Office expenses (including printing, advertising and Jubilee Bonus) $317,566$ 183Dividends and house to charabalders630,82578	
Amount of life assurance fund at the end of the year, as per					Ì	Amount transferred to Reserve Fund	
						Amount of life assurance fund at the end of the year, as per Fourth Schedule	

LIFE ASSURANCE COMPANIES ACT, 1870.--FOURTH SCHEDULE.

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LIFE A	SSURANCE	Companies	Аст,	1870.—Fourth	SCHEDUT	 F
						.

BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (INDUSTRIAL BRANCH)

UN	THE	31ST	December,	1808.	
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LIABILITIES.			
Shareholders' capital Life assurance fund Reserve fund	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	Loans on County Council, Municipal and other rates 5,962,584	
Claims under life policies admitted	16,288,952 13 5	Investments :	o 6
		In British Government securities $1,784,68110$ Foreign do. $315,3954$ Railway debenture stocks $1,720,19918$ Freehold ground rents and Scotch feu duties $2,830,4698$ House property— $49,71584$ Freehold $49,71584$	11 10
		Agents' balances $1,775,301 - 9$ Outstanding premiums $5,785 + 4$ Outstanding interest and rents $200,868 - 5$ Cash in hands of superintendents $151,571 + 11$ Cash— $43,689 + 5$ On current accounts $43,689 + 5$ In hand $150 - 5$	6 11 4
THOS. C. DEWEY. WILLIAM HUGHES, FREDERICK FISHER,	£16,327,259 17 4	94,390 0 £16,327,259 17	3
W. L. LANCASTRIN	ts and payments of the Company. We have also	EDGAR HORNE, Chairman. HENRY HARBEN, Directors. W. T. PUGH, Directors. > examined the foregoing Accounts, find them to be correct, and hereby confirm the same. We f	
We have examined the Cash transactions, Receipts and operly vouched. We have also examined the Deeds and Se fe custody as on December 31st, 1898.	Payments, affecting the accounts of the Assets curities, Certificates, &c., representing the Asse	and Investments for the year ended December 31st, 1898, and we find the same in good order ts and Investments set out in the above account, and we certify that they were in possession	lave and
14th February, 1899.		DELOITTE, DEVER, GRIFFITHS & Co.	

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DIRECTORS' REPORT

PRUDENTIAL Assurance Company Limited.