

PRUDENTIAL ASSURANCE COMPANY

LIMITED.

FIFTY-FIRST ANNUAL REPORT,

FOR THE YEAR ENDING 31ST DECEMBER, 1899.

THE DIRECTORS have much pleasure in presenting their Report and Accounts for the year 1899.

ORDINARY BRANCH.—The number of Policies issued during the year was 65,470, assuring the sum of £6,355,850 and producing a New Annual Premium Income of £352,003.

The Premiums received during the year were £3,144,464, being an increase of £176,963 over the year 1898.

The Claims of the year amounted to £1,225,906. The number of Deaths was 5,899, and 3,963 Endowment Assurances matured.

The number of Policies in force at the end of the year was 570,414.

INDUSTRIAL BRANCH.—The Premiums received during the year were £5,168,958, being an increase of £208,202.

The Claims of the year amounted to £2,059,340. The number of Deaths was 209,807, and 2,239 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 72,611, the number in force being 663,250. The number of Free Policies which became Claims during the year was 14,533.

The total number of Policies in force at the end of the year was 13,433,785: their average duration exceeds eight and three-quarter years.

The assets of the Company, in both Branches, as shewn in the Balance Sheet, are £36,832,059, being an increase of £3,232,351 over those of 1898. A supplement shewing in detail the various investments is published with this Report.

The Staff Provident Fund, which was founded two years since for the benefit of the outdoor staff, shews a very satisfactory increase for the year, the total amount standing to the credit of the Fund being £73,085.

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 (H^M) 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.

The results of the valuation are as follows:—

In the ORDINARY BRANCH the surplus shewn is £1,006,046, including the sum of £303,683 brought forward from last year.

In the INDUSTRIAL BRANCH the surplus shewn is £707,692, including the sum of £331,831 brought forward from last year. Out of this surplus the Board have added £50,000 to the Reserve Fund, which now stands at £800,000.

The total surplus of the two Branches, as shewn by the Valuation, is thus £1,713,738, which is disposed of as follows: £50,000 has been added to the Reserve Fund; £987,686 is distributable among the participating Policyholders and Shareholders, in accordance with the Regulations of the Company under its special Act of Parliament, leaving £676,052 to be carried forward, namely, £357,069 in the Ordinary Branch and £318,983 in the Industrial Branch.

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:—

To the Directors of the

PRUDENTIAL ASSURANCE COMPANY,

"GENTLEMEN,—

"I have examined the results of the valuations of the liabilities of the Company on the 31st December, 1899, which have been made by Mr. Schooling on the same basis and the same principles as on former occasions.

"The Tables of Mortality employed have been—

"In the ORDINARY BRANCH—for Assurances, the table derived from the combined experience of several Life Assurance Companies, and published by the Institute of Actuaries; for Annuities, the table deduced from the experience of the Government Annuitants, and published by the National Debt Office.

"In the INDUSTRIAL BRANCH—the tables derived from the experience of the population of the whole country, the sexes being distinguished, which have been published by the Registrar General's Office.

"The rate of interest expected to be obtained upon the funds has been assumed to be 3 per cent. per annum.

"I think that these are the best assumptions for the basis of the valuations. I approve of the principles upon which the calculations have been made, and am of opinion that the results may be acted upon with safety.

"Your obedient servant,

"(Signed) ARTHUR H. BAILEY.

"12th February, 1900."

The retiring Directors are Sir HENRY HARBEN and Messrs. PUGH and REID, who offer themselves for re-election.

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

Messrs. DELOITTE, DEVER, GRIFFITHS & Co. have examined the Securities, and their certificate is appended to the Balance Sheets.

EDGAR HORNE,

Chairman.

HOLDORN BARS,

15th February, 1900.

LIFE ASSURANCE COMPANIES ACT, 1870.—THIRD SCHEDULE.

REVENUE ACCOUNTS OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (ORDINARY BRANCH)
FOR THE YEAR ENDING 31ST DECEMBER, 1899.

(No. 1.) LIFE ASSURANCE ACCOUNT.

		£	s.	d.			£	s.	d.		
Amount of life assurance fund at the beginning of the year ...	...	£17,156,393	12	2	Claims under life policies (after deduction of sums re-assured):—	...	...	...	...
Less amount transferred to the Industrial Branch, being proportion of profits ...	...	56,949	0	0	By Deaths ...	...	£761,265	3	2		
					By Endowments Matured ...	...	464,641	11	2		
		17,099,444	12	2	Surrenders ...	...	...	...	1,225,906	14	4
Premiums, after deduction of re-assurance premiums	3,144,464	6	7	Cash bonus to policyholders ...	...	...	...	125,050	7	4
Consideration for annuities granted	112,948	1	7	Annuitants ...	...	...	...	57,125	17	8
Interest and rents	596,668	10	4	Commission ...	...	...	...	81,525	11	0
					Expenses of management ...	...	...	...	220,112	14	5
					Amount of life assurance fund at the end of the year, as per Fourth Schedule ...	...	...	...	94,333	14	2
		£20,953,525	10	8					19,149,470	11	9
									£20,953,525	10	8

(No. 2.) SICKNESS ASSURANCE ACCOUNT.

		£	s.	d.			£	s.	d.
Amount of sickness assurance fund at the beginning of the year ...	...	557	19	6	Claims ...	...	40	10	0
Premiums ...	...	14	9	7	Commission and expenses ...	...	1	9	0
Interest ...	...	19	15	2	Sickness assurance fund at the end of the year, as per Fourth Schedule ...	...	550	5	3
		£592	4	3			£592	4	3

BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (ORDINARY BRANCH)
ON THE 31ST DECEMBER, 1899.

LIABILITIES.				£	s.	d.	ASSETS.				£	s.	d.	
Life assurance fund	19,149,470	11	9	Mortgages on property within the United Kingdom	...	3,543,460	14	7			
Sickness assurance fund	550	5	3	Loans on the company's policies	...	818,128	3	6			
Claims under life policies admitted	116,734	10	6	Loans on County Council, Municipal and other rates	...	271,422	3	1			
							Rent charges	...	143,073	1	8			
							Metropolitan Consolidated Stock	...	166,468	12	0			
							Investments:—							
							In British Government securities	...	1,368,001	6	3			
							Bank of England Stock	...	200,559	18	6			
							Indian and Colonial government securities	...	3,659,943	10	8			
							Foreign government securities	...	731,575	9	4			
							Railway and other debentures and debenture stocks	...	455,534	13	7			
							Railway, gas, water and other stocks and shares	...	6,331,176	0	6			
							House property	...	158,974	7	9			
							Reversions and Life Interests	...	738,486	14	11			
							Outstanding premiums	...	173,237	17	2			
							Ditto interest	...	112,735	13	3			
							Cash—							
							On deposit	...	£50,000	0	0			
							On current accounts	...	342,977	0	9			
							In hand	...	100	0	0			
									393,077	0	9			
									£19,266,755	7	6			

THOS. C. DEWEY,
WILLIAM HUGHES,
FREDERICK FISHER, } *Joint General Managers.*
W. J. LANCASTER, *Secretary.*

EDGAR HORNE, *Chairman.*
HENRY HARBEN,
PERCY T. REID, } *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 seen and examined the various securities.

ARCHIBALD DAY,
PHILIP SECRETAN, } *Auditors.*

We have examined the Cash transactions, Receipts and Payments, affecting the accounts of the Assets and Investments for the year ended December 31st, 1899, 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 safe custody as on December 31st, 1899.

DELOITTE, DEVER, GRIFFITHS & Co.

14th February, 1900.

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LIFE ASSURANCE COMPANIES ACT, 1870.—THIRD SCHEDULE.

REVENUE ACCOUNT OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (INDUSTRIAL BRANCH)
FOR THE YEAR ENDING 31ST DECEMBER, 1899.

LIFE ASSURANCE ACCOUNT.			
	£	s.	d.
Amount of life assurance fund at the beginning of the year	£14,538,952	13	5
Amount transferred from Ordinary Branch under Regulations of the company ...	56,949	0	0
Premiums	14,595,901	13	5
Interest and rents	5,168,958	12	9
	524,102	2	5
	£20,288,962	8	7
Claims under life policies	2,059,340	14	6
Surrenders	12,488	13	11
Commission:—			
Salaries of 14,539 agents for the weekly collection of premium from 12,770,535 policies	£935,659	17	1
Special New business charges	476,803	1	2
	1,412,462	18	3
Expenses of management:—			
Policy, postage, and receipt stamps (Head Office only)	£61,095	9	4
Superintendency charges	166,512	0	1
Medical Fees	57,258	15	6
Head Office expenses (including printing, advertising and valuation expenses)...	321,107	19	4
	605,974	4	3
Dividends and bonus to shareholders	440,000	0	0
Amount transferred to Reserve Fund...	50,000	0	0
Amount of life assurance fund at the end of the year, as per Fourth Schedule	15,708,695	17	8
	£20,288,962	8	7

LIFE ASSURANCE COMPANIES ACT, 1870.—FOURTH SCHEDULE.

BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (INDUSTRIAL BRANCH)
ON THE 31ST DECEMBER, 1899.

LIABILITIES.			£	s.	d.	ASSETS.			£	s.	d.
Shareholders' capital	...	...	£1,000,000	0	0	Mortgages on property within the United Kingdom	...	...	1,327,499	7	11
Life assurance fund	...	...	15,708,695	17	8	Loans on County Council, Municipal and other rates	...	...	6,776,865	7	7
Reserve fund	...	...	800,000	0	0	City of London Corporation bonds	...	...	189,177	0	6
						Investments:—					
Claims under life policies admitted	...	...		56,607	17	3	In British Government securities	...	1,810,432	0	8
							Foreign do. do.	...	315,395	4	10
							Railway debenture stocks	...	1,720,199	18	11
							Freehold ground rents and Scotch feu duties	...	3,034,321	9	1
							House property—				
							Freehold	...	£1,810,291	5	7
							Leasehold	...	50,543	18	4
									1,860,835	3	11
							Agents' balances	...	4,866	9	10
							Outstanding premiums	...	199,749	15	3
							Outstanding interest and rents	...	162,855	7	5
							Cash in hands of superintendents	...	41,812	13	6
							Cash—				
							On current accounts	...	£120,943	15	6
							In hand	...	350	0	0
									121,293	15	6
									£17,565,303	14	11
									£17,565,303	14	11

THOS. C. DEWEY,
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FREDERICK FISHER, } *Joint General Managers.*

W. J. LANCASTER, *Secretary.*

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HENRY HARBEN, } *Directors.*
PERCY T. REID, }

ARCHIBALD DAY, } *Auditors.*
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DELOITTE, DEVER, GRIFFITHS & Co.

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PRUDENTIAL
Assurance Company Limited.

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DIRECTORS' REPORT
AND
STATEMENT OF ACCOUNTS

At 31st December, 1899.

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