

# PRUDENTIAL ASSURANCE COMPANY

LIMITED.

## FIFTY-SECOND ANNUAL REPORT,

FOR THE YEAR ENDING 31ST DECEMBER, 1900.

THE DIRECTORS have much pleasure in presenting their Report and Accounts for the year 1900.

ORDINARY BRANCH.—The number of Policies issued during the year was 74,680, assuring the sum of £7,613,035 and producing a New Annual Premium Income of £378,503.

The Premiums received during the year were £3,322,342, being an increase of £177,878 over the year 1899.

The Claims of the year amounted to £1,593,150. The number of Deaths was 6,717, and 6,276 Endowment Assurances matured.

The number of Policies in force at the end of the year was 612,057.

INDUSTRIAL BRANCH.—The Premiums received during the year were £5,447,697, being an increase of £278,739.

The Claims of the year amounted to £2,227,218. The number of Deaths was 221,025, and 2,266 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 66,943, the number in force being 713,634. The number of Free Policies which became Claims during the year was 17,215.

The total number of Policies in force at the end of the year was 13,891,667: their average duration is nine and a quarter years.

The assets of the Company, in both Branches, as shewn in the Balance Sheet, are £39,895,328, being an increase of £3,063,269 over those of 1899.

The Staff Provident Fund, which was founded three years since for the benefit of the outdoor staff, shews a satisfactory increase for the year, the total amount standing to the credit of the Fund being £86,742.

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 (I.A.) 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 £1,037,832, including the sum of £357,069 brought forward from last year.

In the INDUSTRIAL BRANCH the surplus shewn is £716,669, including the sum of £318,983 brought forward from last year. Out of this surplus the Board have added £50,000 to the Reserve Fund, which now stands at £850,000.

The total surplus of the two Branches, as shewn by the Valuation, is thus £1,754,501, which is disposed of as follows: £50,000 has been added to the Reserve Fund of the Industrial Branch, and £50,000 carried to an Investments Reserve Fund in the Ordinary Branch; £1,036,984 is distributable among the participating Policyholders and Shareholders, in accordance with the Regulations of the Company under its special Act of Parliament, leaving £617,517 to be carried forward, namely, £300,395 in the Ordinary Branch and £317,122 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:—

"I have examined the results of Mr. SCHOOLING'S valuation of the liabilities of the Company on the 31st December, 1900.

"The valuation has been made upon the following basis, viz:—

"The rate of interest which it is estimated will be realised has been assumed to be 3 per cent. per annum.

"The Tables of Mortality adopted for the different classes of risk have been—For the ORDINARY BRANCH, in which the risks are similar to those of other Life Assurance Companies, the Table now in general use which has been deduced from the combined experience of several of these Companies. For the INDUSTRIAL BRANCH, in which the risks are on the lives of men, women and children, comprising about one-third of the entire population of Great Britain and Ireland, the Tables constructed by the late Dr. FARR from the census returns and the records of the General Register Office. For the Annuities, the tables from the experience of the Government Annuitants.

"This basis is the same as has been adopted on former occasions, and in my judgment it is the best that can be made available for the purpose.

"I approve of the principles upon which the calculations have been made in estimating the various liabilities, and I am of opinion that the results may be safely adopted."

As already announced, Mr. W. J. LANCASTER, who has filled the office of Secretary since 1873, has been elected a Director, and, in accordance with the regulations of the Company, the appointment is now submitted to the Shareholders for confirmation.

The retiring Directors are Messrs. H. A. HARBEN, WHARRIE and SIMMONDS, 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, P00018517  
Chairman

HOLBORN BARS.

21st February, 1901.







LIFE ASSURANCE COMPANIES ACT, 1870.—THIRD SCHEDULE.

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

FOR THE YEAR ENDING 31ST DECEMBER, 1900.

LIFE ASSURANCE ACCOUNT.			
	£	s.	d.
Amount of life assurance fund at the beginning of the year ... ..	£15,708,695	17	8
Amount transferred from Ordinary Branch under Regulations of the company ...	61,291	0	0
Premiums ... ..	15,769,986	17	8
Interest and rents ... ..	5,447,697	13	6
	558,660	15	1
Claims under life policies ... ..			
Surrenders ... ..			
Commission:—			
Salaries of 14,804 agents for the weekly collection of premium from 13,178,033 policies	£986,901	12	1
Special New business charges ... ..	487,466	16	8
			1,474,368 8 9
Expenses of management:—			
Policy, postage, and receipt stamps (Head Office only) ... ..	£63,805	5	10
Superintendency charges ... ..	172,718	9	6
Medical Fees ... ..	57,512	2	9
Head Office expenses (including printing, advertising and valuation expenses)...	356,166	4	7
			650,202 2 8
Dividends and bonus to shareholders ... ..	450,000	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 ... ..	16,910,640	1	10
	£21,776,345	6	3
			£21,776,345 6 3

LIFE ASSURANCE COMPANIES ACT, 1870.—FOURTH SCHEDULE.

BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (INDUSTRIAL BRANCH)  
ON THE 31ST DECEMBER, 1900.

LIABILITIES.			£	s.	d.	ASSETS.			£	s.	d.
Shareholders' capital	...	...	£1,000,000	0	0	Mortgages on property within the United Kingdom	...	...	1,275,329	19	2
Life assurance fund	...	...	16,910,640	1	10	Loans on County Council, Municipal and other rates	...	...	7,379,196	14	1
Reserve fund	...	...	850,000	0	0	City of London Corporation bonds	...	...	181,581	10	5
						Investments:—					
Claims under life policies admitted	...	...				In British Government securities	...	...	1,810,432	0	8
			18,760,640	1	10	Foreign do. do.	...	...	315,395	4	10
						Railway debenture stocks	...	...	1,720,199	18	11
						Freehold ground rents and Scotch feu duties	...	...	3,177,220	16	11
						House property—					
						Freehold	...	...	£2,012,574	17	4
						Leasehold	...	...	97,801	11	4
									2,110,376	8	8
						Agents' balances	...	...	4,468	10	8
						Outstanding premiums	...	...	278,788	13	2
						Outstanding interest and rents	...	...	179,624	5	3
						Cash in hands of superintendents	...	...	38,993	17	11
						Cash—					
						On current accounts	...	...	£335,965	2	6
						In hand	...	...	350	0	0
									336,315	2	6
									£18,807,923	3	2
									£18,807,923	3	2

THOS. C. DEWEY,  
WILLIAM HUGHES, } *Joint General Managers.*

D. W. STABLE, *Secretary.*

We beg to report that we have examined the foregoing accounts, and in our opinion they are correct, and the foregoing is a full and fair Balance Sheet properly drawn up and exhibits a true and correct view of the state of the Company's affairs as shown by the books of the Company.

In accordance with the provisions of "The Companies Act, 1900," we certify that all our requirements as Auditors have been complied with.

EDGAR HORNE, *Chairman.*  
HENRY HARBEN, } *Directors.*  
W. J. LANCASTER, }

ARCHIBALD DAY, } *Auditors.*  
PHILIP SECRETAN, }

We have examined the Cash transactions Receipts and Payments affecting the accounts of the Assets and Investments for the year ended December 31st, 1900, 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, 1900.

20th February, 1901.

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, 1900.*

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Printers : SIR JOSEPH CAUSTON & SONS, Limited, London.

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