## 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 (IIM) 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. Balley, 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. Fark 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

Chairm

Holeorn Bars.
21st February, 1901.

# GENERAL BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED ON THE 31ST DECEMBER, 1900.

	. ,				
LIABILITIES.	:	$\mathcal{L}$ s. d.	ASSETS.		$\mathcal{L}$ s. d.
Shareholders' capital	•••	1,000,000 0 0	British Government securities		3,277,895 18 11
Ordinary Branch funds		20,879,584 4 9	Indian and Colonial Government securities		3,993,725 11 11
Industrial Branch fund		16,910,640 1 10	Railway and other Debentures and Debenture Stocks		2,844,284 9 8
Reserve fund	***	850,000 0 0	Loans on County Council, Municipal, and other Rates	• • •	8,135.992 4 8
Investments reserve fund		50,000 0 0	Freehold Ground Rents, and Scotch Feu Duties	• • •	3,177,220 16 11
Claims under life policies admitted		205,104 2 10	Freehold and leasehold property	•••	2,110,376 8 8
Commission and political additional and an artist and a second a second and a second a second and a second a			Mortgages on property within the United Kingdom		5,350,837 14 0
			Railway, Gas, and Water Stocks	•••	5,784,116 2 9
	:		Suez Canal Shares		168,369 5 8
	:		Telegraph and other Shares		74,512 8 3
			Metropolitan Consolidated Stock, and City of London Bond	ds	347,917 7 5
			Bank of England Stock		200,559 18 6
			Foreign Government securities	•••	1,105,439 9 1
	:		Reversions and Life Interests	•••	793,595 7 7
	į.		Loans on the Company's policies	•••	970,316 0 0
	:		Rent charges	• • • •	165,774 15 0
			Outstanding premiums		462,040 17 10
			Cash in hands of Superintendents, and Agents' balances	•••	43.462 8 7
			Outstanding interest, and rents		311,957 19 7
		,	Cash—On deposit, on current accounts, and in hand	• • • •	576,933 4 5
		£39,895,328 9 5		: ,	£39,895,328 y 5

THOS. C. DEWEY,
WILLIAM HUGHES,
D. W. STABLE, Secretary.

EDGAR HORNE, Chairman.

HENRY HARBEN,
W. J. LANCASTER,

Director.

# REVENUE ACCOUNTS OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (ORDINARY BRANCH) FOR THE YEAR ENDING 31ST DECEMBER, 1900.

Branch, being proportion of profits 61,291 o o  19,088,179 11 9  Surrenders	Amount of life assurance fund at the	1	$\mathcal{L}$ s.	<i>d</i> .	Claims under life policies	(after deduc	tion of	sums re-assure	d):—	£	\$,	d
Branch, being proportion of profits 61,291 o o  19,088,179 11 9  Consideration for annuities granted 90,883 7 2  Consideration for annuities granted 643,559 3 11  Expenses of management 99,670 14  Amount transferred to investments reserve fund 99,670 14  Amount of life assurance fund at the end of the year, as per Fourth Schedule 20,879,008 19  £23,144,965 2 5  (No. 2.) SICKNESS ASSURANCE ACCOUNT.   Amount of sickness assurance fund at the beginning of the year	beginning of the year £19,149,470 11	9			By Deaths	•••		£881,110	6 rr	1		
Cash bonus to policyholders	Less amount transferred to the Industrial Branch, being proportion of profits 61,291 0				By Endowments Mar	ured		712,040 1	12 5	1,593,150	19	
Amount of sickness assurance fund at the beginning of the year		. 10	9,088,179 11	9			•••			144,894	IC	3
Commission	Premiums, after deduction of re-assurance premiums	;	3,322,342 19	7		ers	•••	•••	•••	61,120	8	
Expenses of management	Consideration for annuities granted		90,883 7	2		***	, , ,	•••	•••	84,555	19	
Amount transferred to investments reserve fund	Interest and rents		643,550 3	11			•••	•••	•••			
Amount of life assurance fund at the end of the year, as per Fourth Schedule		!	10.00%						••• '			
(No. 2.) SICKNESS ASSURANCE ACCOUNT.  ### S. d.    L s. d.   L s. d.   L s. d.					Amount of life assurance	ce fund at	the en		ır. as	•		
## S. d. ## S. d. ## Standard of the heginning of the heg		£2,	3,144,965 2	5						<del></del>	** *-	
Amount of sickness assurance fund at the beginning of the  year	(No	<b>).</b> 2.)	SICKNESS	S AS	SURANCE ACCOUN	1 <b>T</b> .						
year			£. s.	d.						£	s.	d.
Premiums		he			Claims		•••			7	10	0
Sickness assurance fund at the end of the year, as per routin	Amount of sickness assurance fund at the beginning of the			<b>3</b> :	Commission and expenses	S				I	9	C
	ver		550 5	3	Commission and expenses							
	year				-		of the v	ear, as per F	ourth :			

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#### LIFE ASSURANCE COMPANIES ACT, 1870.—FOURTH SCHEDULE.

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

LIABILITIES.  Life assurance fund £20,879,008 10  Sickness assurance fund 575  Investments reserve fund 50,000  Claims under life policies admitted	7 Loa 1.0a 20,929,584 4 9 Ren	ASSETS.  Integrates on property within the United Kingdoms on the company's policies  Interpolation of the company's policies  Interpolation consolidated Stock	 £ s. d. 4,075.507 14 10 970,316 0 0 756,795 10 7 165,774 15 0 166,335 17 0
	I		100 000 11 1
	£21,087,405 6 3		£ 21,087,405 6 3

THOS. C. DEWEY, WILLIAM HUGHES, Joint General Managers. EDGAR HORNE, Chairman.

HENRY HARBEN, W. J. LANCASTER,

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.

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, 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 20th February, 1901.

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

FOR THE YEAR ENDING 31ST DECEMBER, 1900.

			:	£ s.	ı	
mount of life assurance fund	at the		:	£ s.	a.	Claime under life policies
beginning of the year		£15,708,695	17 8			Claims under life policies 2,227,218 6  Surrenders
mount transferred from Ordinary		23-3,7-0,1-93	.,		ļ	Surrenders 13.916 6  Commission:—
under Regulations of the compar		61,291	0 0			Salaries of 14,804 agents for the weekly collec-
•	,			15,769,986 17	8	tion of premium from 13,178,033 policies £986,901 12 1
remiums			:	5,447,697 (3	6	Special New business charges 487,466 16 8
nterest and rents	•••			558,660 15	I	- 1,474,368 8
•					:	Expenses of management:—
					ı	Policy, postage, and receipt stamps (Head
					!	Office only) $\pounds 63,805$ 5 10
•					İ	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
			i		;	650,202 2
						Dividends and bonus to shareholders 450,000 o
·					. :	Amount transferred to Reserve Fund 50,000 0
						Amount of life assurance fund at the end of the year, as per
			!			Fourth Schedule 16,910,640 1 1
			-	£21,776,345 6		

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

ON THE 31ST DECEMBER, 1900.

	LIABILITI	ES.		-	£	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	o <b>o</b>			City of London Corporation bonds 181,581 10 5
•	•				18,760,640	I 10	Investments:—
Claims under life polici	es admitted		•••	•••	47,283	I 4	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 3,177,220 16 11
· · · · · · · · · · · · · · · · · · ·							House property—
	•						Freehold £2,012,574 17 4
-				! !			Leasehold 97,801 11 4 2,110,376 8 8
, e				į			Agents' balances 4,468 10 8
					· · ·		Outstanding premiums 278,788 13 2
	•				i ! !		Outstanding interest and rents 179,624 5 3
							Cash in hands of superintendents 38,993 17 11
			ė.				Cash—
•							On current accounts £335,965 2 6
					•		In hand • 350 0 0
•	·				£18,807,923	3 2	£18,807,923 3 2

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

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

#### D. W. STABLE, Secretary.

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ARCHIBALD DAY, PHILIP SECRETAN, Auditors.

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DELOITTE, DEVER, GRIFFITHS & Co.

### PRUDENTIAL

Assurance Company Limited.

DIRECTORS' REPORT

AND

STATEMENT OF ACCOUNTS

At 31st December, 1900.

Printers: SIR JOSEPH CAUSTON & SONS, Limited, London