

PRUDENTIAL ASSURANCE COMPANY

LIMITED.

FIFTY-FOURTH ANNUAL REPORT,

FOR THE YEAR ENDING 31ST DECEMBER, 1902.

THE DIRECTORS have much pleasure in presenting their Report and Accounts for the year 1902.

ORDINARY BRANCH.—The number of Policies issued during the year was 69,662, assuring the sum of £6,680,050 and producing a New Annual Premium Income of £364,068.

The Premiums received during the year were £3,651,458, being an increase of £161,503 over the year 1901.

The Claims of the year amounted to £1,296,693. The number of Deaths was 6,895, and 3,952 Endowment Assurances matured.

The number of Policies in force at the end of the year was 680,631.

INDUSTRIAL BRANCH.—The Premiums received during the year were £5,690,907, being an increase of £161,446.

The Claims of the year amounted to £2,140,645. The number of Deaths was 212,701, and 3,369 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 84,060, the number in force being 836,884. The number of Free Policies which became Claims during the year was 19,170.

The total number of Policies in force at the end of the year was 14,770,865: their average duration is ten years.

The assets of the Company, in both branches, as shewn in the Balance Sheet, are £47,155,201, being an increase of £3,863,175 over those of 1901.

The Staff Provident Fund, which was founded in 1898 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 £115,608.

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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 Valuation as usual has been made by Mr. SCHOOLING and the results are as follows:—

In the ORDINARY BRANCH the surplus shewn is £1,018,335, including the sum of £138,151 brought forward from last year. Out of this surplus the Directors have added £150,000 to the Investments Reserve Fund, which now stands at £400,000.

In the INDUSTRIAL BRANCH the surplus shewn is £865,326, including the sum of £351,401 brought forward from last year. Out of this surplus the Directors have added £150,000 to the Reserve Fund, which now stands at £1,050,000.

The total surplus of the two branches, as shewn by the valuation, is thus £1,883,661, which is disposed of as follows: £150,000 has been added to the Investments Reserve Fund of the Ordinary Branch, and £150,000 has been added to the Reserve Fund of the Industrial Branch; £1,132,890 is distributable among the participating Policyholders and Shareholders, in accordance with the Regulations of the Company under its special Act of Parliament, leaving £450,771 to be carried forward, namely, £101,581 in the Ordinary Branch and £349,190 in the Industrial Branch.

The retiring Directors are Sir HENRY HARBEN, Mr. WILLIAM T. PUGH, and Mr. WILLIAM JOHN LANCASTER, 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.

HOLBORN BARS,
19th February, 1903.

EDGAR HORNE,
Chairman.

LIFE ASSURANCE COMPANIES ACT, 1870.—THIRD SCHEDULE.

REVENUE ACCOUNTS OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (ORDINARY BRANCH)
FOR THE YEAR ENDING 31ST DECEMBER, 1902.

(No. 1) LIFE ASSURANCE ACCOUNT.

	£	s.	d.		£	s.	d.
Amount of life assurance fund at the beginning of the year ...	£22,660,366	14	0	Claims under life policies (after deduction of sums re-assured):—			
<i>Less</i> amount transferred to the Industrial Branch, being proportion of profits ...	69,599	0	0	By Deaths ...	£859,230	0	4
				By Endowments matured ...	437,463	2	9
	22,590,767	14	0	Surrenders ...			1,296,693 3 1
Premiums, after deduction of re-assurance premiums ...	3,651,458	7	5	Cash bonus to policyholders ...			196,212 12 5
Consideration for annuities granted ...	101,817	15	7	Annuities ...			77,982 16 10
Interest ...	766,076	17	11	Commission ...			92,571 14 4
				Expenses of management ...			224,559 13 6
				Amount transferred to investments reserve fund ...			95,207 1 11
				Amount of life assurance fund at the end of the year, as per Fourth Schedule ...			150,000 0 0
	£27,110,120	14	11				24,976,893 12 10
							£27,110,120 14 11

(No. 2) SICKNESS ASSURANCE ACCOUNT.

	£	s.	d.		£	s.	d.
Amount of sickness assurance fund at the beginning of the year ...	586	16	2	Claims ...	34	0	0
Premiums ...	14	9	7	Commission and expenses ...	1	5	4
Interest ...	20	15	5	Sickness assurance fund at the end of the year as per Fourth Schedule ...	586	15	10
	£622	1	2		£622	1	2

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PRUDENTIAL
Assurance Company Limited.

DIRECTORS' REPORT
AND
STATEMENT OF ACCOUNTS

At 31st December, 1902.

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