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PRUDENTIAL ASSURANCE COMPANY

LIMITED.

FORTY-SEVENTH ANNUAL REPORT.

FOR THE YEAR ENDING 31ST DECEMBER, 1895.

THE DIRECTORS have much pleasure in presenting their Report and Accounts for the year 1895.

ORDINARY BRANCH.—The number of Policies issued during the year was 61,450, assuring the sum of £6,285,260 and producing a New Annual Premium Income of £342,478.

The Premiums received during the year were £2,304,013, being an increase of £226,057 over the year 1894.

The Claims of the year amounted to £572,289. The number of Deaths was 4,479, and 218 Endowment Assurances matured.

The number of Policies in force at the end of the year was 414,137.

INDUSTRIAL BRANCH.—The Premiums received during the year were £4,352,625, being an increase of £108,401.

The Claims of the year amounted to £1,797,688. The number of Deaths was 196,507, and 1,418 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 59,352, the number in force being 448,816. The number of Free Policies which became Claims during the year was 8,956.

The total number of Policies in force at the end of the year was 11,682,748: their average duration is nearly seven and three-quarter years.

The Directors have made more than one attempt to deal with the difficult question of old age pensions for the Industrial classes, and they are happy to inform the Shareholders that the special tables combining assurance with a provision for old age, which they issued in September last, have met with considerable success. At the end of the year the number of Policies in force under these tables as the result of three months' working was 169,791, producing an Annual Premium Income of £62,974.

The assets of the Company, in both Branches, as shewn in the Balance Sheet, are £23,915,890, being an increase of £2,702,085 over those of 1894.

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

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

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 a surplus is shewn of £621,980. This includes the sum of £135,000 brought forward last year, which it is now intended to increase to £170,000.

In the INDUSTRIAL BRANCH the surplus shewn is £912,956, including the sum of £615,000 brought forward last year, which it is now intended to increase to £705,000.

The total surplus of the two Branches as shewn by the valuation is thus £1,534,936, and after carrying forward the sum of £875,000 there is left for distribution £659,936 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:—

“The results of the Valuations of the liabilities of your Company on the 31st December, 1895, and the methods of calculation adopted, have been submitted to and examined by me.

“The tables of mortality adopted have been:—

“For Assurances: In the Ordinary Branch, the Institute of Actuaries' H^M Table, derived from the actual experience of assured lives. In the Industrial Branch, the English Life Table, derived from the experience of the entire population. In the latter Branch a large proportion of the risks are upon lives under 20 years of age, as to which the H^M Table gives practically no information.

“For Annuities: The latest published table derived from the experience of the Government Annuitants.

“The rate of interest assumed has been 3 per cent. per annum.

“And for all lives above the age of ten years there has been reserved the value of what is called the 'loading,' *i.e.*, the difference between the premiums payable and the corresponding premiums derived from the above data.

“This basis of Valuation is, I think, the most fitting that can be adopted and has my entire approval.

“The satisfactory result is that after a substantial addition has been made to the considerable reserve fund that has been created in recent years, an amount remains for distribution between the Proprietors and Assured which will yield to both a higher rate of bonus than on the last occasion.”

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

EDGAR HORNE,

Chairman.

HOLBORN BARS,

20th February, 1896.

GENERAL BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED
ON THE 31ST DECEMBER, 1895.

LIABILITIES.				£	s.	d.	ASSETS.				£	s.	d.	
Shareholders' capital	800,000	0	0	British Government securities (£2,300,000 Consols)	...	2,208,388	13	3			
Ordinary Branch funds	11,151,440	18	9	Railway and other Debentures and Debenture Stocks	...	2,071,153	0	3			
Industrial Branch fund	11,866,744	17	1	Loans, County Council, Municipal, and other Rates	...	5,925,397	2	2			
Claims under life policies admitted	97,704	8	1	Freehold Ground Rents, and Scotch Feu Duties...	...	2,544,631	2	2			
							Mortgages	...	2,532,913	12	8			
							Metropolitan Consolidated Stock, and City of London Bonds	...	369,720	13	6			
							Bank of England Stock	...	174,020	10	0			
							Freehold and leasehold property	...	1,244,036	11	11			
							Indian and Colonial Government securities	...	2,009,375	19	8			
							Foreign Government securities	...	74,634	14	6			
							Reversions	...	235,415	11	1			
							Railway and other shares	...	2,908,188	0	6			
							Loans on the Company's policies	...	394,544	1	1			
							Rent charges	...	123,284	8	2			
							Outstanding premiums	...	425,125	2	3			
							Cash in hands of Superintendents, and Agents' balances	...	52,292	0	1			
							Outstanding interest, and rents	...	205,579	18	10			
							Cash—On deposit, on current accounts, and in hand	...	417,189	1	10			
				<u>£23,915,890</u>	<u>3</u>	<u>11</u>			<u>£23,915,890</u>	<u>3</u>	<u>11</u>			

THOS. C. DEWEY, }
WILLIAM HUGHES, } *Managers.*
W. J. LANCASTER, *Secretary.*

EDGAR HORNE, *Chairman.*
HENRY HARBEN, }
THOMAS WHARRIE, } *Directors.*

We have examined the Cash transactions, Receipts and Payments, affecting the accounts of the Assets and Investments for the year ended December 31st, 1895, 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, 1895.

19th February, 1896.

DELOITTE, DEVER, GRIFFITHS & Co.

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0252-003

LIFE ASSURANCE COMPANIES ACT, 1870.—THIRD SCHEDULE.

REVENUE ACCOUNTS OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (ORDINARY BRANCH)
FOR THE YEAR ENDING 31ST DECEMBER, 1895.

(No. 1.) LIFE ASSURANCE ACCOUNT.

		£	s.	d.			£	s.	d.
Amount of life assurance fund at the beginning of the year ...	£9,498,917	15	4		Claims under life policies (after deduction of sums re-assured) ...	572,289	14	4	
<i>Less</i> amount transferred to the Industrial Branch, being proportion of profits...	36,101	0	0		Surrenders ...	80,132	2	8	
				9,462,816	15	4			
Premiums, after deduction of re-assurance premiums ...	2,304,013	5	11		Cash bonus to policyholders ...	43,082	0	9	
Consideration for annuities granted ...	51,654	12	7		Annuities ...	68,860	15	5	
Interest and rents ...	327,229	0	0		Commission ...	161,280	4	10	
					Expenses of management ...	69,121	1	9	
					Amount of life assurance fund at the end of the year, as per Fourth Schedule ...	11,150,947	14	1	
				<u>£12,145,713</u>					<u>£12,145,713</u>

(No. 2.) SICKNESS ASSURANCE ACCOUNT.

		£	s.	d.			£	s.	d.
Amount of sickness assurance fund at the beginning of the year ...	461	16	8		Claims ...	1	10	0	
Premiums ...	18	5	7		Commission and expenses ...	1	16	7	
Interest ...	16	9	0		Sickness assurance fund at the end of the year, as per Fourth Schedule ...	493	4	8	
				<u>£496</u>					<u>£496</u>

BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (ORDINARY BRANCH)
ON THE 31ST DECEMBER, 1895.

LIABILITIES.	£	s.	d.		ASSETS.	£	s.	d.
Life Assurance fund	11,150,947	14	1		Mortgages on Property within the United Kingdom ...	2,370,389	12	8
Sickness Assurance fund	493	4	8		Loans on the Company's policies	394,544	1	1
Claims under life policies admitted	80,000	14	6		Loans on County Council, Municipal and other Rates ...	452,100	6	10
					Rent Charges	123,284	8	2
					Metropolitan Consolidated Stock	166,468	12	0
					Investments :—			
					In British Government securities	1,246,590	15	9
					Bank of England Stock	174,020	10	0
					Indian, and Colonial Government securities	2,000,375	19	8
					Foreign Government securities	74,634	14	6
					Railway and other Debentures and Debenture Stocks ...	350,953	1	4
					Ditto Shares	2,908,188	0	6
					House property	148,073	15	0
					Reversions	235,415	11	1
					Outstanding premiums	168,328	0	7
					Ditto interest	71,743	11	11
					Cash—			
					On deposit	£35,000	0	0
					On current accounts	302,230	12	2
					In hand	100	0	0
						337,330	12	2
						£11,231,441	13	3
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THOMAS WHARRIE, } *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.*

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19th February, 1896.

DELOITTE, DEVER, GRIFFITHS & Co.

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0252-005

BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (INDUSTRIAL BRANCH)
ON THE 31ST DECEMBER, 1895.

LIABILITIES.			£	s.	d.	ASSETS.			£	s.	d.
Shareholders' capital	...	...	£800,000	0	0	Mortgages on property within the United Kingdom	...	...	162,524	0	0
Life assurance fund	...	...	11,866,744	17	1	Loans on County Council, Municipal and other Rates	...	...	5,473,296	15	4
						City of London Corporation bonds	...	...	203,252	1	6
Claims under life policies admitted	...	...				Investments:—					
						In British Government securities	...	...	961,797	17	6
						Railway debenture stocks	...	...	1,720,199	18	11
						Freehold ground rents and Scotch feu duties	...	...	2,544,631	2	2
						House property—					
						Freehold	...	...	£1,065,409	12	5
						Leasehold	...	...	30,553	4	6
									1,095,962	16	11
						Agents' balances	...	...	8,022	13	11
						Outstanding premiums	...	...	256,797	1	8
						Outstanding interest and rents	...	...	133,836	6	11
						Cash in hands of superintendents	44,269	6	2
						Cash—					
						On current accounts	£79,608	9	8
						In hand	250	0	0
									79,858	9	8
									£12,684,448	10	8
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19th February, 1896.

DELOITTE, DEVER, GRIFFITHS & Co

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PRUDENTIAL
Assurance Company Limited.

DIRECTORS' REPORT
AND
STATEMENT OF ACCOUNTS

At 31st December, 1895.

PRINTED BY SIR JOSEPH CAUSTON & SONS, London.

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