# PRUDENTIAL ASSURANCE COMPANY

LIMITED.

## SIXTY-FIRST ANNUAL REPORT,

FOR THE YEAR ENDING 31ST DECEMBER, 1909.

THE DIRECTORS have much pleasure in presenting their report and accounts for the year 1909.

ORDINARY BRANCH.—The number of policies issued during the year was 76,087, assuring the sum of £7,044,603, and producing a new annual premium income of £415,015.

The premiums received during the year were £4,710,107, being an increase of £93,770 over the year 1908.

The claims of the year amounted to £3,018,981. The number of deaths was 8,375, and 17,629 endowment assurances matured.

The number of policies in force at the end of the year was 882,804.

INDUSTRIAL BRANCH.—The premiums received during the year were £7,171,770, being an increase of £246,015.

The claims of the year amounted to £2,877,978, including £176,401 bonus additions. The number of claims and surrenders, including 4,545 endowment assurances matured, was 382,233.

The number of free policies granted during the year to those policyholders of five years' standing and upwards who desired to discontinue their payments, was 151,865, the number in force being 1,506,408. The number of free policies which became claims during the year was 41,386.

The total number of policies in force at the end of the year was 18,375,229: their average duration exceeds eleven and a half years.

The assets of the Company, in both branches, as shewn in the balance sheet, after deducting the amount written off securities, are £74,201,701, being an increase of £2,242,842 over those of 1908.

The Staff Provident Fund, which was founded in 1898 for the benefit of the outdoor staff, now amounts to £203,872.

The valuation has again been made by Mr. Schooling, and the same mortality tables and rate of interest have been used as in previous years, namely, in the Ordinary Branch, the Institute of Actuaries (HM.) 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.

In the Ordinary Branch the surplus shewn is £1,687,990, including the sum of £311,789 brought forward from last year. Out of this surplus the Directors have added £265,000 to the Investments Reserve Fund, which, after deducting the £1,040,000 written off value of securities, stands as at 31st December, 1909, at £775,000.

In the Industrial Branch the surplus shewn is £1,314,078, including the sum of £452,454 brought forward from last year. Out of this surplus the Directors have added £50,000 to the Reserve Fund, which, after deducting the £500,000 written off value of securities, stands as at 31st December, 1909, at £850,000.

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The total surplus of the two branches, as shewn by the valuation, is thus £3,002,068, which is disposed of as follows: £265,000 has been added to the Investments Reserve Fund of the Ordinary Branch, and £50,000 has been added to the Reserve Fund of the Industrial Branch: £1.874.937 will be distributed among participating policyholders in the Ordinary Branch, policyholders in the Industrial Branch, the Shareholders, and the Superintendency and Agency Staff in accordance with the Regulations of the Company under its special Act of Parliament, leaving £812,131 to be carried forward, namely, £332,353 in the Ordinary Branch and £479,778 in the Industrial Branch.

For many years the Reserve Funds in both Branches have been added to in order that they might be applied if necessary to the writing down of securities. The Directors have now for this purpose taken the sum of £1,040.000 from the Investments Reserve Fund of the Ordinary Branch, and the sum of £500,000 from the Reserve Fund of the Industrial Branch, being of opinion that this course was advisable owing to the long continued depreciation in the market value of certain classes of securities. There will still remain a total sum of £1,625,000 in the Reserve Funds.

The Directors are pleased to announce an increase in the rate of bonus of both Branches of the Company as follows:—

In the Ordinary Branch a reversionary bonus at the rate of £1 14s. per cent. on the original sums assured has been added to all classes of participating policies issued since the year 1876. This is an increase of two shillings per cent. over the rate declared for the past three years.

In the Industrial Branch all policies of over five years' duration which become claims either by death or maturity of endowment from the 4th of March, 1910, to the 2nd of March, 1911, both dates inclusive, will participate. This bonus will be paid by way of addition to the sums assured of:—

£5 per cent. on all policies becoming claims upon which at least five but less than ten years' premiums have been paid,

£10 per cent. on all policies becoming claims upon which at least ten but less than fifteen years' premiums have been paid, and

£15 per cent. on all policies becoming claims upon which at least fifteen years' premiums have been paid.

The retiring Directors are Messrs. Henry Andrade Harben, Thomas Charles Dewey, and Thomas Wharrie, who offer themselves for re-election.

The Auditors, Messrs. Secretan and Nicholls, also offer themselves for re-election.

Messrs. Deloitte, Plender, Griffiths & Co. have examined the securities, and their certificate is appended to the balance sheets.

H. A. HARBEN,

Holborn Bars, 17th February, 1910.

Chairman.

### GENERAL BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED,

BEING THE SUMMARY OF BOTH BRANCHES, ON THE 31ST DECEMBER, 1909.

	LIABILITI	ES.			£	5.	d.	ASSETS.	£	s.
hareholders' capital					1,000,000	0	0	British Government securities	2,997,703	
ife assurance funds					71,328,318	1.1	ŋ	Indian and Colonial government and provincial securities	6,604,314	8
	***	•••	•••	•••	. ,			Railway and other debentures and debenture stocks and gold and sterling bonds	11.000.545	1 1 1
eserve funds	•••	• • •	•••	• • •	1,625,000	0	0	Loans on County Council Municipal and other and	11,090,547 14,8 <b>5</b> 9,330	
laims under life policie	es admitted	•••			157,480	12	8	Prochold ground route and Coatch for duties	4,934,552	
		, ,			,			Freehold and leasehold property	3,908,493	
alance of bonus under	me poncies	reserved t	or distribu	tion	90,902	3	6	Mortgages on property within the United Kingdom	9,488,680	
								Railway, Gas, and Water stocks	6,799,751	
								Suez Canal shares	160,217	
				1				Telegraph and other shares	100,889	
				'				Leasehold ground rents	8,153	
								Metropolitan, London County Consolidated and Port of London Authority stocks, and City of London corporation bonds	253,696	1
								Metropolitan Water Board stocks	435,263	
•								Bank of England stock	203,724	
								Indian, Colonial and Foreign corporation stocks	2,980,960	14
								Foreign government and provincial securities	3,138,078	3
								Reversions and Life Interests	1,372,361	10
								Loans on the company's policies	2,967,472	15
								Rent charges	312,084	12
								Outstanding premiums, and agents' balances	494,838	6
								Outstanding interest and rents	596,891	9
								Cash—In hands of superintendents	34,754	
					C= T =			Do. On deposit, on current accounts, and in hand	458,939	_
					<del>574,201,701</del>	10 1	1	£	74,201,701	10

FREDK. SCHOOLING, Joint Managers. A. C. THOMPSON,

D. W. STABLE, Joint Secretaries.

H. A. HARBEN, Chairman. THOS. C. DEWEY, Directors.

We report that with the assistance of the Chartered Accountants as stated below we have examined the foregoing accounts and have obtained all the information and explanations that we have required and in our opinion such accounts are correct and the foregoing Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company.

PHILIP SECRETAN, W. H. NICHOLLS,

We have examined the Cash transactions (receipts and payments) affecting the accounts of the Assets and Investments for the year ended December 31st, 1909, 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, 1909.

DELOITTE, PLENDER, GRIFFITHS & Co., Chartered Accountants.

14th February, 1910.

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

# REVENUE ACCOUNTS OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (ORDINARY BRANCH) FOR THE YEAR ENDING 31ST DECEMBER, 1909.

Amount of life assurance fund at the beginning of the year	· · · · · · · · · · · · · · · · · · ·					(N	o. 1) LIF	E ASST	RANCE ACCOUNT.						
Branch, being proportion of profits   97,458   0   0   37,947,568   7   5   5   Cash bonus to policyholders   154,413   149,322   Cash bonus to policyholders   154,413   154,981   1   17,752	begim	ning of the	year	•••	£38,045,026	7 5	£	s. <b>d</b> .	By Deaths		£1,095,050	6 9		s.	. a
Surrenders   Sur					0= 1-0	0 0						-		10	)
Consideration for annuities granted   150,896   3   11   11,386,125   18   10   10   11,386,125   18   10   11,3	Diane	n, oenig pro	Learmon or bro	iits	97,458	0 0	37 947 56								
Consideration for annuities granted 150,896 3 11   Commission 274,121 1   Expenses of management 117,752 10   Amount transferred to investments reserve fund 265,000   Amount of life assurance fund at the end of the year, as per Fourth Schedule 39,784,184 17   £44,194,698 4 11	Drawings	after deduc											154,413	4	ı
Land				_	remiums	• • •				•••			130,891	16	;
Amount transferred to investments reserve fund 265,000 de Amount of life assurance fund at the end of the year, as per Fourth Schedule 39,784,184 17   (No. 2) SICKNESS ASSURANCE ACCOUNT.   **Examount of sickness assurance fund at the beginning of the year 467 5 4 Commission and expenses	Considerati	ion for annu	iities granted		•••	• • •	150,896	6 3 11			•••	• • •	274,121	17	i
Amount of life assurance fund at the end of the year, as per Fourth Schedule	Interest	•••		• • •	•••	•••	1,386,12	5 18 10							
Per Fourth Schedule   39,784,184 11													265,000	0	)
(No. 2) SICKNESS ASSURANCE ACCOUNT.    Longitude of sickness assurance fund at the beginning of the year									per Fourth Schodule						
## Solution of sickness assurance fund at the beginning of the year							£44,194,698	3 4 11			·		£44,194,698	4	. 1
Claims   Sickness assurance fund at the beginning of the year   Sickness assurance fund at the beginning of the year   Sickness assurance fund at the beginning of the year, as per Fourth   Sickness assurance fund at the end of the year, as per Fourth						(No.			SURANCE ACCOUNT.		· 	•			
year            467         5         4         Commission and expenses          0         7           remiums            6         1         1         Sickness assurance fund at the end of the year, as per Fourth           nterest  <	mount of	aial					£	s. d.					£	<i>s</i> .	đ.
Commission and expenses			issurance iun	ar n	ne beginning o	f the				• • •	• • •		52	0	0
Sickness assurance fund at the end of the year, as per Fourth  16 9 1 Schedule	•	•••	• • •	•••	•••	•••	467	5 4	Commission and expenses				o	7	3
nterest		•••	•••	• • •	•••		6	1 1	Sickness assurance fund at the e	nd of the	e vear, as per l	Fourth			
	nterest	•••	•••		•••	••• أ	16	9 1			•••		437	8	3
$\mathcal{L}$ 489 15 6							£489	15 6				[	£489 1	<u>-</u>	6

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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, 1909.

LIABILITIES.	£	s. d.	ASSETS. $\pounds$ s. d.
Life assurance fund £39,784,184 17 9			Mortgages on property within the United Kingdom 7,305,619 11 6
Sickness assurance fund 437 8 3			Loans on the company's policies 2,967,472 15 0
			Loans on County Council, Municipal and other rates 5,270,025 15 1
Investments reserve fund $£1,815,000 - 0 - 0$			Rent charges 312,084 12 4
Written off value of			Investments:—
securities 1,040,000 0 0			In British Government securities 1,283,374 3 9
775,000 0 0			Bank of England stock 203,724 2 11
	40,559,622	6 0	Metropolitan Consolidated stock 179,236 7 9
Claims under life policies admitted	154,405	8 8	Metropolitan Water Board stocks 435,263 10 7
	,		Indian and Colonial government and provincial securities 5,228,799 16 0
			Colonial corporation stocks 1,321,561 8 10
			Foreign government and provincial securities 2,322,472 10 10
!			Foreign corporation stocks 806,917 12 10
			Railway and other debentures and debenture stocks and gold and sterling bonds 5,147,691 16 0
·			Railway, Gas, Water and other stocks and shares 5,801,130 12 7
			Reversions and Life Interests 1,372,361 10 10
			Outstanding premiums 196,238 7 0
			Outstanding interest 317,438 13 0
			Cash—On current accounts, and in hand 242,614 7 10
	£40,714,027	14 8	£40,714,027 14 8

FREDK. SCHOOLING,
A. C. THOMPSON,

Joint Managers.

D. W. STABLE,
J. SMART,
Joint Secretaries.

H. A. HARBEN, Chairman.

THOS. C. DEWEY,
W. E. HORNE,

Directors.

We report that with the assistance of the Chartered Accountants as stated below we have examined the foregoing accounts and have obtained all the information and explanations that we have required and in our opinion such accounts are correct and the foregoing Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company.

PHILIP SECRETAN, Auditor.

We have examined the Cash transactions (receipts and payments) affecting the accounts of the Assets and Investments for the year ended December 31st, 1909, 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, 1909.

DELOITE, PLENDER, GRIFFITHS & Co., Chartered Accountants,

14th February, 1910.

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

# REVENUE ACCOUNT OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (INDUSTRIAL BRANCH) FOR THE YEAR ENDING 31ST DECEMBER, 1909.

	IFE ASSURANCE ACCOUNT.	
mount of life assurance fund at the	£ s. d. Claims under life policies:— Sums assured $\cancel{\cancel{\cancel{\cancel{\cancel{\cancel{\cancel{\cancel{\cancel{\cancel{\cancel{\cancel{\cancel{\cancel{\cancel{\cancel{\cancel{\cancel{$	£ s.
beginning of the year $\pounds 29,849,271$ 7 7	Bonus additions paid to 31st December 176,401 1 5	2,877,978 17
mount transferred from the Ordinary	Surrenders	232,223 15
Branch under Regulations of the company 97,458 0 0	29,946,729 7 7 Bonus to Superintendents and Agents	50,000 0
planes of hours and a life a living and a life in the living and a life in the	Commission :—	•
alance of bonus under life policies reserved for distribution at the beginning of the year	Agency charges, including salaries of 17,624 agents for the weekly collection of premium	
remiums	7,171,769 14 0 from 16,868,821 policies £1,312,164 1 5	
nterest and rents	1,079,011 9 9 Special new business charges 635,755 14 3	1,947,919 15
! :	Expenses of management :—  Policy, postage, and receipt stamps (Head  Office only) £80,059 5 10  Superintendency charges 241,278 9 8  Medical fees 59,838 9 1  Head Office expenses 540,916 10 5	
		922,092 - 15
	Dividends and bonus to shareholders	550,000 0
!	Amount transferred to reserve fund	50,000 0
	Balance of bonus under life policies reserved for distribution	90,902 3
	Amount of life assurance fund at the end of the year, as per Fourth Schedule	31,543,696 8
	38,264,813 16 3	£38,264,813 16





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

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

ON THE 31ST DECEMBER, 1909.

		_			. 00 pmo
LIABILITIES.	£	د	s.	d.	ASSETS. £ s. d.
Shareholders' capital $\pounds 1,000,000$ 0	0			į	Mortgages on property within the United Kingdom 2,183,060 19 7
	9			ļ	Loans on County Council, Municipal and other rates 9,589,305 2 6
Life assurance fund 31,543,696 8	3				Investments:—
Reserve fund $ £1,350,000 0 0$	'				In British Government securities 1,714,329 14 6
111 (in				İ	London County Consolidated and Port of London Authority
Written off value of				i	stocks and City of London corporation bonds 74,459 13 8
securities 500,000 0 0					Indian and Colonial government and provincial securities 1,375,514 12 4
850,000 0	0			ļ	Indian and Colonial corporation stocks 553,713 13 2
	- 33,393	.696	8	9	Foreign government and provincial securities 815,605 13 1
Cl. 1 day life maligion admitted		,075	4		Foreign corporation stocks 298,767 19 6
Claims under the policies admired.		,015	-12		Railway and other debentures and debenture stocks and
Balance of bonus under life policies reserved for distribution	90	,902	3	6	gold and sterling bonds 5,942,855 17 0
					Railway preference and guaranteed stocks 1,259,728 3 1
					Freehold ground rents, and Scotch feu duties 4,934,552 13 2
					Leasehold ground rents 8,153 11 11
				1	House property—
					Freehold $£3,583,947$ 17 10
					Leasehold 324,545 12 9 3,908,493 10 7
					Agents' balances 5,867 2 3
	i				Outstanding premiums 292,732 17 3
					Outstanding interest and rents 279,452 16 3
	1				Cash—In hands of superintendents 34,754 13 3
	1				1)o. On deposit, on current accounts, and in hand 216,325 3 2
	£33,487				$£33,487,673\ 16\ 3$

FREDK. SCHOOLING, A. C. THOMPSON, Joint Managers.

D. W. STABLE, Joint Secretaries.

H. A. HARBEN, Chairman.
THOS. C. DEWEY, Directors.
W. E. HORNE,

We report that with the assistance of the Chartered Accountants as stated below we have examined the foregoing accounts and have obtained all the information and explanations that we have required and in our opinion such accounts are correct and the foregoing Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affains according to the best of our information and the explanations given to us and as shown by the books of the Company.

 $\begin{array}{l} \mathrm{PHILIP}\left(\mathrm{SECRETAN}_{t}\right) A \mathit{naitors}, \\ \mathrm{W.~H.~NICHOLLS}, \end{array} \right) A \mathit{naitors}.$ 

We have examined the Cash transactions (receipts and payments) affecting the accounts of the Assets and Investments for the year ended December 31st, 1909, 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, 1909.

DELOITTE, PLENDER, GRIFFITHS & Co., Charterol Accountants.

## PRUDENTIAL

Assurance Company Limited.

DIRECTORS' REPORT

AND

STATEMENT OF ACCOUNTS

At 31st December, 1909.

rinters: SIR JOSEPH CAUSTON & SONS, Limited, Londo