

REPORTS OF ASSURANCE COMPANIES.

Clerical, Medical, and General Life Assurance Society.—*Annual General Meeting, March 2nd, 1854.*—The report stated that the number of new policies issued during the year ending June 30, 1853, was 605. This is the largest number ever granted by the Society in any one year. As compared with 1852, it exhibits an increase of 138; and it is nearly *double* the average number issued during the three preceding years. The sum assured, which also represents the largest amount of business transacted in any single year, was £299,508; being £43,379 in excess of the sum assured in 1852. The new premiums receivable on these assurances amounted to £10,567. The annual income of the Society now reaches £143,159, and the sum laid by during the year was £52,332, which, being added to the previous accumulations, raised the consolidated or business fund (belonging exclusively to the assured) to £922,328.

The directors, anxious to advance the interests of the Society by adopting every improvement which comes recommended to them by the enlarged experience of life assurance, have resolved to issue *whole world policies*, which give the person whose life is assured permission to go at any time to all parts of the globe, on payment of a fixed but moderate rate of premium. They also desire to call the attention of the meeting to another important resolution which they have adopted—viz., that if a person whose life is assured go beyond the limits fixed by the policy without the knowledge of the party interested therein, the interest of such party shall not suffer thereby, provided within fourteen days of the fact becoming known to him, intimation of it be given to the Society, and a corresponding rate of premium paid.

The directors recommended that certain alterations should be made in the deed, by which policies of twelve months' standing should not be affected in case of death by suicide, duelling, or the hands of justice.

The Colonial Life Assurance Company.—*The Seventh Annual General Meeting, held the first day of November, 1853.*—The report stated that during the seventh year of the Company's business, extending from the 25th May, 1852, to the 25th May, 1853 (the period to which the present

report has reference), the directors have received 567 proposals, for assurance of sums to the amount of £311,644. 11s. 6*d.*, and have issued 478 policies, assuring £256,311. 11s. 10*d.*; the difference—that is, 89 policies, for assurance of £55,332. 19s. 8*d.*—having been declined or withdrawn.

The following tabular view shows the business proposed to the Company and actually transacted since its commencement in 1846:—

Date.	Assurances Offered.	Assurances Effected.	Annual Premiums.	No. of Policies.	
	£. s. d.	£. s. d.	£. s. d.		
May 25, 1847	505,855 3 0	102,274 11 0	4,878 8 1	112	
" 1848		160,502 12 0	6,466 11 9	215	
" 1849		129,938 15 0	4,635 10 9	205	
" 1850		204,292 3 0	162,492 8 0	6,734 17 10	241
" 1851		261,417 11 4	184,408 13 7	7,281 1 4	274
" 1852		247,281 1 0	205,111 17 0	8,713 1 8	319
" 1853	311,644 11 6	256,311 11 10	10,455 14 9	478	
	1,530,490 9 10	1,201,040 8 5	49,165 6 2	1844	

The number of deaths and the amount of the sums assured are but a very small proportion of what might have been expected, twelve lives only having fallen, on which assurances had been effected to the amount of £6,649. 15*s.*

The following table exhibits the total claims as they have arisen in each year:—

Date.	No. of Lives Assured.	No. of Deaths.	Amount.
			£. s. d.
First year	112	None
Second "	307	2	870 15 3
Third "	473	6	3,449 19 0
Fourth "	635	3	2,699 19 0
Fifth "	837	7	4,699 18 0
Sixth "	1,089	7	3,249 19 0
Seventh,,	1,474	12	6,649 15 0
	4,927	37	21,620 5 3

It thus appears that thirty-seven deaths only have occurred since the commencement of the business, representing claims to the amount of £21,620. 5*s.* 3*d.*; and to enable the proprietors to form their own estimate of that result, a column has been given, showing the number of lives on the books at the end of each year—4,927 years of life, it will be perceived, have been subject to risk, while the deaths have only averaged three-fourths per cent. on the whole. Some allowance must be made for assurers in their first year having been on the Company's books for a shorter period than a year; but even making every deduction for that consideration, the mortality would not average one per cent.—being about the same extent of mortality as select lives of thirty years would be subject to if all resident in this country under the most favourable circumstances.

Crown Life Assurance Company—Extracts from the Report, 1853.—During the last seven years 1,699 proposals have been submitted to the directors, of which 215 have been declined from prudential motives; 104 were not proceeded with, and 1,380 policies were issued—assuring the sum of £780,415, and producing annual premiums amounting to the sum of £27,079.

The number of policies in force of the ordinary description of assurance is 2,963, assuring the sum £1,940,530. 12s., producing a present annual income of £64,824. 15s. 10d. There are also 80 policies for endowments, immediate, deferred, and survivorship annuities, yielding a further income of £672. 5s. 5d., these making a total of policies in force of 3,043, with a corresponding annual premium of £65,497. 1s. 3d.

The value of every policy has been computed separately by a process involving *only the mathematical or true premium*, and such portion of the charged premium as was originally added to defray expenses, provide profits, and form a precautionary fund to meet adverse contingencies, has been scrupulously reserved to accomplish its intended purpose of affording *protection for the future*. The application of this principle effectually prevents a distribution of profit before it is created, and gives to the assured a reasonable prospect of obtaining proportionate bonuses at future divisions.

It was stated at the last division that the total value of policies in force (independently of the bonus then declared) was about 50 per cent. of the premiums received under such policies; at the present valuation a like ratio between the values of the existing policies and the premiums received under them is observable.

	<i>Assets.</i>	£.	s.	d.
Government securities		196,050	11	4
Mortgages and loans on policies		390,829	2	7
Fractional interest accrued to 25th March		5,835	3	10
Due from agents		6,932	19	3
Deposited at Union Bank, and bankers' balance		20,187	0	8
Value of reassurances and sundries		5,970	1	10
Total assurance fund *		£625,804	19	6
	<i>Liabilities.</i>	£.	s.	d.
Value of policies with additions		503,185	4	7
Claims determined but unpaid		25,264	18	4
Sundry accounts		1,895	5	0
Loan from proprietors' fund		5,200	0	0
Premiums paid but not due		572	15	9
Total liabilities		£536,118	3	8

Comparing these statements, we have—

	£.	s.	d.
Total assets	625,804	19	6
Total liabilities	536,118	3	8
Surplus	£89,686	15	10

From this statement it appears that there is a divisible surplus, after every proper reserve has been made, of £89,686. 15s. 10d. This surplus

* This is exclusive of the proprietors' fund, which is separately invested, and from which alone the dividends to shareholders are derived.

has been divided between the shareholders and the assured in the proportions prescribed by the deed of settlement, giving to the latter reversionary bonuses amounting to £106,008, or $28\frac{1}{2}$ per cent. on the premiums from which it has been derived—viz., those paid within the septennial period under policies of at least three years' standing; while 97 per cent. on the original amount paid on the Company's shares is added to the guarantee fund, furnishing an additional permanent protection to the interests of the assured.

It may be added that, comparing the present amount of the shareholders' fund with the total value of the Company's liabilities, inclusive of the bonus now to be declared, such fund affords to the assured a protection equal to 23 per cent. of the liability, over and above the security afforded by the assurance fund itself.

By a reference to the auditors' report, it will be found that the sum which has now been accumulated for the protection of the assured, and as a fund for future claims, amounts to £626,000, while the income derived from the premium fund alone is nearly £90,000 per annum.

In the course of the last septennial period the country has been visited by two severe epidemics, cholera and influenza, each proving very destructive to human life; but these calamities have not produced, in the experience of the Crown Life Assurance Company, any excess in the rate of mortality, the fact being that the number of deaths which have accrued has been less than might have been expected, according to the Office tables; but, in consequence of the claims having fallen principally upon policies for sums exceeding the average, the total amount of claims exceeds the estimate by about £4,700. This, spread over the amount of claims which have occurred in the period, makes their gross amount $1\frac{1}{2}$ per cent. greater than was estimated.

The bonus now to be allotted will be as under :—

Age at entering.	Sum Assured.	Complete Years Assured.	Annual Premium.	Total Premiums paid.	Bonus.	Per Cent. on Premiums paid.
20	£. 1,000	6	£. s. d. 19 19 2	£. s. d. 139 14 2	£. 61	$43\frac{2}{3}$
30	"	"	25 3 4	176 3 4	66	$37\frac{1}{2}$
40	"	"	32 5 10	226 0 10	66	$29\frac{1}{5}$
50	"	"	44 9 2	311 4 2	79	$25\frac{1}{3}$
60	"	"	63 11 8	445 1 8	98	22
70	"	"	115 3 4	806 3 4	175	$21\frac{2}{3}$

The number of annual premiums which have been received on the policies, in respect to which the present bonus is applied, vary from three to seven; and having regard to the total of them, the amount of the bonus gives an average slightly exceeding £1 per cent. per annum.

The total bonus added to policies effected in the first year of the Company's existence, inclusive of the addition now to be made, varies from £222 to £350 for each £1,000 insured, showing an average annual bonus of rather more than £1 per cent. during the twenty-eight years of the Company's existence, and thus presenting a striking uniformity of success over the whole period.

Equitable Life Assurance Society.—General Cash Account for the Year ending 31st December, 1853.

<i>Dr.</i>	No. of Policies.	Annuities Assured.		Sums Assured.		Cash Received.	
		£	£	£	£	£.	s. d.
Assurances on single lives	127			157,850		5,676	4 6
Gross sum after an assigned time	1			500		17	13 6
Survivorship for continuance	1			1000		26	7 6
Annuity after an assigned time	1	100				15	10 0
Survivorship annuities	2	70				21	14 6
New assurances	132	170	159,350			5,757	10 0
Entrance money						429	1 6
Policy money						273	18 6
Extra premiums for sea risk and residence out of Europe						755	3 6
Commuted premiums						1,723	14 0
Annual premiums on old assurances						210,570	8 6
Forfeits						72	15 0
Dividends on stock						115,650	0 0
Interest on mortgages						142,970	19 0
Interest on Exchequer Bills						1,137	10 0
Cash for stamps rendered useless by reason of the new Stamp Act						325	13 8
						479,666	13 8
Cash repaid which had been lent on mortgage						137,011	2 9
The produce of £20,000 Exchequer Bills sold						20,115	16 8
The produce of £20,000 stock sold out of the 3 per cent. Consolidated Bank Annuities						19,537	10 0
Balance brought from the 31st December, 1852						34,565	5 1
<i>Stock in the Funds.</i>							
£1,875,000 in the 3 per cent. Consols } £3,835,000, Three per Cents.							
£1,960,000 in the 3 per cent. Reduced } £30,000							
Exchequer Bills							
Cash on mortgage (including £1000 secured by the assignment of a claim for that amount by a son of one of the mortgagors), £3,948,433. 15s. 11d.							
						£690,896	8 2
<i>Cr.</i>	Lives.	Policies.			Cash Paid.		
Claims paid on policies included with- in the privileged number of 5000	O.S. 90 N.S. 85	100 102					
			£.	s.	d.	£.	s. d.
	175	202	256,682	16	0		
Claims paid on policies not included in the above number	1	1	1,000	0	0		
	176	203			257,682		10 0
Additions to claims						303,352	18 0
						561,035	8 0
Annuities to claimants			1,071	12	0		
Ditto paid pursuant to orders of the general court			725	0	0		
					1,796		12 0
Income tax—							
On dividends £3,373 2 6							
On interest of mortgages 4,169 18 7							
On interest on Exchequer Bills 33 3 6							
Returns of premiums and forfeits							
Sundry disbursements, viz.—							
General expenses							
Rates and taxes							
			494	10	6		
			243	18	9		
Carried forward			£738	9 3		£570,915	10 1

	Brought forward	£738	9	3	£570,915	10	1
Stamps					416	15	0
Assessor of the City of London for income tax on salaries		142	18	4			
Directors' attendances for the year ending							
5th May, 1853		£2,000	0	0			
Less income tax		58	6	8			
					1,941	13	4
Auditors for the year 1852		126	0	0			
Stationery for the year 1852		82	3	7			
Coal		37	16	0			
Printing for 1852		81	19	6			
Painter's and glazier's work ditto		43	13	8			
Ground rent		67	19	2			
Law charges for the year 1852		173	7	10			
Salaries		2,857	10	0			
					6,710	5	8
Cash paid for surrendered policies—					577,625	15	9
Lives included in 5,000 O.S.	1	Policies	1				
" " N.S.	18	"	23				
	—19	"	—24				
Not included	1		1				
	20		25		8,147	12	0
Cash paid for £26,610 additions surrendered					19,771	7	0
Cash laid out on mortgage					15,000	0	0
£50,000 Exchequer Bills purchased					52,425	0	0
Balance remaining on the 31st December, 1853					17,926	13	5
					£690,896	8	2

London Life Association.—Report presented by the Court of Directors to the Special General Court held on the 23rd November, 1853, for the purpose of considering and approving the Bill presented to Parliament, entitled "A Bill to enable the London Life Association to increase the Amount authorized by their Deed of Settlement to be Assured on a Single Life in the said Society."

"At various times during the last thirteen years the attention of the general court has been called to the subject of assuring a larger sum than £5,000 on a single life, and on each occasion the general court has concurred with the directors in the opinion that it was not then expedient to assure a larger sum.

"Recent events, however, have led the court of directors to reconsider the question. They have observed that in the last session of Parliament several measures were passed by the legislature tending to encourage habits of prudence, and holding out greater inducements to persons to effect assurances than previously existed. This is exemplified in the Act for reducing the Stamps on Life Policies, and in the Income Tax Act, which, with some qualifications, allows the premiums of assurance to be deducted from the amount of income on which the tax is to be assessed.

"These measures, avowedly, have for their object the encouragement of life assurance, and there can be no doubt that they will have that effect; but the measure, more than any other, which may be expected in course of time to lead to an extension of the practice of life assurance, is the Succession Duty Act, which there is reason to think will induce the middle and higher classes more generally to effect assurances by means of which the duty now payable at death under this Act may conveniently be provided for.

“ It appears that the largest sum which by the rules of the Society could be assured on one life in the year 1820, was £4,000, and at that time the total sum assured on all lives was £2,037,000; it now exceeds £6,000,000. The invested capital was then £293,000; it now exceeds £2,400,000. The gross amount of annual income from premiums and interest was £86,400; it now exceeds £310,000. So that, with an increase of nearly £4,000,000 in the amount assured, an increase of more than £2,100,000 in the capital invested, and of more than £220,000 of annual income, the sum assured on one life has been increased only from £4,000 to £5,000. Moreover, the past experience of the Society shows that no undue amount of mortality is to be expected amongst the largest assurers, but on the contrary, that the largest assurers are in general the best lives.

“ The directors are, therefore, of opinion that the time has now arrived when the amount to be assured on a single life may, with safety and advantage to the Society, be extended beyond £5,000, and the directors recommend the general court to authorize them to apply to Parliament for an Act to remove the restrictions contained in the 54th clause of the deed of settlement, so as to enable the Association to effect assurances for more than £5,000 on a single life.”

The clause in the Bill provides that the limit of the sum to be assured shall be from time to time fixed by the general courts, but not to exceed £10,000 on a single life.

London Mutual Life and Guarantee Society.—*Annual General Meeting of the Proprietors, held 7th July, 1852.*—The report stated that between the 1st January and the 31st December, 1851, there were issued by the Society 620 policies, assuring the sum of £92,443, exclusive of annuities, deferred and contingent, amounting to £225 per annum; of these, 513 were for the whole term of life on the terms of a participation in the profits; 10 on joint lives; and 97 for limited periods, deferred annuities, and endowments. The sum of £2,231 has been advanced during the year, by way of loan, to members on approved security; and the gross amount since the commencement has been £5,521. No loss has yet fallen upon the Society in connection with this branch of its business. During the existence of the Society, three policies only have become claims:—in 1851, two claims paid at Swansea and Dursley, £200; in 1852, one in April, £150.

The average age of the assured is $36\frac{3}{10}$ years. The average amount of the policies is £238. 8s. 9d. The average amount of the premiums, £3. 1s. 5d.

The assets of the Society are as follow—

	£.	s.	d.	
Balance at bankers	1,522	15	11	
Cash in office	72	16	1	
				£1,595 12 0
Petty cash in hand				20 0 6
Policy stamps in hand				22 0 6
Loans, balance of amount on loan				2,918 9 5
India bonds at cost				2,080 15 0
Office furniture				543 17 0
				£7,181 13 1

Making a total in assets of £7,181. 13s. 1d. The number of policies issued since the commencement of business in October, 1849, is 1,791,

assuring the sum of £283,828, and yielding an annual income of £9,256. 8s. 8d. Proposals have been received for assurances to the amount of £463,959 during that period. There are existing 1,379 policies, assuring £223,588, and yielding an income of £7,219. 2s. 11d. There have been lapsed policies to the amount of about £1,800, which otherwise would have made a total of £9,000 gross income. The average amount of assurances for the whole period of life is £238. 8s. 9d. The present average age of 351 lives assured in 1849 and 1850, whose policies are now in force, is $38\frac{1}{3}$ years; of 309 lives assured in 1851, the average age is $35\frac{1}{4}$; of 169 assured in 1852, the average age is $34\frac{3}{10}$ years; and the present average of the aggregate number of persons assured for the whole period of life is 828, and their average age is $36\frac{3}{10}$. The progress of the Society will appear from the following statement of the business done:—The amount received in 1849 and 1850, £4,432. 11s. 5d.; in 1851, £5,773. 1s. 8d.; in the six months ending 30th June, 1852, £3,654. 18s. 1d.—being at the rate of £7,300 in the year, which will exceed the business of the corresponding half year in 1851, exclusive of the new proposals that may be expected to come during the current half year, and showing an annual income of £7,219. 2s. 11d.

The lapsed policies bear the following proportion to the total business effected:—22 per cent. on the number of policies, 21 per cent. on the amount assured, 21 per cent. upon the annual income. The amount received upon lapsed policies has been £1,557. 12s. 3d., which, after making every allowance for the expense of medical examinations, policy stamps, and for the time during which each risk was incurred, leaves a profit to the Office of between £400 and £500. In 1851, 618 policies were completed, for £139,242; but between the 1st January and the 30th June, 1852, 317 policies were completed—being at the rate of 634 policies for the year against 618 last year, for £150,526; being an increase of more than £11,282 upon last year.

Marine Life and Casualty Assurance Society.—*Annual Meeting of the Proprietors, 15th February, 1854.*—The report stated that, while for the six months ending December 31st, 1852, premiums to the extent of about £3,000 were received, the succeeding twelve months have increased that amount by a sum little short of £11,000.

The chairman, in moving the adoption of the report, said that the objects of the promoters of the Society were being gradually accomplished, and seafaring men were becoming alive to the necessity of securing support to themselves and to their families in time of need and danger. During the last year 1,000 of that class had insured in the Office for sums varying from £20 to £1,000, or had taken out annuities for from £10 to £50, either for themselves or as annuities for their wives and for the education of their children.

A sum of £300 was then voted for the past services of the directors, and a like sum for the current year.