

PHOENIX ASSURANCE COMPANY

LIMITED

Report of the Directors for the Year Ending 31st December, 1911

The Directors have the pleasure of submitting their Report on the business of the Company for the year ending 31st December, 1911, the 130th year of the Company's existence, together with the Revenue Accounts and Balance Sheets duly audited.

FIRE DEPARTMENT.

The Fire premiums received, after deducting reinsurances, amounted to \$6,992,280, and the losses paid and outstanding to \$3,845,655, or 55 per cent. of the premiums. The expenses and commission together amounted to \$2,691,555, being 38.5 per cent. of the premiums. A profit is shewn in this department of \$495,070, which with the receipts for interest of \$288,465 make a total of \$743,535 to be carried to profit and loss.

LIFE DEPARTMENT.

During the year 2,220 Life policies were issued, assuring \$7,780,345, with new premiums of \$326,415. Re-assurances were effected with other companies for \$1,620,000 at premiums of \$54,170. The net new assurances were thus \$6,160,345, and the net new premium income \$272,245, including \$51,965 of single premiums.

Claims for the aggregate sum of \$2,254,360 arose by the death of 563 persons assured under 682 policies, and a further sum of \$590,725 was paid in respect of endowment assurances matured. The amount paid in claims was within the expectation. Forty-one annuitants in receipt of \$17,435 per annum, died during the year.

The income of this department for the year was \$5,987,475 and the outgoings were \$4,371,360. The Life assurance funds were thus increased by \$1,616,115, and at the close of the year stood at \$51,814,930. The rate of interest calculated upon the average funds of the year was 3.95 per cent. after deduction of income tax.

QUINQUENNIAL VALUATION.

The Quinquennial Valuation of the "British Empire Fund" was made as at the close of the year on the same strict bases as on the last occasion, and in accordance with clause 10 of the First Schedule of the Pelican and British Empire Life Office Act, 1903, the Directors declared the sum of \$1,476,845 as the amount of the surplus to be divided among policyholders of the Fund entitled to participate. Bonus allotments have accordingly been made in respect of all participating policies.

The amount divided is considerably larger than on the previous occasion.

PROFIT AND LOSS ACCOUNT.

The operations of the year resulted in a total trading profit from Fire, Accident and Marine Accounts of \$634,845 being passed to profit and loss, in addition to \$736,980 for interest. The shareholders' portion of the Life Profits for the five years 1906-1910 further increased the available balance. A sum of \$949,150, representing the value of the free assets acquired with the "Union Marine," also appears in the account.

After payment of the interest on the Debenture Stocks and dividends in 1911, a balance remains out of which the Directors have resolved to carry \$875,000 to the Fire General Reserve, making the amount thereof \$5,500,000, \$572,560 to the Marine Fund, making the amount thereof \$2,500,000, and \$125,000 to outstanding accounts. This will leave \$1,416,740 to be carried to the credit of next year's account.

The Directors now recommend payment of a total dividend for the year 1911 of \$8.75 per share (equal to 35 per cent. on the paid-up capital), subject to income-tax. After deduction of the interim dividend paid on the 1st November last, there remains to be paid a balance of \$5 per share, subject to income-tax, upon the 84,571 shares forming the capital of the Company, which will absorb \$398,190.