

ALLIANCE ASSURANCE CO. (Continued.)

2. To apportion the balance between the members and the participating policyholders in the proportion of one-fifth and four-fifths. The share of the members accordingly will be £55,000, and the share of the participating policyholders £220,000.

It has been ascertained that the amount to which the "Provincial" group of policies is entitled, by virtue of the agreement entered into, will admit of a bonus of £1 10s. per cent., on the sum assured in respect of each year since the last allotment, and that the shares of the Alliance and of the "Royal Farmers" groups of policies will admit of bonuses at the same rates as those allotted after the valuation for the quinquennial term ending with the year 1888.

The necessary provision has been made for interim bonuses and for giving effect to the new regulations of the Company as regards the method and date of distribution in respect of Alliance policies effected on or before the 31st Dec., 1893.

Leasehold and Investment Policies Account.—A sum of £4,132 1s. 10d. in premiums and £382 7s. 11d. in interest (less income tax) was received on this account in the year, and the amount of the accumulated fund at the close of the year was £10,610 8s. 10d.

Fire Account.—In the report on the fire account for the year 1892, reference was made to the numerous fires which had occurred at certain sections of the Company's home business, resulting in a loss ratio of 4 per cent. in excess of the average losses of the Company. There was, unfortunately, no abatement in fires in 1893, and the Directors have to report, for the first time for many years in the history of the Company, that the fire account shows but a nominal profit over and above the interest earned on investments.

The premium income for the year is £532,769 11s. 4d.

The fire claims amount to £65 9s. 5d. per cent. of the premiums and the expenses, including commission, to £33 14s. 9d. per cent.

The growth of expenditure, especially in the shape of commission, in recent years, has been an unfavorable feature in fire insurance business, but by concerted action on the part of the offices a check has been applied to an evil which had attained serious dimensions.

Another feature having an unfavorable effect on the business has been the downward course of premiums on certain classes of risks, which were already inadequately rated and yielding no profit to the companies undertaking them.

Although increased expenditure and drooping premiums have proved important factors in the diminution of profits, it is to the phenomenally numerous and heavy losses by fire that the unsatisfactory result of last year's account is mainly due. There was a continuous epidemic of fires lasting for nearly twelve months. The fires were not confined to any particular class of risk or to any particular district or country, but they were almost universal.

While regretting the smallness of the profit on the Company's fire account, the Directors are of opinion, based on past experience, that the year just closed may be regarded as an exceptional year, and there is already evidence of such improvement to the condition of the business generally that they are justified in anticipating a return of the prosperity which the Company has for so many years enjoyed.

Dividend on the Share Capital.—The Directors have resolved on paying the same dividend as in the year 1893, namely, £100,000, being 8s. per share on the paid-up capital of £550,000 in equal half-yearly instalments, the first instalment to be paid on and after the 10th April next, and the second instalment to be paid on and after the 10th October next.

The dividend will absorb £55,000, being the members' share of the profit on the life account and £45,000 of the amount standing on profit and loss account, leaving £4,199 1s. 10d. to be carried forward, and leaving the fire insurance fund intact at the sum of £717,128 19s 11d.

REVENUE ACCOUNT.

NO. 1.—LIFE ASSURANCE ACCOUNT.

	£	s.	d.		£	s.	d.
Amount of fund at beginning of year.....	2,271,237	8	9	Claims.....	177,141	3	9
Premiums.....	216,608	19	4	Surrenders.....	12,297	2	1
Consideration for annuities.....	11,293	14	3	Cash bonuses..	1,900	13	3
Interest, less tax	93,298	8	5	Annuities.....	2,878	2	4
Registrat'n fees.	108	0	0	Commission...	13,654	13	5
				Expenses.....	14,276	14	1
				Bad debts.....	Nil.		
				Fund at end of year.....	2,370,398	1	10
	<u>£2,592,548</u>	<u>10</u>	<u>9</u>		<u>£2,592,548</u>	<u>10</u>	<u>9</u>

NO. 2.—FIRE ACCOUNT.

	£	s.	d.		£	s.	d.
Amount of fund at beginning of year.....	717,128	19	11	Losses by fire..	348,814	15	9
Premiums.....	532,769	11	4	Commission...	74,760	0	7
Interest, less income tax....	28,750	4	11	Expenses.....	102,320	5	4
				Bad debts.....	114	5	0
				Income tax....	2,545	0	5
				To profit and loss account..	32,965	9	2
				Fund at end of year.....	717,128	19	11
	<u>£1,278,048</u>	<u>10</u>	<u>2</u>		<u>£1,278,048</u>	<u>10</u>	<u>2</u>

NO. 3.—LEASEHOLD AND INVESTMENT POLICIES ACCOUNT.

	£	s.	d.		£	s.	d.
Fund at beginning of year....	6,228	13	6	Commission....	132	14	5
Premiums.....	4,132	1	10	Fund at end of year.....	10,610	8	10
Interest, less income tax.....	382	7	11				
	<u>£10,743</u>	<u>3</u>	<u>3</u>		<u>£10,743</u>	<u>3</u>	<u>3</u>

NO. 4.—PROFIT AND LOSS ACCOUNT.

	£	s.	d.		£	s.	d.
Bal. of 1892 acct. 100,000 0 0				Dividend.....	100,000	0	0
Inter. on capital and profit and loss account, less tax.....	23,235	17	5	Payment for good-will of business acquired.....	7,002	4	9
Transfer'd from fire account..	32,965	9	2	Balance.....	49,199	1	10
	<u>£156,201</u>	<u>6</u>	<u>7</u>		<u>£156,201</u>	<u>6</u>	<u>7</u>

GENERAL BALANCE SHEET.

LIABILITIES.

	£	s.	d.
Capital, £5,000,000, of which is paid up.....	550,000	0	0
Life assurance fund.....	2,370,398	1	10
Fire insurance fund.....	717,128	19	11
Leasehold and investment policies fund.....	10,610	8	10
Profit and loss account.....	49,199	1	10
Claims under life policies admitted but not yet paid.....	15,773	8	0
Ditto announced but not yet proved.....	27,260	12	6
Outstanding fire losses.....	43,034	0	6
Outstanding dividends.....	72,810	7	2
Accrued commission and expenses.....	269	0	0
	<u>119,708</u>	<u>1</u>	<u>4</u>
	<u>£3,817,044</u>	<u>13</u>	<u>9</u>

ASSETS.

	£	s.	d.
Mortgages within United Kingdom.....	470,132	11	6
Mortgages out of United Kingdom.....	106,430	19	9
Loans on the Company's life policies.....	94,453	5	3
Investments—			
British Government securities.....	74,236	9	9
Colonial Government securities.....	116,818	15	6
Foreign Government securities.....	115,590	9	0
Railway and other deb. and stocks...	667,965	10	5
Railway stocks and shares (preference and ordinary).....	69,106	19	0
Bank of England stock.....	62,000	0	0
7,474 Alliance Assurance Company shares.	67,266	0	0
New River Company's shares.....	131,872	17	7
Suez Canal shares.....	9,000	0	0
Gas company's stock.....	30,000	0	0
House property.....	316,317	19	11
Landed property and ground rents.....	8,150	0	0
Reversion.....	4,572	15	1
Loans on security of rates and property...	532,440	14	3
Loans on security of rent charges.....	322,875	18	0
Loans and debentures, stocks, charges, etc.	204,607	10	9
Deposits with sundry banks.....	53,676	15	1
Loans on personal security.....	38,009	10	9
Agents' balances, and due from other offices...	112,367	16	3
Outstanding premiums.....	9,474	7	6