

BRITISH EMPIRE MUTUAL LIFE ASSURANCE COMPANY.

The fifty-first annual meeting of this company was held on Tuesday, 5th April, at Canon Street Hotel, E.C., under the presidency of the Right Hon. Sir John Gorst, M.P., chairman of the company.

Mr. G. H. Ryan general manager and actuary having read the notice convening the meeting, the directors' report and statement of accounts, as follows, were taken as read:—

REPORT.

The directors have much pleasure in submitting to the members their fifty-first annual report on the progress of the company's business.

NEW BUSINESS.

During the year, 1,444 proposals were received for the assurance of \$4,843,949 06. The policies issued were 1,185 in number, assuring \$3,464,774.67, at carrying premiums of \$139,687.83.

Re-assurances were effected with other companies for \$605,466.87, at premiums of \$21,807.53.

Immediate annuities, 22 in number, were granted for \$11,319.87 per annum, the consideration money received being \$105,431.40.

REVENUE FROM PREMIUMS AND INTEREST.

The total premium income for the year was \$1,354,061.47, after deduction of re-assurance payments. The revenue from interest was \$495,086.40, being at the rate of 3.90 per cent. (after deducting Income Tax), calculated upon the average funds of the year, invested and uninvested.

DEATH CLAIMS AND EXPENDITURES

The death claims, though in excess of those of the preceding year, were much below the estimate, and a considerable profit arose from the favorable mortality experienced by the lives assured. 404 deaths occurred by reason of which 453 policies terminated, assuring \$750,985 07, inclusive of reversionary bonus.

Seven annuitants in receipt of \$1,204.33 per annum, also died during the year.

The disbursements on account of commission and management expenses include the cost of the periodical valuation and distribution of bonus, but show a reduced percentage on the premium receipts.

As a result of the distribution of profits, the sum of \$135,709.56 was paid to members as cash bonus.

In addition to the usual outgoings, there was a further expenditure on account of the purchase of the business of the Positive and the liquidation of that company.

TOTAL FUNDS AND POLICIES IN FORCE.

At the close of the year the total funds amounted to \$13,000,877.98, showing an increase of \$591,158.91 as a result of the operations of the year, notwithstanding the large sum paid away in cash bonuses. The policies in force were 25,688 in number, assuring \$43,486,674.27, including bonus additions (after deduction of re-assurances); and 161 securing annuities of \$69,369.47 per annum.

AUDIT OF ACCOUNTS.

The audit has been continuous and of a very strict character, and was, as usual, conducted by the professional accountants appointed by the members.

Although it was determined last year that, in dealing with the transferred contracts issued by the Positive Company in India, the course adopted by that company of treating the rupee as the equivalent of 2s. sterling on both the debit and credit sides of the account should be continued, yet all items of revenue and expenditure in connection with the Indian policies of the British Empire are brought into account at the current rate of exchange; and arrangements are in course of being completed by which new policies will be issued in lieu of existing positive contracts, such policies (though issued in currency) being dealt with in the accounts in sterling, on the basis of the current rate of exchange.

DIRECTORS AND OFFICERS.

The directors retiring by rotation are the Right Hon. Sir John Gorst, M.P., Mr. Pearson Hill, and Sir W. H. Wills, Bart., M.P. The retiring auditor is Mr. Henry Spain, F.C.A. All these gentlemen are eligible, and offer themselves for re-election.

The very satisfactory bonus recently distributed among the members cannot but have increased the popularity of the company, and the directors appeal with confidence to the mem-

bers and others interested in the welfare of the company to assist them in bringing the great advantages of mutual life assurance under the notice of persons not already, or not adequately, insured. Members may be reminded that the next division of profits will take place early in 1900.

By order of the Board,
G. H. RYAN,
General Manager.

22nd March, 1898.

FIRST SCHEDULE.

REVENUE ACCOUNT OF THE BRITISH EMPIRE MUTUAL LIFE ASSURANCE COMPANY FOR THE YEAR ENDING 31ST DECEMBER, 1897.

Amount of funds at the beginning of the year.....	\$12,409,719 07
Premiums (less re-assurances)...	1,354,061 47
Consideration for annuities....	105,431 40
Interest (less tax)	495,086 40
Fines and fees	686 71
Profit and loss.....	356 77
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	\$14,365,341 82
Claims.....	\$750,989 47
Endowments matured	87,559 53
Surrenders	77,839 25
Annuities	53,226 93
Commission	71,676 81
Expenses of management	167,272 40
Cash bonus.....	135,709 56
Bonus deduction of premiums	9,775 53
Re transfer of positive business (payments to shareholders, legal and other costs).....	10,414 36
Amount of funds at the end of the year (as per second schedule).....	13,000,877 98
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	\$14,365,341 82

SECOND SCHEDULE.

BALANCE SHEET OF THE BRITISH EMPIRE MUTUAL LIFE ASSURANCE COMPANY ON THE 31ST DECEMBER, 1897.

Liabilities.	
Assurance fund \$12,745,671 22	
Reserve fund... 255,206 76	
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	\$13,000,877 98
Claims admitted or announced..	198,377 40
Outstanding accounts	13,443 63
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	\$13,212,699 01
Assets.	
Mortgages on property within the United Kingdom.....	\$1,789 274 33
Mortgages on property out of the United Kingdom	1,119,657 62
Loans on reversions	580,181 55
Loans on life interests	1,514,346 13
Loans on the company's policies and on positive notes ...	772,646 32
Loans on personal security (with life policies and other collateral securities)	489,679 66
Investments:—	
Indian Government securities	1,596,328 35
Colonial Government securities	383,527 40
Municipal securities	59,981 66
Foreign Government securities	66,989 66
Railway debentures and debenture stock	1,576,460 80
Railway stock and other stocks (preference and ordinary)	702,045 86
House property and land....	900,261 77
Ground rents	439,141 84
Reversions	319,820 20
Life interests	8,352 32
Furniture and fixtures at head office and branches	10,903 85
Agents' balances	79,709 82
Outstanding premiums (payable in January)	218,856 07
Outstanding interest.....	49,075 10
Accrued interest.....	133,444 04
Cash:—On deposit.....	236,821 71
In hand and on current account	165,792 95
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	\$13,212,699 01

As regards Indian business taken over from the Positive Company, the rupee is retained on both the debit and credit sides of the account at 2s.

Audited and found correct.

HENRY SPAIN, F.C.A.,
CHARLES JAMES FOX, F.C.A., } Auditors.

22nd March, 1898.

F. H. JEUNE, } Directors.
W. H. WILLS, }
G. H. RYAN, }
General Manager.

The Chairman said—Gentlemen, it is now my duty to move that the report and accounts be received and adopted. I have on this occasion very little to say, and that little is entirely of a satisfactory character. Generally, the society has made good and steady progress in all material particulars. In the case of new business, there has been not so great an addition in the year 1897 as there was in 1896 but the difference is not very serious. In 1896 the new business was £792,000, and in 1897 it was £712,000 in round numbers. The year 1896 was a particularly good one for insurance companies, but 1897 was not quite so good. Our position is not singular. Almost all the great insurance companies had a falling off in new business in the year of which I am speaking, attributable to a variety of causes. Most people say that it was due to the Jubilee, and that people were so taken up with loyalty to Her Majesty, and there were such long holidays in connection with that auspicious event, that they did not pay as much attention to the more prosaic duties of assuring their lives and thinking of the future as they do in ordinary years. But the premium revenue, shows an increase. The premium revenue, which was £275,000 at the close of the year 1896, was, at the close of 1897, £278,000, a small but satisfactory increase. The rate of interest which was obtained by the company on the invested funds again shows a slight decline. It averaged £3 18s. 10d. per cent. in the former year, and £3 18s. in the latter year, a decline of 10d per cent. That is a decline which members of the society must expect. I do not think there is any probability of the directors being able, with a due regard to the safety of their investments, to keep up even the present rate of interest. The rate of interest is steadily falling all over the world, and if we were to keep it up to the amount at which it stood some years ago, we should be risking your funds, and that would be a matter which, as trustees, we could not possibly entertain. (Hear, hear.) We must recognize and accept the gradual diminution of the rate of interest which we are able to get for our investments. There was again a satisfactory mortality—not quite so satisfactory as in the year 1896, but still very much below the average, and that, of course, is to the interest of the policy-holders. Then, with regard to the expenses, which is the item in your balance sheet upon which the directors are most able to operate, and which ought to be watched by the members of the society with the greatest possible care, there has again been a slight diminution. They were 17.75 in 1896 and 17.64 per cent. in 1897, and that notwithstanding the fact that the greater part of the cost of the valuation fell upon the latter year. If it had not been the valuation year, the expenses would have shown a very considerable diminution, and I hope, if I am here at the meeting next year, that I shall then be able—thanks to the unremitting attention of our actuary, Mr. Ryan—to announce a considerable diminution of the expense at which our business is carried on. (Hear, hear.) The invested funds have increased from £2,549,000 to £2,671,000. The increase of the invested funds is not quite so great as it was in the year 1896, but still they have increased by a very satisfactory amount. Then the balance sheet announces that all our Indian accounts of the British Empire Mutual will henceforth be kept practically in sterling. I think I explained to you last year that when we took over the business of the Positive, we found that they had adopted the plan which other insurance companies adopt, of treating the rupee as the equivalent of 2s. on both sides of their account, but as the credit account is greater than the debit account, of course that caused a slight apparent expansion of our funds. We did not think it right to make a change in the case of the accounts of the company which we took over, and therefore we continued that practice, which is the common practice of companies doing business in India; but since we took over the Positive all our accounts have been kept in sterling, and as we are going to substitute British Empire Mutual policies for Positive policies, the whole of the accounts will come, in process of time, to be kept in sterling, which we think will be a better method of accounting. The bonus distribution took place in