

The Standard Life Assurance Co'y

ANNUAL REPORT, 1902.

The Seventy-sixth Annual General Meeting of the Company was held at Edinburgh, on Tuesday, 22nd day of April, 1902, Sir James King, of Campsie, Bart., LL.D. in the chair.

RESULTS COMMUNICATED IN THE REPORT.

Amount Proposed for Assurance during the year 1901 (5,109 Proposals) \$ 12,915,970

Amount of Assurances Accepted during the year 1901, and for which 4,446 Policies were issued. \$ 10,191,500

Premiums on New Policies issued. \$ 443,330

Purchase Price of 172 New Annuities. \$ 540,500

Claims during the year 1901—

(1.) By Death, under 1,023 Policies, inclusive of Bonus Additions. \$ 3,159,535

(2.) Under Matured Endowments and Endowment Assurances—132 Policies, inclusive of Bonus Additions. \$ 277,075

Total Claims. \$ 3,427,610

The Subsisting Assurances as at 15th November, 1901, amounted to. \$131,259,390

the number of existing Policies being 54,030.

The Annual Revenue for the year ending 15th November, 1901, amounted to. \$ 6,568,975

of which £910,069 was derived from Premiums, and £403,726 from Interest on Investments.

The Accumulated Funds and other Assets, as shown on the Balance Sheet, amounted to. \$ 51,508,765

being an increase during the year of. \$ 1,791,315

EXTRACTS FROM THE REPORT.

The history of the Company during the year, it will thus be seen, has been one of steady progress. The New Sum Assured, though not so numerous or for so large an aggregate amount as in 1900, still for the fourth year in succession exceed \$10,000,000, and there is every prospect that this annual total will continue to be maintained in future years. In all other respects the Report is a favourable one.

The Claims by Death have been very moderate, and are less by \$625,000 than the amount reported last year. The death rate continues to be well within the tables on which the Company's calculations are based, and the sums paid for losses through the War have again been comparatively light.

The Claims by Survivance are somewhat in excess of those of the previous year, and in view of the larger proportionate amount being assured year by year upon the Endowment plan, the payments under this head cannot but go on increasing, in fulfilment of the Company's obligations, and with satisfaction both to the Office and to the Beneficiaries under the Policies.

The considerable addition of \$1,791,315 has during the year been made to the aggregate Funds, which now exceed Fifty Million Dollars, as exhibited in the Balance Sheet, and at the same time a gratifying increase is shown in the average return from the Funds, including unproductive Balances.

The investment of the Funds continues to receive the anxious attention of the Board, and they are glad to report that during the year they have experienced no difficulty in placing the money at their disposal in Securities of a high class at profitable rates.

The Branch Offices at home and abroad also come under their constant supervision, and while the Company enjoys a very full amount of confidence and popularity with the best classes of the assuring public within the United Kingdom, the Directors are satisfied that the business from the Agencies in India, the British Colonies, and other places abroad, in all of which the Company is very favourably known, is on the whole of an equally profitable character, both as regards the Life Assurance business which they contribute, and the outlet for safe and remunerative invest-

ment of the funds which in some cases they afford. The Company's expenditure is carefully supervised, but the cost of a world-wide business is necessarily larger than that of a Company confining its operations to the United Kingdom, and comparisons of expense ratios between the two classes of Offices are necessarily fallacious.

During the year new tables of rates have been introduced into the prospectus to meet the requirements of certain classes of assurers, and some of the rules have been relaxed in favour of the Company's policyholders.

In moving the adoption of the Report, the Chairman said: "I beg to move the adoption of the Report, and in doing so would congratulate the Proprietors on a successful year's business, notwithstanding the somewhat unsettled or depressed conditions of trade that have prevailed throughout the world, owing to the War in South Africa and other causes."

"Everywhere at home, and even more so at some of the Agencies abroad, a great and increasing and sometimes unscrupulous competition is experienced in Life Assurance business, but the Standard Company, I am glad to say, owing to its good name, handed down as a valuable heirloom and maintained untarnished throughout the seventy-seven years of its existence, its undoubted stability, its popular conditions, its readiness to meet all legitimate demands for new plans of Assurance, and the substantial benefits it has conferred upon its policyholders in the past, finds no difficulty in holding its own in public estimation."

"The Agencies at home and abroad are under constant supervision, and the development of those more recently established in foreign countries is watched with special care—but the Board receive very great assistance from the local representatives and Boards in directing these contributory streams, whereby their duties and weight of responsibility are much lightened; and, speaking for my colleagues and myself, I feel that it is only right to make this public acknowledgment of valuable services so liberally given, and of the friendly interest in the Company's welfare from which they proceed. During the year the Branch Office in South Africa has been practically suspended as regards new assurances, the Board not caring to encourage even such business as might have been got throughout the troubled times which have prevailed. The Directors are now, however, considering plans for the future development of the Branch, and as soon as the War is over they hope to re-open on new lines suited to the altered conditions of the country, and to secure thereby a fair share of the best class of business."

"In India, the fixing of the value of the Rupee has brought additional competitors into the field with rates in some cases on an entirely empirical basis. The mortality experience of the Standard Company is being brought out up to the latest date, and the Directors hope to be able to make some reduction on the Indian rates of premium, but they cannot go further than is actually justified by facts."

"The Report has referred to the important duty falling upon the Directors of safeguarding the large and increasing Funds of the Company, which now for the first time exceed the round sum of Fifty Million Dollars, and they are glad to find that, after the strict re-valuation which was made on occasion of the investigation last year, the average yield in interest received on this large total, some of it unproductive, has increased by no less than 1s. 10d. per cent, viz. from £3 19s. 5d. to £4 1s. 3d. per cent."

"The conditions of Assurance are being constantly revised, and but little further can be done in the way of simplification or concession; but one or two alterations have been made during the year in this direction, the most important being the abolition of all fines for delay in payment of premiums within the time specified by the Company's rules, interest alone now being chargeable for the period in arrear."

"Since the last general meeting, the Company's new office has been completed, and is now in full occupation, and the Proprietors cannot fail to be satisfied with the simplicity and beauty, as well as the suitability of the design, while the interior arrangements are all that could be desired."

"I have only further to add that the new year, since the close of the books for 1901, has opened well, and that every endeavour will be made to ensure a favourable report of good work accomplished when it comes to a conclusion."

The adoption of the Report was unanimously approved of. Mr. William J. Dundas, C.S., Mr. John R. Boyson and the Right Hon. A. Graham Murray, M.P., Lord Advocate, were re-elected Members of the Board.

By order of the Board of Directors,

SPENCER C. THOMSON.

Manager.

Edinburgh, 3 George Street,
April, 1902.