

Life Association of Scotland.

ABSTRACT of Report by the Directors to the 32nd ANNUAL MEETING of the Association, held at Edinburgh on 31st October, 1871, Sir Archibald Hope, Bart., in the Chair.

The progress and results of the business during the year up to the date of the Accounts now submitted, have been altogether satisfactory. The new Assurance transactions have fully reached the large average of many years past, and the Mortality, on the other hand, has been less than usual. The Annuity business also has been added to by a number of new transactions. The following are the principal details:—

NEW ASSURANCES were proposed to the number of 1873, for.....	£842,530	0	0	Stg.
Of these were Accepted and Completed 1535, for.....	645,148	0	0	"
The ANNUAL PREMIUMS on these Policies are.....	20,946	9	1	"
37 LIFE ANNUITIES were purchased at the price of.....	15,697	10	9	"
225 Deaths occurred amongst the Assured, occasioning Claims under 266 Policies, for (less Re-Assured).....	109,467	16	3	"
8 ANNUITANTS, cancelling Annuities for..... per annum	375	10	10	"
17,895 LIFE ASSURANCE POLICIES were in force at the date of Balance, for (less Re-Assurances).....	7,259,051	3	3	"
838 LIFE ANNUITIES were in force for..... per annum	14,744	6	6	"

ACCOUNTS.

THE STATEMENTS of the ACCOUNTS now submitted are in the forms prescribed by the "Life Assurance Companies Act," passed since last General Meeting of the Association. Having been anxious unreservedly and as soon as possible, to comply with that Act, the Directors thought it well to anticipate the information to be laid before this Meeting, in so far as to deposit with the Board of Trade, in July last, the "Revenue Account" and "Balance Sheet" as at 5th April, in the form of Schedules 1 and 5 of the Act. Printed copies were also freely distributed among those interested in the Association. These Statements are appended to this Report, and show that—

The Total Income of the Association during the year was.....	£806,715	0	3	Stg.
After all outgoings, including payment of £36,804 in Cash Bonuses to the A Policy holders, and deducting all unpaid liabilities, there was added to the Funds a sum of.....	100,185	18	5	"
The Total Funds, deducting every unpaid liability were.....	13,825,409	1	7	"

VALUATIONS OF LIABILITIES.

The Abstracts of the Valuations of the Association's Liabilities have been made up, like the Statements of the Accounts, closely in accordance with the forms in which they must be deposited with the Board of Trade. They will be published along with the Statements of every Life Office in the Kingdom, in such full detail as that any Actuary, if so disposed, will be able to check the calculations for himself. Notwithstanding the publicity thus to be given to details, which have hitherto been only placed on the table at the annual meetings, the Directors have found no reason to make any change in the Tables or principles on which the Valuations have hitherto been conducted, and they have the fullest conviction that the Statements will bear the strictest scrutiny, whether as regards the Valuations themselves, or the amount of Surplus arising since the preceding investigation.

The Tables of Mortality used by the Association were furnished, at almost the commencement of their business, by the late Mr. Griffith Davies, and stated at the time to have been deduced from the experience of some of the principal London Life Offices. They show, in fact, a Mortality somewhat less than that of the Equitable Society's Experience published by Mr. Davies in 1825. The rate of interest used by the Association has been always 3½ per cent. for Life Assurances. The Annuities have been valued by the same Mortality Tables at 4 per cent. interest. The calculations were made in the first place, as usual, by the Manager and his assistants; and not only have they been checked and verified by Professor Kelland, of the Edinburgh University, one of the Directors, who has taken an interest in the Valuations from the commencement of the Institution,—but they have been submitted to and certified also by the Auditor of the Association's Accounts—Mr. William Wood, Chartered Accountant and Actuary. The results are fully exhibited by the annexed Summary of the Valuations and "Valuation Balance-Sheet," both in the forms required by the Act. As on former occasions, the whole margin over and above the net Premiums has been left unvalued. This margin is shown by the "Summary of the Valuations" to be equivalent in present money to so much as £656,300, and is reserved to meet the expense and form part of the Surplus in future years.

MORTALITY.

As stated in the first part of this Report, the Claims by death during last year amongst the assured were £109,467 16s. 2d, under 266 Policies. This is less than the expected amount by 42 Claims for £18,681, thus:

EXPECTED CLAIMS.....	958 for	£128,148
ACTUAL CLAIMS.....	266 for	109,467

The following Table shows the number of Deaths occasioned by the several classes of disease during the four years since 1867. The Directors regret to state that, although they have continued to exclude with the utmost vigilance all persons not perfectly temperate, the fatal diseases in not a few cases, and without distinction of country, originated in or were aggravated by intemperance.

ABSTRACT OF THE CAUSES OF DEATH DURING FOUR YEARS.

62 of Diseases of Brain and Nervous System.	23 of Cancer and other Malignant Diseases.
131 " Respiratory Organs.	6 of Gout and Rheumatism.
103 " Heart and Vessels.	44 of Fevers and Contagious Diseases.
115 " Liver, Stomach, and Bowels.	13 of Other Diseases.
135 " Kidneys and Urinary Organs.	41 of Accidents and such like.
25 of Exhaustion, Debility, and Decay.	
	810 Total from all causes.

The Directors have continued to bestow the utmost care in the management of every department of the institution, and in the manner best fitted to secure the confidence of the Policy Holders and the Public; not straining after a great excess of business by lavish expenditure or incautious admissions of Lives, but seeking rather to maintain the high position the Association has held for so long a period, as a large Life Office, conducted on sound and prudent, as well as liberal principles. They have had most valuable assistance from the gentlemen who have undertaken the Directorate at the several Branches, and to them the most cordial thanks of the meeting, as well as of Directors, are due.

(Signed),

ARCH. HOPE, Chairman.

For detailed Balance Sheets and pamphlets containing full particulars referred to in the above Abstract, the public are invited to call at any of the Society's Agencies throughout the Dominion.

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