

PHOENIX ASSURANCE COMPANY,

LIMITED.

REPORT OF THE DIRECTORS

For the Year Ending 31st December, 1910.

The Directors have the pleasure of submitting their Report on the business of the Company for the year ending 31st December, 1910, the 129th year of the Company's existence, together with the Revenue Accounts and Balance Sheets duly audited.

FIRE DEPARTMENT.

The Fire premiums received, after deducting re-insurances, amounted to **\$7,050,000**, and the losses paid and outstanding to **\$3,505,045**, or **49.7** per cent. of the premiums. The expenses and commission together amounted to **\$2,702,615**, being **38.3** per cent. of the premiums. A profit is shown in this department of **\$842,145**, which with the receipts for interest of **\$268,360** makes a total of **\$1,110,505** to be carried to profit and loss.

LIFE DEPARTMENT.

During the year, 1,881 Life policies were issued, assuring **\$9,070,370**, with new premiums of **\$380,415**. Re-assurances were effected with other companies for **\$2,313,530** at premiums of **\$96,065**. The net new assurances were thus **\$6,756,840**, and the net new premium income **\$284,350**, including **\$30,585** of single premiums.

Claims for the aggregate sum of **\$3,005,360** arose by the death of 592 persons assured under 759 policies, and a further sum of **\$504,590** was paid in respect of endowment assurances matured. The amount paid in claims was within the expectation. Thirty-seven annuitants in receipt of **\$14,195** per annum, died during the year.

The income of this department for the year was **\$5,843,325** and the outgoings were **\$5,145,290**. The Life assurance funds were thus increased by **\$698,035**, and at the close of the year stood at **\$50,198,820**. The rate of interest calculated upon the average funds of the year was **3.96** per cent. after deduction of income tax.

QUINQUENNIAL VALUATION.

The actuarial valuation of the liabilities under the Company's life assurance and annuity contracts as at 31st December, 1910, has been made on the same basis as on the last occasion, namely, the OM table for assurances and the OA table for annuities, at 3 per cent. interest, by the net premium method.

In the participating fund the divisible surplus is **\$837,375** and belongs to the policyholders. The Directors have declared a Reversionary Bonus addition to participating policies with full bonus rights, in force at the 31st December last, of **\$17** per **\$1,000** assured for each complete year's premium paid in respect of the quinquennium. This rate represents an addition of **\$85** per **\$1,000** assured for the five years and is applicable to whole life and endowment assurances. Under the Company's scheme of bonus policies at minimum premiums, bonus to the extent of **\$10** per annum per **\$1,000** assured has already been discounted, and the balance of **\$7** per annum per **\$1,000** assured or **\$35** per **\$1,000** assured for the quinquennium now becomes a vested reversionary bonus addition to such policies.

Additional or interim bonuses for each year's

premium paid in respect of the current quinquennium have also been declared as follows:—

- (1) Under endowment assurance policies maturing by survivorship before the close of the year 1915:
 - (a) Full bonus policies **\$17** per **\$1,000** assured.
 - (b) Minimum premium policies **\$7** per **\$1,000** assured.
- (2) Under whole life and endowment assurances becoming claims by death before the close of the year 1915:
 - (a) Full bonus policies **\$12.50** per **\$1,000** assured.
 - (b) Minimum premium policies **\$2.50** per **\$1,000** assured.

In the survivors' bonus fund the divisible surplus amounts to **\$53,190**, equal to twenty-five per cent. of the tabular premiums received in the quinquennium on policies existing on the 31st December, 1910. This surplus which belongs to the policyholders will be applied to provide contingent reversionary bonus additions under the conditions of the fund.

An additional or interim bonus in this fund, for each year's premium paid in respect of the current quinquennium, has also been declared as follows:—

Under policies maturing by survivorship before the close of the year 1915, at the rate of twenty-five per cent. of the tabular premiums.

It is a matter of satisfaction to the Directors that both in the participating and the survivors' bonus funds, the bonuses now declared are upon a higher scale than at the last distribution.

In the non-participating fund the divisible surplus amounts to **\$260,000**, and belongs to the shareholders.

PROFIT AND LOSS ACCOUNT.

The operations of the year resulted in an amount standing to the credit of profit and loss, including **\$1,110,505** transferred from the Fire account and **\$354,515** interest not carried to other accounts, of **\$2,035,225**. From this sum the Directors have set aside **\$625,000** as an addition to the Fire general reserve, increasing that reserve to **\$1,625,000**. This leaves an available balance in profit and loss of **1,410,225**, and the shareholders' profits from the Life department for the past five years, amounting to **\$260,000**, as before mentioned, will be duly credited to profit and loss in the current year.

The Directors now recommend payment of a total dividend for the year 1910 of **\$8.75** per share (equal to 35 per cent. on the paid-up capital), subject to income-tax. After deduction of 50c. for income-tax and **\$3**, the net interim dividend paid on the 1st November last, there remains to be paid a net balance of **\$5.25** per share upon the **76,396** shares forming the capital of the Company, which will absorb **\$401,080**. For the past four years the dividend has been at the rate of **\$7.50** per share, free of tax. The profits contributed by the Life department as stated above are sufficient to maintain the increase in the dividend during the current quinquennium. The Directors recommend that future dividends be declared subject to deduction of income tax.