Alliance Assurance Company, Limited

EXCERPTS FROM REPORT

For the Year 1902, submitted to the Shareholders at the ANNUAL GENERAL COURT, held at the Head Office of the Company, in Bartholomew Lane, in the City of London, on WEDNESDAY, the 8th day of April, at 12 o'clock at noon.

FIRE ACCOUNT.

The net Fire Premium Income (which does not include premiums in respect of the closed accounts) amounted to £929,990 1s. 4d. for the year, and the losses paid and outstanding to £435,360 2s. 0d. This sum includes the losses incurred in 1902 (except the losses on the closed accounts) under IMPERIAL Policies in force on the 1st January in that year, whether the Premiums on such Policies were brought into the 1902 Account, or had been included in the IMPERIAL Account before the transfer to the ALLIANCE.

After deducting irrecoverable Agency balances (£481 10s. 0d.), Commission and Expenses of Management amounting to £181,214 6s. 1d., there remained an Underwriting Profit of £170,315 17s. 5d. on the account, to which has to be added Interest (less income tax) on the Capital, Fire Insurance Fund and Profit and Loss Account, making a total profit of £296,889 13s. 6d. for the year.

The Fire Losses amounted to £46 16s. 3d. per cent. of the net premiums; the Expenses of Management, including Commission and irrecoverable Agency balances, to £34 17s. 6d. per cent., leaving an Underwriting Profit of £18 6s. 3d. per cent.

The Fire Insurance Fund (including £1,262,772 9s. 0d. transferred from the IMPERIAL FIRE OFFICE) amounted to £2,126,164 13s. 11d., and the balance of Profit and Loss Account to £374,849 1s. 10d.

FUNDS.

The Funds of the Company on the 31st December, 1902, as per General Balance Sheet, stood as follows:—

Paid-up Capital..			£ 765,625 0 0
Life Assurance Fund..			3,754,830 15 5
Annuity Fund..			557,909 15 11
Imperial Life Assurance Fund..			£2,460,832 15 10
Leasehold, Investment and General Fund			267,003 1 8
Fire Insurance Fund			2,126,164 13 11
Special Reserve for Unexpired Risks on closed Imperial Fire Accounts			70,000 0 0
Profit and Loss Account..			374,849 1 10
			£10,377,215 4 7
Reserved for outstanding Life Claims.. .. .. £	83,861 5 7		
Reserved for outstanding Fire Claims	115,565 19 4		
Reserved for outstanding Dividends	705 0 0		
Reserved for outstanding Accrued Expenses and Commission....	26,508 8 8		
Reserved for outstanding Bills Payable	3,223 15 4		
Re-Assurance Premiums Unpaid..	1,266 0 11		
Interest Paid in Advance	1,445 18 11		
Prems. Paid in Advance.	793 15 0		
Outstanding Accid't. Claims	200 9 4		
Sundry Creditors	8,680 11 2		
			242,251 4 3
Total..			£10,619,466 8 10

DIVIDEND ON SHARE CAPITAL.

The Directors have resolved on declaring a Dividend of £186,250 for the year 1903, being 8s. per share on 465,625 Shares.

An Interim Dividend of 4s. per share was paid on the 5th January last, and a further 4s. per share will be payable on and after the 4th July next.

After deducting the amount of Dividend declared for 1903, there will remain on Profit and Loss Account a balance of £188,599 1s. 10d. to be carried forward.

FIRE ACCOUNT.

	£ s. d.	£ s. d.
Amount of Fire Insurance Fund at the beginning of the year..	863,392 4 11	
Transferred from Imperial Fire Purchase Account..	1,262,772 9 0	
		2,126,164 13 11
Premiums received after deduction of re-insurance Premiums ..		929,990 1 4
Interest and Dividends on Investments.. ..	100,419 8 3	
Less Income Tax..	5,230 4 4	
		95,189 3 11
		£3,151,343 19 2

	£ s. d.	£ s. d.
Losses by Fire, less recoveries under re-insurances..		435,360 2 0
Expenses of Management		180,732 16 1
Commission		143,009 15 10
Bad Debts..		481 10 0
Underwriting Profit on the Year's Account..	170,315 17 5	
Interest (less Income Tax) on Fire Insurance Fund	95,189 3 11	
Transferred to Profit and Loss Account..		265,505 1 4
Amount of Fire Insurance Fund at the end of the Year, as per Balance Sheet No. 3..		*2,126,164 13 11
		£3,151,343 19 2

*The amount required to cover unexpired risks at the end of the year, calculated at 40 per cent. of the year's premium income is £372,000, which is less than the amount required on the same basis to cover unexpired risks at the beginning of the year.