

CORRESPONDENCE

28 ST. ANDREW SQUARE,
EDINBURGH, 2. 19th June 1962.

The Editor,
T.F.A.

Dear Sir,

We refer to a paper entitled "The Investment Policy of Life Assurance Offices" given by the late Mr. A. C. Murray which appeared in *T.F.A.* Vol. 16. On page 263 of this volume Mr. Murray gave the percentages invested in various classes of security of ten life offices and it has been our practice to keep this up to date year by year. Unfortunately last year this was not done and we have pleasure now in sending you this table with the figures as at 31st December 1960 and 1961 and with comparative figures as at 31st December 1959.

We should mention that there have been two changes in the basis of these tables.

- (1) Previously the percentages were calculated on the total assets. In 1961 this has been altered. Percentages have been calculated on the total funds, that is after deducting from the assets the various current liabilities.
- (2) The number of classes has been reduced because certain offices recently have altered the layout of their balance sheets and eliminated some of the classes formerly included in our list.

We trust this information will be of interest to your readers.

Yours faithfully,

W. F. ELGIN

PERCENTAGE OF TOTAL ASSETS OF TEN LIFE OFFICES
INVESTED IN DIFFERENT CLASSES OF SECURITIES

	31 Dec. 1961	31 Dec. 1960	31 Dec. 1959
1. British Government Securities	26.9	26.9	25.3
2. Commonwealth (other than U.K.) Government Securities	0.9	0.7	0.8
3. Commonwealth (other than U.K.) Provincial Securities	0.0	0.0	0.0
4. Commonwealth (other than U.K.) Municipal Securities	0.0	0.0	0.0
5. Foreign Municipal Securities	0.0	0.0	0.0
6. Foreign Government and Provincial Securities	0.2	0.2	0.2
7. Debenture and Debenture Stocks	12.9	12.5	13.0
8. Preference and Guaranteed Stocks and Shares	6.7	7.2	8.2
9. Ordinary Stock and Shares	28.5	27.5	27.4
10. Loans on Rates Municipal County Securities and Public Boards U.K.	2.5	2.8	2.8
11. Life Interests and Reversions and Loans thereon, Loans on Stocks and Shares, Loans on Personal Security	1.2	1.4	1.6
12. Loans on Policies within their surrender value	2.1	2.1	2.1
13. Mortgages (U.K. and outwith U.K.)	11.4	10.5	10.5
14. Rent Charges, Freehold and Leasehold ground rents etc., House Property	5.7	5.4	5.6
15. Cash, deposits and bank balances	0.4	0.6	0.4
16. Miscellaneous	0.6	2.2	2.1
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>