

THE NATIONAL ALLIANCE,

TEMPLE COURT, NEW YORK.

OFFICERS.

H. M. MUNSELL, PRESIDENT.

J. S. BYINGTON, VICE-PRESIDENT. A. C. HUNT, SECRETARY.
H. G. LYTTLE, M. D., MEDICAL DIRECTOR. D. A. WHITEHEAD, ASST. SEC'Y.
GEN. THOS. EWING, (of Ewing & Southard,) COUNSEL. GEO. S. HUNT, CASHIER.

DIRECTORS.

ORSON ADAMS, Esq.,
Pres. Commercial Nat. Bank, New York.
THOMAS C. LONG, Esq.,
Of the Dime Savings Bank, Brooklyn, N. Y.
COL. E. DELEVAN WOODRUFF,
President Logan Silk Mills, Auburn, N. Y.
HENRY E. SIMMONS, Esq.,
Vice-Pres. Amer. Invest. Co., 150 Nassau St., N. Y.
A. C. HUNT, Secretary.
J. S. BYINGTON, Vice-Pres.

GEN. BENJ. F. TRACY,
Secretary of the Navy, Washington, D. C.
CHAS. KENDALL ADAMS, LL.D.,
Pres. Cornell University, Ithaca, New York.
JOHN LEBOUTILLIER, Esq.,
LeBoutillier Bros., Dry Goods, 50 W. 23d St., N. Y.
HENRY LYLURN, Esq.,
Sec. Del. Mut. Safety Ins. Co. (Fire & Mar.)
(Phila., Pa.)
H. M. MUNSELL, President.
H. G. LYTTLE, M. D., New York.

STATEMENT OF THE PRESIDENT.

NEW YORK, February 20, 1889.

To the Directors and other Members of The National Alliance:—

GENTLEMEN: The National Alliance issued its first policy in November, 1885, and each year has shown a handsome increase in its business. The mortality, according to the American Experience Table, on the total average amount of business in force from date of organization to January 1, 1889, should have been \$262,620. The mortality actually experienced by our Company to January 1st, 1889, was only \$117,500, a saving of \$145,120; resulting, we believe, from the high standard established for the admission of members at its organization, which has been rigidly maintained. This very low death rate has enabled the management to make prompt payment of all claims, to provide for the Reserve Fund, and to make material reductions of the Bi-Monthly Mortuary Premiums from time to time. The cost of carrying a policy in The National Alliance for the past three years we believe has been much lower than in any life insurance company ever organized, considering the volume of business in force. The same amount of life insurance at the same average age *would* have cost our policy-holders under the Level Premium (Old Line) system \$602,552.

The year just closed has been one of political strife almost unprecedented in the history of our country, diverting the attention of our citizens for a considerable time from their regular business. The year has nevertheless been one of prosperity in the steady increase of our membership, as well as in the continued low death rate and correspondingly low cost of insurance furnished. We congratulate our members upon the sound financial condition of the Company at the beginning of the current year, and its continued prosperity.

At the last Annual Meeting we reported 2,748 policies in force, covering \$11,142,000. insurance.

January 1st, 1889, the Company had in force 3,474 policies, covering \$13,540,500 insurance, an increase of \$2,398,500, a net gain of over 21 per cent., which, we believe, is a larger percentage of increase than was experienced by any other life insurance company during 1888.

The total amount paid to beneficiaries since the organization of the company on account of death losses to December 31, 1888, was but \$117,500, which is as gratifying to the management as it must be to the policy-holders.

The expense of conducting the business of The National Alliance has been kept down to the lowest possible point consistent with efficient management.

The average cost of The National Alliance since its organization on each \$1,000. of insurance in force has been more than fifty (50) per cent. less than in the leading level premium (Old Line) companies.

It is our aim to make The National Alliance the leading life insurance company of this country by furnishing its policy-holders insurance at the lowest possible cost. In proof of this we point with pride to our past record, and guarantee our patrons the same careful management in future.

We closed the year 1888 without a death claim unpaid, and without a contested loss.

Respectfully yours, H. M. MUNSELL, President.

FOURTH ANNUAL STATEMENT
OF
THE NATIONAL ALLIANCE,
OF NEW YORK,
FOR THE YEAR ENDING DECEMBER 31, 1888.

Home Office, Temple Court, New York.

STATEMENT OF THE RESERVE FUND, MORTUARY FUND AND EXPENSE FUND ACCOUNTS, JANUARY 1st, 1888.

In Reserve Fund.....	\$16,998.10	
In Mortuary Fund.....	24,198.74	
In Expense Account.....	3,374.14	
Total balance on hand Jan. 1st, 1888...		\$44,570.98

INCOME, 1888.

Mortuary Premiums.....	\$161,315.41	
Reduction on Account of Surplus.....	53,771.80	
Net Mortuary Premiums Received		\$107,543.61
Membership Fees.....	25,219.00	
Annual Expense Premiums.....	34,696.99	
Interest.....	410.56	
From other sources.....	6,490.97	
Advances to Agents Repaid.....	769.02	
Fees for Alterations in Policies.....	10.00	
Medical Examination Fees	3,537.00	178,677.15
Total.....		\$223,248.13

DISBURSEMENTS, 1888.

Death Losses Paid.....	\$92,500.00	
Premiums Returned to Members.....	608.16	
Total amount paid to members.....		93,108.16
Commissions Paid to General, Local and Special Agents.....	41,277.70	
Traveling of General, Special and Local Agents.....	763.31	
Salaries of Office Employees.....	6,641.68	
Rent of Home and Branch Offices.....	2,370.04	
Taxes and State Licenses.....	508.00	
Advanced to Agents to be paid out of Future Commissions.....	3,390.80	
Advertising and Printing.....	4,018.46	
Postage, Express, Telegrams and Exchange.....	1,698.52	
General Expense of Home and Branch Offices.....	4,079.29	
Commissions Paid or Allowed for Collecting Mortuary Premiums, including adjustment of losses.	4,118.72	
Medical Examination Fees.....	3,537.00	165,511.68
Balance to New Account.....		\$57,736.45

ASSETS.

RESERVE FUND ACCOUNT.

Cash and Bonds on Deposit in the Central Trust Company of New York.....	\$16,011.11	
Loan on Bond and Mortgage.....	2,000.00	
On Deposit with the Commercial National Bank of New York, Pending Investment.....	15,683.47	
On Deposit with the Eleventh Ward Bank of New York, Pending Investment.....	10,599.98	\$44,294.56

MORTUARY FUND ACCOUNT.

Cash in Bank	5,440.72	
Cash on Hand in Home Office.....	4,027.78	
Mortuary Premiums in Process of Collection (\$28,450 since paid).....	34,252.69	\$43,721.14

EXPENSE FUND ACCOUNT.

Agents' Ledger Balances Fully Secured.....	3,390.80	
Cash in Bank (Expense Account).....	582.64	3,973.44
Total Assets January 1st, 1889.....		\$91,989.14

Death Claims Unpaid—None.

Death Claims Resisted—None.

Amount of New Insurance Written in 1888..... \$5,153,500

Total Amount of Insurance in Force January 1st, 1889..... 18,540,500

H. M. MUNSELL, *President.*
A. C. HUNT, *Secretary.*

We have made a careful examination of the books and accounts of The National Alliance, and find that the Annual Statement as above, of the condition of the Company as of December 31, 1888, is correct.

(Signed,) H. E. SIMMONS, } Committee
THOMAS C. LONG, } on
HENRY LYLURN. } Accounts.

NEW YORK, February 20, 1889.

RECAPITULATION.

Average Amount of Insurance in Force During 1888.....	\$12,341,250.00	
At a Level Premium (Old Line) Rate this amount of Insurance would have cost our members.....	386,281.12	
Actual Cost in The National Alliance, 1888.....	171,006.60	
Difference in Cost actually saved to the members of The National Alliance in 1888.....		\$215,274.52

Had the Company collected from its Policy-holders the full premiums that would have been exacted by the Level Premium (Old Line) Companies, there would have been an overcharge of \$215,274.52, as shown above. This unnecessary tax has been saved to our Policy-holders by insuring in The National Alliance. The rates of The National Alliance average over forty-five per cent. (45%) lower than the rates charged by the old style companies; they have, however, been found more than sufficient for the payment of current losses, and the accumulation of an adequate Reserve Fund, to provide for unexpected or unforeseen contingencies, and the Company has been able to make large reductions of the bi-monthly premiums from time to time, as surplus has accrued.

SYNOPSIS OF THE REPORT
OF THE
EXECUTIVE COMMITTEE OF THE NATIONAL ALLIANCE.
1889.

OFFICE OF
THE NATIONAL ALLIANCE.

NEW YORK, Feb. 20th, 1889.

To the Directors and Members of The National Alliance:

In submitting the Fourth Annual Statement, the Executive Committee of the Board of Directors respectfully call your attention to the large increase of business during the year ending December 31st, 1888.

The amount of new insurance written and accepted in 1888 on new and carefully selected lives, is something in which we may all feel a just and honorable pride. There can be no better evidence of the prosperity of a life insurance company than a steady and healthy increase in number of policy-holders, and amount at risk.

The National Alliance issued its first policy November 7th, 1885, and while the business has been conservatively prosecuted, its progress has been substantial, as the following record will show:

NUMBER OF POLICIES AND AMOUNT OF INSURANCE IN FORCE.

	NUMBER.	AMOUNT.
January 1st, 1886.....	236	\$1,856,500.
1887.....	1,698	6,972,000.
1888.....	2,748	11,142,000.
1889.....	3,474	13,540,500.

The losses for 1888 were but \$77,000, instead of \$120,818.39, as was to be expected by the American Experience Tables of Mortality. The table premium rates of The National Alliance (six full bi-monthly mortuary calls) are equal to the Mortality Table, with 33½ per cent. added for the Reserve Fund. The full number of Mortuary Premiums were not required during 1888, and but 66½ per cent. of the same was collected, the reduction being \$53,771.80, which was equal to a dividend of 33½ per cent.

These results were not reached by what some people call "good luck," but through the co-operation of an active, observing and intelligent corps of Agents and Medical Examiners in the field, and an able Medical Director at the Home Office.

OUR SYSTEM.

If the amounts collected for the Mortuary and Reserve Fund are in excess of the actual requirements for the payment of death claims and the Reserve Fund, *such excess constitutes surplus*, and the practice of the Company has always been to make periodical reductions of the current premiums, thus adjusting the annual cost to the actual experience as we go along. The management however believes that full and ample provision should be made for all contingencies by the accumulation of a reasonable surplus. The reduction of premiums for 1889 will not therefore be as large as in 1888; but we feel confident that the cost for 1889 will be lower than in any other Life Insurance Company, while the position of the Company will be greatly strengthened by an increase of its resources. We also feel confident that the members will concur with the views of the Board of Directors, as stated above, because it is so manifestly advantageous to all the members to have security rather than very low cost a chief consideration. Insurance without security has no merit. Our members may therefore rest assured that the management will always make reductions of current premiums when the Executive Committee deem it safe to do so.

HENRY E. SIMMONS.	}	<i>Executive Committee.</i>
JOHN LE BOUTILLIER.		
H. M. MUNSELL,		
A. C. HUNT.		
B. F. TRACY.		