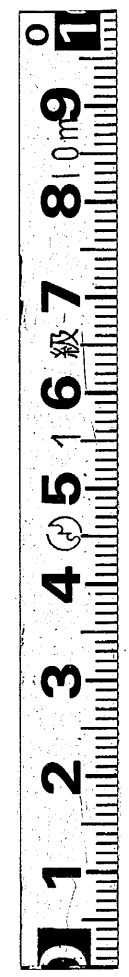


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A
 SHORT TREATISE
 ON THE
 Improvement of Money,
 AND THE
 PRACTICE
 OF
 ANNUITIES.



LONDON;
 M,DCC,LXXIII.

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Short Treatise, &c.

THE IMPROVEMENT OF MONEY, and the laying the same out to advantage, being the object of every sensible man, the following short treatise may not be unworthy attention. It is to be observed, that annuities on the life of another person, and not on a person's own life, is a method not new; but as it is not generally understood, has induced the Author to set forth shortly the advantages arising from such purchases, and also to shew how it is customary to insure the principal sum so laid out.

It is first to be observed, that persons who are tenants for life, or who have an income, annuity, or preferment for life, can only raise a sum of money by grants for and during their own lives, and which is now every day's practice.

The securities are generally land, dividends of stock, payments at the Accountant-general's office, rents of houses, ground-rents, exchequer-annuities, dower-estates, livings, annuities by will,

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shares

shares in the Chelsea water-works, and other valuable securities. These and such like are the proper securities for purchasers to obtain, and a reasonable price will be seven years purchase. For example, A, a tenant for life, having settled all his estates on marriage, is desirous of raising 700l. and in order to accomplish such design, proposes to grant an annuity of 100l. per ann. for and during the term of his natural life. B purchases the same, and, having done so, must either insure the life of A, or may purchase seven annuities of equal value, on seven different lives, agreeable to the subsequent class-scheme; which will, it is presumed, save so much money from the insurers, and be an indemnification from loss by death. But, first, respecting the insurance of a life, where an adventurer has only one single annuity:

The offices for insurance of lives are, the Amicable, in Serjeant's Inn, and the Equitable, in Nicholas-lane, Lombard-street. The former is by charter of Queen Anne, of the 25th of July, 1706. Formerly, with this society, after paying the charges of the policy, and 10s. entrance, each person was to pay 6l. 4s. per ann. which annual payments have since, by the increase of the society's stock, been reduced to 5l. a year, payable quarterly. The persons insured must be between the ages of twelve and forty-five. Any person may have two or three several insurances (or numbers) on

on one and the same life, whereby such person will be intitled to a claim on each number so insured; and each claim, for which 5l. per ann. is paid, intitles the insurer, at the death of the person insured, to the neat sum of 150l. But, from a state of the yearly dividends from Lady-day 1710, to Lady-day 1772, it will appear that greatly more than 150l. has been paid, particularly in the year 1760, when 260l. 5s. 3d. was paid on each number, or policy; and, in the year 1766, 210l. 4s. It is to be observed the first purchase of each number costs 7l. 10s. and the yearly contribution, as before observed, is 5l.

The Equitable Society for insuring lives is of much greater extent; for there one life may be insured in the sum of 1500l. and a life may be insured for one single year, for seven years, or for the whole life; as also, a life may be insured from eight years of age, to the age of 67. I should be more particular in treating of this society, but that a small treatise given at their office gives a full account, and also contains tables for every age; and, indeed, enough has been said by the ingenious Dr. Price, in his excellent book, to recommend this society to public favour.

The class-scheme of annuities, annexed to this little treatise, will shew the value of sellers lives annuities from 10 to 100l. per ann. But it may not

not here be improper to observe, that a commission is expected to be paid by every purchaser of annuities, after the rate of ten guineas for every hundred per annum, and so in proportion to the value.

To demonstrate further the advantage of purchasing these kinds of annuities, it will be necessary to observe, that a person, whose income is small, may, by the advance of 700l. greatly add to the comforts of life, and that too without sinking the principal so advanced, which many would deem a robbery, when they reflect on the family, relations, and dependants they leave behind them. An annuity purchased in this way must remain as long as the granter lives, which may be many years after the purchaser; and, should his death happen in the purchaser's life-time, the principal is returned on the policies at the Amicable or the Equitable Assurance. Let us examine still nearer, and prove what is the neat annual profit of an annuity of 100l. per annum, purchased on a life of 30 years of age, and insured at the Equitable. The insurance of 700l. with this society, on a life of 30 will be done, according to their tables, for the whole life, at 3l. 16s. 8d. per cent. which will amount for 700l. to 15l. 6s. 8d. per annum. The clear annuity then will be, during the life, 84l. 13s. 4d. What a difference is this to a person who perhaps has not more than twice 700l. in the world, and on a mortgage cannot, in all probability, obtain more than

than 4l. per cent. making 56l. a year, instead of 169l. 6s. 8d.

Ladies, with small sums of money, must see their interest in engaging in this scheme of annuities. Parents too may provide for daughters in this way, so as, with a small sum, to make life comfortable. Suppose 350l. be laid out on a seller's life of 40 years of age, it will buy 50l. per annum. The insurance of 350l. on a life of 40, with the Equitable Society, will be done, on an engagement for the whole life, at or about 4l. 17s. 9d. per cent. and which will amount to 17l. 2s. 1½d. per annum. The neat annuity then, after the annual payment for insurance, will be 32l. 17s. 10½d. The sum of 350l. therefore so appropriated, will make an income for a single person to live upon, which, in any other way applied, will hardly be sufficient to preserve him from starving. Let us see what the sum of 350l. will probably produce, in the other method, on a person's own life. Sixteen years purchase will at least be expected, on a proper security, for an age of 40. An annuity purchased at this calculation will not produce much more than 22l. per annum, and, observe, the principal is sunk for ever; whereas, on a seller's life, without sinking the principal, it will produce you 32l. 17s. 10½d.

Having briefly shewn the advantages arising to purchasers of annuities on sellers lives, where one

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single annuity is bought, and consequently where insurance is necessary, I will now make mention of the class-scheme of annuities, where annuities on seven different lives are bought: and it is manifest, by this scheme, all the sums paid to the insurers may be saved. The first proposition, in the class-scheme is, that a purchaser, who would wish to lay out the sum of 490l. should, instead of laying the whole out on a single life, buy, on seven different lives, an annuity of 10l. per annum; each annuity would cost him 70l.; seven annuities, of 10l. each would be 70l. per annum, and every year would be an indemnification and insurance against a loss.

The second class would be to purchase seven annuities, of 20l. each, on seven different lives; the whole would amount to 980l. and each annuity 140l. the very sum per annum the whole would amount to.

Third class, seven annuities, of 30l. 210l. the purchase of each annuity; 1470l. the sum required for purchase of the seven, and which would amount to 210l. per annum.

Fourth class, annuities of 40l. on seven lives, at 280l. the purchase of each annuity; 1960l. the whole purchase; the annual income 280l.

Fifth

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Fifth class, seven annuities of 50l. each, each purchase 350l. the whole 2450l. the annual income 350l.

Sixth class, seven annuities, of 60l. each, at 420l. each purchase; the whole seven at 2940l. the annual income 490l.

Seventh class, seven annuities, of 70l. each, on seven lives; 490l. each purchase; 3430l. the whole purchase; and 490l. per annum.

Eighth class, annuities on seven lives, of 80l. each; 560l. each single annuity; 3920l. the whole purchase; and the annual income 560l.

Ninth class, annuities of 90l. each, on seven different lives; each annuity 630l. the whole purchase 4410l. the annual income 630l.

Tenth class, seven annuities of 100l. each; the purchase of each single annuity 700l. the whole 4900l. and the annual income 700l.

Having sufficiently demonstrated the nature and advantage of annuities purchased on the sellers lives, it is necessary to add, that the utmost diligence is exerted to procure these annuities, and though the expence attending the procuring them is very great, yet the purchaser is at no further expence

pence than before mentioned, viz. ten guineas for every annuity of 100l. and so in proportion.

The securities are selected with uncommon care and are ever submitted, as well as the conveyances, to the inspection of any counsel the purchaser fixes upon. The mode of securing them is obvious, nor can any title be more clear than that of a tenant for life. It arises from settlement on marriage, from charges in wills, and by an infinite variety of circumstances; but no annuity is taken notice of, that cannot be secured by apparent property, and usual entry, and distress in default of payment, or by some approved, safe, and plain method.

Such as would chuse to be a purchaser of any annuity, of less or greater value, or desire to pursue the class-scheme, may apply by letter, or in person, to Mr. PIGOTT, in JAMES-STREET, WESTMINSTER, near the Queen's Palace, No. 17, and who, on notice, will attend the Nobility, or others, if requested, at their own houses.

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WHEREAS it has been a maxim with divers of the Nobility, to grant annuities for purchasers lives, and to purchase on the lives of sellers, (a measure infallible to attain wealth by) Mr. PIGOTT will assist such as incline to pursue it now; and also, where estates are in mortgage, he will, by a method of annuities peculiar to himself, extricate such estates; also point out methods, according to the circumstances of each man's affairs, for the immediate retrenching of their expences, and retrieving them.

Money, from the variety of business in which he is engaged, may at all times be had

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by applying to him in JAMES-STREET; and he will not only supply the necessary sum which a gentleman's affairs may make it expedient for him to raise, but he will likewise, by a commendable zeal and attention, regulate and retrieve them.

Mortgages are also to be had of him for any sum of money; and he has continual instructions for the purchase of estates, as well as annuities, for the lives of purchasers.

The many correspondents that apply to Mr. PICOTT, for securities, must manifest to the world the facility with which he can supply money, and the mutual convenience through him arising to the purchaser and the seller. Mr. PICOTT will minute down every application, whether to borrow or advance, and from 50l. to any amount.