

MINUTES OF THE 109TH MEETING OF THE BOARD OF DIRECTORS

RECTORS	HELD AT	ON	TIME
UTE BOOK	Karachi	Wednesday, 9th September, 1992	11.00 a.m.

In pursuance of the notice dated 3rd September, 1992, a meeting (109th) of State Life's Board of Directors was held on the 9th September, 1992, at 11.00 a.m. in the Board Room of the Corporation's Principal Office.

2. The following attended:

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| 1. | Mr. Abdul Karim Lodhi, | Chairman |
| 2. | Sayed Muzafar Ali Shah, | Director |
| 3. | Mr. Nazier Ahmed Jajvi, | Director |
| 4. | Mr. S.Z.H. Jafri, | Director |
| 5. | Mr. M. Hafiz Malik, | Director |

3. Mr. Iqbal Mueen, Director could not attend the meeting.

4. Mr. Sameeul Hasan, Consulting Actuary attended the meeting on special invitation.

5. Mr. M. Afzal Mirza, Secretary Board of Directors was present.

6. The following business was transacted:

ITEM NO. 1: CONFIRMATION OF THE MINUTES OF LAST MEETING (108TH) OF THE BOARD OF DIRECTORS HELD ON 24.12.1991.

7. The above minutes of the meeting were confirmed. The Chairman regretted the long gap after the last meeting. The participants did note the discussions on business operations in the below mentioned meetings of the Executive Committee; and during the Executive Directors' meetings, every Tuesday.

ITEM NO. 2: NOTING AND RATIFYING THE MINUTES OF:

- (i) 159th meeting of the Executive Committee held on 4.2.1992.
- (ii) 160th meeting of the Executive Committee held on 1.4.1992.
- (iii) 161st meeting of the Executive Committee held on 26.5.1992.
- (iv) 162nd meeting of the Executive Committee held on 12.8.1992.
- (v) 163rd (Emergent) meeting of the Executive Committee held on 25.8.1992.

8. The Board noted the minutes of the above meetings. Item-VII of 163rd (Emergent) meeting regarding filling up of two vacant posts and creation of three new posts of General Managers was reviewed. It was decided that till final approval by the competent authority, the incumbents be designated as officiating General Managers. The orders be amended accordingly.

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ITEM NO. 3: CONFIRMATION OF THE DECISION ALREADY TAKEN IN CIRCULATION FOR ADDITIONAL BUDGET ON ACCOUNT OF (A) SHIFTING OF LAHORE G&P OFFICE AND (B) PURCHASE OF ITEMS FOR NEW FMD TRAINING CENTRES. (General Manager(B&A)'s Memorandum dated 4.8.1992)

9. The Board ratified the decision already taken on the above memorandum in circulation on 26.8.1992, approving the additional capital budget of Rs.35,93,000/- as detailed below:

(a) For relocation of G&P Offices ..	Rs.11,67,000.00
(b) For FMD Centres	Rs.24,26,000.00
Total amount:	Rs.35,93,000.00
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ITEM NO. 4: APPOINTMENT OF AUDITORS FOR AUDIT OF STATE LIFE ACCOUNT FOR THE YEAR 1991 IN U. A. E. (Finance Division's Memorandum No.1/92 dated 2.2.92)

10. While considering the above memorandum Chairman brought up the suggestion by State Life's Dubai Auditors Messrs Sajjad Haider & Company that M/s Fakhar Majeed Shah Rahman, Chartered Accountants be also engaged by the Corporation, to co-ordinate with Messrs Sajjad Haider and Company. Mr. Nazier Ahmed Jajvi informed that as a matter of rotation auditors are changed after every three years. However, we have been changing auditors after five years. The Board observed that the auditors can even be changed within their tenure. The appointment of M/s Fakhar Majeed Shah Rahman, Chartered Accountants could be considered next year in place of any one of the existing auditors at Karachi, for the Corporation's accounts.

11. The Board approved the appointment of M/s Sajjad Haider & Company for the audit of State Life Accounts for the year 1991 in U.A.E., on the same terms and conditions as for the previous year i.e. at audit fee of DH.12000/- plus DH.2000/- as out of pocket expenses.

ITEM NO. 5: PAYMENT TO PESHAWAR CANTONMENT BOARD FOR SEWERAGE AND DRAINAGE SYSTEM OF STATE LIFE BUILDING - PESHAWAR. (Real Estate Division's Memorandum dated 13.2.1992) (for information)

12. The above memorandum was submitted to the Board for information that the additional payment, as approved by the Chairman on the relevant file, has since been made to the Peshawar Cantonment Board. Mr. Nazier Ahmed Jajvi observed that the exact amount paid was not clear in the memorandum. General Manager(RE) was called who undertook to give the exact figure after consulting the relevant papers.


ITEM NO. 6: INCREASE IN RENT OF OFFICE SPACE IN STATE LIFE BUILDINGS OCCUPIED BY STATE LIFE'S ZONAL OFFICES. (Real Estate Division's Memorandum No.2/92 dated 28.4.92)

13. The proposal was ratified and it was enjoined by the Board that rent so charged for State Life properties should not exceed the rent prevailing in the market, in the relevant locality.

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	<p>ITEM NO. 7: <u>INCREASE IN SUBSCRIBED, CALLED AND PAID-UP CAPITAL OF THE CORPORATION.</u> (Finance Division's Memorandum No.3/92 dated 14.5.92)</p> <p>14. The Board accorded approval to increase the subscribed, called and paid-up capital to Rs.75 million, as contained in the memo.</p> <p>ITEM NO. 8: <u>CONSTRUCTION OF A MULTI - STOREYED CAR - PARK BUILDING IN STATE LIFE BUILDING COMPLEX (NO.2) KARACHI.</u> (Real Estate Division's memorandum No.4/92 dated 14.7.92)</p> <p>15. The Board discussed the proposal in the light of the Commerce Minister's directions contained in a letter regarding stoppage of construction in Karachi. The Board advised Sayed Uzafar Ali Shah, Executive Director(PHS) to write a letter to the Minister explaining the need for construction of the proposed building for improvement of State Life's Building No.2, an important asset let out to prestigious clients and to State Life's own Karachi Zone. The Board, however, decided to hold the construction of the proposed multi-storeyed car park building, but to proceed with planning work on the ground floor of SLB-2.</p> <p>ITEM NO. 9: <u>STATE LIFE'S ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1991.</u> (Executive Director(Finance) Memorandum No.5/92 dated 7.9.1992)</p> <p>16. The Board approved State Life's Annual Accounts for the year 1991, with the following observations:-</p> <ol style="list-style-type: none"> 1) The closing of 1991 accounts was extraordinarily delayed. The accounts could have been closed by 30th June, 1992, if the business was closed in time. It was decided to firmly close the 1992 business on the 31st December, 1992. The Board instructed that all concerned should understand that this decision is irrevocable. Also that the 1992 business be accordingly concluded, and the Accounts for 1992, be finalised positively by the 30th June, 1993, failing which the officers concerned of all relevant Divisions be penalised. 2) Increase in FYP by ^{11.9%}19.4% in 1991, as compared to ^{(0.2)%}16.2% in 1990, was noted. The Chairman observed that the increase should have been higher; and that consistent and hard efforts be put in now, during the remaining 14 weeks to make 1992 bring in higher business. 3) Increase in surrenders by 4.3% in 1991 as compared to 121.6% in 1990 be analysed. 4) Increase in group claims be explained. 5) The matter of claims payments and surrenders, proposed by Mr. Sameul Hasan, Consulting Actuary, to be off-set against investment income as against premium, be examined. 6) Yield on Life Fund be indicated. 7) The terms Life Business and Group Business be used in future. 			<p>Corrected as advised in Para 6 of 110th meeting.</p> <p><i>[Signature]</i></p> <p>CHAIRMAN'S INITIALS</p> 

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- 8) The banking arrangements be reviewed and Executive Director(Finance) to put-up the proposal in three weeks.
- 9) A system for passing hidden gains on appreciation of Real Estate be designed so as to pass the benefits to the policyholders. Executive Director(Finance) to bring up details for consideration in the Directors weekly (Tuesday) meeting to be held on 20.10.1992.
- 10) The premium income be compared with the budget target in future.
- 11) Half-yearly review be put-up to the Board in future.
- 12) The Memorandum to the Board should be in detail showing every item of the account.
- 13) Separate figure for each collection and APL be shown in case of renewal premium.
- 14) The Chairman, Mr. Nazier Ahmed Jajvi and Mr. S.Z.H. Jafri to sign the Annual Accounts.

ITEM NO.10: APPOINTMENT OF AUDITORS FOR THE YEAR 1992.
(Executive Director(Finance)'s Memorandum No.6/92 dated 7.9.1992)

17. The Board approved the appointment of the following auditors for auditing the accounts of the Corporation for the year 1992 on the same terms and remunerations as paid for the year 1991:-

- i) M/s A. F. Ferguson and Company.
- ii) M/s Ford, Rohdes, Robson, Morrow, and
- iii) M/s S. M. Masood Company.

18. The Board, however, decided that if M/s A. F. Ferguson ask for increase in their fee they should be dropped.

ITEM NO.11: OPENING OF NEW SECTOR OFFICE TO GENERATE HIGHER GROUP PREMIUM INCOME.
(Executive Director(G&P)'s Memorandum No.7/92 dated 7.9.1992)

19. With a view to promote Group Insurance Business the Board approved the proposal for opening Sector Offices in the following locations.

- i) Mirpur (Azad Kashmir)
- ii) Haripur
- iii) Chunian/Kasur
- iv) Sheikhpura
- v) Rahimyar Khan
- vi) Karachi (Two more sectors)
- vii) Hyderabad

20. The Board decided that each Sector Office be manned by one Deputy Manager/Manager and one Steno-typist.

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21. It was also decided that minimum targets be fixed and increases attained, be rewarded with incentives. The Board further decided that Area Managers could be taken in as Deputy Manager/Managers, on the Group side, if they had the right potential for the job.

✓ ITEM NO.12: UPGRADATION OF CERTAIN POSTS IN GROUP AND PENSION DIVISION.
(Executive Director(G&P)'s Memorandum No.8/92 dated 7.9.92)

22. The Board considered the above memorandum and agreed that the requisite personnel in appropriate ranks, be provided in January, 1993, depending upon the quantum of increase in business.

O T H E R I T E M S

I) ADDITIONAL FUNCTIONS/STAFF AT KUWAIT.

23. The need for additional functions like Accounting and Auditing at Kuwait was discussed. The Board resolved to watch the business for the next three months and then decide whether Accounting personnel be provided at Kuwait, for such functions to be performed there, rather than at the Principal Office, as at present.

II) SIX DAYS A WEEK WORKING.


24. The Chairman elicited a discussion on working on Saturdays, also. After discussing the background of this subject, and the advantages and draw-backs thereof, it was decided that for the time being, the present arrangement should continue.

25. The Chairman stressed upon relentless and closer supervision by officers for obtaining better performance.

III) GROUP BUSINESS PROGRESS UPTO 31ST AUGUST, 1992.

26. Executive Director(Group and Pension) presented the Business Progress Report upto end August, 1992. The same was noted by the Board and appreciated.

The meeting concluded with mutual thanks to the participants.


(CHAIRMAN)

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