


## MINUTES OF 138TH MEETING OF BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
ITEM BOOK	KARACHI	12th Apr, 1998	
<p>The One hundred and thirty eighth (138th) meeting of the Board of Directors of State Life Insurance Corporation of Pakistan, was held on 12th April, 1998 at Karachi.</p>			
<p><u>PRESENT</u></p>			
<p>1) Sayed Muzafar Ali Shah Chairman  2) Mr. Mohammad Sulaiman Additional Secretary (Commerce)/Director  3) Mr. Rasool Bakhsh Baloch Executive Director  4) Mr. Abdul Rauf Malik Executive Director  5) Mr. Mohammad Latif Executive Director  6) Mr. J.M. Pereira Executive Director  7) Mr. M. Mazharuddin General Manager - By invitation  8) Mr. A. Q. Raashid General Manager/Secretary Board</p>			
<p>2. The meeting commenced with recitation of verses from the Glorious Quran by the Sayed Muzafar Ali Shah, Chairman.</p>			
<p>Item No.1 Confirmation of Minutes of 137th Meeting of the Board of Directors.</p>			
<p>3. The Minutes of 137th meeting of Board of Directors held on 5-6th February, 1998 were placed before the Board. Mr. Mohammad Sulaiman proposed that the same be confirmed and Sayed Muzafar Ali Shah seconded the proposal. Accordingly it was resolved as under:</p>			
<p><u>RESOLVED</u></p>			
<p>4. "that the minutes of 137th meeting of Board of Directors held on 5-6th February, 1998 be and are hereby confirmed."</p>			
<p>5. The Chairman extended a warm welcome to the three new Executive Directors namely Mr. Rasool Bakhsh Baloch, Mr. Mohammad Latif and Mr. J.M. Pereira. He said that after three years Directors from the profession had been appointed and expressed the confidence that the State Life operations would improve bringing better business results.</p>			
<p>6. The Chairman said that he knew Mr. Rasool Bakhsh Baloch for a long time. Mr. Baloch has very good reputation in civil service and that he has held very senior appointments in the past and possessed varied and vast experience.</p>			
<p>7. Mr. Mohammad Sulaiman thanked the Chairman who had recommended promotions from within the organization. He said that the professional people from the industry deserved the promotions more than the others. He hoped that more such professionals would be inducted on the Board of State Life in the future and as a result there should be an improvement in the working of the Corporation.</p>			
<p>8. Mr. Rasool Bakhsh Baloch thanked the Chairman for his kind words and said that after working for two weeks with State Life, he felt that it was one of the best commercial organisations to serve.</p>			
			<p>CHAIRMAN'S INITIALS</p> 

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9. Mr. J. M. Pereira expressed his gratefulness to the Chairman and said that the avenues for State Life officers to grow had opened and that he with 31 years experience and Mr. Mohammad Latif with 25 years experience had come on the Board of Directors in order to serve State Life still better.

10. Mr. Mohammad Latif endorsed the views expressed by Mr. J.M. Pereira and assured of better results after the new inductions.

Item 2. Implementation/Compliance Reports on 137th Meeting of the Board. *(Noted by The Board)*

Item 3(a), para 16 Service to Policyholders

11. Board Secretary informed that policyholders could deposit their premium in any Zone according to their convenience. However, various options were being examined by the concerned Committee, so that the official receipt could be issued to the policyholder on the spot by all Zones.

Action: PHS DIV. by 25-05-1998

Item 3(b), para 22(b) M.I.S. for G&P business.

12. It was noted that specimen of MIS performae had been furnished by RC(G&P North). Mr. Mohammad Sulaiman advised that the same be studied and Mr. J.M. Pereira offered to check the MIS performae for further improvement and subsequent introduction.

Action: G&P DIV. by 25-05-1998

Item 3(b), para 22(c) Health and Pension Schemes.

13. Mr. J.M. Pereira informed that two health schemes had been sold recently, one in Chitral and the other in Gilgit. He informed the Board that efforts were being made to sell more Health & Pension Schemes throughout the country.

Action: G&P DIV. regularly.

Item 3(b), para 22(d) State Life Health Insurance Scheme.

14. Mr. M. Mazharuddin informed with regard to State Life Health Insurance Scheme, that scrutiny of medical bills was a special type of work and required the creation of an infrastructure for the same, which was being done.

Action: G&P DIV. by 25-05-1998

Item 3(d), para 35 State Life Building Projects

15. Mr. Abdul Majid Khan, GM(RE), was invited to make a presentation to the Board. As the demand for commercial rented space had greatly diminished in Karachi, Islamabad and Lahore, the Board resolved as under:

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*[Handwritten Signature]*

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RESOLVED

16. ✓ "(a) that the work on the four building projects in big cities (Karachi, Islamabad and Lahore), which were pending with CDWP, be deferred. GM(RE) would inform the Commerce Ministry/CDWP accordingly. ✓

"(b) that small buildings upto four floors (Basement + Ground+2 more floors) only would be constructed in towns where State Life had plots but no buildings and required the space for its own offices.

"(c) that in order to reduce cost, instead of central airconditioning of such buildings, only the site and services for airconditioning be provided and tenants be permitted to aircondition the premises under their occupation at their cost."

Action: RE DIV. by 25-05-1998

Item 3(d), para 37 ISO 9000

17. Mr. Akbar Ali Hussain, DGM (Sys.) was invited who informed the Board that an advertisement for appointment of a Consultant for Certification of State Life under ISO 9000 had been placed in the newspaper. The last date for submission of applications by consultants was April 20, 1998.

18. ✓ Mr. Mohammad Sulaiman suggested that the Ministry of Science and Technology may also be requested, with a copy to him, to provide list of competent prequalified Consultants for the project. Any suggestions received from the Ministry of Science and Technology may be considered along with other proposals which may be received in response to the advertisement by State Life.

Action: CD DIV. by 25-05-1998

Item 4(i), para 48 Rechecking of Business submitted/ Underwritten in December.

19. Mr. Nizam Ashraf, AGM PHS, was invited, who informed the progress on rechecking of business submitted and underwritten in December. The Board desired that atleast 25% cases underwritten in December, be rechecked. Accordingly, it was resolved as under:

RESOLVED

20. ✓ "(a) that at least 25% of cases submitted and underwritten in December in each Zone be rechecked and a report in schedule form indicating Zone, name of Underwriter, name of Field Worker and the nature of misstatement/irregularity, if any, be reported to the Board for consideration at its next meeting.

Action: PHS DIV. by 25-05-1998

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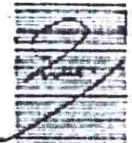
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<p><u>Early Death Claims</u></p> <p>✓ "(b) that a Zone-wise list of Early Death Claims with name of underwriter, field channel, name of medical examiner (where applicable) and cause of death be also furnished to the Board. Where Honorable Wafaqi Mohtasib had ordered payment of Early Death Claims, the points of State Life defence and points of Wafaqi Mohtasib's decision should also be mentioned in the tabular form. The group claims decided by Wafaqi Mohtasib's office be also included.</p> <p>"(c) that where State Life case is strong and defendable, it would be submitted for a review in time and be aggressively and fully defended both at Wafaqi Mohtasib level and at President's office." ✓</p> <p style="text-align: center;">Action: PHS/G&amp;P DIV. by 25-05-1998</p> <p>Item 6, para 79 <u>Right Sizing/Mergers</u></p> <p>21. The Chairman informed that the concurrence of Commerce Ministry for Right Sizing/Mergers of Zones/Regions was awaited, and requested Mr. Mohammad Sulaiman to use his good offices for the approval of the Government so that the expenses of the Corporation may be reduced and suitable persons be posted in the Zones/Regions.</p> <p style="text-align: center;">Action: Additional Secretary (Commerce),/Director</p> <p>Surplus Officers/Staff in Real Estate Division and Principal Office.</p> <p>22. It was decided that the same Committee, i.e., ED(B&amp;A), GM(P&amp;GS), GM(RE) and GM(PHS), which was working on the staff requirements and postings in the re-structuring of Zones/Regions, would examine the surplus officers/staff in Real Estate Division and Principal Office and submit report and recommendations to Chairman as early as possible.</p> <p style="text-align: center;">Action: P&amp;GS/B&amp;A/RE/PHS DIV. by 25-05-1998</p> <p><u>Budget for Surrender of Policies</u></p> <p>23. In order to reduce forced surrender of policies, the Board resolved as under:</p> <p><u>RESOLVED</u></p> <p>24. ✓ "(a) that the budget for surrender of policies for 1998 be reduced from Rs.2000 million to Rs.1500 million and the same be apportioned amongst the Zones accordingly-</p> <p>"(b) that B&amp;A Division would give early warning to all Zonal Heads monthly, indicating the amount paid on surrender of policies till then, and the balance amount available for surrender of policies and early death claims. The idea was to reduce surrender of policies forced by the field workers.</p> <p>✓ "(c) that no commission be paid on new policies which</p>		

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<p>are issued in replacement of surrendered policies as hitherto. In order to identify such cases, the Computer Division would indicate Identity Card No. of policyholders. ✓</p> <p>✓ "(d) that B&amp;A Division would bifurcate auto-surrenders and forced surrenders and would present the same at the next Board meeting." ✓ Action: B&amp;A/PHS/CD by 25-05-1998</p> <p>✓ Item 6. Cost Benefit Analysis of Individual Life, Group Life and International Business.</p> <p>-----</p> <p>✓ 25. The Board required that the cost benefit analysis of each Region/Zone be intimated to the Region/Zone concerned so that they may take corrective action where it was required. It was also desired that the cost benefit analysis be incorporated in the main computer to make it a regular feature. ✓ Action: B&amp;A/CD by 25-05-1998</p> <p>Item 6(i), para 71. Various Contests for Individual Life Business.</p> <p>-----</p> <p>26. Mr. Ahmed Hussain, AGM S&amp;D, was invited. Later Mr. Mumtaz Ahmed Butt, the then DGM S&amp;D, also joined. The Board expressed its dis-satisfaction on mixing up Board decision to hold a contest for improving Second Year Persistency and Renewal Persistency with the contest for First Year Premium. It was desired that the FYP contest be withdrawn immediately. ✓</p> <p>27. ✓ It was further desired that all the contests as decided in 137th meeting of the Board especially those given in paras 71(a, c and f), i.e., on Quality Recruitment, Improving Second Year Persistency and Renewal Persistency, Reducing Surrender of Policies and Increasing Revival of Lapsed Policies, be announced without further delay. Action: B&amp;A/P&amp;GS/S&amp;D DIV. by 25-05-1998</p> <p>Item 6(i), para 83. Non performing Managers (Dev.) and Area Managers.</p> <p>-----</p> <p>28. ✓ The Board desired that the audit of the business in the Zones be completed expeditiously so that necessary action may be taken with regard to non performing Managers (Dev.) and Area Managers. Action: IA&amp;E/S&amp;D DIV. by 25-05-1998</p> <p>Item 8, para 114. Performance Appraisal/Award</p> <p>-----</p> <p>29. ✓ Mr. J.M. Pereira informed that the recommendations of M/s. Ferguson's Associates were not workable for certain departments. The Board desired that a workable performance criteria be submitted by Mr. J.M. Pereira for consideration at the next Board meeting. Action: ED(Inv)/GM(HRD) by 25-05-1998</p>			

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Item 14, para 140. Spare parts for Gold Star Lifts.

30. Mr. Abdul Rauf Malik informed that after negotiation with the bidders (M/s. Ziafco Engineers), they had agreed to give a further discount on spare parts for Gold Star Lifts. The Board authorized ED(RE) to finalize the order after securing an agreement from the bidders that if the prices of spare parts supplied by them are later found to be lesser, they would refund the extra price charged by them.

Action: RE DIV. by 25-05-1998

Item 14, para 145. Investment in Special Government Bonds.

31. Mr. J.M. Pereira gave an account of the meeting he had with State Bank officials. He informed that the State Bank had requested that they should be kept informed when State Life makes any negotiations with the Government for investment in Government Bonds. Mr. Pereira also informed that the SRO on encashment of Special Government Bonds would expire on 30-06-1998, and if the Government extends the offer, a working paper for the re-investment at 17.25% or more would be submitted. The Board, however, felt that some of the funds be cashed at the expiry date.

32. Mr. Mohammad Latif informed that a with-holding tax of 30% was deductible from the interest earnings. However, State Life had obtained an exemption from with-holding tax up to 30-06-1998. He also suggested that at the time of negotiation for reinvestment of State Life funds, the matter on non-deduction of withholding tax from the maturity proceeds be also taken up simultaneously with the Government by the Investment Division on the plea that tax on interest income of such proceeds is assessed and paid by State Life on actual basis.

Action: INV/B&A DIV. by 06-07-1998

Item 3. Business Progress Reports

(i) Individual Life Business

33. The Board observed from the daily business statement as at the end of March 1998 that Individual Life Business had shown a decrease of 12.60% in March 1998 and 19.22% in FYP for the first quarter of 1998 as compared to same period of 1997. It was noted that all the Regions had shown a decrease in First Year Premium during March 1998 as compared to last year. The highest decrease for the month of March 1998 was shown by Multan Region (26.94%) whereas the lowest decrease was shown by the Central Region (3.91%).

34. Amongst Zones, the highest increase in FYP during March 1998 was shown by Quetta (67.99%) followed by Bahawalpur (42.63%) and Sialkot (39.49%).

35. The Board, while appreciating good work done by the

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three Zones, expressed its concern over the general decrease in individual life business for the first quarter of 1998, and resolved as under:

RESOLVED

36. ✓ "(a) that S&D Division should take urgent steps to improve FYP income so that the targets for 1998 are met on monthly basis.

"(b) that appreciation of the Board for the good work done by Quetta, Bahawalpur and Sialkot Zones during March 1998 be conveyed to the said Zones.

"(c) that S&D Division would present a complete analysis of individual life business, instead of just submitting a copy of the daily business statement, in future meetings of the Board." ✓

Action: S&D DIV. regularly

(ii) Group & Pension Business - Daily business statement 31-03-1998.

37. The Board reviewed the daily business statement of G&P business as at 31-03-1998. It observed that the Corporate Zone had shown an increase of 590.31% and Rawalpindi Zone had achieved an increase of 26.84% during the first quarter of 1998 over the same period of 1997 and appreciated the good work done by the Corporate Zone and Rawalpindi Zone. However, it was noted with concern that Lahore, Multan, Peshawar, Karachi Central, Karachi West, Karachi East and Hyderabad Zones had shown a decrease during the first quarter of 1998. On the whole the G&P Division showed a decrease of 7.39% during the first quarter of 1998. Mr. J.M. Pereira gave various reasons for the decrease, e.g., non payment of premiums by Provincial Governments, down sizing in banks, etc.

38. Mr. A. Rauf Malik, ED(G&P), however, assured the Board that the decrease would go in April 1998. It was considered advisable to penetrate into new small groups. It was also desired to review strategy on Group Health Insurance as there was a lot of potential in Health Insurance business.

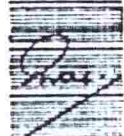
Action: G&P DIV. by 25-05-1998.

(iii) International Business.

AGM(Int'l) Memorandum dated 06-04-1998.

39. Mr. Azad Ali Khan, AGM(Int'l), was invited who informed the Board that U.A.E. and Kuwait had shown an increase of 52% and 14% respectively in FYP for the first quarter of 1998 as compared to the same period of last year. However, Saudi Arabia registered a decrease of 34% during the first quarter of 1998.

40. The Board noted with concern that the 2nd year persistency of Kuwait in the first quarter of 1998 was 5% only. The

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<p>entire international business had 2nd year persistency of 33% only for the first quarter of 1998 as against 42% for the same period of last year.</p> <p>41. The renewal persistency of Int'l Division was 63% during the first quarter of 1998 as against 135% for the same period of last year.</p> <p>42. The Board resolved as under:</p> <p>RESOLVED</p> <p>-----</p> <p>✓ 43. "that urgent steps be taken to improve the 2nd year and renewal persistency by Int'l Division." ✓</p> <p style="text-align: center;">Action: INT'L DIV. by 25-05-1998.</p> <p>(iv) Business Progress Report of Real Estate Division for the first quarter of 1998.</p> <p>-----</p> <p>GM(RE) Report.</p> <p>44. The Board was informed that the net income from Real Estate business during the first quarter of 1998 was Rs.26.95 million as against Rs.22.15 million for the same period of last year. Thus an increase of 22% in net income from Real Estate business was obtained in the first quarter of 1998.</p> <p>45. The Board resolved as under:</p> <p>RESOLVED</p> <p>-----</p> <p>46. ✓ "(a) that Real Estate Division should indicate the target in addition to last year's figures.</p> <p>"(b) that the expenses on salaries paid to the officers and staff of Real Estate Division should also be shown separately. ✓</p> <p>"(c) that in order to control expenses on salaries in the Real Estate Division, the same Committee which was re-structuring the Regions and Zones, i.e., ED(B&amp;A), GM(P&amp;GS), GM(RE) and GM(PHS), would also help in re-structuring the Real Estate Division. The Committee would submit report and recommendation to the Chairman immediately."</p> <p style="text-align: center;">Action: B&amp;A/P&amp;GS/RE/PHS Div. by 25-5-1998</p> <p>Curtain Wall for State Life Building - Gujrat.</p> <p>-----</p> <p>✓ 47. GM(RE) informed the Board that contract for Curtain Wall for State Life Building - Gujrat was held up due to an objection by one of the bidders. The Board authorized Real Estate Division to re-tender the job among the original bidders.</p> <p style="text-align: center;">Action: RE DIV. by 25-05-1998.</p>		

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(v) Investment Income.

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GM(Inv.) Memorandum dated 06-04-1998.

48. The Board was informed that the Investment income for the first quarter of 1998 was estimated to be 1.78 billion. The Board was, however, informed that KESC was not giving any dividend and State Life was the largest shareholder of KESC, holding about 28% of the equity.

49. The Board resolved to off load KESC shares gradually. ED(Inv.) would prepare a memorandum in that regard.

Action: INVESTMENT DIV. by 25-05-1998.

Item 4. Historical Analysis of State Life Business.

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GM(Act) Memorandum dated 27-11-1997.

50. GM(Act.) presented a comprehensive Historical Analysis of State Life Business. The Board appreciated the good work done by GM(Act.) in presenting the Historical Analysis and recommended that the same may be printed on the computer in the form of a booklet.

51. The Board resolved as under:

RESOLVED

52. "(a) that the appreciation of the Board for the good work done by Mr. M. Mazharuddin be conveyed to him.

✓ "(b) that GM(Act.) would give his inferences and recommendations on the Historical Analysis of State Life for the next Board Meeting.

"(c) that the Historical Analysis along with inferences and recommendations of GM(Act.) be shared with the Regional Chiefs and Zonal Heads at the forthcoming Zonal Conference, and the shared views may then be placed before the next meeting of Board of Directors for consideration." ✓

Action: ACT/S&D DIV. by 25-05-1998.

Item 5. Detailed year-end review of S&D Division.

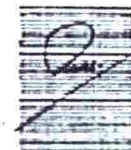
DGM(S&D) Memorandum.

53. While going through the different business statements for 1997 submitted by S&D Division, the Board desired that the ranking of Zones and Regions be also done in such statements in future.

✓ 54. The Board was informed that there were about 2 lacs inactive SRs. The Board desired that the activity contest for SRs, SOs, SMs as resolved in the previous meeting of the Board (Item 6-i, para 71) be announced without further delay. ✓

Action: S&D DIV. by 25-05-1998.

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Item 6. Detailed year-end Review of Human Resources Development Division for 1997, and targets, plans and strategy for 1998.

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DGM(HRDD) Memorandum.

55. Mr. Afzal Janjua was invited who presented a brief report on the performance of HRD Division during 1997. It was noted that 1,701 courses were conducted during 1997 as against 1,562 courses during 1996. The number of participants during 1997 was 21,809 as against 20,986 during 1996. The target for 1998 was 2,000 courses and 25,000 participants.

56. In response to a question, the Board was informed that State Life was an institutional member of Life Insurance Marketing & Research Association, (LIMRA) USA, and Life Office Management Association, (LOMA) USA.

57. The Board resolved as under:

RESOLVED

58. ✓ "(a) that the plans of HRD to conduct 2,000 courses, to be attended by 25,000 participants, be and are hereby approved.

"(b) that courses on insurance laws be designed in coordination with Law Division and be administered to all officers at Principal and Zonal Offices. The insurance laws relevant to field workers be also covered in advance training courses to be conducted for field workers during 1998.

"(c) that the standard of training and examinations should improve and those who do not come up should not be allowed to pass.

"(d) that special courses on life insurance products/plans be conducted by HRD and Actuarial Divisions.

Action: HRD/ACT DIVs. regularly.

"(e) that those officers who do not attend the courses for which they are nominated, an adverse entry be made in their ACRs.

"(f) that an adverse entry be made in the ACRs of seniors who do not relieve the officers nominated to a particular course.

"(g) that a time table for all courses be circulated for the entire year.

"(h) that HRD should have a copy of Manuals and brochures of all Divisions in the library."

Action: HRD/P&GS DIVs. by 25-05-1998.

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Item 7. Detailed year-end review of Internal Audit and Evaluation, highlighting reforms introduced, frauds detected and money saved, also targets, plans and strategy for 1998.

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GM(IA&E) Memorandum dated 15-01-1998.

59. Syed Sikandar Abbas, GM(IA&E), was invited who presented the year-end report on Internal Audit and Evaluation.

60. The Board was informed that the business results of all contests and field promotees were audited but the commission payments were not audited due to shortage of auditors.

61. The Board appreciated the performance of IA&E, especially the internal control manual produced by the Division. It was suggested to print the same.

62. With regard to last para of the year-end reports submitted by IA&E Division, GM(IA&E) clarified that the proposals of EDP audit was no more pending for approval. He explained that the same would be developed in coordination with Systems Division.

63. The Board resolved as under:

RESOLVED  
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64. ✓ "(a) that auditors in all Zones be instructed to check the bills relating to the contest 'Dine with the Chairman' as regards the number of qualifiers and the number who attend the dinner.

"(b) that 50% of Lahore and Karachi auditors be assigned the job of special and complete audit of specific Departments/Zones immediately. The IA&E Division should decide logically which Departments/Zones be audited first.

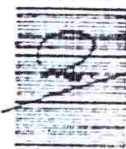
"(c) Further that at least two courses for Internal Auditors be conducted during the year in coordination with HRD Division."

Action: IA&E DIV. by 25-07-1998

65. Mr. Mohammad Sulaiman suggested that a Committee be constituted and the objections (draft proposals) by Government/Commercial auditors be resolved along with Joint Secretary (Insurance) so that the objections of Government/Commercial Auditors are removed at that level.

Action: B&A DIV. regularly.

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Items 8 & 14. Detailed year-end review of Systems and Computer Divisions highlighting old systems repaired and renewed and new systems introduced; also to set targets, plans and strategy for 1998.

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DGM(Sys) Memorandum dated 21-01-1998.  
AGM(CD) Memorandum dated 03-04-1998.

66. Mr. Akbar Ali Hussain, DGM (Sys.) and Mr. Attaullah Khan, AGM (CD), were invited. After hearing the problems and possible solutions, it was resolved as under:

RESOLVED  
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67. ✓ "(a) that the Systems and Computer Divisions be and are hereby merged into one Division. Mr. Rafiq M. Chippa, DGM(CD), would head the combined Division.

"(b) that a letter be written to the Ministry of Commerce for permission to recruit computer specialists (Masters in Computer Science).

"(c) that computer system (hardware & software) be re-engineered to meet with millennium bug. The outdated COBOL System be replaced by ORACLE. For this purpose, a couple of persons be assigned the job of conversion to ORACLE immediately. P&GS would give a list of MSc graduates with Physics and Maths, all BE Engineers, Computer Engineers, MBA graduates and Computer Professionals in other departments to Computer Division who would interview and select the persons suitable for Computer Division.

"(d) that an advertisement be released in the newspapers for inviting offers of computer specialist firms for re-vamping hardware and software requirements of State Life. Well-known organizations specializing in computer systems like Pakistan Revenue Automation (Pvt.) Limited (PRAL - a company of CBR), Systems Research (Pvt.) Limited, CresSoft, Islamabad University, etc., be also consulted.

"(e) that the purchase of appropriate computer hardware along with necessary connection and operating an application environment be processed.

"(f) that steps be taken to design, develop and implement new software."

68. ✓ AGM(Computer) suggested that the computer personnel be given an attractive technical allowance, so that they may give their best to the organization.

Action: P&GS/CD by 25-05-1998.

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<p>Item 9. Detailed year-end review of policy lapses and revivals, surrenders and loans, maturity, death and accident claims paid &amp; outstanding, complaints handled especially complaints to Wafaqi Mohtasib, also to set targets, plans and strategy for 1998.</p>			
<p>----- GM(PHS)/GM(CCC) Memorandum dated 02-03-1998.</p>			
<p>69. Mr. Nizam Ashraf, AGM(PHS), was invited. The Board considered the memorandum submitted by PHS Division and resolved as under:</p>			
<p>RESOLVED</p>			
<p>70. "(a) that the plans, targets and strategy of PHS Division for 1998 be and are hereby approved.</p>			
<p>"(b) Further that the plans, targets and strategy as given by PHS Division be strictly followed according to schedule of dates given therein."</p>			
<p>Action: PHS DIV. as per date schedule given in the plan for 1998.</p>			
<p>Item 10. Detailed year-end review of Personnel Division highlighting targets and achievements in 1997, strengths, weakness and bottlenecks faced, also to set targets, plans and strategy for 1998.</p>			
<p>----- GM(P&amp;GS) Memorandum.</p>			
<p>71. The item was deferred for consideration at the next Board Meeting.</p>			
<p>Action: P&amp;GS/BS DIV. by 25-05-1998</p>			
<p>Item 11. Detailed year-end review of General Services highlighting how timely the services and supplies were provided, and how much was saved in creating healthy competition &amp; how the quality of goods supplied was improved; also to set targets, plans &amp; strategy for 1998.</p>			
<p>----- GM(P&amp;GS) Memorandum.</p>			
<p>72. The item was deferred for consideration at the next Board Meeting.</p>			
<p>Action: P&amp;GS/BS DIV. by 25-05-1998</p>			
<p>Item 12. Detailed year-end review of Law Division highlighting No. of cases contested, No.won/lost &amp; steps taken to improve the situation; also to set targets, plans and strategy for 1998.</p>			
<p>----- AGM(Law) Memorandum.</p>			
<p>73. Mr. Latif A. Choudhri, AGM(Law), was invited who gave an account of the performance of Law Division indicating the number of cases instituted, disposed of and won during 1997.</p>			

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<p>The performance was noted with satisfaction and appreciation. ✓ In view of the shortage of legal staff in Law Division, GM(P&amp;GS) was requested to identify 4-5 law graduates who may be interviewed by AGM(Law) and those found suitable be transferred to Law Division. ✓</p> <p style="text-align: center;">Action: P&amp;GS/LAW DIV. by 25-05-1998.</p> <p>Item 13. Detailed year-end review of Advertising and Sales Promotion Division highlighting targets, programs and achievements of 1997; also to set targets, plans and strategy for 1998.</p> <p style="text-align: center;">----- AGM(A&amp;SP) Memorandum dated 28-01-1998.</p> <p>74. Mr. Agha Ashraf Abbas, AGM(A&amp;SP), was invited who informed that as a result of better public relations with the Press, positive news about State Life were now appearing in newspapers. The interviews of the Chairman were also being published in the newspapers, magazines and electronic media.</p> <p>75. The Board was informed that the film on "Aye Khuda Mere Aboo" would appear on T.V. from 21st April 1998.</p> <p>66. The Board resolved as under:</p> <p>RESOLVED</p> <p style="text-align: center;">-----</p> <p>76. "(a) that the A&amp;SP plans and targets for 1998 be and are hereby approved.</p> <p>✓ "(b) Further that work on 1999 calendar be started and the advertising agencies be asked to put up the themes for the same."</p> <p style="text-align: center;">Action: A&amp;SP DIV. as per date schedule given in the plan for 1998.</p> <p>Item 14. Detailed year-end review of Computer Division highlighting targets &amp; achievements of 1997; also Computerisation plan and strategy to enter the computerisation age in 21st century, critical manpower, hardware and software requirements.</p> <p style="text-align: center;">----- DGM(CD) Memorandum dated 03-02-1998.</p> <p>77. Covered along with item 8.</p> <p>Item 15. Critical analysis of Investment Portfolio.</p> <p style="text-align: center;">----- GM(Inv) Memorandum dated 03-02-1998.</p> <p>78. Consideration of the memorandum was deferred for the next meeting of Board.</p> <p style="text-align: center;">Action: INV/BS DIV. by 25-05-1998.</p>		

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Item 17. Pre-IPO placement of Rs.150 million in equity of Al-Noor Fertilizer Industries.

-----  
GM(Inv) Memorandum.

85. The Board considered the proposals given by ED(Inv) in his memorandum. After a thorough discussion, the Board resolved as under:

RESOLVED

86. "that the proposal of Pre-IPO placement of Rs.150 million in equity of Al-Noor Fertilizer Industries be and is hereby declined/deferred."

Action: INVESTMENT DIV. by 25-05-1998.

Item 18. Appointment of Mr. Sameeul Hasan as Consulting Actuary.

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ED(Act.) Memorandum dated 26-03-1998.

87. The Board considered the proposals of ED(Act.) and resolved as under:

RESOLVED

88. ✓ "(a) that the appointment of Mr. Sameeul Hasan as Consulting Actuary on contract be and is hereby approved.

"(b) Further that the Chairman, State Life, is authorized to negotiate the monthly retainer fees payable to Mr. Sameeul Hasan." ✓

Action: ACTUARIAL DIV. by 25-05-1998.

Item 19. Ratification of Nomination of Sayed Muzafar Ali Shah as a Director of P.I.C.

-----  
GM(Inv.) Memorandum dated 31-03-1998.

89. The Board ratified the decision of the Board of Directors given by circulation on the nomination of Sayed Muzafar Ali Shah, Chairman, State Life, as Director on the Board of Pakistan Insurance Corporation. Accordingly it was resolved as under:

RESOLVED

90. ✓ "that Sayed Muzafar Ali Shah, Chairman, State Life Insurance Corporation of Pakistan be and is hereby nominated for election as a Director to the Board of Directors of Pakistan Insurance Corporation in the election to be held on 15th April, 1998."

Action: INVESTMENT DIV. by 25-05-1998

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"(b) that the Properties Committee consisting of ED(P&GS), GM(RE) and AGM(Law) would negotiate and decide the rents and tenants on merit.

"(c) that the standard terms and conditions of renting would be:

- (i) Lease Period 3 Years only
- (ii) Rent Rs.40 per Sq. Ft of the covered area. Rs.10 per Sq.Ft of servant quarters. Rs.2 per Sq.Ft of open area.
- (iii) Security Deposit 12 months rent.
- (iv) Advance Rent 12 months rent
- (v) Rent increase 20% per annum.

(vi) The Premises would be available strictly for three years period after which it would be vacated irrespective of any investment made by tenant in any shape.

"(vii) NOC from adjacent neighbours and competent local authority, in case the property is to be used for commercial purpose, would be the responsibility of tenant.

"(viii) No change in the existing construction would be allowed.

"(ix) Additional construction would not be allowed."

Action: RE DIV. by 25-05-1998.

Item 22. Revision of Delegation of Financial Powers to Various Officers and Authorities of the Corporation.

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Item to be prepared and presented by B&A Division.

95. Mr. Mohammad Latif informed the Board that the working paper on revision of delegation of financial powers was ready with him. However, consideration on the matter was deferred for the next Board Meeting.

Action: B&A/BOARD SECT. by 25-05-1998.

Item No.23. Re-constitution of Real Estate Functional Committees to accelerate the pace of work in the Division.

-----  
ED(B&A) Memorandum dated 10-04-1998.

96. The Board considered the above memorandum and approved the four Real Estate Functional Committees for (1) Principal Office, Karachi Office (2) Lahore Office (3) Islamabad Office (4) Peshawar Office.

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<p>97. For Principal Office, Karachi, if DGM (Civil) is not available, DGM (Mech.) would act as convener. As regards AGM (Elec.) and AGM (Tenancy), they would attend the meeting according to the items related to their respective functions.</p>			
<p>98. The Board resolved as under:</p>			
<p>RESOLVED</p>			
<p>99. ✓ "(a) that the recommendations of ED(B&amp;A) with regard to financial powers for different Officials and Committees be and are hereby approved.</p>			
<p>"(b) that for Principal Office, the recommendations of ED(B&amp;A) with regard to financial powers for different Officials and Committees be and are hereby approved."</p>			
<p>Action: B&amp;A/RE DIVs. by 25-05-1998</p>			
<p>Item No.24. Representation of Mr. Fazal-Ur-Rehman Khan, Zonal Head, Lahore Central, with regard to change in his Date of Birth.</p>			
<p>----- ED(P&amp;GS) Memorandum dated 27-03-198.</p>			
<p>100. The Board considered the representation of Mr. Fazal-Ur-Rehman, retired Zonal Head, Lahore Central, with regard to change in his date of birth. However, it was resolved to decline the representation.</p>			
<p>Action: P&amp;GS DIV. by 25-05-1998.</p>			
<p>Item No.25. State Asset Management Company Ltd.</p>			
<p>----- GM(Inv.) Memorandum dated 06-04-1998.</p>			
<p>101. The Board considered the memorandum of ED(Inv.), and felt that a Board Meeting of SAMCO be requisitioned and the matter regarding sale of SAMCO be first decided by the Board of SAMCO.</p>			
<p>Action: INVESTMENT DIV. by 10-06-1998.</p>			
<p>Item 26. Revision in Pay and Allowances of Officers of State Life Insurance Corporation of Pakistan.</p>			
<p>----- ED(P&amp;GS) Memorandum dated 06-04-198.</p>			
<p>102. The Board considered the memorandum of ED(P&amp;GS) and resolved as under:</p>			
<p>RESOLVED</p>			
<p>103. ✓ "(a) that the Committee comprising ED(P&amp;GS) as convener, ED(B&amp;A) and GM(PHS) as members and DGM(P&amp;GS) as Secretary of the Committee, to frame its recommendations for revision in pay and allowances of officers of State Life Insurance Corporation of Pakistan, be and is hereby constituted. ✓</p>			

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	<p>"(b) that the Committee is authorized to co-opt any other officer to facilitate its work.</p> <p>"(c) that the following factors/criteria may be considered by the said Committee while framing its recommendations:</p> <p>(i) Rate of inflation in the country and increase in the cost since 1993.</p> <p>(ii) Accretion to life fund from various business resources of the Corporation, during the period.</p> <p>(iii) Comparative increase allowed in other Insurance Corporations, i.e., PIC and NIC.</p> <p>"(d) that the increases in perks and other benefits granted to the officers of State Life after the last revision in 1993 would be adjusted against the possible revision in their pay and allowances.</p> <p>"(e) that the Ministry of Commerce be approached by P&amp;GS Division to authorize the Board of Directors of State Life Insurance Corporation to decide the revision in pay and allowances of officers of State Life, as allowed to the Banks and DFIs."</p> <p style="text-align: center;">Action: P&amp;GS DIV. by 25-05-1998</p> <p>Item 27. Any Other Item with prior permission of Chairman.</p> <p>-----</p> <p>(i) Double Tier System of Administration in Saudi Arabia.</p> <p>-----</p> <p>AGM(Int'l) Memorandum dated 06-04-1998.</p> <p>104. Consideration of the memorandum was deferred for the next meeting of Board of Directors.</p> <p style="text-align: center;">Action: BS/INT'L by 25-05-1998.</p> <p>(ii) Terms Finance Certificates (TFCs) - Gatron Industries Limited</p> <p>-----</p> <p>ED(Inv.) Memorandum dated 06-04-1998.</p> <p>105. The Board considered the memorandum of ED(Inv.) and resolved as under:</p> <p><u>RESOLVED</u></p> <p>106. ✓ "(a) that investment of Rs.50 million in Gatron Industries Limited at 18.4% (net) be and is hereby approved.</p> <p>"(b) that the offer be re-negotiated by ED(P&amp;GS), ED(Inv) and ED(G&amp;P) for a higher return."</p> <p style="text-align: center;">Action: INVESTMENT DIV. by 25-05-1998.</p>		

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