

MINUTES OF 140TH MEETING OF BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	20th August, 1998	

The One hundred and fortieth(140th) meeting of the Board of Directors of State Life Insurance Corporation of Pakistan, was held on 20th August, 1998 at Karachi.

PRESENT

- | | |
|-----------------------------|---|
| 1) Sayed Muzafar Ali Shah | Chairman. |
| 2) Mr. Mohammad Sulaiman | Director/Additional Secretary,
(Commerce). |
| 3) Mr. Rasool Bakhsh Baloch | Executive Director. |
| 4) Mr. Mohammad Lalif | Executive Director. |
| 5) Mr. M. Mazharuddin | General Manager (Actuarial)
by invitation. |
| 6) Mr. A.Q. Raashid | General Manager(HRDD) by
invitation. |
| 7) Mr. Akbar Ali Hussain | Secretary Board. |

Mr. Abdul Rauf Malik, Executive Director, and Mr. J.M. Pereira, Executive Director, on leave.

2. The meeting commenced with recitation of verses from the Glorious Quran by Akbar Ali Hussain, Secretary Board.

Condolence Message

3. The Board noted with utmost grief, the sad demise of the beloved mother of Mr. Akbar Ali Hussain, Secretary to the Board of Directors, and offered Fateha for the departed pious soul and prayed to Almighty Allah to rest her pious soul in eternal peace of the Heavens and give strength and fortitude to the bereaved family to bear this irreparable loss with courage.

4. The Board resolved to send the condolence message to the bereaved family of Mr. Akbar Ali Hussain, Secretary Board.

RESOLVED

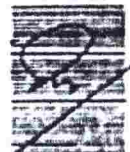
5. "that the Board conveys its heart-felt condolences to the family of Mr. Akbar Ali Hussain, Secretary Board, on the sad demise of his beloved mother and prayed that May Almighty Allah rest her pious soul in eternal peace of the Heavens and give strength and courage to the bereaved family to bear this great loss - Amin."

Action: DGM(BS)

ITEM 1. CONFIRMATION OF MINUTES OF 139TH MEETING OF THE BOARD OF DIRECTORS.

6. The Minutes of 139th meeting of Board of Directors held on 30th June, 1998 were placed before the Board. Mr. Rasool Bakhsh Baloch, ED(P&GS), proposed and Mr. J.M. Pereira, ED(S&D), seconded that the same be confirmed. Accordingly it was resolved as under:

CHAIRMAN'S
INITIALS



MINUTES OF 140TH MEETING OF BOARD OF DIRECTORS

HELD AT	ON	TIME
KARACHI	20th August, 1998	
<p>RESOLVED</p> <p>7. "that the minutes of 139th meeting of Board of Directors held on 30th June, 1998 be and are hereby confirmed."</p> <p>ITEM 2. IMPLEMENTATION AND COMPLIANCE REPORTS ON 137TH, 138TH & 139TH MEETINGS OF THE BOARD OF DIRECTORS.</p> <p>8. Due to paucity of time, the item was deferred for consideration at the next Board Meeting.</p> <p>ITEM 3. LATEST AND DETAILED BUSINESS PROGRESS REPORTS WITH COMMENTARY - TOGETHER WITH COMPLETE ANALYSIS, TARGETS TO BE INDICATED IN ADDITION TO LAST YEARS FIGURES.</p> <p>(i) SALES & DEVELOPMENT (LIFE).</p> <p>9. Mr. Afzal Janjua, DGM(S&D), was invited who informed the Board that increase of 1.6% was achieved in FYP for the month of July 1998 as compared to corresponding period of 1997 whereas the Corporation secured FYP of Rs.467.31 million on year to date basis upto July 1998 as compared to Rs.498.85 million obtained during the same period in 1997 thus showing a deficit of 6.32% over the previous period. DGM(S&D) informed that the deficit was being reduced gradually. DGM(S&D) informed the Board that Multan Region had the highest deficit of 19.24% in the month of July 1998 as compared to July 1997. The Board pointed out that in future date and reference number should be given by S&D in the memorandum to the Board of Directors.</p> <p>10. The Board instructed that the appreciation of the Board should be conveyed to those whose performance is in plus.</p> <p style="text-align: right;">Action: ED(S&D)</p> <p>(ii) GROUP & PENSION BUSINESS.</p> <p>11. The business report of G&P could not be presented because of non availability of Mr. Mumtaz Ahmed Butt, DGM(G&P).</p> <p>(iii) INTERNATIONAL BUSINESS.</p> <p>12. Due to paucity of time, the item was deferred for consideration at the next Board Meeting.</p> <p>(iv) REAL ESTATE PROJECTS AND INCOME, EXPENSES ON SALARIES PAID TO THE OFFICERS AND STAFF OF RED TO BE SHOWN SEPARATELY.</p> <p>13. Due to paucity of time, the item was deferred for consideration at the next Board Meeting.</p>		

CHAIRMAN'S INITIALS

MINUTES OF 140TH MEETING OF BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	20th August, 1998	
<p style="text-align: center;">(v) <u>INVESTMENT INCOME.</u></p> <p>14. Due to paucity of time, the item was deferred for consideration at the next Board Meeting.</p> <p style="text-align: center;">ITEM 4. SUMMARY OF DECISIONS INVOLVING FINANCIAL IMPLICATIONS TAKEN BY THE EXECUTIVE COMMITTEE IN THEIR MEETINGS HELD DURING THE PERIOD NOVEMBER 1997 TO JUNE 1998 FOR INFORMATION OF THE BOARD.</p> <p>15. Due to paucity of time, the item was deferred for consideration at the next Board Meeting.</p> <p style="text-align: center;">ITEM 5. REVISION IN PAY SCALES OF OFFICERS OF STATE LIFE INSURANCE CORPORATION OF PAKISTAN.</p> <p>16. The Board was informed that there used to be a Pay Committee constituted separately by the Government to consider the revision of pay scale after every three years of the officers of DFI's, Banks and three insurance companies i.e., P.I.C., N.I.C. and State Life. ED(P&GS) mentioned that the Officers Federation of State Life has been requesting for increase in pay scales which has not been revised since 1993, by constitution of a Pay Committee by the Government or by authorization of Board of Directors by the Government in this regard for review and increase in pay scales.</p> <p>17. The Federal Government had announced adhoc relief of 7% effective June 1, 1995. In the meantime, the Officers Federation had requested for adhoc relief to meet inflation since last increase in pay i.e. 1993. Accordingly, the Board of Directors in its 137th meeting held on 5th and 6th February 1998 approved increase in perquisites and fringe benefits with effect from 1.1.1998 with the condition that the total additional cost will not exceed Rs.20.2 million per annum and that the increase would be adjusted as and when new pay scales for officers are approved.</p> <p>18. The Ministry of Finance has requested for comprehensive position paper regarding the pay scale, allowances and perquisites allowed to the officers of State Life from 1.1.1993 together with a proposal for revision of pay scales for onward transmission to the Finance Division for consideration vide letter "A" received from the Ministry of Commerce No.7(8)/97-Ins.I, dated 14.3.1998 with reference to State Life Insurance Corporation's letter No.PL-15(10) dated 5.12.1997 "B" enclosing copy of Finance Division's U.O. (1)/Imp/94-1216/97 dated 12.3.1998 "C" along with copy of letter of Ministry of Commerce dated 28.10.1997 "D" to Finance Division.</p> <p>19. In the light of the above directive, the Board of Directors in its 138th meeting held on 12th April 1998 constituted a committee consisting of ED(P&GS) as convener, ED(B&A) and GM(PHS) as members and DGM(P&GS) as Secretary to frame its recommendations for revision in pay and allowances</p>			

CHAIRMAN'S INITIALS

MINUTES OF 140TH MEETING OF BOARD OF DIRECTORS

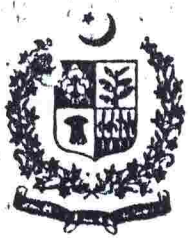
HELD AT	ON	TIME
KARACHI	20th August, 1998	
<p>of officers of State Life Insurance Corporation of Pakistan and laid down the following factors and criteria to be considered by the Committee while framing its recommendation.</p> <ul style="list-style-type: none"> (i) Rate of inflation in the country and increase in the cost since 1993. (ii) Accretion to life fund from various business resources of the Corporation, during the period. (iii) Comparative increase allowed in other Insurance Corporations, i.e., PIC and NIC. (iv) Adjustment of adhoc increase in perquisites and fringe benefits given by the Board in February 1998. <p>20. Accordingly a memorandum based on the report of the Committee and approval of the Chairman, was submitted by the ED(P&GS) to the Board of Directors in its 139th meeting held on 30th June, 1998. After deliberations, the Board of Directors desired that some additional information be put up before the Board in its next meeting.</p> <p>21. A revised memorandum based on the above instructions of the Board was placed before the Board for consideration. After detailed discussions, the Board considered the following major factors while framing its recommendation:</p> <ul style="list-style-type: none"> (i) Non revision of pay scales of officers since 1993. (ii) Consistent increase in pay scales allowed to subordinate staff members through their CBA agreements in 1993, 1995 and 1997. (iii) Persistent demand of State Life Insurance Corporation Officers Federation for increase and revision in pay scales. (iv) Considerable increase in the rate of inflation as established by CPI Chart issued by State Bank of Pakistan. (v) Financial resources of the Corporation and rate of accretion to its Life Fund from various business. <p>22. At the request of the Officers Federation, the Board invited the office bearers of the Federation to make their presentation before the Board. The President of the Officer's Association, Mr. Azhar Ali Safeer, informed the Board that the pay scales of the officers were not increased since 1993 as the Pay Commission was disbanded due to privatization process, whereas the pay of the unionized staff was revised every alternate year.</p> <p>23. The President of the Officer's Federation assured the Board that the officers would leave no stone unturned to</p>		

CHAIRMAN'S
INITIALS



"A"

حکومت پاکستان



No. 7(8)/97-Ins.I
GOVERNMENT OF PAKISTAN
MINISTRY OF COMMERCE

TELEGRAMS : "COMDIVIS"
TELEPHONE NO.
FAX NO.

Islamabad, the 14.3. 1998

The Chairman,
State Life Insurance Corporation,
Karachi.

SUBJECT: -REVISION OF PAY AND ALLOWANCES OF OFFICERS
AND STAFF OF STATE LIFE INSURANCE CORPORA-
TION(SLIC).

Sir,

I am directed to refer to State Life Insurance Corporation's letter No.PL-15(10) dated 5.12.1997 on the above subject and to forward herewith a copy of Finance Division's U.O.(1)/Imp/94-1216/97 dt.12.3.1998, alongwith a copy of this Ministry letter of even No.dt.28.10.2. It is requested that a comprehensive position paper regarding the pay scales, allowances and perquisites allowed to the officers of SLIC from 1.1.1993 and the proposal for revision of those pay scales may please be forwarded to this Division for consideration.

The requisite information in this regard may please be furnished to this Ministry at the earliest for onward transmission to the Finance Division.

Yours faithfully,

[Handwritten Signature]
14/3/98

(CH. R. A. ZIA)
SECTION OFFICER

Priority
[Handwritten Signature]

19 MAR 1998

ED(FJA) en, Fou.
GM(DVGS)

Pl. prepare and submit on priority.

Mr. J. Aslam →

24/3/98
20/3/98
24/3/98
24/3/98
24/3/98

CHAIRMAN'S SECRETARY
Diary No 1287
Date 19-3-98

424
20/3/98

3:20
20/3/98

122
24/3/98

25/3/98
24/3/98
24/3/98

"B"



STATE LIFE

INSURANCE CORPORATION OF PAKISTAN

PRINCIPAL OFFICE

STATE LIFE BUILDING NO. 9,

DR. ZIAUDDIN AHMED ROAD,

P. O. BOX 5725,

KARACHI - 75530

TELEPHONE : 5683233 - 5683:
 : 5685501
 TELEGRAM : STATE LIFE
 TELEX NO. : 21079 SLIG Pk
 TELEFAX : 5881446

Division: Personnel
 Reference No. PL-15(10)
 Date: 05.12.1997

Mr. Saleem Iqbal Qureshi,
 Joint Secretary (Admn/Ins),
 Government of Pakistan,
 Ministry of Commerce,
Islamabad.

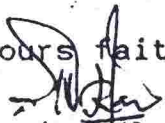
Dear Sir

Sub: Revision of Pay and Allowances to the Officers
of State Life Insurance Corporation of Pakistan.

Kindly refer to State Life Insurance Corporation of Pakistan letter of even number on subject (ccpy enclosed for ready reference).

2. The request was made as back as 21st July 1997. There has not been any response so far which has increased the anxiety of the officers of the Corporation. It is requested that an early decision in the matter may please be taken and communicated to the State Life Insurance Corporation of Pakistan.

Yours faithfully,


 (Abdul Rauf Malik)
 Executive Director (F&A)

Dated 21st July, 1997.
Ref.No.PL-15(10).

Mr. M. Anjad Virk,
Joint Secretary (Adm/Ins),
Government of Pakistan,
Ministry of Commerce,
ISLAMABAD.

SUB: REVISION OF PAY & ALLOWANCES OF OFFICERS OF STATE LIFE

Dear Sir,

The members of the State Life Insurance Officers Federation had submitted a memorandum of demands (copy enclosed) to the Federal Minister for Commerce, Government of Pakistan, Islamabad, on the subject of revision of pay and allowances pertaining to the officers in the State Life Insurance Corporation, in which the honourable Minister had sought a report for consideration of such demands.

2. It will be pertinent to point out that the salary structure of the officers of the State Life has been revised from time to time on the recommendations of the Pay Committee constituted by the Government of Pakistan usually after every three years, but the last revision was made on 01.01.1993.

3. Constitution of a new Pay Committee was due on 01.01.1996, but since 1993 no Pay Committee was appointed by the Government up-till now. Simultaneously, the pressure of inflationary trends is continuing to erode the present salary being received by the officers of State Life. However, salaries of the unionised staff in State Life Insurance Corporation have regularly been revised after every two years through their C.B.A. and since 1993 two revised Agreements have been finalised i.e. in 1995 and 1997. Obviously, this has created a serious imbalance and disparity in the salary structures of officers vis-a-vis the unionised staff.

4. Owing to the relentless pressure of 13% annual inflation, it is no longer possible for the officers of State Life to make both ends meet. Under these dire circumstances, it is suggested that either a new Pay Committee be constituted by the Government or if this is not possible, the Government may like to authorise the Board of Directors of the Corporation to revise the salaries and allowances of the officers of State Life with effect from 01.01.1996. The basis of such revision shall however be previous Pay Committee revisions and the general inflation trends obtaining in the country, subject to availability of sufficient financial resources of the Corporation, in order to meet these expenditure.

Yours faithfully,


(Zafar Ahmad)

Encl: One(1)

State Life Insurance Officers Federation

Tel: 051-821656
Fax: 051-823870

State Life Building No.5
Jinnah Avenue, Islamabad

*Pls examine and pickup
report for consideration.*

July 3, 1997

Mr. Muhammad Ishaque Dar,
Federal Minister for Commerce,
Government of Pakistan

Chairman
SLIC

Muhammad Ishaque Dar
05/7/97

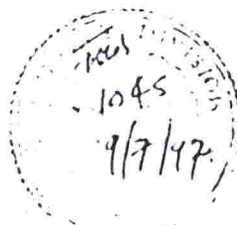
Respected Sir,

We humbly seek your pardon for encroaching upon your precious time with the following submissions on behalf of the officers of State Life Insurance Corporation of Pakistan:-

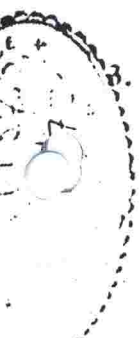
1. The salaries of the officers were revised on the recommendation of Pay Commission w.e.f. 01.01.93.
2. In normal course there should have been constitution of another Pay Commission after three years and salaries should have been revised w.e.f. 01.01.96. However, no such Pay Commission has so far been constituted and the Management of State Life holds the opinions that the salaries and allowances can be revised through Pay Commission only and that the Board of Directors itself is not competent to take such decision. Resultantly the class of officers continues to suffer the prevailing inflation for the last four years.

We beg to add that staff of the Corporation is privileged to negotiate its charter of demand after every two years and therefore have availed the revision of their salaries and allowances in 1993 and in 1995 and at present they are in negotiation with the management for such revision w.e.f. 01.01.97. As a result, the members of staff who are junior to officer in service and cadre are drawing comparatively better emoluments. This anomaly is going to be still more severe after finalization of their present negotiations.

4. The prevailing situation as explained above is naturally disappointing and frustrating to the officers i.e. the category who has been putting its all out effort for the success and development of this huge national institution right from the time of its establishment.



Date: 05/07/97



Handwritten notes and scribbles at the bottom left corner.

" C "

Government of Pakistan
Finance Division
(Regulations Wing)

No. 600 / J.S. (Ins.)
14/3/98

Subject: REVISION OF PAY AND ALLOWANCES OF OFFICERS AND STAFF OF STATE LIFE INSURANCE CORPORATION (SLIC).

Reference Ministry of Commerce O.M.No.7(8)92-Ins.I dated 28.10.1997 on the above cited subject.

2. The issue raised in para 3 of the said O.M. has been considered in the Finance Division and it is held that the SLIC and NIC etc. are required to seek approval of the Finance Division for revision of pay and perquisites of their Officers,

3. It is requested that a comprehensive position paper regarding the pay scales, allowances and perquisites allowed to the officers of SLIC from 1.1.1993 and the proposal for revision of those pay scales may please be forwarded to this Division for consideration.

Mahboob Elahi
(Mahboob Elahi)
Joint Secretary(Regs)

Mr. Saleem Iqbal, JS(Insurance), M/O Commerce, Islamabad.
Fin.Div.'s U.O.No.F.1(1)Imp/94-12/6-97 dated 12.03.1998.

*Pl. inform SLIC &
NIC accordingly. They should
prepare a comprehensive position
paper as advised in para 3 above.*
Saleem Iqbal
14/3/98
D.S.(Ins.)
S.O.(Ins.1)
S.O.(Ins.11)

" D "

No.7(8)/97-Ins.I
Government of Pakistan
Ministry of Commerce

Islamabad 28 October 1997

OFFICE MEMORANDUM

Subject: **REVISION OF PAY AND ALLOWANCES OF OFFICERS AND STAFF OF STATE LIFE INSURANCE CORPORATION (SLIC)**

✓ P-11/c
✓ P-17-10/c

The undersigned is directed to refer to the Finance Division's O.M. No.F.1(1)Imp/94-863 dated 4 September 1997, on the above noted subject and to say that the salary structure of the Officers of State Life Insurance Corporation (SLIC) and National Insurance Corporation (NIC) was last revised on 1st January 1993 whereas the salaries of its unionised staff have been revised twice since 1st January 1993 through their C.B.A's. Resultantly in many cases the salaries of the unionised staff have become more than their Officer's salaries.

2. The Officers' Federations of SLIC and NIC are pressing hard for revision of their salary structure in view of the increase in salaries of the staff and the inflationary pressure.

3. The issue was examined in this Ministry and the competent authority approved the recommendation that the Board of Directors of the said Insurance Corporations may be allowed to revise the pay scales of their Officers on the analogy of Banks / D.F.I's. This will provide some relief to the cadre of Officers in these Corporations.

4. In view of the above, the Finance Division is requested to give their concurrence in the matter at an early date.

\$
27/10/97
(SALIM IQBAL)
Joint Secretary

Mc.

Finance Division,
(Mr. Mahboob Elahi,
Joint Secretary),
Islamabad

MINUTES OF 140TH MEETING OF BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	20th August, 1998	

improve the performance of the Corporation. He agreed that there was overstaffing and quality of recruitment was poor as a result the expenses have gone up which has brought down the quantum of accretion to life fund. He made a commitment that the officers would do every thing possible to check the decline in income and improve quality of service to the policyholders as it was their moral obligation, but at the same time he requested the Board to favourably consider revision in pay and allowances to match the inflation that has taken place since the last increment. He quoted the increase in salary of the financial institutions like Habib Bank, National Bank etc.

24. The Secretary of the Federation, Mr. Sultan Sheikh, assured that the association would make every effort to bring about control in expenses and improvement in persistency. He further said that officers required motivation and had it not been for the un-natural growth in FYP in 1995 and poor recruitment and overstaffing, State Life would have continued on the growth path. He continued that quality business, action against dummy agencies, better training of field force and constant review of performance of Sector Heads and Area Managers and discontinuance of allied facilities to non-performers would bring about a turn around in State Life.

25. Mr. Mohammad Sulaiman, Director/Additional Secretary, Ministry of Commerce, stated that salary was the basic right of the employees and they were the backbone of any organization. He further explained that the Directors had no hesitation in recommending revision of pay scales, but they should effectively reduce expenses bring about enhanced productivity and cooperate with the management in weeding out non performing and irregular employees in the Corporation. Any revision in pay scales of officers should not be made an excuse for revision of pay scales of other employees as there would be no end to it.

26. Keeping in view the accretion to life fund and difference in the pay scales of Superintendent and Executive Officers, the Board unanimously resolved to recommend the following revision.

(i) The pay scales in various grades of officers are proposed to be increased as under:

Designation	Existing	Rate increase	Revised
(1) EO	2260-190-6060	35%	3051-257-8191
(2) AM	3455-265-2960	26.3%	4362-335-10057
(3) DM	4320-330-9270	26.3%	5454-417-11709
(4) MGR.	6260-345-11435	26.3%	7903-436-14443
(5) AGM	6695-370-12245	17.5%	7867-435-14392
(6) DGM	7780-385-13555	17.5%	9142-452-15922
(7) GM	9070-485-15375	17.5%	10657-570-18067

CHAIRMAN
INITIALS



MINUTES OF 140TH MEETING OF BOARD OF DIRECTORS

HELD AT	ON	TIME
KARACHI	20th August, 1998	

(ii) The above pay scales will be effective from 1.1.1998.

(iii) Upon implementation of the new pay scales 7% adhoc relief shall no more be payable.

(iv) With the introduction of new pay scales w.e.f. 1-1-1998, the adhoc increase of Rs.20.2 million/year in perquisites and fringe benefits will cease and be adjusted from the same date.

(v) In future all increases as allowed to lower grade staff under the CBA agreement, shall also be allowed to officers at the same time in proportion to be decided by the Board.

27. The net financial impact on proposed revision at mid of the pay scales should not exceed Rs.54.51 million per annum after adjustment of 7% adhoc relief and increase in perquisites and fringe benefits allowed by the Board previously effective January 1998 while the over all increase worked out to be 21.63%.

28. The Board also directed that there should be no overlapping in the revised pay scales of officers.

29. The Board directed that Area Managers be also allowed increase in their pay scales w.e.f. 1.1.1998 and the net financial impact be worked out and recommended to the Ministry alongwith that of other officers.

30. The Board noted and agreed that ratio of increase in pay scales is higher for lower tier of officers as compared to the higher grade officers.

Action: ED(P&GS)

ITEM 6. SELECTION AND APPOINTMENT OF CONSULTANT FOR RE-WRITING OF SYSTEMS, COMPUTERIZATION OF ALL FUNCTIONS OF STATE LIFE, REPLACEMENT OF EXISTING HARDWARE, INTER-CONNECTIVITY AND REMOVAL OF YEAR 2000 MILLENNIUM BUG. AFTER PRESENTATION TO BE GIVEN BY THE CONSULTANTS IN THE MEETING.

31. The Board in its 139th meeting held on 30.06.1998 had decided to award the contract to PRAL for Millennium solution in COBOL. However, since it is possible to do the job in ORACLE-8 development environment, as confirmed by PRAL and CresSoft both in writing, the contract for the millennium problem be awarded to PRAL after negotiations with them about the revised cost as to whether the job will be treated as a part of total assignment or a separate assignment, as earlier decided keeping in view the changed situation. Mr. Hanif Agha, Chief Executive of PRAL, had earlier also made a presentation on millennium problem to the Directors and senior officers of the Corporation and had

CHAIRMAN'S
INITIALS



MINUTES OF 140TH MEETING OF BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	20th August, 1998	

informed that the parallel system would be ready in about 8 months. He further informed that PRAL would also give comprehensive user manuals, user guides, codes; data dictionary etc. for subsequent use by the Corporation. This order must be placed as finalized after re-negotiation.

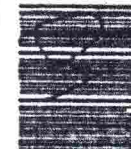
32. The Board in that meeting had also decided to award study contract to the two software firms i.e. CresSoft and PRAL. They have completed their study, submitted technical reports and now have given presentation to the Directors and senior officers of the State Life in 140th meeting of the Board held on August 20, 1998. Incharges of Computer at Karachi, Rawalpindi and Lahore Zones were also invited to study the technical reports and attend the presentations.

33. After the presentation by both the firms, the Board invited Mr. C.M. Rafique, DGM(CD), and Dr. Atta Ullah Khan, AGM(CD), who were asked to let the Board know as to which of the two vendors i.e. M/s. PRAL and M/s. CresSoft in totality were better. They informed the Board that in their view M/s CresSoft software firm had taken the problem lightly, although, the paid study was given to them at their request but it appears that they were not serious about the project. From the presentation and technical report it appears that the firm may be more acquainted with latest technology but for the study they have not gone deep into the subject and still there are many proviso for carrying out the project to successful completion. The estimate for time of software development and suggested hardware configuration by the firm is also unrealistic and the configuration suggested by them for future is even less than what State Life, at present, have in one of the bigger Zones. On the other hand, PRAL had studied the State Life Systems with more diligence employing senior persons from the team. Time estimate is comparatively more realistic but they appear to be less acquainted and trained on the latest techniques and will require time to develop skills. Time of software development might reduce with employing new techniques.

34. From the study of the technical reports of the software firms CresSoft and PRAL and their presentations, the unanimous opinion of the Board is that PRAL had taken genuine interest in the working of State Life Insurance Corporation of Pakistan and had understood the problem well. However, keeping in view the vast difference in the cost quoted by each of them, it was decided that a Committee, consisting of the following persons, be constituted to negotiate the price, and terms of agreement for complete software development with PRAL and submit its recommendation to the Board of Directors for a decision.

- (i) Mr. Muhammad Latif Executive Director (Convenor)
- (ii) Mr. Rasool Bakhsh Baloch, Executive Director
- (iii) Mr. M. Mazharuddin GM(Actuarial)
- (iv) Mr. C.M. Rafique DGM(CD)
- (v) Dr. Atta Ullah Khan AGM(CD) - Secretary

CHAIRMAN'S
INITIALS



MINUTES OF 140TH MEETING OF BOARD OF DIRECTORS

	HELD AT	ON	TIME
	KARACHI	20th August, 1998	

35. The Board desired that the above Committee should immediately negotiate with PRAL, which is a Government organization, to reduce the price quoted which was on the higher side. After negotiations by the above Committee, if felt necessary further negotiations will be made with PRAL by another Committee consisting of the Sayed Muzafar Ali Shah, Chairman, State Life, and Mr. Mohammad Sulaiman, Director/Additional Secretary, Ministry of Commerce.

36. However, even after negotiation with PRAL as stated in para 35, if the cost does not come within a reasonable limit, then on the basis of revised terms of reference to be prepared by State Life, revised technical and financial bids may be asked for, from both the software firms for reconsideration and decision by the Board of Directors.

37. Keeping in view the recommendations of the consultants and of our Computer Division, the Committee constituted vide para 34 will also decide the requisite hardware as replacement to the existing VAX machine at Principal Office, Karachi, with sufficient configuration for the future needs. The VAX machine at Principal Office, Karachi, has already outlived its life and is causing delay and embarrassment and needs replacement on priority basis. The recommendation of the Committee will be put up to the Board for approval.

38. Matter of allowing some additional incentive in the form of qualification/technical allowance at an enhanced rate to the officials of Computer Division was also discussed. Millennium problem has enhanced the COBOL computer programmer market. Any single person getting an outlet will be able to call many other, leaving an irreparable big gap in the State Life Computer Division team of programmers. Both the software firms i.e. CresSoft and PRAL have stressed this fact that they will not be able to work without the help of persons within the organization, who have the domain knowledge. Such situation may affect badly the working of Computer Division and even the success of the software project about to be assigned to some vendor. It is imperative, therefore, to consider allowing technical and qualification allowance for the software team of the Computer Division to make it sufficiently lucrative for the existing person to stay with the Corporation and also attract new entrants of reasonable expertise to be inducted. It was decided by the Board that a comprehensive incentive scheme for real qualified and experienced software engineers and programmers be framed to induct, retain, train and develop these few brains, may be put up for consideration in the next Board Meeting.

39. The Board also instructed DGM(CD) to prepare and submit a comprehensive report of defects in the existing computer software system and hardware within the next 10 days.

Action:ED(CD)

CHAIRMAN'S INITIALS



MINUTES OF 140TH MEETING OF BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	20th August, 1998	
<p>Computer Professionals</p>			
<p>40. The Board requested Mr. Mohammad Sulaiman, Director/Additional Secretary, Ministry of Commerce, to use his good offices for obtaining permission of the Government to put an advertisement for computer personnel. It was decided that initially an advertisement would be given for appointment of one top person who would then select computer professional of his choice. It was also decided that an advertisement be given through a recruiting agency say Fergusons Associates to keep State Life identity a secret and to avoid approaches and recommendations. A text of advertisement will be provided to Mr. Mohammad Sulaiman.</p>			
<p>Action: ED(CD)</p>			
<p>Computer Software Development Company - A Subsidiary of State Life.</p>			
<p>41. The Board instructed the Law Division to examine formation of a computer software development company as a subsidiary of State Life and submit its recommendation to the Board for consideration.</p>			
<p>Action: ED(Law)</p>			
<p>ITEM 7. CRITICAL ANALYSIS OF INVESTMENT PORTFOLIO.</p>			
<p>GM(INV.) MEMORANDUM DATED 03-02-1998</p>			
<p>42. Due to paucity of time, the item was deferred for consideration at the next Board Meeting.</p>			
<p>ITEM 8. INFERENCES AND RECOMMENDATIONS ON HISTORICAL ANALYSIS OF STATE LIFE'S BUSINESS.</p>			
<p>GM(ACT) REPORT DATED 22-6-1998.</p>			
<p>43. GM(Actuarial) was invited who presented a paper to the Board on inferences and recommendation on historical analysis of State Life's business. The Board appreciated the effort put in by GM(Act.) in carrying out an historical analysis of State Life over the last 25 years since its creation.</p>			
<p>44. GM(Act.) pointed out that the expansion of State Life is contingent of the growth of its new business which has been irregular. GM(Act.) informed the Board that to ensure a steady growth, State Life should have a growth in FYP of 5% over and above the rate of inflation. GM(Act.) also pointed out that State Life needs to take strict measure to improve the quality of its business and its persistency which should be maintained if not improved upon. He informed the Board that persistency can be improved by better recruitment and by developing consciousness amongst the field workers and also bringing about consistency in timing of promotions at all tiers of field force.</p>			

CHAIRMAN'S INITIALS



MINUTES OF 140TH MEETING OF BOARD OF DIRECTORS

HELD AT	ON	TIME
KARACHI	20th August, 1998	

45. GM(Act.) expressed before the Board that 64% of the business was done in 11 months, 36% in the month of December, whereas 27% of the total business was done on the last day of the year. GM(Act.) informed the Board that proper audit of cases underwritten in the month of December be carried out and field force be rewarded for good business procured whereas action be taken against bad underwriters.

46. The Board instructed GM(Act.) that a seminar be held in the month of August/September 1998 by GM(Act.) alongwith Divisional Head (PHS) in each of the four Regions with representation of the Zones where the finding of analysis be explained and emphasis be laid on growth of FYP improvement in persistency, procurement of good business, quality recruitment, reduction of surrenders, revival of lapsed policies. The Board decided that inferences and recommendations mentioned at para 4 to para 14 of the paper of the GM(Act.) would be discussed to the next Board Meeting.

Action: ED(Actuary)/ED(PHS)

ITEM 9. PRESENTATION BY A&SP DIVISION

47. DGM(A&SP) was invited who made a presentation on the ongoing activities of the A&SP Division. DGM(A&SP) informed the Board that A&SP intends to undertake a vigorous multimedia campaign involving the Press, TV and Radio for renewal premium and revival of lapse policies. DGM(A&SP) also briefed the Board on media publicity, press relation, outdoor advertising and sales promotion activities of A&SP. The Board advised the A&SP Division to keep up the good work and ensure completion of all the projects in hand in time.

Outdoor Publicity

48. DGM(A&SP) informed the Board that closed circuit TV operating at Karachi Airport is showing 24 spots in a day on State Life corporate and products commercials. The Board instructed that the service be extended to other International Airports including Lahore.

Action: ED(A&SP)

49. DGM(A&SP) further presented to the Board that important dignitaries are being invited at State Life functions which results in projections of State Life in the Press and other media.

Calendars

50. The A&SP Division submitted designs for calendars received from five advertising agencies namely; Interflow, Orient, Adgroup Advertising, Mr.Kaif Banarsi and Argus Advertising and short listed two designs submitted by Argus and Adgroup and one design each submitted by Orient and Interflow.

CHAIRMAN'S INITIALS



MINUTES OF 140TH MEETING OF BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	20th August, 1998	

51. The Board instructed that the design of the calendar will now be selected from amongst the short listed designs by the representatives of the Field Workers.

Action: ED(A&SP)

Tahafuz Magazine

52. DGM(A&SP) informed that there was a delay in publication of "Tahafuz" magazine because of change of Press, however, efforts would be made that there will be no delay in future and publication would take place at regular intervals. The Board directed that "Tahafuz" magazine was an important link with the field force as such it should be regularly published.

Action: ED(A&SP)

ITEM 10. ANY OTHER ITEM WITH THE PERMISSION OF THE CHAIR.

(i) Terminated Area Managers

53. The Standing Committee consisting of the Chairman, ED(B&A) and ED(S&D) considered the appeals received from the Area Managers within the time allowed under terms of regulation 33(3)(C) who were terminated in terms of regulation 4(II)/(C)(2) of State Life Employees Service Regulation 1973 for not meeting the revised minimum criteria approved by the Board by circulation on May 11, 1998 and to whom the right of appeal was given by the Board of Directors in its 139th meeting held on 30th June 1998.

54. The Board in its 139th meeting of 30th June 1998 after giving a hearing to the representatives of the Area Managers' Federation had agreed to review the case on the basis of average performance during the year 1994, 1996 and 1997 in the case of Regular Area Managers. However, in the case of Area Managers promoted under the Accelerated Promotion Scheme their cases were to be considered in terms of their respective undertakings. The Board further decided that only the cases of those Area Managers would be reviewed who have filed appeals.

55. It was also decided to consider the year 1995 in determining the 3-year average performance. Again in case of Area Managers terminated under Accelerated Promotion Scheme a similar liberal view was taken and 2-year average of 1996 and 1997 performance was to be considered.

56. As per above guideline, the Standing Committee submitted the names of 35 Area Managers under Regular and Accelerated Schemes who have been recommended to be reinstated. 55 Area Managers who had filed appeals have failed to clear even the liberal new standards. 30 Area Managers did not file appeals and were not considered.

57. The Board approved the recommendation of the Standing Committee to reinstate 35 Area Managers and advised that

CHAIRMAN'S
INITIALS



MINUTES OF 140TH MEETING OF BOARD OF DIRECTORS

HELD AT

ON

TIME

KARACHI

20th August, 1998

they be informed accordingly. The Board instructed that laid down standards will be strictly maintained at the time of reviewing performance of the Area Managers for promotions and terminations. Letters of contract be redrafted to incorporate all the desired terms and conditions to avoid any ambiguity in future.

58. The Board also approved that letters be written to those Area Managers who have failed to meet the liberal standard fixed for review of performance in their case, informing them that their appeals have been rejected. Necessary advice be taken from Law Division to avoid any legal complications.

59. The names of 35 Area Managers recommended by the Standing Committee and approved by the Board to be reinstated are as follows:

SN.	Name of Area Managers	Code	Zone
1.	Mr. Abdul Razak Shahid	789	Lahore(C)
2.	Mr. Qaisar Nawaz	917	Gujrat
3.	Mrs. Afshan Maqsood	199	Karachi(C)
4.	Mr. Shah Mohammad	545	Mirpurkhas
5.	Mr. Mumtaz A. Qureshi	651	D.G.Khan
6.	Mr. M. Riaz Choudhry	614	R.Y.Khan
7.	Mr. M. Afzal Anjum	632	R.Y.Khan
8.	Mr. M. O. Ali	126	Karachi(E)
9.	Mr. M. Sadiq Mehdi	905	Gujrat
10.	Mr. A.M. Abbas	184	Karachi(S)
11.	Mian Mohammad Hafiz	792	Lahore(W)
12.	Mr. Raj Wali Khan	458	Peshawar
13.	Mr. M. Anwar Baig	447	Swat
14.	Mr. A. Qayyum	644	Vehari
15.	Mr. Sahib Sultan	460	Swat
16.	Mr. Asghar Ali	884	Faisalabad
17.	Mr. Zulifqar Ali	662	Bhawalpur
18.	Mr. Sohail Bashir	1006	Lahore(C)
19.	Ch. M. Jamshed	1303	Sialkot
20.	Mr. S. Anwar Shah	471	Abbottabad
21.	Mr. Dadan Khan Jadoon	470	Abbottabad
22.	Mr. Mohammad Aslam Malik	1304	Gujranwala
23.	Ch. Mohammad Akhtar	679	Sahiwal
24.	Mirza M. Babar	36	Karachi(S)
25.	Mr. Mohammad Riaz	2442	Abbottabad
26.	Mr. Naseeruddin Mangal	1402	Quetta
27.	Mr. Gul Mohammad	2443	Abbottabad
28.	Mr. Shahid-ur- Rehman	2102	Karachi(S)
29.	Mr. Malik Mohammad Qasim	684	Multan
30.	Mr. Riaz A. Azad	1020	Lahore(C)
31.	Mr. Athar Saeed	1611	Bhawalpur
32.	Mr. M. Nizam Khilji	1403	Quetta
33.	Mr. Jameel Ahmed Awan	2448	Abbottabad
34.	Mr. Hamayun Irfan	2304	Sialkot
35.	Mr. Wazir Ali Hashmani	1521.	Hyderabad.

Action: ED(S&D)/ED(P&GS/Law)

CHAIRMAN'S
INITIALS

MINUTES OF 140TH MEETING OF BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	20th August, 1998	

(ii) Child Education and Marriage Plan

60. ✓ The Board instructed that information be extracted in respect of ages of children of policyholders with higher sum assured and that they be approached to buy policies in respect of child education and marriage plan for their children. The Board also desired that the information in respect of above be submitted at the next Board Meeting.

Action: ED(PHS)

(iii) New Policy Plans

61. ✓ The Board instructed GM(Actuarial) to submit a complete list of all policy plans launched since creation of State Life Insurance Corporation of Pakistan and plans existing at time of inception of State Life and their status as of today. The Board also instructed GM(Actuarial) to submit details of all such plans which have been discontinued and reasons thereof together with a review whether such discontinued plans can be revived.

62. ✓ The Board also instructed GM(Actuarial) to submit to the Board within two months, two new plans one for urban population and one for rural population.

Action: ED(Actuarial)

(iv) Real Estate

63. ✓ Mr. Mohammad Sulaiman, Director/Additional Secretary, Ministry of Commerce, brought to the notice of GM(RED) that proper maintenance and upkeep of State Life buildings should be carried out regularly. He cited example of State Life building in Islamabad where the Ministry of Commerce was located which was not being properly maintained.

64. ✓ The Board instructed that with immediate effect Real Estate Departments at Lahore, Islamabad, Rawalpindi and Peshawar would be placed under the administrative control of the Zonal Heads with financial powers whereas technically the staff would be reporting to GM(RE).

65. ✓ GM(RE) informed the Board that the ground floor in State Life building at Hyderabad would be rented out to HBL after removal of cash counters.

Action: GM(RE)

(v) Minutes of Executive Committee Meetings

66. ✓ Mr. Mohammad Sulaiman, Director/Additional Secretary, Ministry of Commerce, desired that minutes of Executive Committee held between two Board meetings be put up to the Board for ratification in future.

Action: DGM(BS)

CHAIRMAN
INITIALS



MINUTES OF 140TH MEETING OF BOARD OF DIRECTORS

HELD AT	ON	TIME
KARACHI	20th August, 1998	

(vi) Defalcations

67. Mr. Mohammad Sulaiman, Director/Additional Secretary, Ministry of Commerce, expressed his disappointment that people involved in defalcation are being let off. He desired that a full pledged report on defalcations be prepared by PHS Division and put up to the Board by circulation. ED(PHS) was requested to provide a list of all Zonal Heads who did not take action against the persons involved in fraud.

Action: ED(PHS)

(vii) Policy Decisions

68. The Board desired that a summary of all decisions taken during Mr. Zaheer Khan's tenure of office as Chairman of State Life be put up at Board Meetings to be held in future.

Action: DGM(BS)

(viii) Next Board Meeting

69. The Board decided that the next meeting would be held in Lahore in the middle of September where all Regional Chiefs and Zonal Heads in and around Lahore would be invited.

Action: DGM(BS)

(ix) Standing Committee for consideration of review
petition filed by Ch. Abdul Nasir.

70. Ch. Abdul Nasir had preferred an appeal dated 16-5-1997 through his Zonal Head for revision and review of punishment of demotion to lower post i.e from Manager(Dev.) to Area Manager w.e.f. 24-4-1997.

71. The Board in its 134th meeting dated September 9, 1997 constituted a Standing Committee consisting of 3 Directors inclusive of the Chairman i.e. Sayed Muzafar Ali Shah, Chairman, Mr. Zafar Mahmoud and Mr. Mazhar Hussain, Executive Directors, for considering the appeal.

72. The meeting of the above Committee could not be held due to transfer of Mr. Zafar Mahmoud and Mr. Mazhar Hussain, Executive Directors, as such the Board in its 138th meeting held on 12th April 1998 constituted a new Standing Committee comprising of Mr. Rasool Bakhsh Baloch, Mr. Mohammad Latif and Mr. J.M. Pereira for consideration of appeal and to submit its recommendations to the Board of Directors.

73. A meeting of the Standing Committee was held on 13-5-1998 where the advice received from AGM(Law) and a letter from P&GS conveying that the Standing Committee set up by the Board of Directors is barred from hearing and taking a

CHAIRMAN'S
INITIALS

MINUTES OF 140TH MEETING OF BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
E BOOK	KARACHI	20th August, 1998	

decision on the appeal since the departmental appeal was pending for a period exceeding 90 days and since the appellant had taken the matter to the Service Tribunal. It was also pointed out that under the service regulation No.33(1)(2)(a) of State Life Employees (Service Regulation 1973), Standing Committee must include the Chairman.

74. As informed by AGM(Law) and required under Service Regulation No.33(1)(2)(a) of State Life Employees (Service Regulation 1973), the Board decided to reconstitute the Standing Committee comprising of the Chairman, Sayed Muzafar Ali Shah, Mr. Mohammad Latif, ED(PHS) and Mr. J.M. Pereira, ED(S&D) to consider the appeal of Ch. Abdul Nasir.

75. The meeting ended with mutual vote of thanks.

Muzafar Ali Shah
CHAIRMAN

CHAIRMAN'S INITIALS