

MINUTES OF 141ST MEETING OF THE BOARD OF DIRECTORS

BOOK	HELD AT	ON	TIME
	LAHORE	26 TH SEPTEMBER, 1998	

CONFIDENTIAL AND RESTRICTEDMINUTES OF 141ST MEETING OF THE BOARD OF DIRECTORS

The one hundred and forty first(141st) meeting of the Board of Directors of State Life Insurance Corporation of Pakistan was held on 26th September, 1998 at Board Room, Lahore Central Zone, Lahore.

PRESENT

- | | |
|-----------------------------|--|
| 1. Sayed Muzafar Ali Shah | Chairman |
| 2. Mr. Mohammad Sulaiman | Director/Additional Secretary (Commerce) |
| 3. Mr. Imtiaz Rasool | Executive Director |
| 4. Mr. Rasool Bakhsh Baloch | Executive Director |
| 5. Mr. Mohammad Latif | Executive Director |
| 6. Mr. J.M. Perceria | Executive Director |
| 7. Mr. Samee-ul-Hasan | Consultant Actuary by invitation. |
| 8. Mr. M. Mazharuddin | GM(Actuarial.) by invitation. |
| 9. Mr. Akbar Ali Hussain | Secretary Board. |

2. The meeting commenced with recitation of verses from the Glorious Quran by Mr. Imtiaz Rasool, Executive Director.

ITEM 1. CONFIRMATION OF MINUTES OF 140TH MEETING OF THE BOARD OF DIRECTORS.

3. The minutes of 140th meeting of Board of Directors held on 20th September, 1998 were placed before the Board. Sayed Muzafar Ali Shah, Chairman proposed and Mr. Mohammad Latif, ED(B&A), seconded that the minutes be confirmed with the following amendment. Accordingly it was resolved as under:

RESOLVED:

"that the minutes of 140th meeting of Board of Directors held on 20th September 1998 be and are hereby confirmed with the following amendment:

Item 1 Para 6 of 140th meeting to now read as:-

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. Mohammad Latif, ED(B&A), seconded that the same be confirmed."

4. The Chairman extended a warm welcome to Mr. Imtiaz Rasool who has joined State Life as an Executive Director and hoped that State Life would benefit from his vast and varied experience in various senior appointments in civil service and that his presence on the Board would immensely contribute to the quality of decisions.

5. The Chairman on behalf of the Board and on his own behalf expressed appreciation for Mr. A. Rauf Malik, Executive Director, who has returned to his parent organization after 3 years stay with State Life and wished him all the best in his future endeavours.

CHAIRMAN'S
INITIALS



MINUTES OF 141ST MEETING OF THE BOARD OF DIRECTORS

HELD AT	ON	TIME
LAHORE	26 TH SEPTEMBER, 1998	

Action:
DGM(BS)

6. The Board of Directors decided that the meetings of the Board of Directors would be rotated amongst various cities, however, the next meeting would be held at Karachi and the subsequent meeting would be held at Islamabad.

Action:
DGM(BS)

7. The Board of Directors expressed their appreciation of the hospitality extended by officers and staff of the Central Region and for the arrangements made for holding of the Board meeting at Lahore.

ITEM 2. IMPLEMENTATION AND COMPLIANCE REPORTS ON 137TH, 138TH, 139TH AND 140TH MEETINGS OF THE BOARD OF DIRECTORS.

Action:
DGM(BS)

8. The implementation and compliance reports on 137th, 138th, 139th, 140th and 141st meetings of the Board of Directors would be presented and considered in the next meeting of the Board of Directors.

Action:
ED(S&D)/
ED(PHS)/
ED(Act)

9. ED(S&D) informed that seminar on inferences and recommendations on historical analysis of State Life business would be held in each of the four Regions from 3rd October to 10th October 1998 where findings of analysis would be explained with special emphasis on growth of FYP, improvement in persistency, procurement of good business, quality recruitment and reduction of surrenders.

AN UPDATE ON COMMENCEMENT OF WORK ON APPOINTMENT OF CONSULTANTS FOR THE ENTIRE COMPUTERIZATION OF THE CORPORATION TO MEET THE CHALLENGES OF THE 21ST CENTURY INCLUDING REMOVAL OF MILLENNIUM BUG

10. ED(CD/Sys) presented before the Board and update on commencement of work of removal of millennium bug in Computer/Systems program. The software firms i.e. CresSoft and PRAL in the course of their study suggested that the entire data in Principal Office for the solution of millennium problem be posted in Oracle Data Base engine on the structure of the Zonal Data Base format, all the applications now running in Zones should be parameterized and existing COBOL be written in Oracle Report Writer. Both the above software firms confirmed that this would be a much better and more logical alternative to normal millennium solution and would bring entire State Life on single platform.

11. ED(CD/Sys) informed that the Committee formed by the Board of Directors in its 140th meeting had renegotiated the price with PRAL who agreed to reduce the price quoted by them to some extent, however, the members of the Committee were of the view that the reduced prices also, were still on the very high side.

12. After discussions, the Board of Directors resolved as under:

RESOVLED


"that since the scope of work has changed, the work of complete software development on Corporation basis to include removal of millennium bug and fresh technical and financial bid be called in two separate sealed envelops from all four pre-qualified software consulting firms namely CresSoft, PRAL, ICL and IBM in the light of newly formulated terms of reference, and technical bid

Action:
ED(CD)

CHAIRMAN'S
INITIALS



MINUTES OF 141ST MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME	
MINUTE BOOK	LAHORE	26 TH SEPTEMBER, 1998		
<p>Action: ED(CD)</p> <p>Action: ED(CD)</p> <p>Action: ED(CD)</p>	<p>of the consulting firms be opened in presence of representatives of the bidders on a notified date, evaluated and financial bid be opened in respect of qualifying firm and order be placed to the lowest bidder.”</p> <p>“further that ICL and IBM be allowed to undertake a study of the existing systems and hardware and future requirements and a fee of Rs.200,000 may be allowed to them for the purpose.”</p> <p>“further that the terms of reference be vetted by Systems Limited and sent to the above four consulting firms for submission of technical and financial bids for which they be allowed ten days time.”</p> <p>13. ED(CD) informed the Board that the Computer Division had desired to submit a memorandum regarding configuration of computer hardware to be purchased at the Principal Office. The Board instructed that as decided in its 138th meeting held on 12th April 1998, the purchase of appropriate computer hardware along with necessary connection and operating an application environment be processed.</p> <p>ITEM 3. <u>LATEST AND DETAILED BUSINESS PROGRESS REPORTS WITH COMMENTARY.</u></p> <p>✓ (i) <u>SALES & DEVELOPMENT (LIFE)</u> ED(S&D) MEMORANDUM DATED 21-9-1998.</p> <p>14. Mr. Akram Hussain, Regional Chief (Central), Mr. Sajjad Malik, Zonal Head, Lahore (Western) and Mr. Hanif Bashash, Zonal Head, Lahore(Central), were invited.</p> <p>15. ED(S&D) presented before the Board the review of Individual Life business for and upto the month of August 1998 and informed the Board that total Individual Life FYP was Rs.539.58 million as compared to Rs.587.125 million in the corresponding period of last year showing a deficit of 8.10%, the Second Year Persistency being 39.42% as compared to last year corresponding period's persistency of 50.75%.</p> <p>16. ED(S&D) informed that Southern Region has secured FYP of Rs.137.763 million as compared to Rs.135.495 million in the corresponding period of 1997 thus showing a marginal increase of 1.67% whereas Central Region shows a deficit of 4.08% in FYP over the corresponding period of 1997, the year-to-date FYP figures being Rs. 185.359 million in 1998 as compared to Rs.193.228 million in the corresponding period of 1997.</p> <p>17. ED(S&D) further informed that the year-to-date deficit for Northern Region is 19.18% whereas for Multan Region it is 12.12% for 1998 as compared to 1997. The FYP figures for Northern Region for and upto August 31, 1998 is Rs.144.606 million as compared to Rs.164.535 million in the corresponding period in 1997 and Rs.71.852 million for Multan Region as against Rs.93.867 million in the corresponding period of previous year.</p> <p>18. ED(S&D) explained that on year-to-date basis only six Zones are in plus which are as follows:</p>			<p>CHAIRMAN'S INITIALS</p> 

MINUTES OF 141ST MEETING OF THE BOARD OF DIRECTORS

HELD AT	ON	TIME
LAHORE	26 TH SEPTEMBER, 1998	

Southern Region Quetta, Karachi(South) and Hyderabad Zones
 Central Region Sialkot Zone
 Northern Region Mirpur (A.K.) and Islamabad Zones

19. ED(S&D) explained that business in Multan Region is expected to pick up in the month of November/December 1998 as liquidity would be created from sale of agricultural products specially cotton by the potential policyholders whereas improvement in prevalent economic conditions in the country would bring about an improvement in business.

20. ED(S&D) explained that Area Managers in 'C' category who qualify should be promoted to 'B' category whereas 'C' category is no more for new entrance.

21. Mr. Akram Hussain, Regional Chief (Central), thanked the Board of Directors for their motivation and inspiration of officers and staff of the Central Region and assured them that no stone would be left unturned to meet the target and come up to the expectation of the Board. Regional Chief (Central) expressed that targets have not been achieved because of the wrong practices of the past and that the Corporation was more of FYP oriented. He thanked the Directors for the decisions for reinstatement and promotions of Area Managers, keeping in abeyance the austerity and economic measure related to business for the last quarter and for their personal visits to the Regions/Zones to motivate the field force and hoped that the above would bring about a marked improvement in business in the remaining period of 1998 which would help in meeting the targets.

Action:
All RCs

22. ED(B&A) informed that representation is being made to the member taxes to allow continuation existing practice of issuing cross cheques in respect of commission where the amount exceeds Rs.12,000 instead of the newly prescribed condition of issuing cross cheques where the amount exceeded Rs.5,000 however it is unlikely that the authorities would agree to the request since this is being applied to every body in the entire country.

Action:
ED(B&A)

23. The Board of Directors also agreed to allow adjustment of commission to the SRs, SOs and SMs at the counters upto 25%, 10% and 5% of their respective commission against premium only for the current year though normally 5% adjustment is allowed against premium which is increased to 25% subject to recording of reasons where there is no debit.

Action:
ED(B&A)

24. Mr. Hanif Bashash, Zonal Head, Lahore, requested that no such action be taken in the last quarter which would effect business. He also requested that the order of delisting of clinical laboratories of CMA's for better control be kept in abeyance for the last quarter of 1998 to which the Board agreed.

Action:
ED(PHS)

25. Mr. Sajjad Malik, Zonal Head, Lahore, thanked the Board for motivation and expressed that hard work would be put in by the officers and staff of his Zone to meet the target set for his Zone.

Action:
Zonal Head
Lahore Western
Zone

26. Mr. Mohammad Sulaiman, Director/Additional Secretary, Ministry of Commerce, hoped that the Sales & Development Division and the field force would do every thing possible to bring about an increase in the business and in the Life Fund which would permit the Corporation to give better remuneration and facilities to the employees.

CHAIRMAN'S
INITIALS

MINUTES OF 141ST MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	LAHORE	26 TH SEPTEMBER, 1998	

✓ (ii) GROUP & PENSION BUSINESS
ED(G&P) MEMORANDUM DATED 18-9-1998.

27. ED(G&P) presented before the Board review of performance of G&P business for and upto August 31, 1998. The Board was informed that on a year-to-date basis upto August 31, 1998 the group premium income was Rs.707.149 million as compared to Rs.762.699 million in the corresponding period of 1997 thus showing a deficit of 7.28%. As against budgeted target for 1998 of Rs.1600 million, the achievement was 44.20%, whereas persistency is estimated to be 86.46%.

28. In the Northern Region, the Corporate Zone has shown an increase of 87.42% over corresponding period last year whereas Faisalabad, Peshawar, Rawalpindi and Lahore Zones have shown a deficit of 17.21%, 13.79%, 10.69% and 8.23% respectively. In the Southern Region, Hyderabad and Karachi Western have shown an increase of 31.56% and 4.19% respectively over last year whereas Karachi Central has shown a decrease of 37.45%.

29. ED(G&P) pointed out that 131 policies lapsed during first eight months of 1998 with a premium of Rs.31,574,000 whereas 89 new policies were procured with a premium of Rs.13,855,000.

30. ED(G&P) informed the Board that the following strategy would be adopted to meet the targeted figure for the year.

(a) Insurance of students and parents on group basis which has a very big market and has not yet been tapped.

(b) Revision of sum assured to employees of commercial banks which would bring about additional premium and offset effect of downsizing.

(c) Revival of lapsed policies.

(d) Appointment of a Manager Development in Divisional Office.

31. ED(G&P) pointed out that a decision taken by the Executive Committee that administrative head in the Regions and Zones should be higher in rank wherever possible to avoid administrative problems and necessary adjustments be carried out to rectify the same and further more in case of dispute of on payment or on any other matter, the decision of the Zonal Head would prevail, however the decision of the Zonal Head as well as the observation of the dissenting officers would be noted and the file would be sent to the Regional Chief concerned for forwarding the same with his considered views to ED(S&D) and the concerned ED who would decide the matter jointly.

32. Mr. Mohammad Sulaiman, Director/Additional Secretary Commerce, informed the Board that insurance of Hajjis would be made compulsory in the next Haj Policy. He also requested ED(G&P) to update the paper on National Accidental Death Insurance for submission to the relevant authorities. He further desired that Mr. M. Mazharuddin, GM(Act.), be present to assist him in the preparatory meetings being held to update Insurance Act.

Action:
ED(G&P)

Action:
All EDs

Action:
ED(G&P)
ED(Act.)

CHAIRMAN'S
INITIALS



MINUTES OF 141ST MEETING OF THE BOARD OF DIRECTORS

	HELD AT	ON	TIME
	LAHORE	26 TH SEPTEMBER, 1998	

Action:
ED(G&P)

33. Mr. Mohammad Sulaiman, Director/Additional Secretary Commerce, further requested ED(G&P) to explain to the relevant authorities the pitfalls of self insurance in case of catastrophes and natural calamities.

Action:
ED(G&P)

34. Mr. Tahir Ahmed Khan, Zonal Head G&P, Lahore, was invited who presented before the Board review of G&P Lahore Zone. The Zonal Head Lahore informed the Board that SRs and SOs should be groomed for procuring new business and commission rate which was on the lower side be improved upon. He also informed that office staff of Sales & Development were being trained to go out in the field for procuring new business and servicing of existing business. The Zonal Head presented with the help of charts the Sector-wise achievement of his Zone as compared to targets for the year 1998. The Presentation by Mr. Tahir Ahmed Khan was appreciated and the Board desired its introduction in other Zones.

(iii) INTERNATIONAL BUSINESS
ED(INT'L) MEMORANDUM DATED 7-9-1998.

35. ED(Int'l) presented before the Board the business progress report of overseas territories which showed that the Division has secured FYP of Rs.39,805,335 (US \$ 865,333) for and upto the month of August 1998 as compared to Rs.39,794,095 (US \$ 865,089) in the corresponding period of last year and targeted figure of Rs.210 million (US \$ 4,565,217) for 1998. However the number of policies has decreased by 11%. The Second Year Persistency of International Division has dropped to 39% upto August 1998 as compared to 42% for the previous year whereas Renewal Persistency has dropped to 71% as compared to 80% for the corresponding period of the previous year. The FYP of UAE and Kuwait has increased by 2% and 94% respectively for and upto August 1998 whereas the FYP of Saudi Arabia has fallen by 17% as compared to corresponding period of the previous year.

36. ED(Int'l) further informed the business in UAE and Kuwait Zone is progressing and results achieved are satisfactory whereas due to recent arrangement of appointment of Field Mangers in Saudi Arabia, it is expected that improvement in business will be achieved.

(iv) REAL ESTATE PROJECTS AND INCOME, EXPENSES ON SALARIES PAID TO THE OFFICERS AND STAFF OF R.E.D. TO BE SHOWN SEPARATELY.
GM(RE) MEMORANDUM DATED 11-9-1998.

37. Mr. Mohammad Sulaiman, Director/Additional Secretary, Ministry of Commerce, inquired the position of tenancy. ED(RE)/Chairman informed the Board that the ongoing projects are expected to be completed in the first quarter 1999. ED(RE)/Chairman explained that due to the current economic condition prevalent in the country, vacant spaces exists in various State Life buildings and every effort is being made through Real Estate agents and through incentives to State Life Employees and aggressive advertising and direct marketing to put such vacant spaces on rent.

Action:
ED(B&A)

38. The Board requested ED(B&A) that income on security deposits of Real Estate should be credited to the Real Estate cost centre.

CHAIRMAN'S
INITIALS



MINUTES OF 141ST MEETING OF THE BOARD OF DIRECTORS

RECTORS	HELD AT	ON	TIME
MINUTE BOOK	LAHORE	26 TH SEPTEMBER, 1998	

(v) INVESTMENT INCOME
ED(INV) MEMORANDUM DATED 21-9-1998.

39. ED(INV.) presented before the Board review of investment portfolio from January 1, 1998 to August 31, 1998 showing an investment income of Rs.4,560 million. As a result of the depression in the Karachi Stock Exchange, the market value of the quoted equities portfolio of the Corporation is less than its book value by Rs.867 million on August 31, 1998. The book value on that date was Rs.4,402 million whereas the corresponding market value was Rs.3,535 million.

40. ED(Inv) informed that the Federal Government had agreed to enhance the rate of return on roll over proceeds of special Government Bonds to 17.25% w.e.f. 1-7-1998.

41. After discussion, the Board resolved as follows:

RESOLVED:

(i)"that a representation be made to the Government requesting payment of interest in cash to improve liquidity though the principal amount may be rolled over."

(ii)"that a query be put up on behalf of the Board to Ministry of Finance, Ministry of Commerce and Corporate Law Authority as to whether the Government intends to reduce total allowable investment to insurance companies in Government approved Securities from the current 60% (30% mandatory and 30% discretionary) to 40% as a condition for securing capital market loan from International Loan giving Agencies."

(iii)"further that the Ministry of Finance, Ministry of Commerce and Corporate Law Authority be explained that such law will kill old companies."

(iv)"that a representation be made to the Government for non-deduction of withholding tax from maturity proceeds on the plea that tax on interest income of such proceeds is assessed and paid by State Life on actual basis."

ITEM 4. RATIFICATION OF MINUTES OF EXECUTIVE COMMITTEE MEETING HELD SINCE LAST BOARD MEETING.

42. The minutes of the 242nd, 243rd, 244th and 245th meetings of the Executive Committee held since the last Board meeting held on 20th August 1998 along with the minutes of the Executive Committee meeting to be held subsequent to this meeting would be presented in the next meeting of the Board of Directors for ratification.

43. DGM(BS) presented before the Board the minutes of the 211th to 241st meetings of the Executive Committee held during the period 28th March 1996 to 10th August 1998 for ratification by the Board. The Board accordingly resolved as follows:

RESOLVED:

"that the decisions taken in the 211th to 241st meetings of the Executive Committee be and are hereby noted."

CHAIRMAN'S
INITIALS



Action:
ED(Inv.)

Action:
DGM(BS)

Action:
DGM(BS)

MINUTES OF 141ST MEETING OF THE BOARD OF DIRECTORS

HELD AT	ON	TIME
LAHORE	26 TH SEPTEMBER, 1998	

ITEM 5. SUMMARY OF DECISIONS TAKEN IN THE BOARD MEETINGS DURING MR. ZAHEER KHAN'S TENURE OF OFFICE AS CHAIRMAN OF STATE LIFE.

44. DGM(BS) presented before the Board the summary of decisions taken in the 118th to 130th meetings of the Board held from 7th August 1994 to 15th October 1996, during Mr. Zaheer Khan's tenure of office as Chairman of State Life Insurance Corporation of Pakistan.

Action:
DGM(BS)

ITEM 6. APPROVAL OF AUDITED ACCOUNTS TOGETHER WITH AUDITORS REPORT THEREON FOR THE YEAR ENDED DECEMBER 31, 1997.

ED(B&A) MEMORANDUM DATED 22-9-1998.

45. ED(B&A) presented before the Board the 25th annual report on the operation of State Life Insurance Corporation of Pakistan along with audited Balance Sheet as at 31st December 1997 and revenue account for the year ended 31st December 1997 audited by the following panels of auditors appointed on the recommendations of the Board of Directors by the Federal Government:

- (i) M/s. Khalid Majid Hussain Rehman, Chartered Accountants, Karachi.
- (ii) M/s. M. Yousuf Adil Saleem & Co., Chartered Accountants, Karachi.
- (iii) M/s. S.M. Masood & Co., Chartered Accountants, Lahore.
- (iv) M/s. S.P. Amjad & Co., Chartered Accountants, Lahore.

46. The Board observed certain gross discrepancies in the accounts enumerated below:

- (i) Maturity Claims which were in the range of Rs.800 + million in 1995 and 1996 have jumped to Rs.1028 million in 1997,
- (ii) Although First Year Premium in 1997 has decreased by 12.3%, the First Year Field Agency Commission has increased from 38.9% in 1996 to Rs.39.5% in 1997,
- (iii) The salaries & allowances have increased from Rs.721 million in 1996 to Rs.821.5 million in 1997,

47. The more alarming discrepancy has been in the renewal premium. The revised budget estimate of Renewal Premium at Rs.5.408 billion has scaled down to Rs.4.363 billion on accrual basis thereby decreasing the renewal persistency from 89.48% on cash basis to 77.17% on accrual basis. This has perhaps been for the first time that the revised budget estimate for the renewal premium has dropped by Rs.1.1 billion on accrual basis in the last 10 years.

48. The Board resolved that the B&A Division should immediately re-calculate and reconcile the accounts and present the correct picture of accounts in the next Board meeting for consideration and approval.

Action:
DGM(B&A)

CHAIRMAN'S
INITIALS



MINUTES OF 141ST MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	LAHORE	26 TH SEPTEMBER, 1998	
<p>ITEM 7. <u>REVIEW OF HALF YEARLY ACCOUNTS FOR THE PERIOD ENDED JUNE 30, 1998</u> ED(B&A) MEMORANDUM DATED 22-9-1998.</p> <p>49. Due to paucity of time, the consideration of the above item was deferred.</p> <p>ITEM 8. <u>APPOINTMENT OF STATUTORY AUDITORS FOR AUDIT OF ACCOUNTS OF STATE LIFE FOR THE YEAR 1998.</u> ED(B&A) MEMORANDUM DATED 21-9-1998.</p> <p>50. ED(B&A) presented before the Board the proposal of appointing panel of auditors for auditing the accounts of the Corporation for the year ending 31st December 1998, keeping in view the desire of the management who have reputed firms of Chartered Accountants and for approval of their audit fee and out of pocket expenses.</p> <p>51. After discussions, the Board resolved as under:</p> <p><u>RESOLVED:</u></p> <p>"that the following panel of auditors for audit of 1998 accounts be and is hereby approved at audit fee of Rs.800,000 and out of pocket expenses of Rs.400,000 subject to final approval by Ministry of Commerce, Government of Pakistan:</p> <p>(i)M/s. Taseer Hadi Khalid & Co., Chartered Accountants, Karachi. (ii)M/s. Khalid Majid Hussain Rehman, Chartered Accountants, Karachi. (iii)M/s.M. Yousuf Adil Saleem & Co., Chartered Accountants, Islamabad. (iv)M/s. Riaz & Co., Chartered Accountants, Lahore."</p> <p>"further that M/s. Sajjad Haider & Co., Chartered Accountants, Dubai, U.A.E. be and are hereby appointed as auditors for the audit of 1998 accounts of U.A.E. and Kuwait offices at an audit fee of Dh.16,000 and out of pocket expenses of Dh.4,000 subject to final approval by Ministry of Commerce, Government of Pakistan."</p> <p>"further that ED(B&A) be and is hereby authorized to negotiate and finalize the fees with the above panel of auditors for the audit of accounts for the year with the discretion of increase upto 20% of the last approved fees."</p> <p>ITEM 9(a). <u>FORMATION OF A COMPUTER SOFTWARE DEVELOPMENT COMPANY - A SUBSIDIARY OF STATE LIFE</u> ED(LAW)/ED(CD) MEMORANDUM DATED 25-9-1998.</p> <p>52. ED(CD) presented before the Board a memorandum jointly prepared by ED(Law) and ED(CD) regarding formation of a Computer Software Development Company as a subsidiary of State Life detailing therein the legal requirement of formation of such company and the reasons for our Computer Division not being able to meet the desired requirements of computerization of State Life for 21st century and even those needed at the present time.</p>			

Action:
ED(B&A)

CHAIRMAN'S
INITIALS



MINUTES OF 141ST MEETING OF THE BOARD OF DIRECTORS

HELD AT	ON	TIME
LAHORE	26 TH SEPTEMBER, 1998	

53. ED(CD) informed the Board that the subsidiary company being an independent corporate entity would not be handicapped in the case of recruitment of competent software developers at a competent pay package whereas pay package of State Life is not attractive enough to be acceptable for retention as well as recruitment of professionals in the field of computer software development. Another alternative could be that instead of forming a subsidiary company State Life could seek Government approval regarding computer software development professionals and offer them more attractive pay package than the existing one.

54. After due deliberations, it was resolved as under:

RESOLVED:

"that a Computer Software Development Company be formed as a subsidiary of State Life and all necessary formalities be completed and undertaken for the purpose."

"further that a Committee consisting of ED(P&GS), ED(CD) and ED(Inv) be and is hereby constituted to take steps for hiring and appointment of Chief Executive Officer for the above company and submit its report at the next Board Meeting."

ITEM 9(b). QUALIFICATION/TECHNICAL ALLOWANCE TO COMPUTER/ACCOUNTING PROFESSIONALS.
ED(B&A) MEMORANDUM DATED 22-9-1998.

55. Due to paucity of time, the consideration of the above item was deferred.

ITEM 10. COMPREHENSIVE REPORT ON DEFECTS IN THE EXISTING COMPUTER SOFTWARE SYSTEM.
ED(CD) MEMORANDUM DATED 25-9-1998.

56. Due to paucity of time, the consideration of the above item was deferred.

ITEM 11. REVIEW OF PERFORMANCE OF MANAGERS(DEVELOPMENT).
ED(S&D) MEMORANDUM DATED 21-9-1998.

57. Due to paucity of time, the consideration of the above item was deferred.

ITEM 12. FRESH APPOINTMENT AS AREA MANAGER CATEGORY 'B' TO MR. REHMAT ALI BHULLA; FORMER AREA MANAGER, LAHORE WESTERN ZONE.
ED(S&D) MEMORANDUM DATED 21-9-1998.

58. ED(S&D) presented before the Board the case of fresh appointment as Area Manager category 'B' of Mr. Rehmat Ali Bhulla, former Area Manager, Lahore Western Zone, who was terminated on 8th August 1995 on grounds of poor performance.


CHAIRMAN'S INITIALS



Action:
ED(Law)/
ED(Inv)

Action:
ED(P&GS)/
ED(CD)/
ED(Inv)

MINUTES OF 141ST MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME	
MINUTE BOOK	LAHORE	26 TH SEPTEMBER, 1998		
<p>✓ Action: ED(S&D)</p>	<p>59. Mr. Rehmat Ali Bhulla had filed a suit before the Senior Civil Judge, Sheikhpura, as well as petition before the Chairman NIRC against the termination of his services. Subsequently, he withdrew the Civil Suit. In the matter before the Chairman NIRC, the Chairman remarked that the petitioner has received his emoluments and all old dues after termination. He has failed to make out a case of Unfair Labour practice, therefore, his petition was dismissed on 12-6-1996.</p> <p>60. On a query, ED(S&D) informed that the rules do not permit reinstatement as such the Board was of the considered view that the laid down rules should not be violated otherwise it would create a bad precedent.</p> <p>ITEM 13. <u>PROMOTION OF SYED IFTIKHAR HUSSAIN SHAH, GUJRAT ZONE AND SRI CHAND, SUKKUR ZONE, AS MANAGER (DEVELOPMENT)</u> ED(S&D) MEMORANDUM DATED 21-9-1998.</p> <p>61. ED(S&D) presented before the Board the cases of Syed Iftikhar Hussain Shah of Gujrat Zone and Sri Chand of Sukkur Zone for promotion as Manager(Development). In 1997, S&D PO had prepared Zone-wise gradation lists of eligible Area Managers for promotion as Manager(Development) on the basis of their performance as of 31-12-1996 received from the respective Zones duly audited. The above Area Managers were the only one appearing in the gradation list from Gujrat Zone and Sukkur Zone eligible for promotion but since there was only one vacancy available for Manager(Development) in Gujrat Zone which had fallen vacant due to demotion of Ch. A. Nasir, Manager(Development) and one vacancy in Sukkur Zone.</p> <p>62. The Executive Committee at its 230th meeting held on 6-11-1997 had decided that if the above Area Managers were cleared by the Interview Committee, they may then be promoted against the available vacancy in the respective Zone. Thereafter Syed Iftikhar Hussain was interviewed on 20-11-1997 by Selection Committee which remarked "may be promoted". But his promotion did not materialize as his case was referred to the Ministry alongwith other promotees which has been received back from the Ministry without any action/decisions. Subsequently Syed Iftikhar Hussain was served show cause notice on his poor performance in 1997 as Area Manager, in reply to which he stated that his poor performance was because he was disheartened and demoralize due to his pending issue of promotion. On the other hand the Selection Committee commented on gradation sheet of Sukkur Zone that Mr. Sri Chand be promoted on the basis of recommendation of Regional Chief if a seat is available. Meanwhile Mr. S.I.H. Rizvi, Zonal Head, Sukkur, has issued a show cause notice to Mr. Sri Chand that he leaves station without his approval. Regional Chief South when asked for comments/recommendation on the subject stated that the tussle between Mr. Sri Chand and Zonal Head, Sukkur, had become personal, however, Mr. Sri Chand performance for the last two year has been above average and that he is a full time bonafide Area Manager.</p> <p>63. After deliberation, the Board resolved as under:</p>			<p>CHAIRMAN'S INITIALS</p> 

MINUTES OF 141ST MEETING OF THE BOARD OF DIRECTORS

HELD AT	ON	TIME
LAHORE	26 TH SEPTEMBER, 1998	

RESOLVED:

"that Syed Iftikhar Hussain Shah of Gujrat Zone and Mr. Sri Chand of Sukkur Zone be and are hereby promoted as Manager(Development) on a provisional basis and will be on probation till review of their performance as Manager(Development) in January 2000."

Action:
ED(S&D)

ITEM 14. REPORT ON DEFALCATION
ED(PHS) MEMORANDUM DATED 23-9-1998

64. Due to paucity of time, the consideration of the above item was deferred.

ITEM 15. ENCASHMENT OF LEAVE IN LIEU OF LEAVE PREPARATORY TO RETIREMENT TO MR. I.U. CHEEMA, ZONAL HEAD, SIALKOT ZONE
ED(P&GS) MEMORANDUM DATED 10-9-1998

65. ED(P&GS) informed, that the Board in its 136th meeting in order to control expenses had decided to make LPR compulsory and to discontinue leave encashment facility for incumbents retiring henceforth. However, in view of outstanding performance (45% increase in FYP over the base of 1997) of Mr. I.U. Cheema, Zonal Head, Sialkot Zone, since his posting w.e.f. 10-3-1998, the Chairman has allowed him to continue to serve the Corporation till his date of retirement i.e. 9-10-1999 as such approval is sought from the Board of Directors for ratification of the decision to allow Mr. I.U. Cheema to continue serving the Corporation till his date of retirement.

Action:
ED(P&GS)

66. The Board resolved to ratify the decision taken by the Chairman.

ITEM 16. SUGGESTED AMENDMENTS IN STATE LIFE INSURANCE CORPORATION (GENERAL) REGULATION 1972 FOR INCORPORATION THEREIN OF POWERS OF THE CHAIRMAN AND EXECUTIVE DIRECTOR.
ED(LAW) MEMORANDUM DATED 22-9-1998.

67. ED(Law) informed the Board that the Chairman and Executive Directors of the Corporation are granted General Power of Attorney whose specimen was approved by the Board of Directors in its 39th meeting held on 9-3-1976, for facilitating transaction and ensuring efficient conduct of the business of the Corporation. It was decided in 139th meeting of the Board of Directors that instead of granting Power of Attorney to the Chairman and Executive Directors, appropriate amendments be made in State Life Insurance Corporation (General) Regulations, 1972 so as the powers given in the Power of Attorney becomes part of the State Life Insurance Corporation (General) Regulation, 1972 and the need to grant power of attorney to the Chairman and Executive Directors from time to time does not arise.

68. After due deliberations, the Board resolved as under:

RESOLVED:

"that a new Sub-Regulation 1(A) be added in Regulation 6 of State Life Insurance Corporation (General) Regulation, 1972 after Sub-Regulations (1) which would read as follows:

CHAIRMAN'S
INITIALS

MINUTES OF 141ST MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	LAHORE	26 TH SEPTEMBER, 1998	

Action:
ED(Law)

"1(A) – Subject to the provisions of Sub-Regulation No.(1) and without in any manner limiting or effecting the powers of the Chairman as Chief Executive of the Corporation, the Chairman shall, for smooth and efficient conduct of the business of the Corporation, be competent and authorized to do acts mentioned in Schedule "A" to these Regulation and such acts shall be deemed to be acts of the Corporation".

"further that the following additions be made in sub-regulation 6(2) after full stop:

"6(2) For smooth and efficient conduct of the business of the Corporation, an Executive Director shall be authorized to do the acts mentioned in Schedule "A" to these Regulations and such acts shall be deemed to be acts of the Corporation."

"Schedule "A" (annexed) reading as follows shall be added to State Life Insurance Corporation (General) Regulations, 1972."

**ITEM 17. POSITION PAPER ON MEDICAL FACILITIES AVAILABLE TO RETIRING OFFICERS OF THE CORPORATION
ED(P&GS) MEMORANDUM DATED 23-9-1998.**

69. ED(P&GS) presented before the Board position paper on medical facilities available to retiring officers of the Corporation. ED(P&GS) explained that Pay and Pension Committee had recommended that medical facilities to retired officers may be allowed as admissible to serving employees of the Corporation w.e.f. 1-1-1993 and periodical revision should be linked with the size and profitability of the Institution. The Executive Committee in its 177th meeting held on 22-3-1994 had decided to accept the recommendation of the Pay and Pension Committee subject to the following:

(i) The grant of medical facility after retirement will be confined to the life time of the officers who:

(a) Retire from the service of the State Life on superannuation after completing 25 years of service in the Corporation.

(b) Retire on medical grounds.

(ii) The post retirement medical facilities will be extended to those officers who complete 10 years of service on or before 1-1-1993.

(iii) The annual monetary ceiling of one month's pay last drawn by the officer would apply to the admissible facilities under each of the following elements:

- (a) Medical attendance/cost of medicines
- (b) Specialist fee/Diagnostic tests and
- (c) Hospitalization.

70. On a review petition filed before Wafaqi Mohtasib, the Honorary Wafaqi Mohtasib maintained his earlier decision that the facility can not be allowed prior to 1-1-1993 and as such those officers who stood retired before 1-1-1993 are not entitled for medical relief.

CHAIRMAN'S
INITIALS



MINUTES OF 141ST MEETING OF THE BOARD OF DIRECTORS

HELD AT	ON	TIME
LAHORE	26 TH SEPTEMBER, 1998	

71. The Retired Officers Welfare Association had represented that medical facility to all retired officers be allowed without the present distinction of 25 years pensionable service and also for those who retired from 10-1-1984 to 31-12-1992 irrespective of the fact whether they had opted for pension scheme or gratuity.

72. After discussion, the Board resolved as follows:

RESOLVED:

"that medical facilities allowed presently to officers who retired on or after 1st January 1993 on attaining the age of superannuation or on medical grounds on completion of a minimum of 10 years of service be also extended to all retiring officers of the Corporation who retired on attaining the age of superannuation or on medical grounds on completion of a minimum of 10 years of service."

Action:
ED(P&GS)

ITEM 18. CONSIDERATION OF EFFECTIVE MEASURES TO CONTROL THE ALARMING INCREASE IN MEDICAL EXPENSES PER EMPLOYEE AND PER OFFICER INCLUDING WITHDRAWAL OF MEDICAL FACILITIES TO INDEPENDENT AND EARNING SPOUSES OF THE EMPLOYEES

ED(P&GS) MEMORANDUM DATED 23-9-1998.

73. Due to paucity of time, the consideration of the above item was deferred.

ITEM 19. POLICY PLANS - REVIEW OF POLICY PLANS IN EXISTENCE AND LAUNCHED SINCE CREATION OF STATE LIFE.

ED(ACT.) MEMORANDUM DATED 22-9-1998.

74. Regional Chief(Central), Zonal Head Lahore (Central and Western) and Zonal Head(G&P) Lahore were invited.

75. As desired by the Board of Directors in its 140th meeting held on 20th August 1998, ED(Act.) presented before the Board a complete list of all policy plans launched since creation of State Life and those that existed at the time of inception of State Life with their current status and details of plans which have been discontinued with reasons thereof and as to whether such plans can be revived.

76. GM(Act.) submitted before the Board that the following three plans introduced after nationalization stood withdrawn.

- (i) Endowment Assurance by single premium (Rupee business) for Middle East (T-63).
- (ii) Endowment Assurance by single premium (Dollar business) for Middle East(T-64).
- (iii) Super Policy Plan (Rupee business) (T-72).

77. The above plans were withdrawn because of non availability of high yield on Zero Coupon Bonds and not being in accordance with field and market expectation.

78. The Board felt that the number of plans should be minimized and simplified which should then be extensively advertised and proper training be given to the field workers on the salient features of the plan. It was also felt that before launching of a new plan, the field workers should be consulted to elicit their opinion as it is they who were to be first convinced before they could market the plan to the policyholders.

Action:
ED(Act.)

CHAIRMAN'S
INITIALS



MINUTES OF 141ST MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	LAHORE	26 TH SEPTEMBER, 1998	

Action:
ED(Ac)/
ED(S&D)/
GM(HRD)

79. The Regional Chief and the Zonal Head present, put before the Board the need for good trainers in Human Resources Development Division who could impart effective product training to the field force on modern training concept. They emphasized on quality recruitment of SRs who should at least be Intermediates. It was also desirable that Sector Heads who were directly associated with the field could play a very useful role in training of the field force in matter of prospecting and closing of a deal. They also pinpointed delays in receiving of premium notices of Sunehri Plan and the need for research work by HRD/Actuary on problems faced in marketing of old plans and how they can be solved. They also put before the Board that proper incentives be given for training and the timing of the training should be such that the agents can also earn while they are under going training.

80. The Consulting Actuary explained that focus should be on few plans and plans prepared to tap salary saving markets. He further elaborated that a revised version of hospital/surgical rider should be put in the market. The Consulting Actuary explained that there was a very effective rural life insurance plan, keeping in mind the socio economic condition of inhabitants of the rural and less developed areas. The plan whose salient features were as follows should be relaunched and extensively marketed:

(i)Death Benefit

- (a)On death from any cause - Full Sum Assured plus Bonuses.
- (b)On death due to an accident - Three times Sum Assured plus Bonuses.
- (c)On death due to an accident caused while using any mechanical agricultural Equipment e.g. Tractors, Thrasher, Water Pump - Five times Sum Assured plus Bonuses

(ii)Extended Reinstatement Period

Premium falling due during any period of Crop failure due to any natural calamity (Floors, rain, wind, hail drought, locust, pests, etc.) will be accepted within six months of the due date and policy reinstated without evidence of health and payment of late fees.

81. The Consulting Actuary further explained that there was no rebate culture existing in the private sectors. He also explained that there was heavy drop out amongst the agents. Realistic targets should be given and rebating avoided.

82. After discussion, the Board resolved as under:

RESOLVED:

(i)"that adjustment of commission against premium be allowed only for the last quarter of 1998 to SRs, SOs and SMs amounting to 25%, 10% and 5% respectively."

✓
Action:
ED(B&A)

CHAIRMAN'S
INITIALS



MINUTES OF 141ST MEETING OF THE BOARD OF DIRECTORS

	HELD AT	ON	TIME
	LAHORE	26 TH SEPTEMBER, 1998	

Action:
ED(Act.)
ED(S&D)/
ED(PHS)/
DGM(A&SP)

(ii) that the following eight plans and four riders i.e. ADB, AIB, FIB and improved hospital and surgical rider be concentrated upon for marketing and included in the Rate Book as they constituted the major portion of the sales:

S.No.	Table No.	Description
1.	19	Jeevan Sathi Plan
2.	36	Shadabad Plan
3.	71	Personal Pension Scheme by single premium
4.	73	Sunchri Policy
5.	75	Child Education and Marriage Plan with FIB.
6.	18	Rural Life Insurance
7.	05	Three Payment Plan
8.	03	Endowment Insurance

Action:
ED(Act.)

83. The Board desired that a plan be developed for children merging therein existing Child Protection Plans.

ITEM 20. TRAINING BEFORE PROMOTION
ED(HRD) MEMORANDUM DATED 8-9-1998

84. Due to paucity of time, the consideration of the above item was deferred.

ITEM 21. GROUP REINSURANCE ARRANGEMENTS.
ED(G&P) MEMORANDUM DATED 21-9-1998

85. ED(G&P) presented before the Board the existing group reinsurance arrangements State Life has a reinsurance treaty with Swiss Re w.e.f. 1st July 1990, according to which the retention limit of State Life for group life insurance business was set at Rs.1 million per life. With effect from 1st January 1996 two supplementary benefits, i.e., Accidental Death Benefit (ADB) and Partial & Total Disability(PTD) also entered into the treaty. Retention for each of these two supplementary benefits was also set at Rs.1 million per life.

86. In the year 1997, it was noticed by the technical wing of G&P that certain groups with employees covered under the treaty could not be reinsured despite standing instructions to that effect. The reason communicated by the concerned Zone was non-availability of list of employees under those groups. Government/Large Corporate groups normally do not provide list of employees and premium billing under these groups is based on grade wise/category wise strength. Employees of HBL, MCB, ABL and UBL were not reinsured whose total amount of reinsurance claims receivable from Swiss Re upto 31st December 1996 was Rs.18,328,610 whereas premium payable could not be determined because of non-availability of list of employees, however, an amount of Rs.2,000,000 was booked as adhoc reinsurance premium in the accounts for the year 1996.

87. ED(G&P) explained that the above matter was discussed with the re-insurer in February 1998, however, since neither list of persons to be reinsured was available nor medical examination of lives to be reinsured was conducted - pre-requisite under the existing reinsurance treaty - the re-insurer proposed to have a quota share arrangement for reinsurance of these four banks which was not found feasible for State Life as such it was concluded that the above four banks would not be reinsured until 1998 due to non-availability of information required for reinsurance.

CHAIRMAN'S
INITIALS



MINUTES OF 141ST MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	LAHORE	26 TH SEPTEMBER, 1998	

88. After deliberations, the Board resolved as follows:

RESOLVED:

"that provisions made in the annual accounts of 1996 amounting to Rs.18,328,610 in respect of reinsurance claims and Rs.2,000,000 in respect of adhoc reinsurance premium be and is hereby approved for reversal."

"that fresh provision be not made in 1997 accounts for reinsurance claims pertaining to the above four banks amounting to Rs.9,813,000."

ITEM 22. 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.

89. DGM(BS) presented before the Board the 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. The Board accordingly resolved as follows:

RESOLVED:

"that the summary of decisions involving financial implications taken by the Executive Committee in their meetings held during the period November 1997 to June 1998 presented for information of the Board be and are hereby noted."

ITEM 23. CRITICAL ANALYSIS OF INVESTMENT PORTFOLIO ED(INV.) MEMORANDUM DATED 21-9-1998.

90. Due to paucity of time, the consideration of the above item was deferred.

ITEM 24. INFERENCES AND RECOMMENDATIONS ON HISTORICAL ANALYSIS OF STATE LIFE'S BUILDING GM(ACT.) MEMORANDUM DATED 22-6-1998.

91. Due to paucity of time, the consideration of the above item was deferred.

ITEM 25. RATIONALIZATION OF SALARIES OF OVERSEAS OFFICERS STAFF.

92. Due to paucity of time, the consideration of the above item was deferred.

ITEM 26. PERFORMANCE CRITERIA ED(S&D/G&P) MEMORANDUM DATED 24-6-1998.

93. Due to paucity of time, the consideration of the above item was deferred.

CHAIRMAN'S INITIALS



Action:
ED(B&A)
ED(G&P)

Action:
DGM(BS)

MINUTES OF 141ST MEETING OF THE BOARD OF DIRECTORS

HELD AT	ON	TIME
LAHORE	26 TH SEPTEMBER, 1998	

ITEM 27. ANY OTHER ITEMS WITH THE PERMISSION OF THE CHAIR.

- (i) INSURANCE SERVICE AGENCY CONTRACT BETWEEN STATE INSURANCE CORPORATION OF PAKISTAN AND WARBA INSURANCE CO. S.A.K. KUWAIT.
ED(Int'l) MEMORANDUM DATED 21-9-1998.

94. ED(Int'l) presented before the Board that M/s. Warba Insurance Company S.A.K. Kuwait has shown interest to enter into service agency agreement with State Life to act as sponsor of State Life in Kuwait and to promote sales and marketing of State Life policies in Kuwait, replacing the existing sponsor Mr. Abdul Majeed Abdul Razak Zalzalah. After the agreement, State Life Insurance Corporation of Pakistan would be able to operate freely in accordance with the provisions of the local Kuwaiti Law and issue of fresh employment visas will be possible which will result in substantial growth of life insurance business. Presently State Life is paying 5% of FYP as commissioned to its existing sponsor whereas M/s. Warba's demand for sponsorship commission is 7.5% of FYP. M/s. Warba Insurance Co. S.A.K. Kuwait also desired that a bank guarantee in the amount of KD 25,000 be executed by State Life to indemnify them against any loss incurred by them due to any act of employees of State Life in Kuwait.

95. After discussion, the Board resolved as follows:

RESOLVED:

"that a Committee be constituted to be chaired by ED(Int'l) who would negotiate terms and conditions with M/s. Warba Insurance Co. S.A.K. Kuwait."

"further that it may be examined whether conditions for operation in Kuwait has been relaxed and if so whether it would be possible for State Life to work independently."

- (ii) UPGRADATION/CREATION OF TWO POSTS OF ASSISTANT MANGER IN HYDERABAD ZONE.
ED(P&GS) MEMORANDUM DATED 21-9-1998.

96. Due to paucity of time, the consideration of the above item was deferred.

- (iii) SELECTION OF ELIGIBLE SALES MANAGERS FOR APPOINTMENT AS AREA MANAGER IN 1998.
ED(S&D) MEMORANDUM DATED 23-9-1998.

97. ED(S&D) presented before the Board the proposal for selection of eligible Sales Manager for appointment as Area Mangers. ED(S&D) informed the Board that each year the Individual Life Zone provides list of eligible Sales Managers for selection and appointment as Area Managers and send the gradation sheets to the Principal Office for audit and verification.

98. For the purpose of determining the appropriate number of Area Managers that State Life should have on its rolls, the FYP of 1993 was divided by the number of Area Managers in 1993 to arrive at the average FYP procured by each Area Manager in 1993 which was then used to divide the FYP for 1997. On this basis the appropriate number was worked out at 700.

Action:
ED(Int'l)

CHAIRMAN'S INITIALS



MINUTES OF 141ST MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
DATE BOOK	LAHORE	26 TH SEPTEMBER, 1998	

99. ED(S&D) further explained that as at 31-12-1997 there were 730 Area Managers on the rolls of the Corporation of which 31 were appointed in 1997. Of this 730 Area Managers, 96 were terminated and further 15 have either retired, resigned or died leaving 619 Area Managers on the Corporation's roll at present.

100. Keeping in view the current business production, the current number of Area Managers and the potential of each Zone, 44 posts of Area Managers were allotted to the following Zones in the number shown against each:

Karachi South	2
Karachi Eastern	5
Hyderabad	1
Larkana	1
Lahore Central	4
Faisalabad	4
Sargodha	2
Gujranwala	2
Multan	7
Rawalpindi	10
Islamabd	4
Mirpur (A.K.)	2
Total	44

101. A Selection Committee consisting of four Executive Directors and the Divisional Head S&D met on 18-9-1998 at the Principal Office scrutinized the recommended eligible candidates and cleared the following 44 candidates on merit. The category in which they were to be appointed as Area Managers was also approved as shown below. The list includes 8 Sales Managers who have been cleared for promotion by the Committee subject to clarification by their Zonal Heads that there are no adverse charges against them or they belonged to a less developed area.

Names of Sales Managers cleared for promotion as Area Managers by the Selection Committee

S.No.	Name of Sales Manager & Code	Category	Remarks
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SOUTHERN REGIONKarachi (South)

01.	Mr. Aftab Zakaria	(713547)	"B"
02.	Syed Akbar Hussain	(713385)	"B"

Karachi (Eastern)

03.	Mr. Mohammad Ilyas	(713488)	"A"
04.	Mr. M. Arshad	(713522)	"B"
05.	Mr. Mohammad Yasin	(713326)	"B"
06.	Mr. Iqbal Ahmed	(713634)	"B"

07.	Mr. Nazcer Ahmad	(718034)	"B"
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Subject to clarification from Zonal Head that he belongs to Less Developed Area of Karachi Division.

CHAIRMAN'S
INITIALS



MINUTES OF 141ST MEETING OF THE BOARD OF DIRECTORS

HELD AT		ON	TIME
LAHORE		26 TH SEPTEMBER, 1998	
<u>Hyderabad Zone</u>			
08.	Mr. Abdul Ghafoor Arain (723257)	"B"	
<u>Larkana Zone</u>			
09.	Syed Noor Shah (725067)	"A"	
<u>CENTRAL REGION</u>			
<u>Lahore (Central) Zone</u>			
10.	Miss Fahmeeda Ashraf (733452)	"A"	
11.	Mr. Mehmood-ul-Hassan (733268)	"A"	
12.	Mr. Abdul Razzaq Ch. (733462)	"A"	
13.	Mr. Muhammad Saleem Khan(733337)	"A"	
<u>Faisalabad Zone</u>			
14.	Mr. Arshad Ali Anjum (737075)	"B"	
15.	Mr. M. Ramazan Shad (790215)	"B"	Subject to clarification from Zonal Head that he belongs to Less developed area of Faisalabad.
16.	Mr. Sajjad Saeed Chohan (797033)	"A"	
17.	Mr. Sarfraz Ali (790240)	"B"	Subject to clarification from Zonal Head that he belongs to less developed area of Faisalabd.
<u>Sargodah Zone</u>			
18.	Mr. Abdul Aziz (795130)	"A"	
19.	Mr. Muhammad Iqbal (795140)	"A"	
<u>Gujranwal Zone</u>			
20.	Mr. M. Nawaz Chatha (734244)	"A"	
21.	Mr. Shahid Javaid (734171)	"B"	Subject to clearance of enquiry report regarding manipulation of business figures and clarification from Zonal Head that he belongs to less developed area of Gujranwala.
<u>MULTAN REGION</u>			
<u>Multan Zone</u>			
22.	Mr. M. Yousaf Mukhtar (780425)	"A"	
23.	Mr. Ishtiaq Ahmad (780459)	"A"	
24.	Syed Iftikhar Bokhari (780360)	"B"	Subject to clarification from Zonal Head that he belongs to less developed area of Multan.

CHAIRMAN'S INITIALS



MINUTES OF 141ST MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	LAHORE	26 TH SEPTEMBER, 1998	
25.	Mr. Allah Rakha Zahid (780079)	"B"	Subject to clarification from Zonal Head that he belongs to less developed area of Multan.
26.	Mr. Mumtaz A. Malik (780312)	"B"	Subject to clarification from Zonal Head that he belongs to less developed area of Multan.
27.	Mr. Abdul Rehman Siddiqui (780424)	"B"	Subject to clarification from Zonal Head that he belongs to less developed area of Multan.
28.	Mr. M. Yousaf Sherazi (780346)	"B"	Subject to clarification from Zonal Head that he belongs to less developed area of Multan.
<u>NORTHERN REGION</u>			
<u>Rawalpindi Zone</u>			
29.	Mr. Jalil Ahmad (743318)	"A"	
30.	Malik Allah Dad (743704)	"A"	
31.	Mr. Zafar Iqbal (743643)	"A"	
32.	Mr. Muhammad Ramazan (743481)	"A"	
33.	Mr. Pervez Iqbal Chatta (743570)	"A"	
34.	Mr. Athar Hussain Khan (743511)	"A"	
35.	Mr. Muhammad Munshi Khan (743537)	"A"	
36.	Mr. Riaz A. Rahi (743484)	"A"	
37.	Syed Amjad H. Kazmi (743645)	"A"	
38.	Mr. Samson John (743601)	"A"	
<u>Islamabad Zone</u>			
39.	Mr. Mohammad Basharat (747002)	"A"	
40.	Mrs. Halima Akhtar (743612)	"A"	
41.	Mr. Ansar Khan (743620)	"B"	
42.	Syed Manzoor Hussain (743576)	"B"	
<u>Mirpur (A.K.)</u>			
43.	Raja Yaqoob Khan (746030)	"A"	
44.	Mr. M. Sajid Iqbal (746025)	"A"	

CHAIRMAN'S
INITIALS



MINUTES OF 141ST MEETING OF THE BOARD OF DIRECTORS

HELD AT	ON	TIME
LAHORE	26 TH SEPTEMBER, 1998	

102. ED(S&D) explained that there were three cases of pending promotion of 1996 in 1997. The Executive Committee had in its 230th meeting held on 6th November 1997 decided to create at least one temporary vacancy each for those Zones in which no Sales Managers were promoted as Area Managers in the usual course due to non-availability of post, as a result one vacancy each was allocated/created in Multan, Dera Ghazi Khan, Bahawalpur, Rahim Yar Khan, Sahiwal and Mirpurkhas and it was decided that these vacancies were to be filled in after conducting interviews of qualifiers of the Zones. The results of the interviews of eligible Sales Managers and the recommendations of Selection/Interview Committee which is as follows was forwarded to Ministry of Commerce for clearance but the subject file was returned to State Life with advice to take action as per rules. The Selection Committee for 1997 performance did not take up the under mentioned cases as it felt that it did not come under its purview:

Zone	Qualified S.M.	Category
Multan	Mr. Imran Aziz (780329)	"B"
Dera Ghazi Khan	None found fit	-
Bahawalpur	Ch. M. Sarwar (780271)	"B"
Rahim Yar Khan	Mr. M. Aslam (780043)	"B"
Sahiwal	None found it	-
Mirpurkhas	None found it	-

103. After discussions, the Board resolved as follows:

RESOLVED:

"that the recommendations of the Selection/Interview Committee for promotions on the basis of 1996 and 1997 performance of 47 Sales Managers whose names are given above as Area Managers subject to pending clarification if any be and is hereby approved."

- (iv) INTRODUCTION OF NEW COMPUTER COURSES- STATE LIFE COMPUTER TRAINING INSTITUTE.
ED(HRD)/CHAIRMAN MEMORANDUM DATED 22-9-1998.

104. Due to paucity of time, the consideration of the above item was deferred.

- (v) NEW PLANS
ED(ACT.) MEMORANUM DATED 23-9-1998.

105. GM(Act.) presented before the Board the following two new plans as desired by the Board in its 140th meeting held on 20th August 1998:-

- (i) The protection policy (with profits)
(ii) Saiban policy (with profits)

106. The salient features of the protection policy is as follows:

CHAIRMAN'S
INITIALS



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

MINUTES OF 141ST MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	LAHORE	26 TH SEPTEMBER, 1998	

Maturity Benefit

107. On maturity, the policyholder will receive the basic sum assured plus attached bonuses under the policy. This substantial benefit enables the policyholders to fulfill his long cherished plans for retirement, children's education, starting a business, owing a house or flat etc.

108. Death Benefit

On death from any cause:

(i) If the insured dies during the currency of the policy from any cause, basic sum assured plus attached bonuses at that time will be paid to the dependents immediately.

(ii) The dependents will also be entitled to receive an income of Rs.240 per thousand basic sum assured per annum for a fixed period of 15 years from the date of death of the insured. The income amount is likely to increase depending on future actuarial valuation.

On Death by Accident:

(iii) On death of the life insured due to accident, in addition to the benefits given in (i) and (ii) above, an amount equal to the basic sum assured will be paid to the dependents immediately.

109. In addition to the above features, the following supplementary contracts are available on the policyholder's life i.e. Term Insurance Rider, Accident Indemnity Benefit, Accidental Death Benefit and Waiver of Premium beside participating in State Life surplus at rates applicable to Endowment Assurance for respective terms. The plan is available to all members of the general public aged between 20 to 55 years and maximum age at maturity not to be in excess of 70 years.

110. The Board agreed in principle to launch the above plan in March 1999 and instructed GM(Act.) to prepare a bar chart of action plan to be taken by various Divisions prior to its launching.

Action:
ED(Act.)

111. The second plan is a combination plan of Endowment Insurance and Decreasing Term Insurance. Under this plan the sum assured when added to the death benefit under the Endowment Assurance component of the policy provides near level that benefit regardless of the time of the death. This plan allows individual to pay a low premium and receive maximum protection during early years and also participate in State Life surplus.

112. The Board decided that since this plan competes with our existing plan, it was not feasible to launch Saiban Policy as such an alternate plan be prepared and submitted for rural population and resubmitted in the next meeting.


Action:
ED(Act.)


Provision for Clip on Mike

113. The Board approved purchase of clip on mike to be used in the meeting at Lahore, Islamabad, Multan and Peshawar.

Action:
ED(GS)
ED(B&A)

114. The meeting ended with mutual vote of thanks.


CHAIRMAN

CHAIRMAN'S
INITIALS


SCHEDULE "A"

Referred in Regulation 6(1A) and 6(2) of State Life Insurance Corporation (General) Regulations, 1972.

(1) to open in the name of the Corporation any account with any bank, Corporation or firm and to pay money into it and to draw, over-draw, or withdraw money from any such account and to negotiate, endorse and sign jointly with another authorised signatory, all cheques for such accounts and give all directions relating to such accounts including the opening of Letters of Credit and to close any of the accounts;

(2) to negotiate, sell, purchase, acquire, convey and transfer, give or take on lease or under licence, any properties, moveable or immovable, and/or exchange or otherwise charge, hypothecate, pledge, mortgage any properties of the Corporation, and to execute in that behalf any contract, writings, letters, bonds, agreements, conveyances, deeds of exchange, lease, licence, mortgage, transfer, hypothecation, pledge or charge and any other documents, or things as may be necessary for completing the transaction and to give and receive consideration or earnest money;

(3) to accept and/or redeem any mortgage, amend or alter any mortgage registered or equitable, give or accept any charge, guarantee, counter guarantee, undertaking or similar security for or in favour of the Corporation and to have the charge registered under the Companies Act and to execute and get registered the deeds of mortgage and redemption with the Registrar/Sub-Registrar of Assurances and to take all appropriate measures to secure the interest of the Corporation;

(4) to secure the fulfilment of any contracts or engagements entered into by the Corporation by mortgage or charge of all or any of the property of the Corporation or in such other manner as he may think fit;

(5) to appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Corporation any property belonging to the Corporation or in which it is interested, or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to

any such trust and to provide for the remuneration of such trustee/or trustees and to execute memorandum or deeds of trust;

(6) to invest any of the moneys of the Corporation, subject to the provisions of any relevant laws, in such moveable or immoveable properties, shares, debentures, securities or investments and in such manner as the he may think fit and from time to time to vary or realise such investments and to enter into any underwritings, buy-back or financing arrangement with any person, company or other institution and execute any agreement or other document in that behalf and to have the common seal of the Corporation affixed thereon;

(7) to purchase and pay for and sell, shares NIT Units, Units of any other Fund floated by an Assets Management Company ICP Mutual Fund Certificates, Participation Certificates, Debentures, bonds issued by a Government or a Semi-Government institution or an autonomous statutory Company or Corporation and Government Securities including any Bonds and Saving Certificates and collect and realise any income, interest dividends and bonus and right shares relating thereto and execute any transfer deeds or purchase, deeds, application and other documents;

(8) He got express and unconditional authority to receive interest on and to hold, sell, purchase, transfer, negotiate or otherwise deal with the securities of the Government of Pakistan and those of the Provincial Government and any other statutory body or company or firm, and to sign and execute sale bonds, security bonds, indemnity bonds, guarantee bonds and other bonds, as the case may be and to sign and execute;

- (a) any application for allotment of shares and issue of term certificates and debentures;
- (b) application for consolidation and splitting of Corporation's shareholdings;
- (c) deeds for transfer of shares and Debentures in favour of or by the Corporation;
- (d) acceptance of allotment and renunciation of allotment of shares and Debentures in favour of the Corporation;

and have such transfer of shares and Debentures registered and take all other steps to complete any of these transaction;

(9) to arrange and order for custody of shares, securities and other security documents including any title deeds, and release any such shares and securities or deeds transferred to or otherwise disposed of by the Corporation;

(10) to look after, manage, superintend and supervise any company, firm or business belonging to the Corporation or in which the Corporation may for any reason be interested whether wholly or in part as well as all properties, whether urban or rural belonging to the Corporation absolutely or held by it as a lessee either alone or jointly with any other person or in which the Corporation is or hereafter may be interested and to collect rents, mesne profits, cesses, profits, and income thereof and pay all outgoings thereof and to accept and grant rent bills, receipts and full discharges on payment;

(11) to determine from time to time and by office instructions or order appoint employees of the Corporation who shall be entitled to sign on behalf of the Corporation bills, rent bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents;

(12) to sanction, approve and incur revenue and capital expenditures of all description of the Corporation:

(13) to institute, conduct, defend, compound, compromise or abandon any legal proceedings by or against the Corporation or its officers, or otherwise concerning the affairs of the Corporation and also to compound and allow time for payment or satisfaction of any debts due or of any claims or demands by or against the Corporation and to perform all acts, deeds and things incidental or consequential thereto;

(14) to appear and act in all courts of law, tribunals, civil/or criminal, and before all judicial revenue and administrative authorities of the Government and to commence, institute prosecute, defend or take part in any action, application, suit, appeal or proceeding in which the Corporation may anywise be interested or concerned, and for that purpose to subscribe, sign and verify all complaints, written statements, petitions.

memorandum of appeal and to do all acts and matters and things which may be necessary in relation thereto, and for which purpose to appoint vakils, attorneys, advocates, solicitors, pleaders, mukhtars, barristers and other lawyers and to sign all vakalatnamas, warrant of attorney and powers and to file and take back all or any documents, or papers from Courts or Government or public offices, and to do all acts or things in relation thereto which the Attorney may think proper under the circumstances;

(15) to apply for withdrawal, withdraw and receive all moneys that may be deposited in any court of Pakistan or in any other country in the world or with any officer thereof or with any other Government office to the credit of any suits or proceedings in which the Corporation is interested, or realised in execution of any decree or order of a Court or with any office of the Government revenue, judicial or executive and payable to the Corporation and to sign valid proper receipt and discharge for the same;

(16) to demand, withdraw sue to recover, realise and receive from the Government of Pakistan, or any Government or from all and from any company or other body politic or corporate, person or firm all monies, properties, moveable or immoveable, and all interest, dividends, now or hereafter to become due owing, payable, deliverable or belonging to the Corporation, alone or jointly with any other person or persons, and on any account whatsoever and on receipt thereof to sign and give proper and effectual receipts and their discharges for the same;

(17) to appear before the Registrar or Sub-Registrar of Assurances or any other officer having authority to register deeds and/or documents in Pakistan and to present for registration, admit execution and complete registration in due form of law of all or any document or documents executed on behalf of the Corporation under the authority of the resolution of the Board and to do all deeds matters and things for completing registration thereof in due form of law:

(18) to appear in any Court in any insolvency or bankruptcy or winding-up of Company proceedings or in any other Court having jurisdiction in the matters of insolvency or bankruptcy or winding-up and to apply for and to have any debtors adjudged insolvent, a company to be wound-up or oppose the petition of insolvency of any debtor or debtors or the winding-up of any company and to do all acts, deeds

(19) to settle, adjust or submit to arbitration any account, debt, claim, demand, dispute and matter whatsoever, wherein the Corporation now and/or at any time hereafter shall be in anywise interested or concerned with any persons, firms, bodies, companies or corporations, whatsoever and to pay or receive the balance thereof as the case may require, and on receipt of payment to grant the receipts and valid discharges and to have agreements of arbitration or awards filed in Court and to oppose such proceedings in any Court;

(20) to appear before Income Tax Officers, Assistant Commissioners of Income Tax, Commissioner of Income Tax, Income Tax Appellate Tribunal, Board of Revenue or other Income Tax or Revenue Authorities, and to prepare, sign and file returns, petitions, applications and appeals, to make payments, to withdraw and receive funds, and to do all acts and things which may be necessary and which the circumstances of the case may require, in connection with income-tax or revenue cases or matters in which the Corporation may be interested or concerned and to appoint pleaders, solicitors, advocates or income tax practitioners for the purpose;

(21) to attend and represent the Corporation at any meetings of creditors or of any debtors and at the meetings of all joint stock companies, Corporations, and other statutory bodies in which the Corporation, jointly or severally, may be interested as a shareholder, Debenture-holder or director, to give vote on Corporation's behalf and to appoint proxy or letter or instrument of appointment and to all other things and acts at such meetings on Corporation's behalf and to exercise for the Corporation and in its behalf all rights and privileges and perform all duties which now or hereafter may pertain to the Corporation as holder of shares and/or stocks or debentures or as otherwise interested in any company or Corporation.

(22) to appear and represent the Corporation before the Registrar of Companies, Controller of Capital Issues, Controller of Insurance, Board of Revenue, Monopoly control authority, Securities and Exchange Authority, Land Acquisition Collector, Official Assignee, Office Trustee, Official Receiver and any other judicial, Government or Semi-Government Authority;

(23) to appear before Municipal, Revenue and Urban Immoveable Property Tax Authorities and any other Authority constituted by/under any law in connection with assessment

of mutation cases or application for transfer of leases and any other matter wherein the Corporation is or may in any manner or wise be interested and do all things in relation thereto and take all necessary proceedings for obtaining sanction of plans for erection of new buildings or for effecting additions and/or alterations in existing buildings belonging to the Corporation or in which the Corporation is or may in future be interested and sign and execute all plans, bonds and/or undertakings in connection with such plans and sanctions thereof in relation to such properties;

(24) to negotiate and enter into any contract or agreement including a settlement or arranging such in relation to labour/personnel matters of the Corporation, or to terminate, vary, rescind or relinquish any existing agreement concerning all or any of the matters in which the Corporation is now or may hereafter be interested or concerned specifically in matters of its business and things and matters appurtenant thereto or otherwise ancillary to its business;

(25) to execute in the name and on behalf of the Corporation, in favour of any Director, Executive Director or other person who may incur or be about to incur any personal liability for the benefit of the Corporation such under taking as may be deemed reasonable in the circumstances and to incur such expenditure as may be necessary in this behalf;

(26) to witness the impressing of the common seal and official seal of the Corporation on any documents and to authorise a person or persons to apply and witness the impressing of the common seal and official seal on any documents where the Corporation is a party;

(27) at any time and from time to time by Power of Attorney appoint any person or persons to be the attorney or attorneys of the Corporation for such purpose and with such powers, authorities and discretion and for such period and subject to such conditions as he may from time to time think fit and any such appointment may be made in favour of any Corporation or Directors, Executive Directors or Managers or any other officer of the Corporation and may contain powers enabling any such delegate or attorneys to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them, and to revoke and withdraw the powers from such attorney or attorneys at any time;