

MINUTES OF 150TH MEETING OF THE BOARD OF DIRECTORS

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(ii) Para 27(ii) of item 7 of 149th meeting of the Board be deleted as State Life Employees were not Government servants and instead the following be incorporated there against:-

Action: ED(P&CS)

"that the services of all employees whose educational certificates are fake be immediately terminated. Further more the services of all irregular appointees who do not possess the requisite qualification for the post to which they were appointed be terminated."

(iv) Para 52 of item 15 of the 149th meeting of the Board to read as follows:

Recovery of excess cost from the Area Managers

Action: ED(G&P)

A Committee comprising of ED(G&P) as Convenor and ED(B&A), ED(Inv.), Incharge (S&D) as members was constituted to go through the existing agreement with the Area Managers in respect of excess cost and submit recommendation to the Board at its next meeting whereby the entire outstanding of Rs.70 million would be recovered without hardship to the Area Managers. The Area Managers should be explained of the opportunity cost lost by State Life over the period the excess cost had been outstanding. The Committee was requested to also come with a recommendation for the future, so that such accumulation did not take place.

ITEM (3) BUDGET ESTIMATES FOR THE YEAR 2000 AND REVISED BUDGET FOR THE YEAR 1999.
ED(B&A) MEMORANDUM DATED 9-12-1999.

6. ED(B&A) presented before the Board the memorandum on revised estimates for the year 1999 and budget estimates for the year 2000 to the Board.

7. The Board noted with concern that no improvement in productivity has been noted in spite of increase in salary and staff welfare expenses from Rs.842.185 million in 1998 to revised estimates of Rs.1.066 billion in 1999 and budget estimates of Rs.1.097 billion in the year 2000.

8. After due deliberation, the Board resolved as under:

RESOLVED

Approval of Budget for the year 2000 including Capital Budget:

(i) "that the budget for the year 2000 along with the capital budget for the year 2000 be and was hereby approved excepting proposed capital expenditure for Real Estate amounting to Rs.70 million and Rs.12 million for Individual Life international operations for which details be submitted at the next Board Meeting for consideration. The FYP revised estimates of individual life business for 1999 was Rs.1.35 billion against approved budget of Rs.1.636 billion. Annexures "A to F" attached contain details of proposed budget for the year 2000 which are summarized as under:-

Action: ED(H&A)

	Revised for 1999	Rupees in Million Budget for 2000
a. First Year Premium including Annuity & Single Premium		
- Pakistan	1350.000	1650.000
- Overseas	159.000	193.000
- Annuity and Single Premium	15.000	5.000

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b. Renewal Premium – 2 nd Year		
- Pakistan	738.000	878.000
- Overseas	51.000	111.000
c. 3 rd Year and above		
- Pakistan	3844.000	4120.000
- Overseas	150.000	186.000
d. Group Premium		
- Group Life	1300.000	1515.000
- Health Insurance	-	85.000
e. Investment Income	7595.000	8380.000
f. Real Estate Income	330.000	364.000
g. Total Gross Income	15532.000	17487.000
h. Total Policy Payments	4777.700	4763.500
i. Total Payments to Field Workers	1653.200	1988.555
j. Total Administrative Expenses	2089.800	2328.100
k. Capital Budget	90.500	150.500

Action: ED(B&A)

(ii) "that the Executive Committee be and was hereby authorized to make re-appropriation of budget among different heads of accounts within the overall amount of budget approved by the Board."

Action: ED(B&A)

(iii) "that B&A Division be and was hereby authorized to distribute the budget to the respective centers for the entire year in proportion to business and size of the business center and control the same on monthly basis ensuring that expense ratios were kept in control."

Action: ED(B&A)

(iv) "that Divisional/Regional/Zonal Heads be and were hereby required to ensure proper budgetary control on expenses."

Action: All EDs

(v) "that efforts should be made to improve profitability of the Corporation by increasing premium income of Individual Life and Group Life by achieving better persistency and bringing in good business and at the same time reducing administrative expenses and controlling the increasing trend of surrender of policies, early death claims, group claims, the result of which would be reduction of expense ratios and increase in life fund."

Action: ED(CD)

(vi) "that Income and Expense Statement indicating comparison of actual with budgetary figures for various business portfolios i.e., Individual Life, Group Life, International, Investment and Real Estate, on Corporation basis as well as on Regional and Zonal basis be incorporated in the Main Computer through a suitable programme and MIS giving comparison of actual figures with targets be prepared regularly on quarterly basis and submitted to the Board in its regular meetings. The figures of surrenders, revivals and early death claims be also included in the quarterly MIS."

Action: ED(B&A)

(vii) "that projected cash flow statement be submitted to Secretary Board for incorporation in the minutes along with the budget proposals."

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	<p>13. ED(PHS) further informed that the Board at its 145th meeting held on 25th/27th February, 1999 had resolved "that acceptance of personal cheques of field workers as premium with proposal forms should be discontinued forthwith as large amounts are lost by the workers in case of failure to recover the amount from the proposers. To overcome this loss they become financially vulnerable and indulge in defalcation of Renewal Premium. The possibilities of defalcations be minimized by not allowing more than seven days for encashment of cheques at the close of the year."</p> <p>14. After deliberation, the Board resolved as under:</p> <p>RESOLVED</p> <p>(i) "that post-facto approval of acceptance of personal cheques of field workers as premium if attached with proposal forms was allowed subject to their encashment within twenty one days."</p> <p>(ii) "that the above approval was of acceptance of personal cheques of field workers was given on a one time basis only for 1999 business closing and this should not be taken as a precedent for the future."</p> <p>ITEM (7) POSITION PAPER ON STATUS OF Y2K COMPLIANCE. ED(CD) MEMORANDUM DATED 22-12-1999.</p> <p>15. ED(CD) presented before the Board a position paper on status of work undertaken by M/s. CresSoft for removal of Y2K bug. ED(CD) informed that Y2K compliance work on Oracle Programs installed in 12 computerized zones would be completed by 28th December, 1999. Y2K compliance work on Intel platform in Karachi Eastern Zone and RISC platform in Karachi Southern Zone have been completed and live test runs carried out satisfactorily on November transactions.</p> <p>16. ED(CD) mentioned that the project had been completed according to phase-I of the agreement for Millennium Bug Fixing – Cobol to Oracle signed with M/s. CresSoft on March 9, 1999. M/s. CresSoft had amended/converted the existing applications of zones of State Life and made them year 2000 compliant. Parameterization of these programs was not required.</p> <p>17. ED(CD) informed that all the programs mentioned as part of phase I on page 2 of the Agreement have been completed and implemented satisfactorily. These programs were initially tested with the help of State Life team for Quality Assurance at Principal Office. The implementation at the Zones was not part of CresSoft's responsibility, as per Agreement, as such the implementation at zones had been carried out by State Life personnel. During implementation at Karachi Eastern Zones, a number of changes were made by the State Life implementation team which had been acknowledged by M/s. CresSoft who had provided full assurance of support for the phase I programs. In addition, CresSoft had been providing support for resolving any ongoing minor problems in Karachi Eastern Zone and Karachi Southern Zone.</p> <p>18. The second part of the project that involved conversion of Cobol to Oracle programs at the Principal Office of State Life is presently under process. The Cobol</p>			<p>CHAIRMAN'S INITIALS</p> <p><i>[Handwritten Signature]</i></p>

Action: ED(PHS)

Action: ED(PHS)

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programs had been prioritized into priority I programs that are required by end of year 1999, and priority II & III programs that are required by March 2000. In priority I programs, most of the programs have been completed and submitted to State Life for 1st Quality Assurance on which State Life had given their comments to M/s. CresSoft. M/s. CresSoft was making necessary changes based on State Life's observations, however, since there are significant problems in this cycle, it is not certain whether this programs could be implemented before the year end.

19. The Terms of Reference does not have any reference to documentation, as such M/s. CresSoft is not contractually obliged to provide this. However, CresSoft has in principle agreed to provide a certain minimum amount of documentation that would cover the basic flow charts of all Phase II applications.

20. ED(CD) mentioned that based on the above, it could be safely concluded that State Life Insurance Corporation was fully ready for the year 2000 which was also corroborated by an independent analysis that was conducted by Mr. Shakir Rizwi, Director, Systems Limited.

21. The above position was noted by the Board.

ITEM (8) ADDITIONAL DEMANDS RAISED BY GCI STATE LIFE'S SPONSOR AT SAUDI ARABIA.
ED(INT'L) - MEMORANDUM DATED 20-12-1999.

22. ED(Int'l) presented before the Board a memorandum for consideration and decision by the Board regarding various payments asked for by M/s. GCI who were appointed as Chief Agent in June 1994 for organization, marketing and developing State Life's individual life insurance and group business in Saudi Arabia..

23. According to agreement M/s. Gulf Cooperation Insurance Co. Ltd. for various services to be performed by them, were entitled to a fixed percentage of compensation as Chief Agent at the following rates in addition to 5% Sponsorship Commission:-

First 3 Years	16% of F.Y.P. on individual yearly premium paying policies, plus 5% of Renewal Premium on such policies.
Next 2 Years	15% of F.Y.P. on individual yearly premium paying policies, plus 3% of Renewal Premium on such policies.
After 5 years	10% of F.Y.P. on individual yearly premium paying policies, plus 1% of Renewal Premium on such policies.

24. The compensation was to be reduced year after year and the logic behind this decrease was that the business would flourish year after year and the overall income of M/s. G.C.I. would not decrease, rather go up with increase in volume.

25. As per clause No.5, of the agreement, M/s. G.C.I. was also given business targets as under:-

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a) F.Y.P., No. of Policies and Growth Rate:

Years	No. of Policies	First Year Premium (Million in Saudi Arabia)	Growth Rate
First	500	1.50	-
Second	750	2.25	50%
Third	1000	3.00	33%
Fourth	1250	3.75	25%
Fifth and Subsequent year	1600	4.70	25% each year

26. In case if GCI failed to achieve at least 75% of the FYP target in any year, its compensation computed in relation to First Year Premium would be reduced by 20% as per clause 7.3 of the agreement.

b) Second Year Persistency:

27. Minimum 65% with a target to reach 70% or more.

28. In case if second year persistency fell below 60%, compensation computed in relation to the renewal premium would be reduced by 25% as per Clause 5.2 of the agreement.

c) Renewal Persistency:

29. Minimum 85% Renewal (third year and thereafter) Persistency with an aim to reach 90% or more.

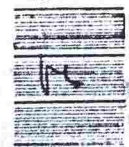
30. In case if Renewal Persistency fell below 79%, compensation computed in relation to renewal premium would be reduced by 25% as per Clause 5.3 of the agreement.

31. In case if both Second Year Persistency and Renewal Persistency fell below 60% and 79% respectively, the compensation in relation to renewal premium payable to "GCI" would be reduced by 33% as per Clause 5.4 of the agreement.

32. M/s. G.C.I. failed to achieve the targets given to them in all the activities as was evident from the statement enclosed at annexure 'B' of the memorandum submitted by ED(Int'l) to the Board. Since the term of agreement had entered into 5th year, the compensation payable to M/s. G.C.I. was also reduced to 10% on FYP and 1% on renewal w.e.f. June, 1999 Accordingly their compensation was reduced and deductions were made while paying the same in terms of the agreement.

33. M/s. G.C.I. did not agree to the reductions in rates for payment of compensation and also deduction by State Life made for non completion of targets.

34. M/s. GCI had claimed that the operation was costing them more than what they are receiving from State Life. They had therefore asked State Life to increase their compensation on F.Y.P. to 20% and on renewal premium to 3% and also to pay the cost of medical facilities to State Life sales staff according to Saudi Laws.

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<p>35. M/s. G.C.I. was repeatedly objecting to the deductions made by State Life for non-completion of targets on the plea that commitments made by State Life were also not fulfilled. These deductions had been made by State Life for non-completion of various target figures as provided in the agreement.</p> <p>36. They were also claiming one time compensation on the business prior to agreement with the contention that these business were also finalized through them. Since the signing of agreement took place in June, 1994, this business was not included in their targeted figures and no compensation was paid.</p> <p>37. M/s. G.C.I. was claiming that the payment of one time compensation for the business prior to signing of formal agreement between State Life and M/s. G.C.I. was discussed in a meeting while final draft of the agreement was being considered. Although no communication on this issue was available on our record, but M/s. G.C.I. has sent us a copy of their letter addressed to the then Executive Director (International) which was placed at Annexure "C" of the memorandum to Board.</p> <p>38. M/s. G.C.I. had claimed one time compensation on business amounting to US \$61,498/- from August, 1992 @ 21% i.e. 16% compensation plus 5% Sponsorship which works out to US \$12,915/-.</p> <p>39. In their recent letters dated 18th October, 1999 and 7th December, 1999 enclosed at Annexures "D" and "E" of the memorandum to the Board, M/s. G.C.I. emphasized that deductions made by State Life on non completion of target should be released failing which they would have no alternative but to invoke article 13 of the Agreement to place the matter before Arbitration. They have further stressed that if their request for increase in rate of compensation was not acceded to they would had to treat the agreement with State Life as terminated on 31.12.1999.</p> <p>40. ED(Int'l) pointed out that as per clause 11 of the agreement either party can terminate agreement after giving 6 months prior notice for termination.</p> <p>41. ED(Int'l) suggested that members of the Board of Directors could consider the following issues and take a decision accordingly:-</p> <p>a) <u>One time compensation on business prior to agreement:</u></p> <p>42. Since the then ED(Int'l) of State Life visited Saudi Arabia from 19-25th May, 1993 to assess the expansion of business of the Corporation through some Sponsor in K.S.A., the payment of one time compensation may be considered on policies issued after 25th May, 1993 amounting to US \$38,085/-. Further since there was no Sponsorship agreement hence only compensation at the rate not exceeding 16% amounting to US \$6,093/- may be considered.</p> <p>b) <u>Deductions made by State Life on Non completion of target in accordance with the terms of agreement:</u></p> <p>43. These deductions had been made in terms of various clauses of the agreement. However M/s. G.C.I. was not agreeing on these deductions with the plea that State Life has also not fulfilled some of its commitments as detailed in Annexure "F" to the memorandum to the Board.</p>			

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c) Demand of M/s. G.C.I. claiming higher rate of compensation:

44. As per terms of agreement, rate of compensation from June, 1999 had been reduced to 10% on F.Y.P. and 1% on renewal premium. M/s. G.C.I. was demanding that rate of compensation be increased to 20% on F.Y.P., and 3% on Renewal Premium, as the operation was costing them more than what they were receiving from State Life.

d) Payment for Medical Facilities to State Life sales staff:

45. M/s. G.C.I. had further demanded that payment for medical facilities to State Life sales staff according to Saudi Laws be also given to them by State Life. No such facility was previously included in the agreement.

46. After deliberation, the Board resolved as under:

RESOLVED

"that ED(G&P), ED(Int'l) and ED(B&A) be and were hereby authorized to review the demands of M/s. GCI, Chief Agent of State Life for Saudi Arabia, negotiate and finalize reasonable demands and execute agreement on terms favourable to the Corporation."

Action: ED(Int'l)

ITEM (10) APPROVAL OF BONUS TO OFFICERS FOR THE YEAR 1998. ED(P&GS)/ED(B&A) MEMORANDUM DATED 21-12-1999.

47. ED(P&GS) presented before the Board a memorandum recommending as per past practice payment of bonus to officers of the Corporation for the year 1998 @ 2.5 months basic pay as 31-12-1998. The Corporation had 1605 officers on its payroll during the year 1998 and there was a budget provision of Rs.47.018 million for the year 1998 and Rs.47.654 million for the year 1999.

48. On 15th May, 1999 the Finance Division, while granting its approval for the payment of bonus to officers of State Life for the year 1996 at the rate of 2.5 month's pay informed that they would not consider any further proposal for the payment of bonus to the officers until the following conditions were met:

- (i) State Life settles the schedule for payment of dividend to the Government; and
- (ii) Modalities for full accounting of gratuity and pension in State Life accounts, in consultation with cost accounts organization, are settled.

49. The conditions set out by the Finance Division had been complied with and fulfilled, and accordingly a letter dated 25-10-1999 had been sent to the Ministry of Commerce intimating them of compliance with a request to obtain early approval from the Finance Division for the payment of bonus to officers for the year 1997 equal to 2.5 month's pay. It was hoped that the concurrence from the Finance Division would be obtained shortly.

50. After deliberation, the Board resolved as under:


RESOLVED

(i) "that the above proposal for payment of bonus to officers of the corporation for the year 1998 @ 2.5 months basic pay as at 31-12-1998 be and was hereby approved. A reference be made to the Ministry of Commerce for obtaining a concurrence from the Finance Division."

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

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Action: ED(P&G) ED(B&A)	<p>(ii) "that as requested by the Officer's Federation of State Life Insurance Corporation of Pakistan, payment of one month's basic pay to officers of the Corporation on the occasion of Eid-ul-Fitr as advance against bonus approved by the Board for the year 1998 be and was hereby approved. The approval is subject to an undertaking to be given by the officers; that in case if the Government does not approve the payment being recommended by the Board to the Ministry of Finance through Ministry of Commerce, the same would be recovered immediately.</p> <p>ITEM (11) <u>POSITION PAPER ON FINANCIAL IRREGULARITIES IN G&P DIVISION.</u> ED(G&P) MEMORANDUM DATED 22-12-1999.</p> <p>51. ED(G&P) presented before the Board a position paper in respect of investigations being carried out for financial irregularities in G&P West Zone Karachi.</p> <p>52. ED(G&P) informed that Zonal Head(G&P) West and Zonal Accountant had reported on 5/11/1999 about detecting a bogus claim on 3/11/1999 in their zone, details of which were as follows:</p> <p>i. A death claim amounting to Rs.462,300/- was processed against Group Policy of National Bank of Pakistan showing death of an employee S.M. Zahoor Jafri, Ex-Vice President which was fake and bogus. The death claim bearing No.GDC-0239/W/99 was processed in respect of above named employee of National Bank of Pakistan but claim cheques was issued favouring M/s. Shahsons - an unknown firm not insured with State Life.</p> <p>ii. On informal contact, NBP confirmed that no employee by the name of S.M. Zahoor Jafri existed on their payroll, as such the question of lodging the claim did not arise. The Zonal Head and other concerned officers immediately requested the bank authorities to stop payment against State Life cheque No.010020 dated 03/11/1999 for Rs.462,300/- favouring M/s. Shahsons. Habib Bank, State Life Corporate Branch, Karachi vide their letter dated 05-11-1999 confirmed having noted the instructions to stop payment and accordingly the payment was stopped.</p> <p>53. ED(G&P) and B&A constituted a committee comprising of the following officers to investigate the matter and to submit a report on the findings.</p> <ol style="list-style-type: none"> 1. Mr. Manzoor Ahmed, Divisional Accountant(G&P) 2. Mr. Ziaur Rehman Ghani, AGM(G&P) Central Zone 3. Mr. Mukhtar A. Chaudhry, Manager(IA&E)/PO 4. Mr. Sultan Masood Naqi, Zonal Head(G&P) West. <p>54. The Committee submitted its preliminary report on 12-11-1999 to ED(G&P). While investigating the matter, the said committee also probed and checked some other claims settled previously and detected a few other cases which have been settled and paid to M/s. Shahsons on different dates which were also bogus. Muslim Commercial Bank has informed that the total amount paid to M/s. Shahsons was Rs.400,000/- through two cheques of Rs.100,000/- each presented in 1997 and two cheques of Rs.100,000/- each pertaining to 1999 besides the above claim of Rs.462,300/- whose payment was stopped.</p>			<div style="text-align: right;">  <p>CHAIRMAN'S INITIALS</p> </div>

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Muslim Commercial Bank, Campbell Street Branch, Karachi had informed informally that the account of Shahsons was dormant and cheques issued only by State Life have been deposited in it and it appeared that the account was opened only for receiving the amounts of bogus claims from State Life.

55. The Matter had also been reported to S.H.O. Mitha Dar Police Station, Karachi vide letter dated 22/11/1999. An Assistant Director from FIA visited the Principal Office of State Life on 10-12-1999 and met the Chairman and requested to provide the relevant documents.

56. ED(G&P) also informed that four fake cases of Rs.1 lac each against other policy holders i.e. M/s. Al-Zulficar Brothers and one case valuing Rs.100,000/- of Sana Industries have also been detected on investigations by another preliminary enquiry committee.

57. Further investigations had revealed three more cases of fraud committed in the months of September & October '99 vide cheques dated 10-09-1999 for Rs.300,000/-, dated 29-09-1999 for Rs.300,000/- and dated 06-10-1999 for Rs.415,000/- respectively making a total of Rs.1,015,000/- on the same pattern.

58. Officers who remained posted as Zonal Heads of the now Western Zone of G&P at Karachi during the years 1997-99 have since been transferred. The Divisional Head (G&P) has also been replaced. In a major reshuffle officers/employees numbering 12 have been transferred from that zone.

59. The matter is currently under investigation by FIA and simultaneously departmental enquiry has also been ordered and AGM(Sys) has been appointed as the Enquiry Officer to investigate the matter by P&GS Division.

60. ED(G&P) also informed that the following corrective measures have been taken to avoid recurrence of such incidents in future:

- i. the Zonal Heads have been made responsible for approving the claim payment vouchers on the basis of recommendation of the Zonal Claims Committee.
- ii. All cheques shall henceforth be counter – signed by the concerned Zonal Head after these have been signed by the concerned Zonal Accountant.
- iii. All the Zonal Accountants have been instructed to be more careful about safe custody of cheque books and other important documents.

61. After deliberation, the Board resolved as under:

RESOLVED

“that the Board had noted the above financial irregularities with serious concern and requested ED(G&P)/ED(P&GS) to complete the enquiry and take necessary actions against those found guilty of financial irregularities and negligence.”

ITEM (12) POSITION PAPER ON APPOINTMENT OF INVESTMENT ADVISOR. ED(INV) MEMORANDUM DATED 22-12-1999.

62. ED(Inv) presented before the Board a position paper on appointment of Investment Advisor/Consultant. The Board at its 148th meeting held on 11th and 12th

Action: ED(G&P)

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September 1999 had instructed that an Investment Advisor be appointed to streamline the various functions of the Investment Division and for functional training of its employees for portfolio management and various functions related thereto. The Investment Advisor would also assist in re-structuring in State Life Investment portfolio. The Board had constituted a Committee consisting of ED(Inv), ED(PHS), EDB&A) with Divisional Head(Inv) as member secretary to finalize scope of work, call for quotations from other brokerage houses, evaluate their technical and financial proposals regarding services to be provided and price quoted. The Committee was also authorized to negotiate, finalize and execute the agreement with the selected firm with instruction to incorporate clause of termination in the agreement.

63. ED(Inv) informed that brokerage house who did not have investment license in their own names were disqualified. Out of the qualified brokerage houses, the lowest bidder, WE expressed their inability to provide the service to the Corporation whereas the bidder with the highest point M/s. Cresbank was not willing to provide ongoing consultancy.

Action: ED(Inv)

64. The Board noted the above and requested the Committee constituted by it at its 148th meeting to negotiate, finalize and execute the agreement as authorized in its above meeting.

**ITEM (13) MERGER OF KARACHI ZONES OF GROUP & PENSION DIVISION.
ED(G&P) MEMORANDUM DATED 22-12-1999.**

65. ED(G&P) presented before the Board a memorandum regarding merger of Karachi Zones of Group & Pension to be named as Karachi Zone and down grading of Hyderabad Zone to Sector Office and its attachment with the proposed Karachi Zone. ED(G&P) also recommended that Quetta Sector be attached with the proposed Karachi Zone.

66. ED(G&P) informed that Western Zone Karachi had incurred losses during 1996, 1997 and 1998 due to high claim ratio and lower premium rates and lower volume of business. Negative contribution to life fund for the year 1996, 1997 and 1998 was Rs.100 million, Rs.46 million and Rs.36 million against the premium of Rs.282 million, Rs.299 million and Rs.272 million respectively. Presently, the Central Zone was located on the 9th floor and Western Zone was located on the 6th floor of State Life Building No.2, Wallace Road, Karachi, as such its merger would not caused any administrative problem.

67. ED(G&P) further suggested that Hyderabad Zone be down graded to Sector Office and attach with the the proposed Karachi Zone as its 70%business comes from Balochistan and most of the remaining 30% premium was generated from policyholders having their head offices at Karachi. The total premium of Hyderabad Zone was Rs.29 million, Rs.34.5 million and Rs.41.1 million for the years 1996, 1997 and 1998 respectively. The Sector Office Quetta presently attached with Hyderabad Zone be attached with the proposed Karachi Zone subsequent to the above mergers. The above measures would result in annual saving of about Rs.10 million.

68. After deliberation, the Board resolved as under:

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<p>Action: ED(G&P)</p> <p>Action: ED(G&P)</p> <p>Action: ED(G&P)</p> <p>Action: ED(G&P)</p>	<p><u>RESOLVED</u></p> <p>(i) "that two Karachi G&P Zones be merged into one Zone to be named as Karachi Zone."</p> <p>(ii) "that the Hyderabad Zone be downgraded to Sector Office and attached with the Karachi Zone."</p> <p>(iii) "that the Quetta Sector be attached with the Karachi Zone."</p> <p>(iv) "that the Ministry of Commerce's approval be obtained on the merger of Karachi Zone, downgradation of Hyderabad Zone to Sector Office and attachment of Hyderabad Sector Office and Quetta Sector Office with Karachi Zone."</p> <p>ITEM (14) <u>APPOINTMENT OF AUDITORS FOR THE YEAR-1999.</u> ED(B&A) MEMORANDUM DATED 22-12-1999.</p> <p>69. ED(B&A) presented before the Board a memorandum for (i) post facto approval of panel of auditors who carried out the audit of the accounts of State Life for the year 1998 and (ii) approval of new panel of auditors for audit of accounts for the year 1999.</p> <p>70. ED(B&A) informed that the normal practice in the Corporation with regard to appointment of External Auditors had been that, at the time of approval of annual accounts of the preceding year, a proposal was put up to the Board of Directors for approval of a panel of auditors to carry out the audit of accounts of the current year. It was also decided by the Board in 1994 to have a combination of old and new firms in order to maintain the continuity of work and auditors' understanding about working of the Corporation.</p> <p>71. However, on the advice of Ministry of Commerce, the Board of Directors recommended names of comparatively larger professional firms for audit of accounts for the year 1998. As a result of recommendation of the Board, names of two firms, who had audited accounts for 1997, i.e. M/s. S. P. Amjad & Company and M/s. S. M. Masood & Company were dropped and were replaced with M/s. Taseer Hadi Khalid and M/s. Riaz Ahmed & Co. The Auditor General of Pakistan raised the objection that a firm should be changed only after completion of 5 years and that if its performance was not upto the mark, only then it could be changed earlier.</p> <p>72. ED(B&A) further informed that since much time had passed and audit of annual accounts for 1998 was withheld for want of appointment of external auditors, and also keeping in view the objection of Auditor General of Pakistan (para 71) the Management recommended that the same panel of auditors who had earlier audited the accounts for 1997 be retained. Accordingly, a letter was written on 30th April, 1999 to Joint Secretary, Ministry of Commerce requesting that State Life be given permission to retain the same panel of auditors for the year 1998 which had earlier audited the accounts for the year 1997.</p> <p>73. Since no reply was received from the Ministry of Commerce, another letter dated 14th June, 1999 was sent to Additional Secretary, Ministry of Commerce informing that in order to avoid further delay in audit of accounts for 1998, the Management had decided to</p>			<p>CHAIRMAN'S INITIALS</p> <p><i>[Signature]</i></p>

MINUTES OF 150TH MEETING OF THE BOARD OF DIRECTORS


DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25-12-1999	
<p>retain the same panel of auditors which had audited the accounts for the year 1997. The panel of auditors which audited the accounts for the year 1997 comprised of the following firms of Chartered Accountants:</p> <p>i) M/s. Khalid Majid Husain Rahman, 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.</p> <p>74. Letters were accordingly issued to firms of chartered accountants, mentioned in para 73 above, to carry out the audit of annual accounts of the Corporation for the year 1998. The annual accounts duly audited have been approved by the Board in the meeting held on 11/12th September, 1999 which have subsequently been signed jointly by all these four firms of Chartered Accountants.</p> <p>75. Later on, a letter dated 16th September, 1999 was received from Deputy Secretary, Ministry of Commerce, Islamabad, intimating that the competent authority had granted "no objection" in principle to the replacement of auditors (M/s. S. M. Masood & Co and S.P. Amjad & Co. with M/s. Muniff Ziauddin & Co. and M/s. Riaz Ahmad & Co.), subject to the following condition:</p> <p style="padding-left: 40px;">"As auditing of accounts for the year 1998 had been assigned to the panel of (CA firms approved by that office (Auditor General), assurance was required that in the event of replacement of CA firms there would, in practice, be no adverse implications and that replacement would take place smoothly without any repercussions."</p> <p>76. On the basis of approval by the Federal Government for the year 1998, as stated in para 75, the panel consisted of the following firms:</p> <p>i) M/s. Khalid Majid Hussain Rahman, Chartered Accountants ii) M/s. M. Yousuf Adil Saleem & Co., Chartered Accountants iii) M/s. Muniff Ziauddin & Co., Chartered Accountants iv) M/s. Riaz Ahmad & Co., Chartered Accountants</p> <p>77. The audit of accounts for the year 1998 was, however, got completed from the previous panel of Chartered Accountants who had carried out the audit of accounts for the year 1997, as explained in paras 73 & 74, against the audit fee/out of pocket expenses earlier approved for 1997, instead of the panel stated in para 75 and 76 above for which approval was received subsequently. The services of the new auditors M/s. Muniff Ziauddin & Co. and M/s. Riaz Ahmed & Co. approved by the Federal Government, therefore, could not be utilized.</p> <p>78. ED(B&A) suggested that M/s. Khalid Majid Hussain Rehman, Chartered Accountants, Karachi, had also now completed five years term, they could, therefore, be replaced by any of the other firms namely M/s. Aslam Malik & Co., Chartered Accountants, Lahore or M/s. Sidat Hyder Qamar Maqbool & Co., Chartered Accountants, Lahore.</p>			

CHAIRMAN'S
INITIALS


MINUTES OF 150TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25-12-1999	
<p>79. ED(B&A) accordingly proposed that the following panel of audit firms for 1999 accounts:-</p> <ul style="list-style-type: none"> i) M/s. M. Yousuf Adil Saleem & Co., Chartered Accountants, Karachi. ii) M/s. Muniff Ziauddin & Co., Chartered Accountants, Karachi iii) M/s. Riaz Ahmad & Co., Chartered Accountants, Lahore iv) M/s. M. Aslam Malik & Co., Chartered Accountants, Lahore <p>80. The Board had approved audit fee of Rs.800,000/- and out of pocket expenses of Rs.400,000/- for the year 1998 which was same as for the year 1997. ED(B&A) was, however, authorized to negotiate and finalize the fee for the year 1998 with the then approved panel of auditors and with the discretion of allowing an increase upto 20% of the last approved audit fee/out of pocket expenses for the year 1997. This discretion was however not exercised for audit of 1998 accounts.</p> <p>81. It was proposed that audit fee and out of pocket expenses for the year 1999 be approved at the same fee as that of 1997 and 1998 with authority to ED(B&A) to negotiate and finalize the audit fee/out of pocket expenses for the year 1999 subject to a maximum increase of 20% over 1998.</p> <p>82. The accounts of UAE and Kuwait Offices for the year ended 31st December, 1998 were audited by M/s. KPMG, Chartered Accountant, Dubai against a fee of DH:35,000/- including out of pocket expenses. It was proposed that the same auditor be retained for the year 1999 against the same fee.</p> <p>83. The Auditor General had already given approval in respect of appointment of M/s. Muniff Ziauddin & Co., and M/s. Riaz Ahmad & Co., Lahore which, however was for the audit of year 1998. Matter was now submitted to the Board for:</p> <ul style="list-style-type: none"> a) Post facto approval of the Board for getting the accounts for the year 1998 audited by the panel of auditors who carried out the audit for the year 1997 as mentioned in para 73 and 74. b) Approval of the new panel of auditors as mentioned in para 79 against audit fee/out of pocket expenses mentioned in para 80 & 81, for the audit of accounts for the year 1999. c) Approval of UAE Auditors, as mentioned in para 82 above. <p>84. After approval by the Board, the names of the new panel of auditors mentioned in para 79 and 80, would be referred to the Ministry for getting the concurrence of the Competent Authority for audit of accounts for the year 1999.</p> <p>85. After deliberation, the Board resolved as under:</p> <p>RESOLVED</p> <p>(i) "that post-facto approval of getting the accounts of State Life Insurance Corporation of Pakistan for the year ended 31st December 1998 audited by the panel of auditors who carried out the audit of State Life account for the year 1997 at the same total audit fee and out of pocket expenses as approved for 1997 be and was hereby allowed."</p>			

Action: ED(B&A)

CHAIRMAN'S
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MINUTES OF 150TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25-12-1999	

Action: ED(B&A)

(ii) "that the following panel of auditors for audit of 1999 accounts be and was hereby approved at an 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:

- (i) M/s. Taseer Hadi Khalid & Co., Chartered Accountants, Karachi.
- (ii) M/s.M. Yousuf Adil Saleem & Co., Chartered Accountants, Karachi
- (iii) M/s. M. Aslam Malik & Co., Chartered Accountants, Lahore
- (iv) M/s. Riaz Ahmad & Co., Chartered Accountants, Lahore."

Action: ED(B&A)

Further ED(B&A) was authorized to negotiate and finalize the audit fees and out of pocket expenses with the above panel of auditors for the audit of accounts for the year 1999 with the discretion of increase upto 20% of the last approved audit fees and out of pocket expenses for 1997.

Action: ED(B&A)

(iv) "further that M/s. KPMG, Chartered Accountants, Dubai, be and was hereby appointed as auditors for the audit of 1999 accounts of U.A.E. office including business operations of Kuwait and Saudi Arabia at an audit fee of Dh.35,000 including out of pocket expenses."

ITEM (15) PROVISION OF CORPORATION MAINTAINED VEHICLES TO ALL DIVISIONAL HEADS.
ED(P&GS)ED(B&A) MEMORANDUM DATED 22-12-1999.

86. ED(P&GS) and ED(B&A) presented before the Board a memorandum recommending facility of Corporation's maintained car for all the Divisional Heads at Principal Office. ED(P&GS) informed the Board that once the Divisional Heads were provided the facility of Corporation's maintained car, they would not be entitled to car rental, presently admissible which amounted to Rs.36,000/- per annum per Divisional Head approximately.

87. After deliberation, the Board resolved as under:

RESOLVED

"that the facility of Corporation's maintained car to the Divisional Heads at Principal Office subject to availability would be provided on the basis of seniority and the car rental allowed to them would be withdrawn."

Action: ED(P&GS)

ITEM (16) APPROVAL OF INCREASE IN REMUNERATION OF CHIEF MEDICAL ADVISORS.
ED(PHS) MEMORANDUM DATED 22-12-1999.

88. ED(PHS) presented before the Board a memorandum for approval of increase in Chief Medical Advisors/Medical Advisors emoluments/remuneration. ED(PHS) informed that specialist Doctors possessing Post Graduate Degree were appointed to give their expert opinion for underwriting purposes. State Life has at present 29 Chief Medical Advisors/Medical Advisors as underwriters at various Zones. Their remuneration/retainer fee was last increased at Rs.1000/- per month w.e.f. 1-1-1993 by the Executive Committee at its 178th meeting held on 19th April 1994.

CHAIRMAN'S
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MINUTES OF 150TH MEETING OF THE BOARD OF DIRECTORS

RECTORS	HELD AT	ON	TIME
UTE BOOK	KARACHI	25-12-1999	

89. ED(PHS) further informed that request had been received from Chief Medical Advisors/Medical Advisors and Functional Heads of New Business Departments of various Zones for enhancement of retainer fee of the Chief Medical Advisors, as many of the CMA's were not prepared to work for State Life at their present remuneration. Furthermore, State Life was facing difficulties in obtaining quality opinions on underwriting cases referred to them.

90. After deliberation, the Board resolved as under:

RESOLVED

Action: ED(PHS)

✓ (i) "that the Board approved the under-mentioned recommendation of the PHS Division in respect of revision of the retainer fee of CMA's :

Category	Number of Of CMA's	Increase per CMA (monthly)	Total effect (monthly)
a. CMA's working before Nationalization	02	Rs.5,000/-	Rs.10,000/-
b. CMA's working for more than 10 years.	05	Rs.3,500/-	Rs.17,500/-
c. CMA's working for more than 5 years but less than 10 years.	05	Rs.3,000/-	Rs.15,000/-
d. CMA's working less than 5 years	14	Rs.2,500/-	Rs.35,000/-
e. CMA's appointed recently -their remuneration increases to minimum level of Rs.5000.	03		Rs.4,000/-
Total	29		Rs.81,500/-

Action: ED(PHS)

✓ (ii) "that minimum remuneration of newly appointed CMA's would henceforth be Rs.5000 per month."

Action: ED(PHS)

✓ (iii) "that an increment of Rs.500/- p.m. depending upon the performance of the respective medical advisors would be allowed by ED(PHS) at the beginning of each year."

Action: ED(PHS)

✓ (iv) "that ED(PHS) be and was hereby authorized to appoint Chief Medical Advisors/Medical Advisors and fix their remuneration in future."

CHAIRMAN'S INITIALS

MINUTES OF 150TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25-12-1999	

Annexure "A"

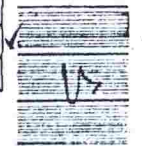
**STATE LIFE INSURANCE CORPORATION OF PAKISTAN
BUDGET
FOR THE YEAR 1999 (REVISED) AND 2000**

I N C O M E

(Rs. in Million)

WORKING CODE	TITLE OF ACCOUNTS	APPROVED BUDGET 1999	REVISED BUDGET 1999	APPROVED BUDGET 2000
	A. PREMIUM INCOME:			
	First year premium including Annuity & Single premium			
650 TO 672	First Year Premium			
	PAKISTAN	1636.000	1350.000	1650.000 ✓
	OVERSEAS	125.000	159.000	193.000 ✓
	Total	1761.000	1509.000	1843.000
690	Annuity & Single Premium	5.000	15.000	5.000 ✓
	First year premium including Annuity & single premium	1766.000	1524.000	1848.000
676 TO 677	Renewal Premium :			
	Second Year Premium			
	PAKISTAN	850.000 ✓	738.000	878.000 ✓
	OVERSEAS	70.000 ✓	51.000	111.000 ✓
	Third Year & above			
	PAKISTAN	3940.000 ✓	3844.000	4120.000 ✓
	OVERSEAS	130.000 ✓	150.000	186.000 ✓
	Total Renewal Premium	4990.000	4783.000	5295.000
	Total Individual Life Premium	6756.000	6307.000	7143.000
683 TO 686	Group Premium :			
	Group Life	1600.000	1300.000	1515.000
	Health Insurance	-	-	85.000
	Total (Group Premium)	1600.000	1300.000	1600.000 ✓
	TOTAL PREMIUM INCOME:-	8356.000	7607.000	8743.000

CHAIRMAN'S
INITIALS



MINUTES OF 150TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25-12-1999	

Annexure-"B"
[Page 2]

(Rs. in Million)

WORKING CODE	TITLE OF ACCOUNTS	APPROVED BUDGET 1999	REVISED BUDGET 1999	APPROVED BUDGET 2000
771	<u>Group Profit Commission</u>	147.000	100.000	110.000
	Health Insurance Claim	-	-	65.000
	<u>Annuities</u>	5.000	7.200	8.500
	<u>Surrenders</u>			
	PAKISTAN	1950.000	1810.000	1300.000
	OVERSEAS	25.000	33.000	42.000
	Total	1975.000	1843.000	1342.000
738 TO 786	<u>Bonus to Policyholders</u>	0.000	0.000	0.000
	TOTAL POLICY PAYMENTS:-	5514.00	4777.700	4763.500

CHAIRMAN'S INITIALS



MINUTES OF 150TH MEETING OF BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25-12-1999	

Annexure - "C"

STATE LIFE INSURANCE CORPORATION OF PAKISTAN
BUDGET
FOR THE YEAR 1999 (REVISED) AND 2000

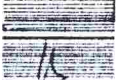
PAYMENTS TO FIELD WORKERS

(Rs. in Million)

WORKING CODE	TITLE OF ACCOUNTS	APPROVED BUDGET	REVISED BUDGET	APPROVED BUDGET
		1999	1999	2000
790 TO 792	Agency Commission First Year	679.746	582.000	711.000
808 TO 811	Overriding Commission First Year	644.526	552.000	674.000
804	Agency Commission Annuity	0.375	0.450	0.380
823 TO 824	Overriding Commission Annuity	0.075	0.100	0.075
812	Production Bonus to Area Managers	31.698	27.200	33.200
805	FIELD PRIZES & AWARDS			
	i) Field Contests (Renewal/FYP premium)	17.610	15.000	18.400
	ii) Field convention	7.500		7.500
796 815 & 816	Field Group Insurance	10.675	10.350	12.000
825	Field Medical Expenses	24.400	22.000	25.600
826	Field Office Expenses/Allied Facilities	83.875	74.000	86.000
	TOTAL FIRST YEAR & OTHER COST:-	1500.480	1283.100	1568.155

[Contd...]

CHAIRMAN'S INITIALS



MINUTES OF 150TH MEETING OF THE BOARD OF DIRECTORS

MEETING NO.	HELD AT	ON	TIME
150	KARACHI	25-12-1999	

Annexure-"C"

(Page-2)

(Rs. In Million)

WORKING CODE	TITLE OF ACCOUNTS	APPROVED BUDGET	REVISED BUDGET	APPROVED BUDGET
		1999	1999	2000
799 TO 801	Agency Commission Renewal	295.600	278.000	319.000
817 TO 821	Overriding commission Renewal	94.867	90.000	98.000
	TOTAL RENEWAL COST:-	390.467	368.000	417.000
793	Agency Commission Group	1.600	1.400	2.000
822	Overriding Commission Group	0.700	0.600	1.200
805	Prizes & Awards Group	0.800	0.100	0.200
	TOTAL GROUP COST:-	3.100	2.100	3.400
	GRAND TOTAL:-	1894.047	1653.200	1988.555
	SUMMARY			
	<u>Individual Life</u>			
	- Within Pakistan	1778.697	1513.100	1805.155
	- Overseas	112.250	138.000	180.000
	Sub - Total	1890.947	1651.100	1985.155
	Group Life	3.100	2.100	3.400
	Total	1894.047	1653.200	1988.555

CHAIRMAN'S
INITIALS



MINUTES OF 150TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25-12-1999	

Annexure - "D"

STATE LIFE INSURANCE CORPORATION OF PAKISTAN

BUDGET

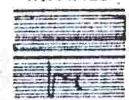
FOR THE YEAR 1999 (REVISED) AND 2000

ADMINISTRATIVE EXPENSES

(Rs. in Million)

WORKING CODE	TITLE OF ACCOUNTS	APPROVED BUDGET 1999	REVISED BUDGET 1999	APPROVED BUDGET 2000
809	Salaries	945.000	1066.000	1097.000
810	Travelling Expenses	105.000	96.000	107.000
811	Auditors Fees	1.800	2.800	3.100
812	Medical Fees	15.000	13.000	15.000
813	Law & Professional Charges	7.502	21.000	38.000
814	Advertisement	45.000	30.000	40.000
815	Printing & Stationary	32.000	30.000	32.000
816	Policy Stamps	15.000	10.5000	12.500
817	Staff Welfare	196.000	188.000	196.000
818	Postage, Telegram & Telephones	65.000	62.000	72.000
819	Utilities (Electricity, Water & Gas)	82.000	100.000	110.000
820	Entertainment	14.000	12.500	12.000
822	Bank Charges	11.000	12.000	13.000

CHAIRMAN'S
INITIALS



MINUTES OF 150TH MEETING OF THE BOARD OF DIRECTORS

RECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25-12-1999	

Annexure-"D"

[Page 2]

(Rs. in Million)

WORKING CODE	TITLE OF ACCOUNTS	APPROVED BUDGET 1999	REVISED BUDGET 1999	APPROVED BUDGET 2000
823	Conference & Meeting	13.500	13.500	16.000
824	Prizes & Awards	2.000	1.500	1.500
825	Training Expenses	14.000	10.000	18.000
826	Computer Expenses	12.000	10.000	12.000
828	Miscellaneous Expenses	90.000	74.000	80.000
829	Rents(State Life Buildings)	102.000	100.000	129.000
830	Rents(Other Buildings)	56.000	56.000	53.000
834	Depreciation	91.000	95.000	98.000
835	Gratuity,Pensions, Provident Fund Contribution	76.000	86.000	88.000
	Bad Debts			85.000
967	Prov. for deprn. in value of invts.	5.000	0.000	0.000
	TOTAL ADMINISTRATIVE EXPENSES	1995.802	2089.800	2328.100

CHAIRMAN'S INITIALS

LA

MINUTES OF 150TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25-12-1999	

Annexure-"E"

	Approved Budget 1999	Revised Budget 1999	Approved Budget 2000
<u>A. Individual Life (Within Pakistan)</u>			
First year Premium including Annuity & Single Premium	1639.000	1365.000	1655.000
Renewal Premium	4790.000	4582.000	4998.000
Total Premium	6429.000	5947.000	6653.000
Payments to field workers	1778.697	1513.100	1805.155
Administrative Expenses	1579.708	1702.122	1796.543
Outgo	3358.405	3215.222	3601.698
Cont. to Life Fund before Policy payments*	3070.595	2731.778	3051.302

CHAIRMAN'S INITIALS

[Handwritten Signature]

MINUTES OF 150TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25-12-1999	

Annexure-"E"

(All amounts in thousands)

	1 US \$ = Rs.41		1 US \$ = Rs.52		1 US\$ = Rs.52	
	1998		1999		APPROVED	
	ACTUAL		ESTIMATED		BUDGET 2000	
	Rs.	US \$	Rs.	US \$	Rs.	US \$
B. Individual Life (Overseas Business)						
First Year Premium including Annuity & Single Premium	63,341	1,377.00	159,000	3060.00	193,000	3,700.00
Second Year Premium	41,498	902.00	51,000	990.00	111,000	2,134.00
Renewal Premium	100,672	2,189.00	150,000	2,900.00	186,000	3,580.00
Total Premium Income	205,511	4,468.00	360,000	6,950.00	490,000	9,414.00
Payments to Field Workers	65,788	1,430.00	138,000	2,653.00	180,000	3,460.00
Administrative Expenses	53,241	1,157.00	66,999	1,250.00	81,000	1,519.00
Outgo	119,029	2,588.00	204,999	3,903.00	261,000	4,979.00
Contribution to Life Fund (Before Policy Payments and excluding Invt./Other Income)	86,482	1,880.00	155,001	3,047.00	229,000	4,435.00
Less: Policy Payments	105,266	2,288.00	134,000	2,577.00	159,000	3,058.00
Contribution to Life Fund (After Policy Payments and excluding Invt./Other Income)	(18,784)	(408.00)	21,001	470.00	70,000	1,377.00
Add: Invt./other Income	64,843	1,410.00	70,000	1,340.00	77,000	1,480.00
Contribution to Life Fund (After Policy Payments and including Invt./other Income).	46,059	1,001.00	91,001	1,810.00	147,000	2,857.00



MINUTES OF 150TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25-12-1999	

Annexure-"E"

	Approved Budget 1999	Revised Budget 1999	Approved Budget 2000
C. Individual Life (Corporation basis)			
First year Premium including Annuity & Single Premium	1766.000	1524.000	1848.000
Renewal Premium	4990.000	4783.000	5295.000
Total Premium	6756.000	6307.000	7143.000
Payments to field workers	1890.947	1651.100	1985.155
Administrative Expenses	1651.704	1767.122	1875.543
Outgo	3542.651	3418.222	3860.698
Cont. to Life Fund before policy payments	3213.349	2888.778	3282.302
D. Group Life			
Premium Income	1600.000	1300.000	1600.000
Claims & Profit Comm.	1447.000	1175.000	1425.000
Field Expenses	3.100	2.100	3.400
Admn. Expenses	103.224	99.000	120.000
Total Outgo	1553.324	1276.100	1548.400
Cont. to Life Fund	46.676	23.900	51.600

CHAIRMAN'S INITIALS

MINUTES OF 150TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACH	25-12-1999	

M. Ratios	39.07%	43.13%	41.90%
Renewal Expense Ratio	43.63%	46.26%	45.57%
% of Management Expenses to total premium income.	23.01%	23.00%	23.22%
% of Management Expenses of total income.			

Annexure-"F"

SUMMARY OF CAPITAL BUDGET

(Rupees in million)

a.	Individual Life (within Pakistan - Zones/Regions.	25.000
b.	Individual Life (International Operations)	12.000
c.	Group Life	2.000
d.	Human Resources Development Division	3.000
e.	P&GS(PO)	2.500
f.	Computerization	26.000
g.	Vehicles	10.000
h.	Real Estate	70.000
	Total:	150.500

CHAIRMAN'S INITIALS

[Handwritten Signature]