### MINUTES OF 151<sup>ST</sup> MEETING OF THE BOARD OF DIRECTORS

CTORS	, HELD AT	ON .	TIME
TE BOOK	KARACHI	22-01-2000	

### CONFIDENTIAL AND RESTRICTED

### MINUTES OF 151st MEETING OF THE BOARD OF DIRECTORS

The one hundred and fifty first (151<sup>st</sup>) meeting of the Board of Directors of State Life Insurance Corporation of Pakistan was held on 22<sup>nd</sup> January, 2000 at 10:30 a.m., at Board Room, 3<sup>rd</sup> Floor, State Life Building No.9, Principal Office, Karachi.

#### PRESENT

1. Dr. Najeeb Samie Chairman

2. Mr. Mohammad Sulaiman Director/Additional Secretary (Commerce)

Mr. Rasool Bakhsh Baloch
 Mr. Imtiaz Rasool
 Mr. Umair Khan
 Executive Director
 Executive Director

5. Mr. Umair Khan Executive Director
6. Mr. Mohammad Latif Executive Director
7. Mr. J.M. Pereira Executive Director

8. Mr. Akbar Ali Hussain Sceretary Board

- 2. The meeting was also attended by Mr. Akram Hussain, Incharge S&D, at the request of the Board.
- 3. The meeting commenced with recitation of verses from the Glorious Quran by Mr. Akram Hussain.

# TIEM 1. CONFIRMATION OF MINUTES OF 150<sup>th</sup> MEETING OF THE BOARD OF DIRECTORS.

- 4. The minutes of 150<sup>th</sup> meeting of Board of Directors held on 25<sup>th</sup> December 1999 were placed before the Board. ED(Inv) proposed and ED(P&GS) seconded, that the same be confirmed.
- Accordingly, it was resolved as under:

#### RESOLVED

"that the minutes of 150<sup>th</sup> meeting of Board of Directors held on 25<sup>th</sup> December, 1999 be and were hereby confirmed, with the following amendment:-"

Resolution in para 14(i) of item 5 of 150<sup>th</sup> meeting of the Board to read as follows:

(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 thirty one days."

Resolution in para 46 of item 8 of 150<sup>th</sup> meeting of the Board to read as follows:

(ii) "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 I-nalize reasonable demands and execute agreement."

Action F hat I)

Action / ACRS

Action + (P.18)



Corporation.

INSURANCE CORPORATION OF PAKISTAN

## MINUTES OF 151<sup>ST</sup> MEETING OF THE BOARD OF DIRECTORS

RECTORS	HELD AT	ON	TIME
UTE BOOK	KARACIII	22-01-2000	
**************************************	HEM (2) POSITION PAPER ON DEFAIL ED(PHS) MEMORANDUM DA		(6.
	6. ED(PHS) informed the Board that it has minimize possibility of defalcation and for takin worker with unwavering determination. In light of combating defalcations and a defailed circular with the instructions to settle the cases within seven	of the above, some guidelines were set for was accordingly issued by the Chairman,	-
	7. ED(PHS) submitted to the Board a list Principal Office and cases reported in the Zones, were referred to the concerned Zonal Heads for as per directives of the Chairman, but no per continuous follow up. Similarly every Zonal Head Office on prescribed format indicating position Zones neither settled the cases nor applied to the	taking speedy action and settling the cases sitive response was received inspite of id had to send a statement to the Principal of the defalcation cases, however, the	
	<ol> <li>ED(PHS) informed that 103 cases out of settled and recovery made whereas actions had be cases, the defalcators had been spared and gone had been recovered against total defalcated amount</li> </ol>	e un-reprimanded. A sum of Rs.426,400	
\csc(( ( * vPd. 5)	<ol> <li>It was felt by the Board that the defalcation lapsation. The SRs should be given adequate responsibilities and the importance of retention should emphasize more on quality business and on FYP.</li> </ol>	of policies. Similarly the Zonal Heads	
	10. After deliberation, the Board resolved as	under:	
Action ( 19Ph s):	RESOLVED  (i) "that ED(PHS) would take necessary step date were finalized by end of February and S&D Division, Regional Chiefs and Zo implementation of various instructions issue necessary action against those found guilty".	action taken against those found guilty.	
Actor * 1244.50	(ii) "that in future PHS would serve notices to seven days from the date of filing of complate action, however, the maximum period to be a not exceed 30 days."	ints to settle the cases and take necessary	
v »	THE BOARD OF DIRECTORS	GTH_APPROVED_PREVIOUSLY_BY AT ITS 129 <sup>TH</sup> MEETING HELD ON PROVAL OF REVISED OVERALL TRENGTH OF THE CORPORATION. DATED 21-1-2000.	

11. ED(PG&S) presented before the Board a memorandum regarding review of staff strength approved previously by the Board of Directors at its 129th meeting held on 19th

May, 1996 and approval of revised overall strength and gradewise strength of the



#### INSURANCE CORPORATION OF PAKISTAN

#### MINUTES OF 151<sup>ST</sup> MEETING OF THE BOARD OF DIRECTORS

10HS	HELD AT	ОИ	TIME
JOK	KARACHI	22-01-2000	
9	12. The Board at its 129 <sup>th</sup> meeting held of State Life to be 6102 based on the followi	on 19 <sup>th</sup> May, 1996 approved the staff strength	*

#### Individual Life

- a) two persons per thousand policies in force subject to a minimum of 39 persons for a newly created zone and 29 persons for a Regional Office.
- b) For large zones, in order to keep increase in the staff strength within reasonable limits, the ratio is kept at 1.50 persons per 1000 policies.

#### Group Life

In respect of Group Life, the basis would be the ratio of staff to total premium income from G&P operation i.e. one person per Rs.5 million average premium for the last three years. An additional 120 posts were recommended to cater to the increased requirements of the G&P Division due to the new structure for G&P wherein minimum staff strength had to be provided to each new sector/zone.

### Principal Office

For Principal Office the ratio for determining the staff strength has been kept the same as last year, i.e., 0.5 employees per thousand policies inforce.

- On the basis of the above criteria, the total staff strength for Zonal and Regional offices of individual life worked out to 4559 on 22,74,000 policies which were expected to be in force by the end of 1996.
- 14. The Board after discussing the staff requirements then, had approved the total staff strength of the Corporation as follows:-

a) Regional & Zonal Offices	4559
b) Principal Office (all station)	1073
c) Group & Pension	470
대리 경기 기가 있다.	sid colour factor
Total	6102

- 15. The Board had also authorized the Executive Committee to allocate these additional posts to different departments, in different grades in different Zones and Regions after detailed analysis of premium income, number of policies in force, extent of computerization, budget, minimum staff requirements of newly established Zones etc.
- 16. Later on, additional 39 posts were included in the above strength with the creation of Kohat Zone. In addition to this, additional 55 posts were created/approved by the E.C. on 22-8-1996, to bring the total to 6196. In 1997, 6 posts were abolished due to abolition of Regional Directorates. Thus the total strength as on 30-6-1997 stood 6190, the breakup of which was as under:-

Officers (in various cade	es) =	1977
Staff (in various cadres)		4231
T	otal	6190



#### INSURANCE CORPORATION OF PAKISTAN

#### MINUTES OF 151ST MEETING OF THE BOARD OF DIRECTORS

The second secon			
CTORS	HELD AT	ON	
VUTE BOOK	KARACHI	23-01-2000	
		AND THE PARTY OF T	

17. In October 1999, a Committee comprising of the Divisional Heads was constituted to determine the staff strength of the Corporation. After detailed deliberation, the Committee agreed to the following criteria for determination of staff strength.

#### Individual Life

In respect of Individual Life, the basis would be the number of policies inforce.

#### Group Life

In respect of Group Life, the basis would be Group Premium Income.

#### Real Estate

In respect of Real Estate, the basis would be the covered area.

- 18. The above Committee, keeping in view the suggestions of the Divisional Heads and the experience of the working of the Departments in Region/Zone had suggested/proposed a total staff strength of 5247 employees which was felt necessary to run the respective Division/Department effectively and efficiently.
- 19. At its meeting held on 11<sup>th</sup> December, 1999, the cabinet, inter-alia had decided that an exercise on down-sizing be carried out within the Ministers concerned. The Cabinet Division informed later on, that the said decision was also applicable to attached departments, subordinates offices, Autonomous/Semi Autonomous Bodies and Corporations etc. Accordingly, a Committee consisting of the following, was constituted to review the matter and submit, its report.
- (i) Syed Sikandar Abbas, GM(P&GS), Convenor
- (ii) Mr. Sohail Hashmi, DGM(B&A), Member
- (iii) Mr. M. Aslam Sabir, DGM(PHS), Member
- (iv) Mr. Talib Ali, DGM(Int'l), Member
- (v) Mr. Yahya Chamadia, AGM(Sys.), Member
- (vi) Mr. V.M. Fernandez, AGM(P), Member
- 20. ED(P&GS) and ED(B&A) informed the Board that keeping in view the present volume of business of the Corporation, guidelines given by the higher management, and instruction received from the Ministry of Commerce, the report of the Committee appeared to be reasonable. The breakup of the approved, existing and proposed staff strength of 5,243 proposed by the Committee for the Corporation as a while, as detailed below:-

	Approved	Existing	Proposed
Officers	1977	1574	1580
Staff	4213	4157	3663
Total	6190	5731	5243

21. After deliberation, the Board resolved as under:

CHAIRMAN'S INITIALS

INSURANCE CORPORATION OF PAKISTAN

I IDEAT	086	HELD AT	ON	TIME
LIRECT		KARACHI	22-01-2000	
MINUIE	BOOK	1. 1. 2. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.		
	Action:ED(P&G\$)	similarly the number of tiers in the state the presence of a GM, for instance, it AGM not a DGM. A fresh exercise on reduced tiers be submitted for constituted for constitute	ers category should be brought down to 4 and aff category should also be reduced such that is a Division, the next-in-command would be a be carried out and revised staff strength, based sideration of Board at its next meeting."  ROGRESS OF CASES OF FINANCIAL	n n d
		IRREGULARITIES REPORT ED(P&GS) MEMORANDUM  22. ED(P&GS) presented before the E current status of cases of irregularities sub	ED BY CHAIRMAN INSPECTION TEAM.	d
		the Chairman which was marked for deta alleged individuals to various divisions and current position of 12 cases for perusal of 24. The Board appreciated the work	had submitted several cases of irregularities to illed investigations and necessary actions against P&GS Division. P&GS Division had submitted the Board.  undertaken by the Chairman's Inspection Team to weed out corruption in the Corporation.	st d
			ard that a training seminar was organized by the assigned the task of conducting enquiries.	e
	Action: ED(P&GS)	RESOLVED  (i) "that post facto approval of the esta and was hereby given by the Board as	blishment of the Chairman's Inspection Team band ED(P&GS) be and was hereby requested to equipments and office space to enable the	TO O
	Action: ED(P&GS)	preliminary inquiry for which it	eam be and was hereby authorized to condu- could call for necessary records from an through the respective Zonal Head/Region	ıy
	Action: ED(PHS)	ED(P&GS) and AGM(Law) as mem powers and functions of the Inspection	ed consisting of ED(PHS) as Convenor with bers to define the administrative and financial Team and streamline its work procedure."	CHAIRMA
	Action: ED(I &GS)		airman's Inspection Team would submit separately the Chairman's Inspection Team and details of finalized.	te   ====

action taken in enquiries that had been finalized.

# INSURANCE CORPORATION OF PAKISTAN

# MINUTES OF 151<sup>ST</sup> MEETING OF THE BOARD OF DIRECTORS

TIME	ON	HELD AT	ORS
	22-01-2000	KARACHI	JOK.
	mployees (Service) Regulation, 1973 in f any impediment thereto. The clause,	(v) "that ED(P&GS) be and was hereby request Commerce for amendments in the State Life F order to expedite inquiries and for removal of relating to the maximum number of days of sus examined."	ition: FD(P&GS)
	on of the inquiry and if there were any Ministry by ED(P&GS)/AGM(Law) for	(vi) "that employees who were placed under su inquiries should not be reinstated till finalization rules to the contrary suggestion be given to the necessary amendments in the relevant law/rules.	ion: FD(F&GS)
	ENT STATUS OF ENQUIRIES ON IN GROUP & PENSION DIVISION. TED 21-1-2000.		
		27. ED(G&P) presented before the Board progress in investigations on financial irregularities	
	gligence who had been suspended and nvestigation had brought to light some s were made to different parties through	28. ED(G&P) informed that irregularities I employees were involved directly or through ne charge sheeted by the P&GS Division. Further more cases of similar nature under which payment fraudulent/negligent processing of fictitious claims.	
	details of the case. In the meanwhile an ice and asked for records pertaining to available and those not readily traceable	29. ED(G&P) further informed that the matter Agency on 13 <sup>th</sup> December 1999 giving complete Assistant Director from FIA visited State Life of these cases. Some of the records had been made were being located for handing them over to the in	
	ses detected till then exceeded Rs.1.5 casures like considering special audit of ints, transfer of some staff members and	30. A summary report was also sent to the Mi 22 <sup>nd</sup> December, 1999. The total amount of ca million. The Ministry was informed that some m G&P claims through a firm of Chartered Accounts officers and redefining responsibilities of different	
CHAIRMA	seen recorded. A few more statements of the procedure of payments of claims crifications at various stages of claims as and two of State Life officers namely &P) and Mr. S.A. H. Kazmi, Sector authorities in connection with providing	31. At present, the investigation was in progres interrogated by FIA and their statements had I would be recorded in a day or so, giving details and jobs of different officials responsible for vadministration. The enquiry was still under progre Mr. Manzoor Ahmed, Divisional Accountant (Chead (East Zone) were coordinating with FIA a necessary record and recording of statements of different progressions.	
INITIAL		32. FIR had been lodged by FIA, Karachi an enquiry report namely Dr. Shafqat Qamar, Dy	

Manager, Mr. Shadab Rizvi, JOA and Mr. Nazimuddin, JOA, had been detained by them.

Physical remand for five days had been taken by them for further interrogation.

### INSURANCE CORPORATION OF PAKISTAN

## MINUTES OF 151<sup>ST</sup> MEETING OF THE BOARD OF DIRECTORS

FOTORS	HELD AT	ОИ	TIN
UTE BC . K	KARACHI	22-01-2000	
otion: ED(G&9)	33. The Board noted the same and requested the latest position of FIA and State Life's department		
2	AND GROUP LIFE.	ONS/ZONES OF INDIVIDUAL LIFE CMORANDUM DATED 21-1-2000.	
	34. ED(G&P) presented before the Board a p the two Karachi G&P Zones into one Zone, to be of Hyderabad Zone to Sector Office and its attach c) attachment of the Quetta Sector with the propo- at its 150 <sup>th</sup> meeting.	named as South Zone, b) down grading ment with the proposed South Zone and	
	35. ED(G&P) informed that the matter had be Minister of Commerce who had directed to close bring about reduction in the management expense State Life would implement the above directive in 11,2000.	merge certain non productive zones to ratio. The Chairman had confirmed that	
	36. ED(G&P) further informed that the mer saving of Rs.10 million approximately and space on 9th floor of State Life Building No.2 measuremented out to outside tenants.	presently occupied by the Central Zone	
	37. After deliberation, the Board resolved as ur	nder:	
Action: ED(G&P)/	RESOLVED.  "that a Committee be constituted consisting ED(P&GS), ED(PHS) and Incharge(S&D) various zones of Individual Life and Group Life considered necessary for merger/closure of expenses and bring about better management in	as members to review the viability of ife and take all necessary steps that may of the existing zones so as to cut down	
	ITEM (8) APPROVAL OF AGREEMEN VENTURE LIMITED. ED (INV) MEMORANDUM DAT	<u> </u>	
	38. ED(Inv) presented before the Board a ragreement in respect of Pakistan Emerging Venture		
	39. ED(Inv) informed that State Life Insurance requested by MCB vide letter dated 25 <sup>th</sup> January Pakistan Emerging Venture Limited. The basic reventure in growth oriented market thereby provide expectations based on risk reward profit of the target	1996, to participate as co-sponsor of mission of the company was to seek ing high returns to investors with their	
	40. The Authorized Capital of the venture compaid up capital was Rs.500 million, out of which 20	mpany was Rs.2,500 million while the 6% each was to be subscribed by State	CHAIRM

Life, MCB and NBP and remaining 22% was to be offered to the general public. The Company was to be registered as quoted company on Karachi Stock Exchange. The Energy, Electrical machinery and Chemicals sectors were targeted for funds allocation.

CHAIRMAN'S INITIALS

INSURANCE CORPORATION OF PAKISTAN

## MINUTES OF $151^{ST}$ MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ОИ	TIME	
MINUTE EOOK	KARACIII	22-01-2000		
and American States of the Control o	41. The Executive Committee at its approved the above proposal.	s 208 <sup>th</sup> meeting held on 14 <sup>th</sup> February, 1996		
	42. On 10 <sup>th</sup> May 1996, State Life received a letter from PEAT Marwick, Financial Consultant of Pakistan Emerging Venture Limited, where in they had requested to pay Rs.130 million as its share capital contribution in Pakistan Emerging Venture Limited. The then ED(Inv) directed to pay Rs.30 million immediately and deferred remaining Rs.100 million for payment in July 1996. Accordingly the payment of Rs.30 million was released on 30 <sup>th</sup> May, 1996.			
		was reduced by Pakistan Emerging Venture e State Life had to pay only Rs.95 million which		
		28 <sup>th</sup> July 1996, State Life also invested Rs.0.33 ment Company (Pvt) Ltd. which was formed to centure Limited.		
		any i.e. Venture Capital Fund Management ed into a Technical Advisory Agreement with		
		ed had so far declared a dividend of only 5% of loss account of the company showed that the ived from TFCs and REPO transactions.	2	
	47. ED(Inv) informed that State Life h voluntary winding up of Pakistan Emergin able to convince UBL buy its shares.	and received a letter from MCB which suggested g Venture Limited, however, later on MCB was		
	one sided in favour of the technical advis revision. Meetings were held with Mr. Z	hat the existing technical advisory agreement was for and as such for the sake of equity required afar Siddiqui, representative of KPMG in this element was being presented to the Board for		
	49. ED(Inv) presented before the Boar the previous agreement and the proposed a	d a comparison of main terms and condition of greement which was as follows:-		
· ·	Old Agreement	New Agreement		
	Article-4  a. All investment/dis-investment were to be made on the advice of Technical Advisor.	a.Technical Advisor would only advice about investments/dis-investments. However, the Board of PEVL would approve all Investments/dis-investments.	CHAIRMA	
	b. Technical Advisor was responsible to recruit Human resources. Fund Manager had to go by his advice.	b. Technical Advisor would be responsible for Recruitment. However, all appointments Would be made with the approval of the	The second secon	

Board.

# MINUTES OF 151<sup>ST</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT		ON	TIME
AINUTE BOOK	KARACHI		22-01-2000	
	Article-5 a. Technical Advisor was to be paid remuneration equal to 100% of the fees, the Fund Manager would receive from PEVL, after deduction of expenses of Fund Manager.	m Pl	echnical Advisor would be paid annual enumeration equal to 1% of NAV of EVL subject to maximum of Rs.3.6 Illion. This would be increased by annual flation or 10% whichever was lower.	
	b. if PEVL pays performance bonus to Fund Manager, the Technical Advisor would be entitled to 100% of the same.	the of bo	if PEVL declared dividend upto 17.5%, a Technical Advisor would be paid 10% profit before tax by way of performance nus and this amount would be paid by a Fund Manager.	
		the of box	f PEVL declared dividend upto 17.5%, e Technical Advisor would be paid 20% profit before tax by way of performance hus and this amount would be paid by e Fund Manager.	-
		the of box	f PEVL declared dividend upto 17.5%, Technical Advisor would be paid 30% profit before tax by way of performance hus and this amount would be paid by Fund Manager.	ě
	c. Fund Manager had to submit budget to the Technical Advisor	CO:	and Manager would prepare budget in a neultation with Technical Advisor, which buld be approved by the Board of VL.	
	d. The Fund Manager was bound to pay Remuneration and bonus to Technical Advisor irrespective of any contingency i.e. bankruptcy etc.	d. Ti	nis Clause would be deleted.	
	e. Technical Advisor was to be Separately compensated for any Consultancy work carried out in Connection with investee companies.	e. Th	is Clause would be deleted.	F
	Article 8  a. Technical Advisor was to be Indemnified for all costs and all Claims of other parties in Connection with performance or non-performance of duties.		ne agreement would remain in force until minated.	
	b. On termination, Technical Advisor Was entitled to receive all moneys due. Furthermore he was entitled to 50% of all	gi	te agreement could be terminated by ving of six months notice by either arty.	CHAIRMAN

Sums due, for the remainder period of The agreement or an annual basis.

	MINUTES OF 151 <sup>ST</sup> MEETING	GOF THE BOARD OF DIRECTORS	
D RECTORS	HELD AT	ОИ	TIME
MINUTE BOOK	KARACHI	22-01-2000	
	c. In case of termination of agreement, Between PEVL and Fund Manager, the Technical Advisor was automatically to Assume temporary powers and receive	c. This Clause would be deleted.	
<u></u>	Such compensation as was specified in Fund Manager agreement.		
	Article 12.  a. The rights and obligations under agreement could freely be assigned or transferred by Technical Advisor.	a. The rights could be assigned, if present management of Technical Advisor held 50% shares in the company, to whom Technical Advisor was assigned this agreement	
•	50. After deliberation, the Board resolu	ved as under:	
Action, Flatiny,		to the above revised agreement subject to similar the Board of Directors of NBP and MCB."	
Action ED(Inv	(ii) "that ED(Inv) be and was hereby a for and on behalf of State Life."	authorized to finalize and execute the agreement	
	KHAN, MANAGING DIR	HE MEETING HELD WITH MR. M. ISHAQ ECTOR, G.C.I. DUM DATED 17-01-2000.	
	meeting held with Mr. M. Ishaq Khan, Ml by the Board of Directors at its 150 <sup>th</sup> me	ard a position paper on the decision taken in the D, GCI and the in-House Committee constituted eting for settlement on various issues raised by Arabia. GM(Act.), DGM(B&A), DGM(Int'l) & tee in the negotiations.	
	52. ED(Int'l) informed that the follows:-	owing matters were discussed at length and	
	issued prior to the signing of the agreen However, it was agreed that compensation transacted after 25th May 1993 till the date from the record that Mr. Nazir Ahmed J. Saudi Arabia from 19-5-1993 to 25-5 MCA(GCI). The agreed rate of compensation	hip fee and compensation on FYP on policies nent i.e. from August 1992 to June 1, 1994. In would be paid by State Life on the business of signing of the agreement as it was observed ajvi, the then ED(Int'l) had visited Kuwait and 1993 for holding of negotiation with M/s. Ition would be 10% instead of 16% as GCI had od. Sponsorship fee on pre agreement business	CHAIRMAN'S INITIALS
	warm into a built to tang. talout m may a	new word between women or officerstation and arrests printed.	4 4-7



	MINUTES OF 151ST MEETING OF T	HE BOARD OF DIRECTORS	
CTORS	HELD AT	ON	TIME
E BOOK	KARACIII	22-01-2000	
	b) Deduction made by State Life on Non-compterms of agreement.  54. M/s. GCI did not agree to deduction made of the agreement as it was their plea that State commitments. It was now decided that calculation would be made according to existing clauses of the charge/deduct only 25% of the amount so calculated.	e by State Life in terms of various clauses e Life also had not fulfilled some of its as for deduction of compensation on FYP he agreement. However, State Life would	
	55. Calculations for deduction of compensat accordingly to existing clauses of the agreement. only 75% of the amount so calculated.	ion on renewal premium would be made However, State Life would charge/deduct	
	c) Demand of M/s. GCI claiming higher rate of common formula of the second of the seco	of compensation be increased to 20% of terms of agreement rates of compensation renewal premium. It was now agreed to	
		the 4th and 5th years i.e. 15% on FYP and	
	58. As the agreement was effective from Ju- achievement, persistency, and/or compensation from May to June and calculations made earlier to	me 1994 all calculations such as targets, would be made with reference to a year would be revised accordingly.	×
	d) Payment of Medical Facilities to State Life Sal 59. M/s. GCI had further demanded that facilities as allowed by State Life to its sales stat considered as it was not provided in the agreement	payment be made to them for medical ff according to Saudi Laws. This was not	Ų
	e) Reimbursement of Medical Fee in respect of Modical fee bills submitted by M/s. GCI reimbursed within 7 working days from the date which ever was less.	to State Life on monthly basis would be	
	61. Reimbursement would also be made for for which the initial amount was deposited by the made than the medical fees.	those cases which were not finalized but e policyholders (New Business Suspense)	

was higher than the medical fees.

The Board felt that the financial impact of the above decision should have been presented, however the same be furnished at Board's next meeting.

63. After deliberation, it was resolved as under:

#### RESOLVED

"that decisions made by the Committee constituted by the Board at its 150th meeting and agreed to by M/s. GCI in respect of a) One time compensation on business prior to agreement b) Deduction made by State Life on Non-completion of targets in accordance with the terms of agreement c) Demand of M/s. GCI claiming higher rate of compensation d) Payment of Medical Facilities to State Life Sales staff and e) Reimbursement of Medical Fee in respect of New Business be and was hereby approved."



Action: ED(Int'1)





### MINUTES OF 151<sup>ST</sup> MEETING OF THE BOARD OF DIRECTORS

TORS	HELD AT	ON	TIME
BOOK	KARACHI	22-01-2000	
	* *		
	64. ED(lnv) presented before the Board, a nomination of Dr. Najeeb Samie, Chairman, Stafor election as a Director of P.I.C., as sharehold		
	65. After deliberation, it was resolved as und	er:	
Action Liv(Inv)	"that post-facto approval of nomination of Insurance Corporation of Pakistan, for election of Pakistan Insurance Corporation in the election shareholder's nominee be and was hereby grof PIC's General Regulations 1968."	on as a Director on the Board of Directors ction to be held on 26 <sup>th</sup> January 2000, as	
	TRAINING EXPERTS ENGAGE	RAINERS, GUEST SPEAKERS AND GED BY HRD DIVISION TO LEAD/ AINING/HOLD SEMINARS/COURSES. ANDUM DATED 21-1-2000.	
	66. ED(HRD) presented before the Board Trainers, Guest Speakers and Training Experts of and impart training/hold seminars/course.	l a memorandum on incentives for the engaged by HRD Division to lead/conduct	
,	67. The HRD Consultant M/s. Cooper of review/gap analysis on various training programs of officers and staff of State Life.	& Lybrand had carried out diagnostic s, courses, curriculum and career planning	
	68. ED(HRD) informed that the Consultant I to the existing Trainers, Guest Speakers and Co from outside agencies for training which was a required specific job aptitude, professional known recommended by the Consultant and examined Heads now being submitted to the Board for app	highly professional and technical job and owledge and experience. The incentives by the Executive Directors and Divisional	* <u>L</u> ,,
	a) For existing trainers, Rs.250/- per day to any conducted training class/classes.	trainer for the days/period he/she actively	į.
	b) Rs.600/- per day for a visiting trainer/offic worked in HRD but was invited specifically Course/Seminar. If the visiting official was not perconducted, he/she could be paid TA/DA expense	for the purpose of conducting Training osted at the station where the training was	CHAIRMAN'
	c) In certain specialized fields such as Computer		INITIALS

Services, where the senior officers, of the status of Deputy General Managers and above, were invited as guest speakers or as course leader, the daily training allowance would be

Rs.1000/- per day instead of Rs.600/-.

CHAIRMAN'S INITIALS

Ghee Company Ltd.Morafco Industries Ltd.

CTOPS	HELD AT		01	4	TIME
LE BOOK	/ KARACIII		22-01-20	900	
Action: E37(HRD	69. The Board did not agree of the officers and staff of HR for preparation of cassettes for t	D to impart train	ing. ED(HRD) was	requested to arrange	
	DELIVERY OF CORPORATION TO STATE LIF	SHARES OF ENOF PAKISTA	SURMAH OIL MILI N AT A PRICE TO	OR SELLING AND LS LTD. TO GHEE O BE INTIMATED	
- 1	70. ED(Inv) presented before selling and delivery of shares of a price which would be advised	Burmah Oil Mill	s Ltd. to Ghee Corpo	2 2	
	71. ED(Inv) informed that a Privatization Commission dated Burmah Oil Mills along with Secretary, Privatization Comminforming them that State Life was mentioned. Ghee units except to the commission of the commi	l 19-8-1997 aski two other units ission, Governm vould refrain fron hrough Privatizat	ng State Life to int of GCP. A reply vent of Pakistan, on a selling its holding of ion Commission. Th	imate its holding in vas sent to member October 21, 1997 f equity of the under e consent to unload	
	the shares of the three compar them was given by the then EI were in loss for the past several holding of 19,878 shares in Uni buy-back agreement, was inhe Insurance business. A case was owners of Universal Oil and Ve	O(Inv) on 22-8-1 years and their be versal Oil and Verited from EFU is pending in the	997 since it was felt reak-up value was no getable Ghee Compo at the time of Nat Sindh High Court	that the companies egative. State Life's any Ltd., held under tionalization of Life	
		No. of Shares	Under Buy-Back & Litigation	Total	
	- Burmah Oil Company Ltd. Universal Oil & Vegetable	372,152 29,818	19,878	372,152 49,696	

72. ED(Inv) further informed that a letter was received from Privatization Commission on Jan 6, 2000 to deliver the shares of Burmah Oil before 18-1-2000 followed by a letter dated 18-1-2000 of GCP to deliver the share on 19-1-2000.

25,325

73. ED(Inv) mentioned that in view of earlier approval and commitment of the Corporation to disinvest its holdings through Privatization Commission, the shares of Burmah Oil Mills had been delivered by State Life and the Board was requested to give post-facto approval of selling shares of Burmah Oil Mills Ltd. through Privatization Commission and delivery of shares to GCP at a price which would be advised later on.



25,325

INSURANCE CORPORATION OF PAKISTAN

TORS	HELD AT	ON	TIME
TROOK	KARACH	22-01-2000	
Action: * D(lav)	74. The Board requested ED(Inv) to write a letthe above facts and to inform that the sale proceed the instructions of Privatization Commission was requested to inform the Board as to under which entitled to ask for the shares of the Nationalized of the policyholders life fund.	eeds of shares previously handed over as yet to be received. ED(Inv) was held law, the Privatization Commission	er on s also s was
	TTEM (13) MORTGAGE LOAN ACCOUMUHAMMAD - REQUES ACCUMULATED INTEREST. ED(INV) MEMORANDUM DA	T FOR RELIEF FROM	HAJI THE
	75. ED(Inv) presented before the Board a accumulated interest on mortgage loan account Department of EFU had allowed mortgage loan interest rate of 8% and 9.5% respectively under 1965 and 14-2-1970. The loan was secured a bearing Plot No.C-133, KDA measuring 1181 Sc	of Mr. Abdullah Haji Muhammad. n of Rs.100,000/- and Rs.20,000/- two separate mortgage deeds dated gainst mortgage charge on his pro-	Life at an 28-6-perty
	76. All the assets and liabilities of EFU we Insurance Corporation of Pakistan through Nati poor debt servicing record, a suit of recovery Preliminary decree was passed in favour of State Rs.169,967/- together with a interest of 9% till Rs.16,665/- was awarded to State Life.	onalization Order, 1972. In view of was filed against the mortgage in a Life on 4-4-1974. The decretal and	of the 1973.
	77. Mr. Abdullah Haji Muhammad went into to Court of Sindh, however, the appeal was dismissed of State Life.		
	78. In January 1990 Mr. Abdullah Haji Mr. request for relief in payment of dues. The Board meeting held on 3-3-1990 had approved a 25% opportunity was not availed by the applicant.	of Directors of the Corporation at it	s 99 <sup>th</sup>
	79. The applicant had subsequently approache insisted for settlement of the Corporation's respectively. In May 1992, the then Chairman of at Rs.340,000/- against a total outstanding of Rs. the opportunity.	due at Rs.300,000/- to Rs.325, the Corporation had approved, settle	000/-
	80. On November 11, 1999, the Assistant notice U/S 81 to Mr. Abdullah Haji Muhammad Life dues of Rs.584,805.05 within 15 days from	d where in he was directed to pay	
	81. Mr. Abdullah Haji Muhammad had once	again approached the Corporation, v	

due and offered to pay Rs. 300,000/- in full settlement of State Life's due.

request for relief in payment of the accumulated interest. In his letter dated 17-11-1999, CHAIRMAN'S supported by documentary evidence, that he was blind and ailing Pakistani citizen, it was requested that he could not afford to pay a huge amount of State Life, therefore, his case be considered sympathetically. The above letter was followed by another letter dated 1-12-1999 wherein he again requested the Corporation for relief in payment of Corporation's

### MINUTES OF 151<sup>ST</sup> MEETING OF THE BOARD OF DIRECTORS

TORS	HELD AT	<u> </u>	N	TIME
LIEBOJK	KARACII	22-01-2	()()()	
7	<ul> <li>82. On November 25, 1999 State Ministry of Interior and Narcotics Contletter of Mr. Abdullah Haji Muhammad action in this regard.</li> <li>83. Position of outstanding against Na 1999 was as under:</li> </ul>	rol where in, the Ministry end and desired, that the Corpo	closed copy of aborration take necessar	ry
K	Decretal Amount Simple Interest from date of suit to 20.12.1999 @ 9% p.a. Cost of suit	Rs.169,967.00 Rs.401,572.00 Rs. 16,665.00	*	
	Total outstanding as at 20-12-1999	Rs.588,204.00		
	84. After deliberation, the Board res	olved as under:		

Action Edit Inv.)

RESOLVED

"that ED(Inv) be authorized to negotiate and finalize settlement of the outstanding loan with Mr. Abdullah Haji Muhammad at an amount not less than Rs.500,000/-."

# ITEM (14) SPECIAL PAY TO MR. MUHAMMAD ASLAM SABIR, DH(PHS) ED(PHS)/ED(P&GS) MEMORANDUM DATED 21-1-2000.

- 85. ED(PHS) and ED(P&GS) presented before the Board a memorandum for approval of special pay of Rs.7000/- per month to Mr. Muhammad Aslam Sabir, DGM(PHS), w.e.f. 1-7-1999.
- 86. ED(PHS) informed the Board that PHS Division was the largest in the Corporation and was responsible for efficient underwriting of new business and providing after sales service to the policyholders and processing of claim payments. The above work was purely of technical nature and required knowledge, skills and experience.
- 87. ED(P&GS) apprised the Board that Mr. Muhammad Aslam Sabir, DGM(PHS), who was one of the few officers having professional qualifications (FCII London) directly related to life insurance business with rich experience and professional skills was transferred from Rawalpindi Zone on 24-6-1999 and placed as Divisional Head(PHS), bringing about a specific addition in his responsibilities. Since then he had worked very diligently and efficiently, and as a result, visible overall improvements had taken place in PHS Division. He had developed good plans and was determined to bring the Policyholders' Service standards to desirable levels in the current year.
- 88. After deliberation, the Board resolved as under:

#### RESOLVED

"that special pay of Rs.3500/- per month recommended to Mr. Muhammad Aslam Sabir, DGM(PHS), w.e.f. 1-7-1999 by ED(PHS) and ED(P&GS) be and was hereby approved."

V

CHAIRMAN'S INITIALS

Action FT P&CL.)

ECTORS	HELD AT	ON:	TIME
III BOOK	* KARACIII	22-01-2000	dist.
	ITEM (15) ANY OTHER ITEM WITH THE PERMISSION OF THE CHAIR  (i) WITHDRAWAL OF PERKS AND PRIVILEGES		
	89. ED(P&GS) informed the Board that an of VII dated 24th December 1999, had been received requesting that the membership facility of one club EDs and three clubs for the Chairman be withdraw	office memorandum No.5(4)/98-Admn- ived from the Ministry of Commerce of for GM down to AGM, two clubs for	. n
	90. ED(P&GS) informed that no life time be normal pensionary benefits as admissible under the Ministry of Commerce before 04-01-2000 that the as directed by Finance Division vide their OM No.	e rules. State Life had to confirm to the perks and facilities had been withdrawn 1725-DS (CF-I/99) dated 23-6-1999.	
	91. After deliberation, it was resolved as under		. Ve
* 1.	(i) "that a representation be made to the M withdrawal of facilities of club membership Commerce to the Competent Authority for recommercial organization. The club membership of the Corporation as it provides opportunity	p be resubmitted by the Ministry of view, as it was felt that State Life was a p was provided to the senior Executives y to them to develop business contacts	
Action 115 P ICS	which was beneficial for business promotion letter to the Ministry for necessary permission restored."  (ii) "that furthermore, Ministry of Com-	ED(P&GS) was requested to write a in this respect if the facility was to be immerce be also apprised that club	
Action: FD PAGS	membership would not result in any recover Furthermore, once the club membership was membership being once obtained, the membership being once obtained, the membership being once obtained.	ble and as such withdrawal of club ery of the amount already disbursed obtained it was a fait accompli, and the er was bound to comply with the terms	e s
·	and conditions of the club regulation regard  payment would result in club either canceling t	ling payment of monthly fees etc. Nor	27 1
Admir FDirlaGS		lecision was obtained otherwise, no new to existing membership of Corporation's	8
	92 The consideration of Item No.3 was defer	red by the Board until its next meeting.	
	FITEM (3) POSITION PAPER ON IRREGULED (P&GS) MEMORANDUM D.	LAR APPOINTMENTS. ATED 21-1-2000.	. 1
	93. The meeting ended with vote of thanks to	the Chair.	
*		Marit	
			CHAIRMA