

MINUTES OF 155TH MEETING OF THE BOARD OF DIRECTORS

-R- BOOK	HELD AT	ON	TIME
	KARACHI	24 TH AUGUST' 2000	

CONFIDENTIAL AND RESTRICTED

The one hundred and fifty fifth(155th) meeting of the Board of Directors of State Life Insurance Corporation of Pakistan was held on 24th August, 2000 at 2:30 p.m., at Board Room, 3rd Floor, State Life Building No.9, Principal Office, Karachi.

- | | |
|---------------------------|-----------------|
| 1. Mr. Samee-ul-Hasan, | Chairman |
| 2. Mr. Azhar Ali Malik | Director |
| 3. Mr. Bashir Ahmed | Director |
| 4. Mr. Nisar Ahmad | Director |
| 5. Mr. Salim Iqbal | Director |
| 6. Mrs. Spentha Kandawala | Director |
| 7. Mr. Umar Ata Bandial | Director |
| 8. Mr. Akbar Ali Hussain | Secretary Board |

2. Before the meeting of the Board formally commenced, Mr. Abdul Razzak Dawood, Federal Minister of Commerce, had informally addressed Board Members. Mirza Qamar Baig, Federal Commerce Secretary, was also present. A summary of the Minister's remarks is appended to the minutes as Annexure - "A". The meeting then commenced formally and the Federal Minister of Commerce and Commerce Secretary, were invited to observe the presentation of State Life, item No.2 of the agenda. Accordingly, the item was taken first. A hard copy of the presentation is attached to these minutes as Annexure - "B". Thereafter, the Minister and Secretary Commerce, left the meeting and Messrs. Imtiaz Rasool, Rasool Bakhsh Baloch and Mr. Mohammad Latif, Executive Directors, were invited to join the meeting.

3. A letter received from Air Marshal Sharbat A. Changazi, Director informing the Board of his inability to attend the meeting because of his prior engagements was placed before the Board. The Board granted him leave of absence.

4. The Chairman welcomed the new members of the Board and appreciated their public - spiritedness in agreeing to serve on the Board.

5. The Board appreciated the services rendered by Mr. Imtiaz Rasool, Mr. Rasool Bakhsh Baloch and Mr. Mohammad Latif, Executive Directors as members of the Board.

CHAIRMAN'S
INITIALS

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MINUTES OF 155TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
BOOK	KARACHI	24 TH AUGUST 2000	
<p>Action: DCM(BS)</p>	<p><u>Condolence Message:</u></p> <p>6. The Board noted with grief, the sad demise of Mr. Safdar Ali Chaudhry, Ex-Director, State Life on 07-08-2000. The Board remembered and appreciated the excellent service rendered by Mr. Safdar Ali Chaudhry to State Life.</p> <p>The Board, resolved to send the following message to the bereaved family of Mr. Safdar Ali Chaudhry, Ex Director, State Life.</p> <p><u>RESOLVED:</u> "that the Board noted with grief, the sad demise of Mr.Safdar Ali Chaudhry, Ex-Director, State Life. The Board remembered and appreciated the excellent service rendered by Mr.Safdar Ali Chaudhry to State Life, and expressed sincere condolences to all members of the bereaved family".</p> <p>7. The Board then reverted to the remaining items of the agenda.</p> <p><u>ITEM (1) CONFIRMATION OF MINUTES OF 154TH MEETING OF THE BOARD OF DIRECTORS.</u></p> <p>8. The minutes of 154th Meeting of the Board of Directors held on 11th July, 2000 were placed before the Board. The Chairman proposed, that the same be confirmed. Except for the Chairman, all the members were newly appointed and since they had not attended the previous meeting, they could not object to the correctness of the minutes.</p> <p>Accordingly it was resolved as under:</p> <p><u>RESOLVED:</u> "that the Minutes of the 154th Meeting of the Board of Directors held on 11th July, 2000 be and were hereby confirmed."</p> <p><u>ITEM (3) CONSTITUTION OF THE EXECUTIVE COMMITTEE.</u></p> <p>9. The Board considered the Memorandum submitted by ED(P&GS & Law) on the above subject.</p> <p>After deliberation, the Board resolved as under:</p> <p><u>RESOLVED:</u> "that an Executive Committee comprising of Mr.Samee-ul-Hasan, Chairman, Mr.Azhar Ali Malik, Director, Mrs. Spentha Kandawala, Director, Mr.Nisar Ahmad, Director and Air Marshal Sharbat A. Changazi, Director be and was hereby constituted in terms of Regulations 5(1) of the State Life Insurance Corporation (General) Regulations, 1972."</p>		
Action: ED(P&GS)			

CHAIRMAN'S INITIALS



MINUTES OF 155TH MEETING OF THE BOARD OF DIRECTORS

RECTORS	HELD AT	ON	TIME
DATE BOOK	KARACHI	24 TH AUGUST' 2000	

ITEM (4) CONSTITUTION OF A STANDING COMMITTEE TO CONSIDER APPEALS AND DISCIPLINARY MATTERS.

10. The Board considered the Memorandum on the above subject submitted by ED(P&GS & Law).

After deliberation, it was resolved as under:

RESOLVED:

"that in terms of Regulation 33(1) & (2) of State Life Employees (Service) Regulations, 1973, a Standing Committee consisting of Mr. Samee-ul-Hasan, Chairman, Mr. Azhar Ali Malik, Director and Mr. Umar Ata Bandial, Director be and hereby was constituted to review appeal and applications for revision and submit its recommendations to the Board for such final orders, as the Board may deem fit to make."

Action:
ED(P&GS)

ITEM (5) INVESTMENT OF RS. 750 MILLION IN WAPDA BONDS 8TH ISSUE (PRIVATE PLACEMENT).

11. The Board considered the Memorandum on the above subject presented by the ED(Inv.), together with supplementary information submitted by him, attached to these minutes as Annexure "C".

After deliberation, it was resolved as under:-

RESOLVED:

"that an investment of Rs. 750 million in 8th Issue of Bonds be and was hereby approved and ED(Investment) be and was hereby authorised to take all necessary action in this regard."

Action:
ED(Inv.)

ITEM (6) ANY OTHER ITEM WITH THE PERMISSION OF THE CHAIR.

1. Web Site:

12. Mrs. Spentha Kandawala requested the Chairman, that the State Life web site should be updated on a regular basis. Mr. Azhar A. Malik, enquired whether there was any record available, as to the number of hits on the State Life web site. The Chairman informed, that there was no information available on the number of times the State Life web site was accessed. New software would have to be acquired to keep a record of the above. It was agreed that the web site should be updated and the new software needed to record the number of hits be acquired as soon as possible.

Mr. Saleem Iqbal, Joint Secretary, Ministry of Commerce requested the Chairman, that as and when the newly promulgated Insurance Ordinance 2000, is available, it should be installed on the State Life web site, as a public service which was agreed to by the Board.

CHAIRMAN'S
INITIALS

MINUTES OF 155TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	24 TH AUGUST' 2000	

2. Amendment in Definition of Executive Directors:

13. Mr. Saleem Iqbal drew the Board's attention to amend the definition of the Executive Director under clause 2(iv) of the State Life Insurance Corporation (General) Regulations, 1972, now that Executive Directors are no longer on the Board. Clause 2(iv) at present reads as follows:

"Executive Director" means a Director of the Corporation appointed by the Chairman, with the previous approval of the Federal Government as an Executive Director to work as a whole-time officer."

After deliberation, the Board resolved as under:

RESOLVED:

"that the Executive Committee would consider various amendments in the General Regulations necessitated by the reconstitution of the Board and submit their recommendations to the Board for approval. ED(Law) to submit a Memorandum to the Executive Committee on suggested amendments in the General Regulations."

Action:
ED(Law)

14. The meeting ended with vote of thanks to the chair, after finalizing the date of the next meeting of the Board, which would be held on October 7, 2000 at 10.00 a.m. at Karachi.


CHAIRMAN

CHAIRMAN'S
INITIALS



MINUTES OF 155TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	24 TH AUGUST' 2000	

Annexure - "A"

Summary of Remarks

by Mr. A. Razak Dawood, Federal Minister of Commerce

to the Members of the re-constituted Board of the State Life Insurance Corporation of Pakistan

on 24th August 2000 at State Life's Principal Office, Karachi.

Before the formal commencement of the 155th Meeting of the Board of Directors of State Life Insurance Corporation of Pakistan, the Federal Minister of Commerce and the Federal Secretary of Commerce met the Chairman and the newly inducted Board members informally. Those present were:

1. Mr. A Razak Dawood Federal Minister of Commerce
2. Mirza Qamar Baig Federal Secretary of Commerce
3. Mr. Samee-ul-Hasan Chairman, State Life Insurance Corporation of Pakistan.
4. Mr. Azhar Ali Malik Director
5. Mr. Bashir Ahmed Director
6. Mr. Nisar Ahmad Director
7. Mr. Salim Iqbal Director
8. Mrs. Spentha Kandawala Director
9. Mr. Umar Ata Bandial Director
10. Mr. Akbar Ali Hussain Secretary Board

2. Air Marshal Sharbat Ali Changazi had regretted his inability to attend, because he was out of station.

3. The Minister of Commerce welcomed the members of the Board of the reconstituted Board of Directors of State Life Insurance Corporation of Pakistan, which was the guardian of the policyholders fund. The Federal Government desired that the Board should be truly independent, with no interference from the Government functionaries. The Government wanted that the Corporation should be safely and prudently managed by the Board, which would be responsible for its destiny. The Minister hoped, that through good governance and open management, the highly experienced and talented Board, having representation from different sphere of activities, would bring about improvement in the Corporation.

4. On behalf of the Board, the Chairman thanked the Minister for his remarks and welcomed the assurance given by him that the Board should operate independently with no interference from Government functionaries. However, if the Government issued a direction to State Life on a matter of policy involving public interest, as provided in Article 25 of the Life Insurance (Nationalisation) Ordinance, 1972, State Life would of course comply. He requested that before issuing such a direction State Life's views should be obtained.

CHAIRMAN'S
INITIALS

MINUTES OF 155TH MEETING OF THE BOARD OF DIRECTORS

HELD AT	ON	TIME
KARACHI	24TH AUGUST, 2000	

ANNEXURE - "B"

Presentation to State Life Board

24 Aug 2000

1. Factors for a profitable life insurance operation

- (1) The terms offered under policies must be actuarially sound. In particular, any implied investment guarantees must be matchable with available investments.
- (2) New business premium income must be sufficient in absolute terms to sustain the operation, and must grow at a reasonable real rate net of inflation.
- (3) Renewal premium income must also grow at a reasonable rate net of inflation. Renewal premium growth depends on (i) good new business and (ii) good persistency.
- (4) Investment performance, including both income yield and capital gains and losses. In particular, investments must match the liabilities, by nature, term and currency.
- (5) Expense control. This applies to every business, and life insurance is no exception.
- (6) Management of the inflation risk, especially renewal administrative costs.
- (7) Management of tax.
- (8) Control the mortality risk by under-writing.

CHAIRMAN'S
INITIALS



MINUTES OF 155TH MEETING OF THE BOARD OF DIRECTOR

HELD AT

KARACHI

ON

24TH AUGUST, 2000

TIME

2. State Life's individual life new business is all "conventional participating" or "with profits"

"Conventional" means that there is a basic sum insured under the policy, which is guaranteed. The premium is determined at inception according to the age and policy benefits, and remains fixed throughout the policy term. Its components are not disclosed or "unbundled".

"participating" means that such policies are collectively entitled to 97.5% of the actuarial surplus ascertained by actuarial valuation every two years. Their share is distributed as "reversionary bonuses". "Reversionary" means that the bonus will be paid when the policy matures, or on earlier death. The premiums include a specific charge for the privilege of participating.

CHAIRMAN'S
INITIALS



MINUTES OF 155TH MEETING OF THE BOARD OF DIRECTORS

HELD AT

KARACHI

ON

24TH AUGUST, 2000

TIME

3. Components of the premium

Take a typical 20 year With Profits Endowment policy. The components of the premium are analysed below according to the actuarial assumptions used in calculating the premium

Entry age	Investment component, building up to the sum insured payable at maturity after 20 years	Mortality component, to allow for the payment of the sum insured on death before maturity	Expense component, to cover assumed expenses	Bonus loadings, being the extra charged for the privilege of sharing in actuarial surplus
25	71%	2%	12%	15%
35	69%	4%	12%	15%
45	64%	12%	10%	14%
55	52%	27%	9%	12%

The most common entry age is between 35 and 45.

SO for a typical policy (a) The mortality component is only 2% to 4%. (b) The investment component is the largest. It follows that investment performance is the most important in determining profitability. (c) The expense component is more important than the mortality component. Expenses are powerfully affected by expense control itself and by persistency.

CHAIRMAN'S INITIALS


3

MINUTES OF 155TH MEETING OF THE BOARD OF DIRECTORS

HELD AT	ON	TIME
KARACHI	24TH AUGUST, 2000	

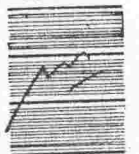
4. High first year expense is a characteristic of individual life insurance operations. Few people buy life insurance on their own. They have to be persuaded by an agent. An agent may have to meet 10 people to sell one policy. To motivate agents, and to make them viable, they have to get high first year commissions. To recruit, motivate and supervise agents requires at least one more level of sales personnel, who get over-riding commissions on business secured by their agents.

In addition, first year costs include the expense of under-writing, issuing the policy, stamp duty and setting up the policy record. The result in most countries is a high overall first year expense ratio. In the US, first year expenses can be 130% to 150% of the premium. Sample UK expense ratios for major proprietary companies, as a % of premiums, were as follows in 1997.

Company	First Year	Renewal	"Other"
Allied Dunbar	109.7%	6.4%	4.5%
Clerical Medical	71.2%	3.6%	-
Commercial Union	107.2%	5.2%	6.6%
Prudential	64.5%	3.1%	14.5%
Average Proprietary Cos	73.1%	4.5%	7.4%

Under Pakistani law, for State Life, the legal maximum is about 89.5% of the first year premium. This heavy first year expense means an investment in the new business by the company, which will be recouped from future renewal premiums. Renewal premiums carry much lower agency commissions.

CHAIRMAN'S INITIALS



MINUTES OF 155TH MEETING OF THE BOARD OF DIRECTORS

	HELD AT	ON	TIME
	KARACHI	24TH AUGUST, 2000	

5. Importance of persistency

Obviously, these heavy first year expenses can be recouped only if the policies issued are kept up by the policyholders, and do not discontinue by lapse or surrender. "Persistency" is the opposite of "lapse or surrender".

Some discontinuances are inevitable. You cannot expect 100% persistency.

The first discontinuance opportunity occurs when the first renewal premium falls due after the policy issue. The highest rate of discontinuance occurs at this point. Maybe the policyholder was not really convinced about the advantages of the policy. Maybe he was sold a bigger policy than he can really afford. Or maybe he was sold such a small policy that it really means nothing to him. Maybe his income has dropped. Experience shows that some kinds of policies discontinue at a higher rate than others. An unmarried person under age 30 is more likely to lapse his policy compared with a married person aged 40. A small policy sold to a person with a low income is more likely to lapse than a medium sized policy sold to a person with a good income.

Internationally, if 80% of policies survive this first lapse opportunity, it is considered good. State Life set a standard of 75%.

Once the hurdle of the first renewal date is crossed, persistency improves sharply for later renewals, typically to 90% or more. State Life set a standard of 92% for later renewals.

CHAIRMAN'S INITIALS



MINUTES OF 155TH MEETING OF THE BOARD OF DIRECTORS

HELD AT	ON	TIME
KARACHI	24TH AUGUST, 2000	

6. State Life's achievements

- (1) Spread of life insurance throughout Pakistan. 25% of Pakistani families covered by either Individual or Group Life policies.
- (2) Assets have not been depleted by bad investments. Life Fund in tact
- (3) Financially sound. Life Fund at end 1998 was Rs 55.5 billion, and actuarial surplus revealed by the end 1998 actuarial valuation was Rs 6.0 billion.

Life Fund at end 1999 Rs 63.2 billion, subject to audit.
- (4) Successful in adding protection value to policies through Family Income Benefit Riders and built-in Term insurance. As a result, ratio of life insurance in force to GDP ahead of most other countries in the region.

CHAIRMAN'S INITIALS



MINUTES OF 155TH MEETING OF THE BOARD OF DIRECTORS

HELD AT
KARACHI

ON
24TH AUGUST, 2000

7. State Life's performance in relation to most important profitability factors

A. New Individual Premium income and persistency
(Amounts in Rs millions)

Year	New Premium	% incr over previous year	2 nd year persistency	3 rd and later years' persistency	Total Renewal premium	% incr over previous year
1990	846	-	68%	86%	2,267	
1991	947	12%	67%	92%	2,635	16%
1992	1,080	14%	63%	84%	2,902	10%
1993	918	(15%)	52%	72%	3,284	13%
1994	1,197	30%	71%	97%	3,308	1%
1995	2,026	69%	66%	91%	3,935	19%
1996	1,698	(16%)	51%	76%	4,694	19%
1997	1,490	(12%)	54%	89%	4,364	(7%)
1998	1,306	(12%)	51%	73%	4,413	1%
1999	1,276*	(2%)	41%	80%	4,315*	(2%)

Note: The New premium income of Rs. 2,026 million recorded for 1995 was artificially large. A large proportion of premiums were accepted by cheques issued by agents, many of which were honoured only after repeated re-presentation. This re-presentation process continued until March 1996.

* Estimated

CHAIRMAN'S INITIALS



MINUTES OF THE 155TH MEETING OF THE BOARD OF DIRECTOR

HELD AT	ON	TIME
KARACHI	24TH AUGUST, 2000	

B. Expenses and Investment yield

Year	First policy year expense as % of premium	2 nd policy year expense as % of premium	3rd policy year expense as % of premium	Investment yield as % of Life Fund
1990	108%	24%	13%	14%
1991	110%	24%	13%	14%
1992	111%	24%	13%	15%
1993	126%	24%	14%	15%
1994	122%	29%	14%	16%
1995	115%	29%	15%	15%
1996	134%	27%	16%	15%
1997	142%	35%	19%	13%
1998*	148%	34%	20%	12%

Notes: (1) The major reason for the increase in the expense ratio from 1995 onwards was heavy recruitment in 1995 and 1996; (2) At no point was State Life able to operate within the statutory limit of about 89.5% of First Year +15% of Second Year and Renewal; and (3) The investment yield outlook for the future is downwards, in keeping with reducing interest yields.

*Excluding one time pension provision.

CHAIRMAN'S
INITIALS



MINUTES OF 155TH MEETING OF THE BOARD OF DIRECTOR

HELD AT KARACHI	ON 24TH AUGUST, 2000
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8. Impact of Insurance Ordinance, 2000

The Insurance Ordinance, 2000, was promulgated on 19 Aug 2000. State Life will have to register in 2001, and will then be governed by all its provisions. The final Notification is not yet available, but from the draft available it seems clear that this will have a major impact on all insurance organisations, including State Life. Working groups have been set up to recommend what changes will have to be made in our operations to comply. Some main changes are listed.

(1) Participating business expenses in excess of the prescribed limits will be debited to the SHAREHOLDER'S ACCOUNT, not to the statutory policyholders' fund. As mentioned in Part 2 of this presentation, all our new business is currently participating. This means that State Life will, within a finite number of years, have to bring down its expense ratio to the statutory limit, in respect of participating business.

The problem is aggravated by falling investment yields. High nominal investment yields have in the past masked the high expense ratios.

- (2) We will have to undertake a major re-structuring of our field force, to comply with the Ordinance, and undertake a major training exercise.
- (3) We will have to re-consider the plans we offer, to optimise profitability. For instance, we may have to cease writing new participating business, in a phased manner. Also, we may have to increase renewal premiums after policy issue, in contrast to the present concept of renewal premiums fixed at inception for the entire duration of the policy.

CHAIRMAN'S INITIALS


MINUTES OF 155TH MEETING OF THE BOARD OF DIRECTORS

HELD AT	ON	TIME
KARACHI	24TH AUGUST, 2000	

9. Other major operational problems

- (1) Investments: These were regulated under the Insurance Act, 1938, and will also be regulated by the new Ordinance. Government ceased the auction of FIB's in 1998, and earlier this year prohibited all institutions including State Life from investing in National Savings Schemes. Government has not yet announced new systems of medium and long term government securities. Together with Provident, Pension and Gratuity Funds, EOBI and all other non-individuals, State Life has large funds (currently over Rs 11 billion) parked in bank accounts, awaiting these securities. Of course, investments are being steadily made in ordinary shares and non-government debt instruments, whenever available. But the weight of funds is such that until Government introduces new medium and long term securities, and/or the blue-chip corporate debt market expands greatly, the investment problem will remain.
- (2) With-holding tax: This is at 30% from the income on Government Securities. This deduction greatly exceeds the Corporation's Income-Tax liability. The Income Tax Department is reluctant to issue exemption certificates. Assessments are delayed for years. The result is that it may take 3 to 5 years for us to get back the excess income tax deducted. (With much difficulty, we have obtained an exemption certificate from 1 July 2000 to 30 June 2001 on maturing SGB's, which are currently our major Government Security investments).
- (3) Computer and IT systems: These are totally obsolete, and a major investment in hardware, software and communications systems is needed. It is almost impossible to recruit competent IT professionals from the market on our current salary scales.

CHAIRMAN'S
INITIALS



MINUTES OF 155TH MEETING OF THE BOARD OF DIRECTORS

HELD AT

KARACHI

ON

24TH AUGUST, 2000

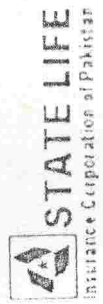
TIME

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Progress since Inception at a Glance

	(Amounts in Rs. Million)							
	1973	1984	1994	1995	1996	1997	1998	1999*
First Year Premium	48	294	1,197	2,026	1,698	1,489	1,306	1,276
Renewal Premium	219	696	3,308	3,935	4,694	4,364	4,413	4,315
Group Premium	50	321	1,111	1,178	1,266	1,413	1,244	1,250
Total Premium	317	1,311	5,616	7,139	7,658	7,266	6,963	6,841
Investment Income	81	656	4,452	5,066	5,984	5,901	5,996	8,900
Total Income	391	1,970	10,081	12,231	13,650	13,177	12,976	15,600
Total Outgo	292	1,159	4,854	6,245	7,355	7,477	8,451	7,842
Life Fund	1,494	5,470	33,533	39,339	45,582	51,010	55,460	63,200
Yield on Life Fund (%)	7%	14%	16%	15%	15%	13%	12%	16%
Policy Benefits	141	686	2,791	3,146	4,097	4,341	4,715	4,715
No. of inforce Policies (000's)	357	541	1,782	2,035	2,088	2,092	2,033	2,000
Officers			1,004	1,275	1,700	1,634	1,596	1,556
Staff			2,077	2,887	4,316	4,264	4,181	4,133
Total Employees			3,081	4,162	6,016	5,898	5,777	5,689
Officers per 1000 Policies			0.6	0.6	0.8	0.8	0.8	0.8
Staff per 1000 Policies			1.2	1.4	2.1	2.0	2.1	2.1
Total Employees per 1000 Policies			1.8	2.0	2.9	2.8	2.9	2.9

* subject to audit



CHAIRMAN'S INITIALS



MINUTES OF THE 155TH MEETING OF THE BOARD OF DIRECTORS

HELD AT **KARACHI** ON **24TH AUGUST, 2000** TIME

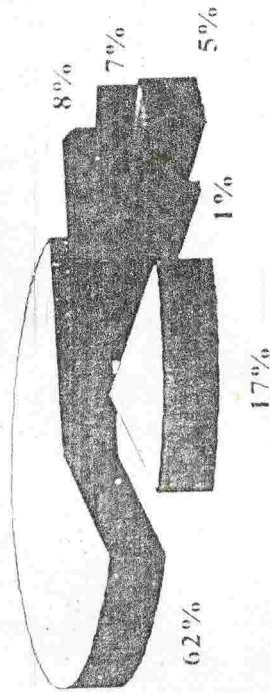
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Investment Portfolio Profile

As at June 30, 2000
(Estimate)

Rs. in Million

- Govt. Securities
- Equities
- Loan to Policyholders
- Real Estate
- Bank Deposits
- Debentures/Loans/FFCs



Type of Investment	Amount	Share
Govt. Securities	39,873	63%
Equities	5,044	8%
Loan to Policyholders	4,450	7%
Real Estate	2,922	5%
Debentures/Loans/FFCs	654	1%
Bank Deposits	10,500	16%
TOTAL	63,443	100%

T-21



MINUTES OF THE 155TH MEETING OF THE BOARD OF DIRECTORS

HELD AT	ON	TIME
KARACHI	24TH AUGUST, 2000	

(13)

Life Regions & Zones

STATE LIFE
Insurance Corporation of Pakistan

SOUTHERN	MULTAN	CENTRAL	NORTHERN
<ul style="list-style-type: none"> •Karachi (S) •Karachi (C) •Karachi (E) •Hyderabad •Sukkur •Mirpurkhas •Larkana •Quetta 	<ul style="list-style-type: none"> •Multan •Sahiwal •R. Y. Khan •D. G. Khan •Bahawalpur 	<ul style="list-style-type: none"> •Lahore (C) •Lahore (W) •Gujranwala •Faisalabad •Sargodha •Sialkot 	<ul style="list-style-type: none"> •Rawalpindi •Peshawar •Islamabad •Abbottabad •Mirpur(A.K) •Swat •Gujrat

CHAIRMAN'S INITIALS


MINUTES OF 155TH MEETING OF THE BOARD OF DIRECTORS

HELD AT

ON

TIME

KARACHI

24TH AUGUST, 2000

(14)

10. Headcount problems

1. Growth

As at	Officers	Officers % in force	Staff	Staff % in force	Total	Total % in force	Ratio of Officers
1994	1,004	0.6	2,077	1.2	3,081	1.7	33 %
1995	1,275	0.6	2,887	1.4	4,162	2.0	31 %
1996	1,700	0.8	4,316	2.1	6,016	2.9	28 %
1997	1,634	0.8	4,264	2.0	5,898	2.8	28 %
1998	1,596	0.8	4,181	2.1	5,777	2.8	28 %
1999	1,556		4,133		5,689		27 %
End Feb 2000	1,534		3,990		5,524		28 %
Retirements 2000-2005	401		165		566		
Proj End 2005*	1,133		3,825		4,958		23 %
Retirements 2006-2010	332		186		518		
Proj End 2010*	801		3,639		4,440		18 %

• Ignoring promotions, future recruitments, deaths, resignations

CHAIRMAN'S
INITIALS



MINUTES OF 155TH MEETING OF THE BOARD OF DIRECTORS

HELD AT	ON	TIME
KARACHI	24TH AUGUST, 2000	

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2. Irregular recruitments 1995 and 1996

Out of the total headcount as at 2 March 2000, there were 2,256 employees who were irregularly appointed in 1995 and 1996, as follows. The table also shows the estimated annual financial impact of their salaries, allowances and perquisites.

Number	Est Annual cost of salaries, allowances and perquisites	Rs millions
Officers	96	18
Staff	2,160	265
Total	2,256	282

3. Justification for heavy recruitment no longer valid

The justification adduced for the heavy recruitment in 1995 and 1996 was that First Year Premium income would be Rs 200 crores in 1995, growing to about Rs 250 crores in 1996 with commensurate progress thereafter. Persistency (presumably second year persistency) would be 90%. These unrealistic targets were not realised. In fact the FYP has gone down steadily.

As a result, as the Table in Para 1 shows, the ratio of head-count to individual policies in force has shot up.

CHAIRMAN'S INITIALS



MINUTES OF 155TH MEETING OF THE BOARD OF DIRECTORS

HELD AT	ON	TIME
KARACHI	24TH AUGUST, 2000	

**ANALYSIS OF FIELD FORCE
AS PER 1999 PERFORMANCE**

SALLES REPRESENTATIVES

FYP Range	Number	%	FYP (Rs. in million)	%
$x \geq 100,000$	2,179	0.52%	436.23	36.05%
$50,000 \leq x < 100,000$	4,107	0.98%	279.63	23.41%
$25,000 \leq x < 50,000$	7,309	1.74%	253.09	20.91%
$10,000 \leq x < 25,000$	9,657	2.30%	153.75	12.71%
$4,000 \leq x < 10,000$	9,845	2.35%	65.50	5.41%
$x < 4,000$	386,604	92.11%	21.98	1.82%
TOTAL	419,701	100.00%	1,210.18	100.00%

16

CHAIRMAN'S INITIALS



MINUTES OF 155TH MEETING OF THE BOARD OF DIRECTORS

	HELD AT	ON	TIME
	KARACHI	24TH AUGUST, 2000	

(17)

ANALYSIS OF FIELD FORCE
AS PER 1999 PERFORMANCE

SALES OFFICERS

FYP Range	Number	%	FYP (Rs. in million)	%
$x \geq 300,000$	843	2.22%	450.66	38.31%
$175,000 \leq x < 300,000$	1,039	2.87%	247.31	21.02%
$100,000 \leq x < 175,000$	1,708	4.51%	229.10	19.48%
$50,000 \leq x < 100,000$	2,208	5.82%	159.48	13.56%
$20,000 \leq x < 50,000$	1,963	5.18%	65.84	5.60%
$x < 20,000$	30,101	79.40%	23.90	2.03%
TOTAL	37,912	100.00%	1,176.29	100.00%

CHAIRMAN'S
INITIALS



MINUTES OF THE 155TH MEETING OF THE BOARD OF DIRECTORS

	HELD AT	ON	TIME
	KARACHI	24 TH AUGUST, 2000	

122

ANALYSIS OF FIELD FORCE
AS PER 1999 PERFORMANCE

SALLES MANAGERS

FYP Range	Number	%	FYP (Rs. in million)	%
$x \geq 1,500,000$	50	0.42%	116.05	9.69%
$900,000 \leq x < 1,500,000$	167	1.40%	185.14	15.46%
$500,000 \leq x < 900,000$	472	3.96%	307.48	25.68%
$200,000 \leq x < 500,000$	1,216	10.21%	385.69	32.21%
$50,000 \leq x < 200,000$	1,493	12.54%	182.48	15.24%
$x < 50,000$	8,512	71.47%	20.59	1.72%
TOTAL	11,910	100.00%	1,197.43	100.00%

CHAIRMAN'S INITIALS



MINUTES OF 155TH MEETING OF THE BOARD OF DIRECTORS

HELD AT KARACHI	ON 24TH AUGUST, 2000	TIME
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16

STATEMENT SHOWING YEAR WISE
AREA MANAGERS STRENGTH

YEAR	NO. OF AREA MANAGERS
1994	476
1995	595
1996	718
1997	726
1998	658
1999	672

CHAIRMAN'S
INITIALS



MINUTES OF 155TH MEETING OF THE BOARD OF DIRECTORS

HELD AT
KARACHI

ON
24TH AUGUST, 2000

Mortality Table EFU (61-66) ultimate
at quinquennial ages

Age	Death rate per 1000 lives (1000qx)	Age	Death rate per 1000 lives (1000qx)
20	0.750	65	37.540
25	0.990	70	56.091
30	1.320	75	83.281
35	1.840	80	123.622
40	2.750	85	183.483
45	4.490	90	272.352
50	7.919	95	404.151
55	14.580	100	598.837
60	24.550		

CHAIRMAN'S
INITIALS



MINUTES OF 155TH MEETING OF THE BOARD OF DIRECTORS

HELD AT
KARACHI

ON
24TH AUGUST, 2000

(20)

16th August, 2000

State Life Premium and Investment Income
(within Pakistan)

(Amounts in Rs. Million)

	1999	2000	%
	Actual	Estimated	Change
First Year Premium upto 31st December	943	980	4%
FYP under receipts in in Jan. Feb pushed into December	262	N.A.	N.A.
Total FYP	1,205	980	(-) 19%
Renewal	3,537	3,700	5%
Total Premium INDIVIDUAL	4,742	4,680	(-) 1%
GROUP	1,250	1,250	--
TOTAL PREMIUM	5,992	5,930	(-) 1%
INVESTMENT INCOME	7,592	6,800	(-) 14%
	13,944	12,530	(-) 9%

CHAIRMAN'S
INITIALS



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MINUTES OF 155TH MEETING OF THE BOARD OF DIRECTORS

HELD AT <i>KARACHI</i>	ON <i>24TH AUGUST, 2000</i>	TIME
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STATE LIFE INSURANCE CORPORATION OF PAKISTAN

SUB: WAPDA BONDS 8th ISSUE (PRIVATE PLACEMENT)

ANNEXURE - "C"

ADDENDUM TO THE BOARD MEMORANDUM

Subsequent to the submission of the Memorandum to the Board, we have received a Copy of un-audited annual accounts, as of 30 June 1999, from the CO-Arrangers of the issue. Some of the financial information previously provided by the CO-Arrangers is somehow different from that appearing in the unaudited annual accounts, now received. So, the paragraph 4, of Annexure 'B' may please be read with the following changes:

Annual Accounts for the year ending June 30, 1999 (currently under audit), provided by the Co-Arrangers, of the 8th Issue of WAPDA Bonds indicates, during the period 1998-99, Operating Revenues of RS.108.456 billion against RS 122.38 billion, and Net Operating Income of RS.33.92 billion against Rs.38.07 billion, reported earlier. Operating Margin is also revised for 1998-99, from 31.11% to and 31.28%. The Net Profit figure, for 1998-99 which was not available earlier, is now shown as RS.38.07 billion. The Revised Financial Information about WAPDA from the years 1993-94 through 1998-99 is reproduced hereunder.

FINANCIAL INFORMATION

(all figures in PKR billion unless otherwise stated)

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
Consumers (million)	8.59	9.07	9.48	9.87	10.22	10.80
Generation (MkWh)	42,396	46,126	48,859	50,782	53,261	53,537
Operating Revenues	45.70	57.86	77.66	90.83	109.43	108.46
Operating Costs	31.93	37.89	47.10	83.24	103.34	74.54
Net Operating Income	13.77	19.97	30.56	7.59	6.09	33.92
Operating Margin	30.13%	34.51%	39.35%	8.36%	5.57%	31.28%
Net Profit	6.04	9.91	28.18	(1.42)	(1.51)	38.07
Capital Expenditure	25.59	24.12	31.06	21.65	19.71	14.70
Outstanding Acreas	11.72	13.09	19.19	21.26	45.81	64.79
-Private	7.96	10.43	14.61	15.27	21.59	24.98
Government	3.76	2.66	4.58	5.99	24.22	39.81
Outstanding Payable	5.79	5.89	5.48	19.08	33.02	9.30
-Fuel & Gas	4.04	2.26	1.84	12.81	23.88	9.30

K. H. Khan
Executive Director (Investment)

CHAIRMAN'S
INITIALS

