

MINUTES OF 168TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	24 TH AUGUST, 2002	

CONFIDENTIAL AND RESTRICTED

The one hundred and sixty eighth (168th) Meeting of the Board of Directors of State Life Insurance Corporation of Pakistan was held on 24th August, 2002 at 11:30 a.m., at Board Room, State Life Building No.9, Principal Office, Karachi.

PRESENT:

Mr. Samee-ul-Hasan	Chairman
Mr. Azhar Ali Malik	Director
Mr. Muhammad Sharif Ijaz Ghauri	Director
Mr. Nessar Ahmad	Director
Air Marshal (Retd.) Sharbat A. Changazi	Director
Mr. Umar Ata Bandial	Director
Mr. Akbar Ali Hussain	Board Secretary

2. Mr. Bashir Ahmed, Director and Mrs. Spenta Kandawalla, Director, have earlier requested leave of absence. The Board granted them leave.

3. Mr. Mohammad Latif, Mr. Mohammad Mazharuddin, and Mr. Zafar Mahmood, Executive Directors, attended the meeting by invitation.

ITEM (1) CONFIRMATION OF MINUTES OF 167TH MEETING OF THE BOARD OF DIRECTORS HELD ON 13TH JULY 2002.

4. The minutes of the 167th Meeting of the Board of Directors held on 13th July, 2002 were placed before the Board.

5. Mr. Muhammad Sharif Ijaz Ghauri, Director, suggested that minutes of Board meetings should be circulated to the members of the Board soon after the Board meeting preferably within a week. It was agreed this should be done.

6. Air Marshal (Retd) Sharbat A. Changazi proposed and Mr. Azhar Ali Malik seconded that the minutes be confirmed.

Accordingly, it was resolved as under:

RESOLVED:

"that the Minutes of the 167th Meeting of the Board of Directors held on 13th July, 2002 be and were hereby confirmed."

ITEM (2) IMPLEMENTATION REPORT ON DECISION TAKEN IN THE - PREVIOUS BOARD MEETINGS.

7. The Board Secretary presented before the Board the implementation report on decisions taken at the 167th Meeting of the Board held on 13th July, 2002 which was noted. With reference to the proposal for computerization approved at the 167th meeting, Air Marshal Sharbat A. Changazi stressed the greater importance of this work to provide efficient service, as he has been stressing in the past.


CHAIRMAN'S
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Action:
DGM(BS)

Action:
DGM(BS)

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	<p>8. Mr. Muhammad Sharif Ijaz Ghauri, Director again suggested that an external Actuary be appointed as an Appointed Actuary in terms of Section 26 of the Insurance Ordinance 2000 so that there could be independence and transparency in the reporting process.</p> <p>9. Mr. Muhammad Sharif Ijaz Ghauri, Director also pointed out that M/s. Alpha Insurance Company is a subsidiary Company of State Life, because of the majority Shareholding of State Life in Alpha and due to the fact that Chairman of State Life is also the Chairman of M/s. Alpha Insurance Company. The accounts of M/s. Alpha Insurance Company should therefore be disclosed alongwith the accounts of State Life. The management was also asked to examine the possibility of divesting its holding in M/s. Alpha Insurance Company.</p> <p>10. The Board requested Mr. Muhammad Sharif Ijaz Ghauri, Director to assist in issuance of interest bearing marketable Government Bonds by the Ministry of Finance in respect of refund of income tax due to State Life as assessed by the tax authority. The Board also appreciated and thanked the Ministry of Commerce for their supportive role in this matter at the level of CBR/Ministry of Finance.</p> <p>11. ED(B&A) informed the Board that Investment Division was successful in getting a payment of Rs.4.7 million from M/s. Hamza Sugar Mills in full and final settlement of the out standing principal and interest amount against Rs.4,358,449 as approved by the Board. The Board noted the same with appreciation.</p> <p>12. Mr. Muhammad Sharif Ijaz Ghauri, Director pointed out that a letter had to be written to the Ministry of Commerce, that it was the unanimous view of the Board that the Chairman be authorized by the Ministry to approve Overseas tours of the Executive Directors and other concerned Executives of the Corporation in the interest of Corporation's overseas business. However, any Overseas tours by the Chairman would continue to require prior Government approval.</p> <p>13. Mr. Muhammad Sharif Ijaz Ghauri, Director mentioned that the implementation of the decision of the Board to commemorate the 30th Anniversary of the Corporation be carried-out by the management and a report be submitted to the Board.</p> <p>ITEM (3) <u>RATIFICATION OF MINUTES OF 268TH MEETING OF THE EXECUTIVE COMMITTEE HELD ON 12TH FEBRUARY 2002</u></p> <p>14. The Minutes of the 268th meeting of the Executive Committee held on 12th February, 2002 was placed before the Board for ratification.</p> <p>Accordingly, it was resolved as under:</p> <p><u>RESOLVED:</u> "that the Minutes and decisions taken in the 268th meeting of the Executive Committee held on 12th February, 2002 be and was hereby ratified."</p> <p>ITEM (4) <u>CONSIDER/REVIEW MINUTES OF THE BOARD AUDIT COMMITTEE MEETINGS.</u></p> <p>15. The Minutes of the 3rd and 4th meeting of the Board Audit Committee held on 13th April 2001 and 29th June 2001 respectively, were presented before the Board which were noted.</p>			<p>CHAIRMAN'S INITIALS</p> 

Action:
ED(P&GS)

Action:
DGM(BS)

Action:
Scy(BAC)

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ITEM (5) CONSIDER/APPROVE - APPOINTMENT OF STATUTORY AUDITORS OF THE CORPORATION FOR THE YEAR 2002.
Executive Director(B&A)'s Memorandum dated 16-8-2002

16. The Board Audit Committee at its 2nd meeting held on 26th January, 2001, besides other matters had decided that for the year 2001 and afterwards, the audit of the Corporation will be carried out by a panel of two audit firms who will act as joint auditors and that, both of them will sign the audit report.

17. Section 28 of the Life Insurance Nationalization Order, 1972 (LINO) states that the accounts of the Corporation shall be audited by auditors duly qualified to act as auditors of companies under the law for the time being in force relating to companies, and that the auditors shall be appointed by the Corporation with the previous approval of the Central Government and shall receive such remuneration from the Corporation as the Central Government may fix.

18. Section 48 of the Insurance Ordinance, 2000 states that every insurer shall appoint an auditor who shall be (a) approved by the Security & Exchange Commission of Pakistan (SECP) as qualified to perform audits of insurance companies and (b) authorized under the Companies Ordinance, 1984 to perform audits of public companies. The Board Audit Committee at its 3rd meeting held on 13th April, 2001 had instructed B&A Division to take up the above matters with SECP.

19. B&A Division had written a letter to SECP to provide State Life a list of auditors approved by the Commission. The SECP was also requested that if the list has not yet been approved, the Corporation may be allowed for the time being, to use the "A" Category list of audit firms approved by State Bank of Pakistan for the audit of Banks/NBFIs having total assets above Rs.50 billion or having 100 or more branches. However, it was subsequently clarified by SECP that till such time that Section 38 of the Life Insurance Nationalization Order, 1972 (LINO) is suitably amended by the appropriate authority, the Corporation is required to seek approval from the Federal Government under Section 28(1) of LINO.

20. The list of auditors placed in Category "A" as finalized by State Bank of Pakistan under Banking Companies Ordinance, 1962 contained names of twelve audit firms of repute, standing and experience and the two audit firms i.e. M/s. Taseer Hadi Khalid & Co, Karachi and M/s. Riaz Ahmed & Co. Lahore retained and approved by the Corporation for the year 2001, from amongst four audit firms who earlier conducted audit for the year 2000, were included in that "A" category list. The appointment of these two audit firms as joint auditors for audit of accounts of the Corporation for the year ended 31st December, 2001 was approved by the Board at its 161st meeting held on 29th June, 2001.

21. The Board's approval, of Auditors for the year 2001 which was subsequently forwarded to the Ministry of Commerce, was later on concurred by the office of the Auditor General of Pakistan.

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22 At the time of granting approval of appointment of auditors for the year 2001, the office of the Auditor General of Pakistan vide their letter No.340/32/AR-III/C/85 (Vol.I) dated 29th December, 2001 also conveyed their observations as follows:

“The competent authority has also viewed that since commercial auditors were not being selected through some developed criteria/methodology, hence the process was not transparent which needed to be attended to by the SLIC/Ministry. He has desired that procedure for appointment of auditors be got developed by the Ministry under intimation to this office before the case for appointment of auditors is submitted next time, which must be transparent and merit based.”

23. The auditors proposed for the year 2002 namely M/s. Taseer Hadi Khalid & Co. Karachi and M/s. Riaz Ahmed & Co, Lahore have been on the panel of Corporation's auditors since 1999, earlier consisting of four audit firms and subsequently from 2001 as joint auditors of 2 audit firms.

24. As per standing instructions of Ministry of Finance, Government of Pakistan, contained in their O.M. No.1(18)IFII/67 dated 8th April, 1968, an audit firm once appointed, should normally be allowed to continue for a period of 5 years unless work of any audit firm is found unsatisfactory. Further, the audit firms appointed should have good reputation, standing and long experience. As both the firms of existing auditors i.e. M/s. Taseer Hadi Khalid and M/s. Riaz Ahmad & Co., are reputed firms and none of them have completed its 5 years tenure with State Life and their performance has also been satisfactory, it was proposed by B&A Division to the Board Audit Committee to consider and retain both of these firms as “joint auditors” for audit of accounts of the Corporation for the year ending 31st December, 2002 and before consideration of the matter by the Board. The Federal Government be apprised accordingly at the time of seeking their concurrence.

25. The Board Audit Committee in its 6th meeting held on 24th August, 2002 before the 168th Meeting of the Board of Directors on the same date, considered the above proposal of B&A Division for making recommendations to the Board regarding appointment of Auditors and fixation of their fees and out of pocket expenses for audit of accounts of the Corporation for the year 2002.

26. Mr. Azhar Ali Malik, Director who chaired the meeting of the Board Audit Committee in the absence of Mr. Bashir Ahmed, Chairman Board Audit Committee informed the Board that the proposal of ED(B&A) for appointment as statutory auditors of M/s. Taseer Haid Khalid & Co., Karachi and M/s. Riaz Ahmed & Co., Lahore for the year ending 31st December, 2002 was agreed to by the Board Audit Committee and recommended that the same be accepted by the Board of Directors.

27. Mr. Azhar Ali Malik, Director informed the Board that both the proposed firms are included in the list approved by State Bank of Pakistan for audit of A category Banks/Financial Institutions and are firms of good reputation, standing and long experience. He also mentioned that firstly, the appointment of proposed auditors was not a fresh selection but a continuation of existing firms and secondly the system of calling of quotations if followed, for the purpose of transparency, will not attract large firms and the selection could possibly not be based on merit as the quotations of firms of good standing and with long experience would be on the higher side. He however suggested that for future, State Life should develop its own criteria for selection and appointment of auditors, keeping in view the organizational set up, standing and experience of the firm relevant to insurance business and that auditors be rotated by adopting the principle of staggering i.e. one of the two firms be changed before the expiry of 5 years tenure.

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28. The Board was further informed that an audit fee of Rs.1,000,000/- and out of pocket expenses of Rs.600,000/- was approved for audit of accounts for the year 2001, which was the same as was for the year 2000. However, keeping in view the auditors' persistent and justified demand for increase in audit fee and out of pocket expenses, the Board Audit Committee was requested to consider and recommend to the Board for increase in audit fee and out of pocket expenses for the year 2002 @ 20% over that approved for the years 2001 and 2000. This will increase the audit fee and out of pocket expenses to Rs.1,200,000 and Rs.720,000 respectively for the year 2002.

29. As regards increase in audit fees and out of pocket expenses for the year 2002, keeping in view the size of the Corporation and the audit fee being paid by some Banks and other organizations, like National Bank of Pakistan, Habib Bank Ltd, Pakistan State Oil etc., which is much higher as compared to that being paid by State Life and that there has been no increase in 2001 over that approved for the year 2000, Mr. Azhar Ali Malik stated that the proposed increased of 20% was considered appropriate, by the Board Audit Committee.

30. For the audit of accounts of the Corporation in respect of business operations of Gulf Zone i.e. for UAE, Kuwait and Saudi Arabia, our statutory auditors for the year 2001 were M/s. Sajjad Haider & Co., Dubai (UAE). This firm was re-appointed in 2000 after a gap of two years. The audit fee and out of pocket expenses, approved by the Board for the year 2001, was the same as was for the year 2000, i.e. Dh.20,000 and Dh.5,000 respectively. The Board Audit Committee was requested to consider and recommend to the Board that M/s. Sajjad Haider & Co., be appointed as Auditors for conducting audit of Gulf Zone for the year 2002 and their audit fee may be increased by 10%, raising the same to Dh.22,000/-. As regards out of pocket expenses, keeping in view a proposed visit of a senior member of the audit team or of the partner of the audit firm to Saudi Arabia due to change of sponsorship, an increase of Dh.2,000 was proposed, raising the total out of pocket expenses to Dh.7,000 for the year 2002.

31. Mr. Azhar Ali Malik, also informed the Board that proposal as regard to appointment as auditors of M/s. Sajjad Haider & Co., Dubai, UAE for the audit of accounts of Gulf Zone for the year 2002 has also been agreed by the Board Audit Committee and he recommended to the Board for approval of their appointment. He suggested for future that a selection criteria be also developed for appointment of auditor for Gulf Zone. An audit firm to be selected should preferably have a partner/partners of Pakistan Nationality and should have affiliation with an international firm of Chartered Accountants preferably with whom any of the two appointed audit firms in Pakistan is also associated. As regards increase in audit fees and out of pocket expenses for the year 2002, the proposal made by B&A Division was considered appropriate.

After discussion, the Board resolved as under:

RESOLVED:

(i) "that as recommended by the Board Audit Committee, the appointment of M/s. Taseer Hadi Khalid & Co, Chartered Accountants, Karachi and M/s. Riaz Ahmad & Co., Chartered Accountants, Lahore as Statutory Auditors of State Life for audit of accounts of the Corporation for the year ending 31st December, 2002 at an audit fee of Rs. 1,200,000 and out of pocket expenses upto Rs.720,000 respectively be and was hereby approved subject to final approval by Federal Government under Article 28(1) of the Life Insurance (Nationalization) Order 1972. "

Action:
ED(B&A)/
Scy(BAC)

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<p>Action: ED(B&A) Scy(BAC)</p> <p>(ii) "that the audit of all the Zones/Accounting centres of the Corporation as was being done previously will be carried out by the two audit firms being appointed as Joint Auditors."</p> <p>Action: ED(B&A) Scy(BAC)</p> <p>(iii) "that the above audit firms would discuss the audit plan with the Management before finalizing the same."</p> <p>Action: ED(B&A) Scy(BAC)</p> <p>(iv) "that the appointment of M/s. Sajjad Haider & Co., Chartered Accountants, Dubai(UAE) as Statutory Auditors of the Corporation for audit of accounts of State Life Gulf Zone with offices in UAE, Kuwait and Saudi Arabia for the year ending 31st December, 2002 at an audit fee of DH: 22,000 and out of pocket expenses upto DH:7,000 respectively be and was hereby approved.."</p> <p>ITEM (6) POST FACTO APPROVAL OF DECISION OF THE EXECUTIVE COMMITTEE TO INVEST RS.250 MILLION IN PRIVATE PLACEMENT OF UNLISTED TFCs OF FAUJI FERTILIZER COMPANY LIMITED. Executive Director(Inv.)'s Memorandum dated 16-08-2002</p> <p>32. ED(Inv.) presented before the Board a Memorandum for post facto approval of decision of the Executive Committee made at its 269th meeting held on 1st August, 2002 to invest Rs.250 million in private placement of unlisted TFCs of Fauji Fertilizer Company Limited.</p> <p>33. The Board had earlier at its 167th meeting held on 13th July, 2002 considered the proposal of investment of Rs.250 million in privately placed unlisted TFCs of Fauji Fertilizer Company Limited and had resolved as under:-</p> <p>a) "that the Executive Committee of the Board be and was hereby authorized to consider and if deemed fit approve the proposal of ED(Inv.) for placing Rs.250 million in unlisted TFCs of Fauji Fertilizer Company Limited."</p> <p>b) "that post facto approval of the decision of the Executive Committee of the Board be taken at the next Board meeting to regularize the same."</p> <p>34. The above proposal was put up to the Executive Committee at its 269th meeting held on 1st August, 2002. The Executive Committee after deliberation, approved the proposal of investment of Rs.250 million in TFCs of Fauji Fertilizer Company Limited and desired that post facto approval of the decision of the Executive Committee be taken at the next meeting of the Board of Directors to regularize the same. A copy of Memorandum submitted to the Executive Committee was enclosed to the Memorandum circulated to the Members of the Board.</p> <p>After discussion, the Board resolved as under:</p> <p>RESOLVED: "that post facto approval be and was hereby given to the decision of the Executive Committee taken at its 269th meeting held at Karachi on 1st August, 2002 to invest a sum of Rs.250 million in the unlisted private placement of TFCs of Fauji Fertilizer Company Limited of 5 years tenure with rate of return of SBP discount rate + 1.5 % p.a. with floor of 11% and ceiling of 16% p.a. and secured by First Equitable Mortgage to be created on all immovable assets of the Company by way of hypothecation of assets including stocks and book debts with a regulatory 25% margin."</p> <p>Action: ED(Inv.)</p>			

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At this point of time, Mr. M. Mazharuddin, Executive Director(Act.) left the meeting.

ITEM (7) CONSIDER/APPROVE – PROPOSAL OF APPLICABILITY OF AMENDMENTS IN LEAVE RULES FOR OFFICERS OF STATE LIFE TO THOSE OFFICERS WHO ARE ALREADY ON LPR OR THOSE WHO WOULD BE AVAILING LAR.

Executive Director(P&GS)'s Memorandum dated 19-08-2002

35. As directed by the Executive Committee at its 167th meeting held on 13th July, 2002, the case of officers who were already on LPR or who have been refused LPR and would be availing LAR was examined by P&GS Division and a Memorandum was presented to the Board by ED(P&GS) (alongwith a statement giving therein details of number of persons who are on LPR or LAR, date of superannuation, the number of days leave already forfeited and the financial impact) for reconsideration of its earlier decision by the Board and if considered appropriate to allow such officers also to avail the benefits of the revised leave rules.

36. The Board of Directors had earlier at its 167th meeting held on 13th July, 2002, while approving the amendments in the leave rules to officers, had authorized the Executive Committee to approve the consequent amendments in the relevant leave rules, including necessary and consequential matters of details. The matter was put up to the Executive Committee in its 269th meeting held on 1st August, 2002 which approved the same. In this meeting it was also decided as under:-

"that the case of officers who are already on LPR or who have been refused LPR and would be availing LAR be examined and submitted to the Board at its next meeting (alongwith a statement giving therein details of number of persons who are on LPR or LAR, the date of superannuation, number of days leave already forfeited and the financial impact), for reconsideration of its earlier decision and if considered appropriate to allow such officers also to avail the benefits of the revised leave rules."

37. A summary of information of officers who are already on LPR and of those whose LPR has been refused and would be availing LAR is given below:-

Details	No. of Officers	Approx. Financial impact (Rs.)
Officers already on LPR	07	10,53,322
Officers whose LPR has been refused and will be availing LAR	26	78,69,396
Total		89,22,718

38. On a query, the Board was informed that "Leave Rules" were part of the State Life Employees (Service) Regulations, 1973. These were framed, with the previous approval of the Federal Government, under Clause (b) of Article 49(2) of the Life Insurance (Nationalization) Order, 1972. The Board was informed that in the matter of leave, and some other matters, the Regulations needed to be up-dated.

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After discussion, the Board resolved as under:

RESOLVED:

Action:
ED(P&GS)

(i) "that the proposal of the Executive Committee at its 269th meeting held on 1st August, 2002 and of ED(P&GS) to allow encashment of number of days of leave on basic pay that has been forfeited in case of officers who, as on 13th July, 2002, are already on leave preparatory to retirement(LPR) or who have already been refused LPR and would be availing leave after retirement(LAR) if such officers opt for the revised leave rules, was agreed to by the Board in principle, however its implementation was deferred till such time that the Ministry approved the amended and updated State Life Employees (Service) Regulations, 1973 framed under Life Insurance Nationalization Order 1972, to be put up for approval of the Board at its next meeting."

Action:
ED(P&GS)

(ii) "that ED(P&GS) was directed to review the existing State Life Employees (Service) Regulations, 1973 framed under Life Insurance Nationalization Order 1972, amended from time to time and put up an upto-date version of the Regulations together with recommendation for consideration and approval of the Board before submission to the Ministry for its clearance and notification."

At this point of time, Mr. M. Mazharuddin, Executive Director(Act.) rejoined the meeting.

ITEM (8) ANY OTHER ITEM WITH THE PERMISSION OF THE CHAIR

(I) **SPECIAL PAY - MR. M. ASLAM SABIR, GENERAL MANAGER(PHS)**
Executive Director(P&GS)'s Memorandum dated 21-08-2002.

39. The Board of Directors at its 151st meeting held on 22-01-2000, had decided to grant a special pay of Rs.3500/- p.m. to Mr. M. Aslam Sabir with effect from 1.7.1999. However, upon revision of pay and allowances of officers, w.e.f. 1.1.2000 the structure of pay package was modified/amended, and the House Rent Allowance previously granted @ 75% of the pay was reduced to 40%. This reduction of House Rent Allowance also reduced the gross emoluments of Mr. M. Aslam Sabir because House Rent Allowance is also paid on special pay.

40. In a similar case of special pay as allowed to qualified actuaries @ Rs.25,000/- p.m., it was decided that "in case if pay scales of State Life officers are re-structured in future, these emoluments would be re-aligned accordingly. In consequence thereof, when the pay scales of officers were re-structured w.e.f. 1.1.2000 the special pay of actuaries was enhanced from Rs.25,000/- to Rs.30,000/- p.m.

41. Following the same analogy, ED(P&GS) proposed that the special pay of Mr. M. Aslam Sabir be enhanced from Rs.3,500/- to Rs.4,200/- p.m. to cover up the loss in his total House Rent Allowance with effect from 1.1.2000, i.e. the advent of revised pay package.

After discussion, the Board resolved as under:

RESOLVED:

Action:
ED(P&GS)

"that as proposed by ED(P&GS), the increase in Special Pay of Mr. M. Aslam Sabir from Rs.3,500/- to Rs.4,200/- p.m. to re-align the same with the decision which allows this benefit to Actuaries from 1-1-2000 i.e. the advent of revised pay package be and was hereby approved."

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(II) CONSIDER/APPROVE - RENAL TRANSPLANTATION OF MR. BENJAMIN NATHANIEL, NAIB QASID, G&P LAHORE ZONE.
Executive Director(P&GS)'s Memorandum dated 22-08-2002

42. The Board of Directors in its 167th meeting held on 13.07.2002 had approved the request of Mr. Benjamin Nathaniel for Renal Transplantation including post operation medical cost on humanitarian grounds at an estimated cost of Rs. 300,000/- for the first year subject to a second opinion from the SIUT, Karachi for which the necessary arrangements should be made by the Corporation.

43. ED(P&GS) presented before the Board a Memorandum informing that State Life contacted SIUT for second opinion of case of renal transplantation who advised that presence of the patient is a must for giving any opinion on the issue. Accordingly Ittefaq Hospital(Trust), Lahore was approached through Incharge (Medical Cell) Lahore Zone to advise whether it would be possible for the patient to travel to Karachi for obtaining of opinion from SIUT, on which the Medical Officer of Ittefaq Hospital (Trust) vide his letter dated 09.08.2002 has stated as under:

"It is stated that Mr. Benjamin is known case of Chronic Renal Failure, End- stage renal disease & Diabetic Nephropathy. He is on Dialysis since 16 months on twice weekly. He is stated for travel to Karachi. I think this will may create some problems for him. He might get Shortness of Breath during long travel. So should be avoided long travel if possible".

44. The Board was informed that since the medical condition of the patient do not permit his travelling to Karachi as per Medical Officer of Ittefaq Hospital Lahore, the second opinion from SIUT is not possible under the circumstances and therefore the condition for getting second opinion from SIUT may be waived and the Management be allowed to proceed further in actual execution of renal transplantation without any further loss of time.

After discussion, the Board resolved as under:

RESOLVED:

"that since the medical condition of the patient did not permit his travelling to Karachi as per Medical Officer of Ittefaq Hospital Lahore, for obtaining of second opinion from SIUT, therefore the condition for getting second opinion from SIUT be and was hereby waived and the Management was allowed to proceed further in actual execution of renal transplantation without any further loss of time."

Action:
ED(P&GS)

(III) CONSIDER/APPROVE - REIMBURSEMENT OF SEMINAR COST TO THE EMPLOYEES PURSUING FELLOWSHIP OF INSTITUTE OF ACTUARIES(UK)/SOCIETY OF ACTUARIES(USA).
Executive Director(P&GS)'s Memorandum dated 22-08-2002

45. ED(P&GS) presented before the Board a Memorandum for consideration/approval for reimbursement of seminar cost to the employees pursuing Fellowship of Institute of Actuaries(UK)/Society of Actuaries(USA)

46. The Board of Directors in its 156th meeting held on 7th October, 2000 have allowed those Actuarial Trainees and officers of the Actuarial Division who have executed the requisite bond, the subsidy for cost of books, examination fee, reading material, traveling

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expenses etc. of the Actuarial examinations of the Institute of Actuaries (UK) and Society of Actuaries (USA) which is also elaborated in Circular No. P&GS/PO/338/200 dated 10th November, 2000 enclosed to the Memorandum.

47. ED(P&GS) informed the Board that besides passing the examinations, the students of the concerned Institute/Society are required to comply with the following, which are an integral part of the education and examination system of the Institute of Actuaries (UK) and Society of Actuaries (USA):

- (i) Students of the Society of Actuaries (USA) are required to attend interactive seminar, seminars to complete professional development requirement and professionalism course leading to Fellowship.
- (ii) Students of the Institute of Actuaries (UK) are required to attend a professionalism course within one year of being admitted as a Fellow.

48 ED(P&GS) presented before the Board that the professionalism course of the Institute of Actuaries (UK) are held in various cities of the UK. On the other hand the seminars are conducted by the Society of Actuaries (USA) in the different cities of USA. Occasionally, these seminars are held in Hong Kong and other cities of China; however there are no immediate plans of holding any seminar in Pakistan and hence persons taking the Society of Actuaries examinations in Pakistan will have to proceed abroad for attending the seminars.

49. In order for the officers of State Life to receive the subsidy for cost of books, examination fees, reading material, travelling expenses, professional subscription etc. they are required to execute a surety bond to refund all such cost incurred by the Corporation during the last three years, in case he/she leaves before acquiring Fellowship or within three years of doing so. Since attending the requisite professionalism course of the Institute of Actuaries (UK) and seminars of the Society of Actuaries (USA) is mandatory, it is felt that it would be in order if Corporation extends this facility of doing so to its officers.

Action:
ED(P&GS)

After discussion, the Board decided that a complete paper be put up to the Board for consideration at its next meeting giving details of number of officers covered under the Actuarial Training Scheme, the financial impact of proposed facility. Till such time, the matter was deferred, however any amount already advanced by the corporation would be adjusted after the final decision of the Board.

(IV) RECOMMENDATION OF THE BOARD TO THE MINISTRY ON THE PRESENTATION ON 19TH APRIL, 2002 ABOUT FUTURE OF STATE LIFE GIVEN TO THE HONORABLE MINISTER OF COMMERCE AND SECRETARY OF COMMERCE.

50. The Board discussed the above and decided that the letter written by the Chairman to the Secretary Commerce be circulated to all the members of the Board for their comments if any on the same which may be communicated to the Chairman. The Board desired that State Life should not be handed over to one strategic investor who would then be in a position to strip the Corporation of its assets. The Board further desired that the interest of present and future policyholders should be protected.

51. The meeting ended with vote of thanks to the Chair.


CHAIRMAN

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