


MINUTES OF 228TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS MINUTE BOOK	HELD AT KARACHI	ON 19 TH SEPTEMBER, 2012	TIME
<u>CONFIDENTIAL AND RESTRICTED</u>			
<p>The 228th Meeting of the Board of Directors of State Life Insurance Corporation of Pakistan was held on Wednesday, 19th September, 2012 at 11.00 a.m. in the Board Room, State Life Building No.9, Dr. Ziauddin Ahmed Road, Karachi.</p>			
<u>PRESENT:</u>			
1. Mr. Shahid Aziz Siddiqi		Chairman	
2. Mr. Fazal Abbas Maken		Director	
3. Mr. Hussain Lawai		Director	
4. Mr. Farooq Hadi		Director	
5. Mr. Wazir Ali Khoja		Director	
6. Mr. Nihal Anwar		Director	
7. Mr. Furqan A. Shaikh		Director	
Mr. Akbarali Hussain		Secretary Board	
<u>LEAVE OF ABSENCE:</u>			
1. Mr. Tufail Shaikh		Director	
2. The meeting started with recitation of verses from the Holy Quran by Mr. Farooq Hadi, Director.			
ITEM (1) <u>CONFIRMATION OF MINUTES OF 227th MEETING OF THE BOARD OF DIRECTORS.</u>			
3. The minutes of the 227 th meeting of the Board of Directors held on 7 th August, 2012 were placed before the Board.			
4. Mr. Farooq Hadi, Director proposed and Mr. Furqan A. Shaikh, Director seconded that the minutes of 227 th meeting of the Board of Directors be confirmed.			
5. Accordingly, it was resolved as under:-			
<u>RESOLVED:</u>			
"that the Minutes of 227 th meeting of Board of Directors held on 7 th August, 2012 are confirmed."			
ITEM (2) <u>IMPLEMENTATION REPORTS ON DECISION TAKEN IN 226TH AND 227TH MEETINGS OF BOARD HELD ON 4TH JULY, 2012 AND 7TH AUGUST, 2012.</u>			
6. Implementation report of 226 th and 227 th meetings held on 4 th July, 2012 and 7 th August, 2012 of the Board of Directors were placed before the Board which were noted.			
7. The Board of Directors were informed that the Committees have been constituted for the following assignments given by the Board which will be			

Action:
Secretary
(Board)

CHAIRMAN'S
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Action:
Secretary
(Board)

CHAIRMAN'S
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DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	19 TH SEPTEMBER, 2012	
<p>Action:</p> <p>F&A P&GS F&A</p> <p>IA&C</p> <p>P&GS/ Actuarial</p> <p>P&GS/ AD</p> <p>P&GS/ LAD</p> <p>All DHs/ Secretary (BS/BAC/ HRC/REIC</p> <p>P&GS Legal Affairs Marketing</p> <p>Action: Secretary (BAC)</p> <p>Action: Secretary (BAC)/ DH(IA&C)</p> <p>Action: Secretary (BAC) DH(IA&C)</p>	<p>submitted to the Board at its forthcoming meetings:-</p> <ul style="list-style-type: none"> • Delegation of Financial Powers • Delegation of Administrative Powers • Policy/SOPs for making provision and identification of contingent liabilities including write off of long outstanding commission payable to agents. • Anti Fraud Program and Controls including a Whistle Blowing Policy for reporting of frauds and protection of whistle blower. • Drafting of a Pension Scheme in consultation with the Appointed Actuary for the existing officers of the Corporation. • Inquiry report to fix responsibility of the executives and staff responsible for not making any provision of pension liability in the accounts of State Life. • Restructuring of Legal Affairs Division. <p>8. The Board of Directors desired that henceforth all the working papers should be serially numbered and should bear the name of the Director to whom the agenda papers are sent. The agenda papers of the meeting of the Board of Directors and its various Committees should be sent in a sealed envelope.</p> <p>9. The Chairman informed the Board regarding the current status of the implementation of decision taken by the Board of Directors at its 227th meeting held on 7th August, 2012 regarding terminated Area Managers. The Board of Directors desired that the letters issued to Area Managers on their promotion from Sales Manager be got vetted by HR Lawyer who should ensure that the contents of the letter precisely states the status, rights and obligations of the employees/Area Managers of the Corporation.</p> <p>ITEM (3) CONSIDERATION AND APPROVAL OF MINUTES OF 44TH MEETING OF BOARD AUDIT COMMITTEE HELD ON 30-04-2012.</p> <p>10. The minutes of the 44th meeting of Board Audit Committee held on 30th April, 2012 were presented before the Board of Directors for consideration and approval of decisions/recommendations made by the Committee were placed before the Board. A copy of the minutes duly signed by the Chairman (BAC) is placed at Annexure-A to the Minutes.</p> <p>11. Mr. Husain Lawai, Director/Chairman Board Audit Committee informed the Board about his meeting with the External Auditors of State Life Insurance Corporation of Pakistan. The Board was informed that co-sourcing of Internal Audit Department should be carried out with special emphasis on orientation, designing of standard operating procedures(SOP), training and capacity building of the employees posted at internal Audit & Compliance Division. The IA&C Division should also involve internal control and compliance of various regulations and rules.</p> <p>12. The Board authorized the Chairman State Life to assign the above task to Sidat Omer Morshed who is also currently involved in the automation of the operating system of State Life.</p>		


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<p>Action: Secretary (BAC)</p> <p>Action: Secretary (EIC)</p> <p>Action: DH(Inv)</p> <p>Action: DH(P&GS)</p> <p>Action: DH(P&GS)</p>	<p>13. Accordingly, the Board resolved as under:</p> <p>RESOLVED: "that the minutes of 44th meeting of Board Audit Committee held on 30th April, 2012 together with observations/recommendations are confirmed."</p> <p>ITEM (4) CONSIDERATION AND APPROVAL OF MINUTES OF 23RD AND 24TH MEETINGS OF REAL ESTATE AND INVESTMENT COMMITTEE HELD ON 24-08-2012 AND 17-09-2012.</p> <p>14. The minutes of the 23rd and 24th meetings of Real Estate and Investment Committee held on 24-08-2012 and 17-09-2012 would be submitted in the 229th meeting of the Board of Directors to be held on 10th October, 2012 for consideration and confirmation of the minutes together with observations/recommendations made therein.</p> <p>ITEM (5) POSITION PAPER ON FIRST DAWOOD INVESTMENT BANK.</p> <p>15. The Memorandum in respect of full and final settlement of investment of Rs.100 million of COIs together with markup thereon would be resubmitted to the Board as per directives given by the Board at the 229th meeting of the Board of Directors to be held on 10th October, 2012.</p> <p>ITEM (6) APPROVAL OF REVISED STAFF STRENGTH</p> <p>16. ED(P&GS) presented before the Board, a Memorandum for approval of revised staff strength in view of the increase in business.</p> <p>17. DH(P&GS) gave a detailed presentation on revision of staff strength – 2012 and assumptions on basis of which the revised strength has been prepared.</p> <p>18. The Board directed that the Memorandum be first put up to the HR Committee for its review and recommendations of the HR Committee be then put up to the Board for approval at its 229th meeting to be held on 10th October, 2012.</p> <p>19. The Board of Directors suggested that the existing ratio of officers and staff in the revised staff strength to be approved by the Board should be increased keeping in view the technological advancement that has taken place. The Management of State Life should look into the possibility of hiring on contract basis the services of Security Guards, helpers/Naib Quasids and lift operators. The Management while finalizing the proposed revised staff strength should also take into consideration the staff strength of other insurance companies in the public and private sector.</p> <p>ITEM (7) PENDING ITEMS OF 10TH MEETING OF HR COMMITTEE WHICH WAS DEFERRED BY THE BOARD:</p> <p>(a) REVISION OF APPROVED STRENGTH OF GENERAL MANAGERS.</p> <p>20. ED(P&GS) presented before the Board, a Memorandum on approval of</p>		

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Action: DH(P&GS)	<p>revised strength of General Managers.</p> <p>21. The Memorandum on 'Rationalization of Approved Strength of General Managers' was submitted to the Human Resources Committee of the Board of Directors in its 10th meeting held on 8th June, 2012. The HR Committee had resolved as under:-</p> <p><u>Resolved:</u> "that the Committee recommended the matter to the Board of Directors for approval of 05 additional posts of General Managers for F&A Division, Actuarial Division, IA&C Division, I.T. Division and Health Insurance Division at Principal Office."</p> <p>22. The Board directed that the above Memorandum be submitted in the 11th meeting of Human Resources Committee of the Board along with the Memorandum for approval of revised staff strength of State Life.</p> <p>(b) REVISION OF UTILITY ALLOWANCE FROM RS.25000 TO RS.35000 TO THE CHAIRMAN, RS.15000 TO RS.25000 TO EXECUTIVE DIRECTORS AND REVISION IN PERQUISITES TO THE EXECUTIVE DIRECTORS STATE LIFE.</p> <p>23. ED(P&GS) presented before the Board, a Memorandum for revision of Utility Allowance of the Chairman and the Executive Directors and revision in perquisites to the Executive Directors of State Life. The above Memorandum was earlier submitted in the 7th meeting of the HR Committee held on 27th June, 2011.</p> <p>24. The Board of Directors at its 221st meeting held on 25th July, 2011 resolved that the P&GS Division should prepare a complete documentation of compensation and benefits allowed to each cadre of employees within the organization and put up the same to the Board of Directors through HR Committee for information where additional facilities are requested.</p> <p>25. In compliance with decision of the Board, complete documentation of compensation and benefits allowed to EDs, the Chairman and each cadre of employees within the organization were prepared and submitted to the members of the HR Committee at its 8th meeting held on 24th October, 2011. The HR Committee had then resolved as under:</p> <p>a) The revision of Utility Allowance from Rs.25,000 to Rs.35,000 for the Chairman and from Rs.15,000 to Rs.25,000 to Executive Directors is hereby recommended to the Board for approval.</p> <p>b) The HR Committee did not agree with the proposal and Mr. Rasheed Y. Chinoy recorded his reservations and explained that as per prevailing Income Tax Regulations any change in accounting policy needs to be reflected in final accounts and proposal change in accounting policy cannot be made without the approval of concerned Ministry. Therefore, the proposal cannot be recommended to Board. Furthermore, the proposal for provision of one AC, one Fridge or one Ac. On TV of identical amount is recommended to the Board for approval.</p>		
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<p>Action: DH(P&GS)</p> <p>Action: DH(P&GS)</p> <p>Action: DH(P&GS)</p>	<p>26. The matter was kept pending due to reconstitution of the Board which held its 1st meeting i.e. 222nd on 23rd February, 2012.</p> <p>27. After deliberations, the Board resolved as under:</p> <p>RESOLVED:</p> <p>a) "that as recommended by HR Committee at its 8th meeting held on 24th October, 2011, the revision of Utility Allowance from Rs.25,000 to Rs.35,000 for the Chairman and from Rs.15,000 to Rs.25,000 to Executive Directors is hereby approved with effect from 01-01-2012."</p> <p>b) That as recommended by HR Committee at its 8th meeting held on 24th October, 2011, the proposal for provision of one AC, one Fridge or one AC or one TV of identical amount to Executive Directors is hereby approved with effect from 01-01-2012."</p> <p>(c) <u>APPOINTMENT OF FINANCIAL/ACCOUNTING PROFESSIONALS AND UPGRADATION SCHEME.</u></p> <p>28. ED(P&GS) presented before the Board, a Memorandum in respect of appointment of qualified Accountants and Accelerated Promotions/upgradation of those earning qualification of CA/ACMA/CIMA/ACCA to existing SLIC employees on the basis of recommendation given by the respective Divisional Heads i.e. F&A/Investment and IA&C.</p> <p>29. The Board directed that the above Memorandum be submitted at the 11th meeting of the HR Committee to be held on 1st October, 2012 wherein the Memorandum for revision of staff strength would also be considered.</p> <p>(d) <u>RATIFICATION OF RECOMMENDATION OF HR COMMITTEE ON APPEALS AGAINST THE PUNISHMENT AWARDED BY COMPETENT AUTHORITY.</u></p> <p>30. The Executive Director (P&GS) presented before the Board a Memorandum dated 7th September, 2012 for ratification of recommendation of HR Committee on appeals against the punishment awarded by competent authority.</p> <p>31. The officers awarded punishments on account of Misconduct after adopting laid down procedure by the Competent Authority have a right to file appeal / application for revision and review the decisions under Regulation No.33 of State Life Employees (Service) Regulations, 1973. Their appeals were considered in the 10th meeting of HR Committee held on 08.06.2012.</p> <p>32. A synopsis of each appeals along with recommendations of HR Committee are as under:</p>		

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Sr.	Name of Officer / Appellant	Desig. / Posting	Punishment awarded by the Competent Authority & Appeal	Recommendations / Minutes of HR Committee	Annexure to the Memorandum
1.	Mr. Riaz Ahmed Shahzad Bodla	Manager (Marketing) / RC Office Multan	Demotion to lower grade from AGM to MGR for five years (pg. No. 32). Appeal available at pg. No. 31 to 22 to the Memorandum	Upheld the decision of the Competent Authority. (pg. No. 19-20) to the Memorandum	A
2.	Mr. Muhammad Fareed	Deputy Manager (F&A) / Bahawalpur Zone	Reduction to lower Pay Scale for one year (pg. No. 18). Appeal available at pg. No. 17 to 16 to the Memorandum	Upheld the decision of the Competent Authority. (pg. No.13-14) to the Memorandum	B
3.	Mr. Aslam Pervaiz	Deputy Manager (G&P) / KZ	Censure (pg. No.12). Appeal available at pg. No. 11 to the Memorandum.	Upheld the decision of the Competent Authority. (pg. No.8-9) to the Memorandum	C
4.	Mr. Pervaiz Tahir	AGM (IT) / PO	Demotion to lower grade from DGM to AGM (pg. No.7). Appeal available at pg. No. 5 to the Memorandum	Upheld the decision of the Competent Authority. (pg. No.1-2) to the Memorandum	D

33. Members of the Board of Directors are requested to consider the recommendations of the HR Committee for ratification.

34. After deliberations, the Board resolved as under:

RESOLVED:

Action:
DH(P&GS)

"that the recommendation of the HR Committee to upheld the decision of the competent authority for demotion to lower grade from AGM to Manager for 5 years of Mr. Riaz Ahmed Shahzad Bodla, Manager, Marketing, RC Office Multan is hereby ratified."

Action:
DH(P&GS)

"that the recommendation of the HR Committee to upheld the decision of the competent authority for reduction to lower pay scale for one year of Mr. Muhammad Fareed, Deputy Manager, F&A, Bahawalpur Zone is hereby ratified."

Action:
DH(P&GS)

"that the recommendation of the HR Committee to upheld the decision of the competent authority to censure Mr. Aslam Pervaiz, Deputy Manager, G&P/ KZ is hereby ratified."

Action:
DH(P&GS)

"that the recommendation of the HR Committee to upheld the decision of the competent authority for demotion to lower grade from DGM to AGM of Mr. Pervaiz Tahir, AGM(IT) PO is hereby ratified."

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	<p>ITEM (8) EX-POST FACTO APPROVAL OF CAPITAL EXPENDITURE OF RS.8,856,160/- ON INSTALLATION OF SPLIT UNITS, LAHORE CENTRAL ZONE.</p> <p>35. The Executive Director (P&GS) presented before the Board, a Memorandum dated 19th September, 2012 on the above subject.</p> <p>36. The premises of Lahore (Central) Zone housed in State Life Building No. 2, Lytton Road, Lahore was centrally air-conditioned with HAVC system installed in 1994, however the system at present is not working since last 3-4 years. After checking / examining for system upgradation, M/s. NESPAK has concluded that the system be deleted as its requires extensive replacement of major parts. In the year 2006, the system was declared obsolete.</p> <p>37. The Lahore (Central) Zone is desirous for installation of 71 Split Units at Zonal Office in lieu. In the light of allocated capital budget to Zone, the case was processed by Lahore (Central) Zone in the last week of June 2011, which was then submitted before the competent authority in the first week of July 2011. The Lahore (Central) Zone had recommended to award the job to M/s. The Progressive which was lowest bidder with total financial implication of Rs.88,56,160/-. Due to exigencies of work and time frame, the case had been kept in abeyance by the competent authority till the month of December 2011 with directive to resubmit in 2012.</p> <p>38. The supplier concerned M/s. The Progressive has extended the validity of their bid upto 31st July 2012 which if approved would result in saving to the Corporation of about 20% to 25% of price increase during current year. In view of price quoted, the Chairman, State Life had approved the case on 2nd July 2012 with the directives that the ex-post-facto approval of the Board be solicited subsequently.</p> <p>39. The Executive Committee at its 276th meeting held on 20th November, 2008 had approved that the inherent powers of the Chairman to approve expenditure be raised to Rs. 5 million whereas expenditure exceeding Rs. 5 million and upto Rs. 10 million approved by the Chairman be subject to post facto approval of the Board. The above minutes of the Executive Committee was confirmed at the 213th meeting of the Board of Directors held on 22nd July, 2010.</p> <p>40. ED(P&GS) placed the matter before the Board of Director for ex-post facto approval.</p> <p>41. Accordingly, the Board resolved as under:</p> <p>RESOLVED: "that as recommended by ED(P&GS) ex post facto approval of purchase of 71 split units from M/s. The Progressive for installation at Lahore Central Zonal Office earlier approved by the Chairman on 2nd July, 2012 at cost of Rs.8,856,160/- is hereby given."</p>		

Action:
DH(P&GS)

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ITEM (9) RENEWAL OF APPOINTMENT OF STATUTORY AUDITORS FOR AUDIT OF ACCOUNTS FOR THE YEAR ENDING 31-12-2012.

42. The Executive Director (F&A) presented before the Board, a Memorandum dated 27th August, 2012 regarding renewal of appointment of Statutory Auditors for audit of accounts for the year ending 31-12-2012.

43. The Board of Directors had approved the following panel of statutory auditors for audit of 2011 accounts in its 221st meeting held on 25th July, 2012 on the same audit fee, which was allowed in 2010. The panel of auditors has retired after completion of audit of accounts for the year 2011:

Pakistan Business:

M/s. Riaz Ahmad & Co., Chartered Accountants, Lahore.

M/s. Anjum Asim Shahid Rahman, Chartered Accountants, Karachi

Gulf Zone:

M/s. Sajjad Haider & Co., Chartered Accountants, Dubai.

44. State Life will appoint two firms of Chartered Accountants for audit of accounts of Pakistan Business and a firm of Chartered Accountants for Gulf Zone for the year 2012. As per standing instructions of Auditor General of Pakistan, Ministry of Finance and SECP, an audit firm once appointed cannot normally be changed before it completes its 5 years' cycle. None of the two firms appointed for Pakistan Business has completed its five years tenure. M/s. Riaz Ahmad & Co., have been engaged since 2008 and conducted audit for 2008, 2009 and 2010 and 2011 while M/s. Anjum Asim Shahid Rehman were engaged in 2009 and have conducted audit for 2009, 2010 and 2011.

45. All three existing audit firms have expressed their willingness to audit the accounts for 2012. However, they have requested for increase in their audit fee (Copy of their letters are attached as Annexes "A" and "B" & "C" to the Memorandum).

46. The revision in fee/out of pocket expenses for the year from 2006 to 2011 has been as under:-

Pakistan Business:

(M/s. Anjum Asim Shahid Rahman & M/s. Riaz Ahmad & Co.)

Years 2006 to 2009			Year 2010 & 2011			% increase in 2010 over 2006-9
Audit Fee	Out of Pocket Expenses	Total	Audit Fee	Out of Pocket Expenses	Total	
690,000	414,000	1,104,000	900,000	500,000	1,400,000	28%

Gulf Zone:

M/s. Sajjad Haider & Co., Dubai

(Amount in UAE Dirham)

Years 2006 to 2009			Year 2010 & 2011			% increase in 2010 over 2006-9
Audit Fee	Out of Pocket Expenses	Total	Audit Fee	Out of Pocket Expenses	Total	
25,300	8,050	33,350	40,000	10,000	50,000	50%

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<p>47. It is submitted that both the auditors for Pakistan Business requested for increase in audit fee for audit of accounts of preceding year. The Board Audit Committee had shown its concern on the demand of increase by auditors as it was the renewal of tender because the renewal is usually made on same rates and conditions. For the higher rates, new tenders are required to be called (Annex "D" to the Memorandum). Later, the Board directed F&A Division to ascertain from PPRA authorities if fee can be revised without floating fresh tender. PPRA authorities replied that "as the policy of the Government had been followed by SLIC for appointment of auditors, therefore, the case is returned with advice to approach same departments for requisite clarification (copy of PPRA's reply dated 8th December, 2011 attached as Annex "E" to the Memorandum). Accordingly, the Corporation requested Ministry of Commerce vide letter dated 2nd March, 2012 to provide guideline/mechanism regarding increase in audit fee for a firm of Chartered Accountants if it has to be retained because of non-completion of five years' cycle (Annex "F" to the Memorandum). No reply has yet been received. F&A Division is keeping continuous follow up.</p> <p>48. Matter is submitted for consideration and a decision for appointment of auditors for Pakistan Business and for Gulf Zone; and their audit fee/out of pocket expenses. All the three audit firms tender their consent to undertake the audit of the Corporation for the year 2012 at existing terms and conditions. However, they have requested Board Audit Committee to consider the increase in audit fee.</p> <p>49. It is pertinent to mention that obtaining of prior concurrence from Auditor General of Pakistan is mandatory before the matter is moved to the Board of Directors for their approval. The Board of Directors in its 221st meeting held on 25th July, 2011 (Flag "G" to the Memorandum) advised F&A to obtain a clarification from Ministry of Commerce as to "whether concurrence of Auditor General of Pakistan regarding appointment of auditors is required to be obtained before moving the case to the Board. A letter was accordingly written to the Ministry on 11th August, 2011 (Flag "H" to the Memorandum), with continuous reminders, but no reply has yet been received.</p> <p>50. The Chairman Board Audit Committee Mr. Husain Lawai informed the Board that the above Memorandum was submitted at the 45th meeting of the Board Audit Committee held on 17-09-2012 which after going through the Memorandum has resolved for appointment of the following panel of auditors for the year 2012 with an increase in fees of 10%:-</p> <p><u>Pakistan Business:</u> M/s. Riaz Ahmad & Co., Chartered Accountants, Lahore. M/s. Anjum Asim Shahid Rahman, Chartered Accountants, Karachi</p> <p><u>Gulf Zone:</u> M/s. Sajjad Haider & Co., Chartered Accountants, Dubai.</p> <p>51 The minutes of the 45th meeting of the Board Audit Committee will be submitted for confirmation of the Board at its 229th meeting to be held on 10th October, 2012.</p>			

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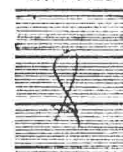

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<p>Action: DH(F&A)</p> <p>Action: DH(F&A)</p> <p>Action: DH(F&A)</p>	<p>52. After deliberations, the Board resolved as under:</p> <p>RESOLVED:</p> <p>a) "that the recommendation of Board Audit Committee for appointment of M/s. Riaz Ahmad & Co. and M/s. Anjum Asim Shahid Rahman as Statutory Auditors for audit of accounts of State Life Pakistan Business for the year ended 31st December, 2012 at a fee of Rs.990,000 and out of pocket expenses of Rs.500,000 each is hereby approved. The concurrence for their appointment be obtained from the Auditor General of Pakistan through Ministry of Commerce."</p> <p>b) "that the recommendation of Board Audit Committee for appointment of M/s. Sajjad Haider & Co. as Statutory Auditor for audit of accounts of State Life Gulf Zone Business for the year ended 31st December, 2012 at a fee of Dh.44,000 and out of pocket expenses of Dh.10,000 is hereby approved. The concurrence for their appointment be obtained from the Auditor General of Pakistan through Ministry of Commerce."</p> <p>ITEM (10) APPROVAL OF AUTHORIZED SIGNATORIES IN INTERNET BANKING.</p> <p>53. The Executive Director (F&A) presented before the Board, a Memorandum dated 29th August, 2012 seeking approval of authorized signatories to sign jointly the application forms for HBL Internet Banking Viewing Facility for provision of the balance/statement reporting service from the Bank for and on behalf of State Life for its accounts at corporate level in Internet Banking.</p> <p>54. The Board of Directors in its 226th meeting held on 4th July, 2012 had earlier authorized Mrs. Yasmin Saud, Executive Director (F&A) and Mr. Muhammad Rashid, Divisional Head (F&A) to sign jointly the application forms for HBL Internet Banking Viewing Facility. The above decision of the Board could not be implemented due to non-availability of one of the signatories i.e. Mrs. Yasmin Saud, ED (F&A) because of her transfer from State Life. Since the resolution has been passed in favour of ED (F&A) and DH (F&A) by name, no other officer can be the signatory.</p> <p>55. ED(F&A) therefore requested that the Board may consider to revise its earlier resolution and adopt a fresh resolution replacing the earlier authorized signatories with new panel of signatories by designation viz. [i] General Manager/Divisional Head (F&A) [ii] General Manager/Divisional Head (Investment) and [iii] Divisional Head (Actuarial). It is further requested that any two signatories from the proposed panel may be authorized to sign jointly the application forms for HBL Internet banking viewing facility on corporate level.</p> <p>56. Accordingly, the Board resolved as under:</p> <p>RESOLVED:</p> <p>"that as recommended by ED(F&A), any two of the following Divisional Heads i.e. DH(F&A), DH(Investment) and DH(Actuarial) be and are hereby authorized to sign jointly the application forms for HBL Internet Banking Viewing Facility for the provision of the balance/statement reporting service from the bank for and on behalf of State Life for its accounts at corporate level in place of Ms. Yasmin Saud(ED-F&A) and Mr. Muhammad Rashid, DH(F&A)."</p>		

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<p>ITEM (11) ENHANCEMENT OF STAFF SALARIES ENGAGED BY ELIGIBLE SALES MANAGERS/SALES OFFICERS.</p> <p>57. General Manager(Marketing) presented before the Board, a Memorandum dated April 11, 2012 regarding enhancement of staff salaries engaged by eligible Sales Managers/Sales Officers.</p> <p>58. The field officers (Sales Managers & Sales Officers) working in Individual Life Zones of the Corporation are provided Seating & Allied facilities on completion of certain predetermined business requirements of First Year Premium income including Second & Third Year and onward Renewal Premium income, with conservancy of previous business.</p> <p>59. ED(Marketing) further informed that their functions and duties are to recommend suitable persons for appointment in the Corporation as Sales Representatives on commission/contract basis and to train, supervise and motivate them to yield the best and maximum results of persistent business production. Against these services, they are compensated with payment of over-riding commission on the premium received by the Corporation through their units. Besides payment of over-riding commission, they are also provided Seating & Allied Facilities (on completion of given business targets) to maintain their Agency Offices to carryout their functions and duties. The Seating & Allied Facilities are inclusive of subsidy for salary of staff engaged by them on reimbursement basis.</p> <p>60. Existing quantum of subsidy for salaries was allowed by the Board of Directors in its 167th meeting held on 13th July 2002 at Peshawar, as under:</p> <p style="margin-left: 40px;">For Naib Quasid: Rs 900/- & Rs 1,000/- per month to eligible Sales Officers & Sales Managers</p> <p style="margin-left: 40px;">For Clerk: Rs 850/-, Rs 1,000/-, Rs 1,200/- & Rs 1,400/- per month to eligible Sales Officers & Sales Managers</p> <p style="margin-left: 40px;">For Driver: Rs 2,000/- per month, only to the eligible Sales Managers</p> <p>61. The Board was further informed that since 2002, no enhancement of said subsidy was allowed, whereas, the first year premium requirements to determine the subsidy have been enhanced by 25% after every three years, starting from the year 2005.</p> <p>62. Due to long outstanding demand of the field officers and to improve their morale, Marketing Division has enhanced the quantum of said subsidy by 100% commencing from 1st January 2012 onwards, on the basis of business performance of the field officers as at 31-12-2011 onwards. The enhancement involves an additional financial impact of Rs 20 Million, estimated annually, variable with the number of eligible Sales Officers and Sales Managers, each year. Estimated financial impact of Rs 20 Million for current year has been provided by the F&A Division in Budget-2012. It may increase renewal expense ratio by 0.05% this year, however, the aggregate renewal expense ratio will remain within the prescribed limit of the SECP.</p>			

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<p>Action: DH(P&GS) DH(Mark)</p>	<p>63. Accordingly, the Board resolved as under:</p> <p><u>RESOLVED:</u></p> <p>"that as recommended by GM(Marketing), to meet the long outstanding demand of the field officers and to improve the morale, post facto approval is hereby given w.e.f. 1-1-2012 of 100% increase in the quantum of the subsidy earlier approved by the Board at its 167th meeting held on 13th July, 2002, on the basis of business performance of the field officers as at 31-12-2011 onwards."</p> <p>ITEM (12) ENHANCEMENT OF STRENGTH OF AREA MANAGERS/ <u>MANAGERS(MARKETING)</u></p> <p>64. ED(P&GS) presented before the Board, a Memorandum for enhancement of strength of Area Manager/Managers(Marketing) which was earlier submitted to the HR Committee at its 10th meeting held on 8th June, 2012 by GM(Marketing).</p> <p>65. ED(P&GS) submitted that the Sector Heads, working usually under the cadre of Manager (Marketing) are those officers of the Corporation who are directly responsible for development of Corporation's business in particular areas where our 26 individual life zonal offices are located. A sector of Manager (Marketing) contains team of two or more Area Managers who are supervised by the Manager (Marketing). A Manager (Marketing) is a regular Officer as governed under State Life Employees' (Service) Regulations, 1973.</p> <p>66. The duties and responsibilities of Area Managers and Managers (Marketing), though, encompass comprehensively almost all facets of field mobilization and activities, but in general, their prime responsibilities are focused on the following business factors:</p> <ul style="list-style-type: none"> a) progressive increase in new business each year against last year's new business to target inflation and to seed for future year's renewals b) conservancy of each year's new business by securing its maximum second year premium c) conservancy of old business by collection of its third and onward years' renewal premium d) induction of new blood into field strength by recruitment of new insurance agents each year e) maximizing clientele by reflecting increase in number of Policies, each year <p>67. ED(P&GS) further informed the Board that the Area Managers are, though, treated as employees of the Corporation as governed under State Life Employees' (Service) Regulations, 1973, but their performance is distinct from that of other employees, as the post of Area Manager is purely business related being run under the cadre of Deputy Manager. They are not appointed directly, rather existing Sales Managers after completion of predefined business criteria are promoted and appointed as Area Managers. On the same lines, an Area Manager is promoted as Manager (Marketing) after completing predefined business criteria.</p> <p>68. Each year, a good number of Sales Managers and Area Managers do qualify for promotion and appointment as Area Manager and Manager (Marketing), respectively, by fulfilling laid down business criteria. These promotions always result into corporate increase in new business besides ensuring conservancy of old business. Since the year 2009, the Corporation's business is gradually increasing due to timely field promotions which is playing a vital role of spreading good sign of corporate image of excellence in its commitments.</p>		

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69. This year, on the basis of performance as at 31-12-2011, more than 100 Sales Managers have completed business criteria for promotion as Area Manager, whereas 113 Area Managers have completed business criteria for promotion as Manager (Marketing). Selection and appointment is subject to clearance by the Selection Committee, after conducting interviews.

70. The approved and existing strength of Managers (Marketing) and Area Managers for business operation in 26 (individual life) Zones is as under:

	Approved	Existing	Difference	Last approved by the BOD in its
i) Managers (Marketing)	150	145	Vacant: 5	194 th Meeting held on 15-04-2008
ii) Area Managers	897	883	Vacant: 14	221 st Meeting held on 25-07-2011

71. The Board was further informed that for the year 2012, the Corporation has set a target First Year Premium (new business) of Rs 15600 Million. Present annual FYP quota per Area Manager is Rs 8.78 Million till 2013 which will be increased @ 25% from 2014 for three years, as per existing rules. Considering first year premium quota of Rs 8.78 Million required to be completed by each Area Manager in 2012, a strength of around 1700 Area Managers is required to achieve the target. Not to limit their performance upto the required quota, however, production of Area Managers is always urged upon maximizing beyond quota by way of performance related perks, incentives and cash prizes.

72. From the year 2012 onwards, the Corporation has set following projected first year premium (new business) targets with minimum 85% 2nd year persistency and 90% Renewal Persistency:

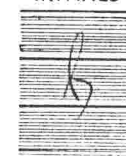
YEARS	2012	2013	2014	2015	2016
FYP Target: (Rs in Millions)	15,672	19,590	24,488	30,609	38,262

73. Marketing Division in its endeavors to achieve and handle the mammoth business targets in the years to come, requires enhancement of strength of Area Managers and Managers (Marketing), right from the year 2012. For scrutiny by financial impact on the enhancement of the strength, the position is stated hereunder:

- i) An Area Manager is required to perform against an operating cost of 10% of the First Year Premium produced by the Area Manager in a year. At an aggregate, however, the Area Managers' average cost is incurring upto approximately 12%. The excess expenses are recovered as per adjusted cost formula approved by the Board. For 2012, the budget provision for 100 Area Managers has been provided by F&A Division.
- ii) A Manager (Marketing) is presently operating against an annual remuneration of Rs 1.13 Million, approximately. For 2012, as such, the budget provision for 40 Manager (Marketing) has been provided by F&A Division.

74. Marketing Division, therefore, proposed to the HR Committee to recommend to the Board to approve the enhancement of existing strength of Area Manager and Manager (Marketing) from 897 to 997 and from 150 to 190 respectively. The HR Committee agreed to the above proposal and recommended to the Board to

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	<p>approve the increase in existing strength of Area Manager and Manager (Marketing).</p> <p>75. ED(P&GS) requested the Board of Directors to kindly consider and approve the recommendations of the HR Committee which has recommended the revision of Area Managers strength from 897 to 997 and Manager (Marketing) from 150 to 190.</p> <p>76. After deliberations, the Board resolved as under:</p> <p>RESOLVED: "that the recommendation of HR Committee to revise the existing strength of Area Managers from 897 to 997 and Manager (Marketing) from 150 to 190 respectively is hereby approved."</p> <p>ITEM (13) COMMERCIAL AUDIT OBSERVATIONS IN RESPECT OF RECOVERY OF OUTSTANDING DUES FROM VACATED TENANTS – WRITING OFF OF THE OUTSTANDING AMOUNT OF RS.2.883 MILLION.</p> <p>77. Executive Director (RE) presented before the Board, a Memorandum pertaining to Commercial Audit Observations in respect of outstanding dues from vacated tenants and writing off of the outstanding amount of Rs.2.883 million.</p> <p>78. DAC vide its meeting dated 28th June, 2012 (Annexure-D to the Memorandum) directed that:</p> <p>"Cases to be identified and Board Memo/Working Papers be prepared for such type of paras and matter may be referred to Board of Directors for writing off once for all. Action to be taken within 7 days. Further court cases to be pursued vigorously."</p> <p>79. It has been calculated that State Life spends on an average of Rs.100,000/- per case if referred to the Court of Law, thus even in the most idle scenario if State Life should be able to recover the outstanding dues of Rs.2.883 million, it will have already spent Rs.5.9 million as cost of litigation thus this mode of action does not seem to be feasible.</p> <p>80. State Life has rented out 64 commercial and residential units all over Pakistan. Commercial Audit (2004-05) has observed that Rs. 21.23 million are outstanding against 91 tenants. The details are as follows:-</p> <ol style="list-style-type: none"> Rs.7.39 million are outstanding against 12 tenants (as per Annexure-A to the Memorandum). The cases are under litigation. Rs.6.38 million are outstanding against 8 tenants (as per Annexure-B to the Memorandum). Negotiations are underway for recovery. 12 tenants have already paid and settled their dues. Rs.2.53 million are still outstanding against 59 tenants which also include electricity, parking and water charges etc. (as per Annexure-C to the Memorandum). 		

Action:

DH(P&GS)

DH(Mark)

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	<p>81. In view of the above, ED(RE) placed the case before the Board to write off outstanding dues as per details given below:-</p> <table><tr><td>i.</td><td>Amount against rent</td><td>-</td><td>Rs</td><td>2.534 million.</td></tr><tr><td>ii.</td><td>Amount against water charges</td><td>-</td><td>Rs</td><td>0.094 million.</td></tr><tr><td>iii.</td><td>Amount against electric charges</td><td>-</td><td>Rs</td><td>0.165 million.</td></tr><tr><td>iv.</td><td>Amount against parking charges</td><td>-</td><td>Rs</td><td>0.090 million.</td></tr><tr><td colspan="4">TOTAL: Rs</td><td>2.883 million.</td></tr></table> <p>82. ED(RE) informed the Board that the above matter was discussed in REIC meeting which had resolved to formally place it before Board for approval of write off of outstanding dues. The minutes of the 23rd and 24th meeting of the REIC would be submitted to the Board at its 229th meeting to be held in October, 2012 for confirmation.</p> <p>83. Accordingly, the Board resolved as under:</p> <p>RESOLVED:</p> <p>"that as suggested by DAC in its meeting held on 28-06-2012 and as recommended by the Real Estate and Investment Committee in its meeting, write off of outstanding dues in respect of rent, electricity charges, water and parking charges of 59 tenants as per Annexure-B to the minutes who have already vacated State Life premises is hereby approved."</p> <p>ITEM (14) POSITION PAPER ON CURRENT STATUS OF AUTOMATION OF STATE LIFE.</p> <p>84. ED (IT) presented before the Board, a Position Paper on current status of implementation of pre-packaged software solution which is placed at Annexure-C to the Minutes.</p> <p>85. The information given in the Position Paper was noted by the Board.</p> <p>ITEM (15) MEDICAL FACILITIES TO RETIRED CHAIRMAN WHO HAVE SERVED THE SLIC FOR THREE YEARS.</p> <p>86. ED(P&GS) presented before the Board, a Memorandum regarding medical facilities to retired Chairman who have served State Life Insurance Corporation of Pakistan for three years.</p> <p>87. The State Life Insurance Corporation allows medical facility to its employees as per Regulations made with the previous approval of Federal Government named as State Life Employees (Medical Attendance) Regulations 1973 which was published in the Gazette of Pakistan on 18th May, 1973.</p> <p>88. The facility to officers is unlimited which include out-patient, consultation, investigations, hospitalization for self and family members who are wholly dependent and permanently residing with the officer concerned.</p> <p>89. The medical facility extended in similar manner to staff members is limited and is imparted as per negotiations with members of collective bargaining Agents (CBA), after every two years.</p>			i.	Amount against rent	-	Rs	2.534 million.	ii.	Amount against water charges	-	Rs	0.094 million.	iii.	Amount against electric charges	-	Rs	0.165 million.	iv.	Amount against parking charges	-	Rs	0.090 million.	TOTAL: Rs				2.883 million.
i.	Amount against rent	-	Rs	2.534 million.																								
ii.	Amount against water charges	-	Rs	0.094 million.																								
iii.	Amount against electric charges	-	Rs	0.165 million.																								
iv.	Amount against parking charges	-	Rs	0.090 million.																								
TOTAL: Rs				2.883 million.																								

Action:
Secretary
(REIC)/
DH(RE)/
DH(F&A)


Action:
DH(IT)

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	<p>90. The post-retirement medical facility announced by Pay & Pension Committee was started in the year 1994 and allowed to all retired officers and their spouses with following conditions:-</p> <p>i. The grant of medical facility was confined to life time of the officers for self and spouse only.</p> <p>ii. The annual monetary ceiling of one month's basic pay last drawn by the officer was applied to the admissible facilities under each of the following heads:-</p> <table><tr><td>a</td><td>Medical attendance/cost of medicines</td></tr><tr><td>b</td><td>Specialists fee/diagnostic tests</td></tr><tr><td>c</td><td>Hospitalization</td></tr></table> <p>91. Recently, the Board of Directors at its 226th meeting held on 4th July 2012 had resolved as under:-</p> <p>that as recommended by HR Committee in its 10th meeting, the following post retirement medical facility to officers, is approved as under w.e.f. 1-1-2012:</p> <p>The allowable limit equivalent to three (3) basic pay be merged and be utilized for any of the head of account i.e. Consultation, Medicines, Hospitalization or Investigations.</p> <p>92. ED(P&GS) informed the Board that the said facility is not allowed to Chairman of State Life Insurance Corporation which is generally allowed to retired Chairmen in various other organizations such as National Bank of Pakistan, Pakistan International Airlines, KPT etc. and other such bodies in public sector.</p> <p>93. In the context of State Life, Chairman has a conservative pay scale (MP-I) as compared to Chairman of other public sector organizations where salary packages touch around Rs.3 million, plus per month. Besides in case of State Life, Chairman, does not draw any bonus despite the large profits annually made by the Corporation.</p> <p>94. ED(P&GS) recommended that those retired Chairmen who have completed the period of 03 years as Chairman State life be allowed medical facilities as permitted to other retired officers of State Life.</p> <p>95. The maximum financial impact of Rs.720,000/- per annum for the present Chairman will be involved. The matter is placed before the Board for consideration and approval.</p> <p>96. After deliberations, the Board resolved as under:</p> <p>RESOLVED:</p> <p>"that as recommended by ED(P&GS), allowing of medical facilities to retired Chairman of State Life Insurance Corporation of Pakistan who have completed three years of service with State Life as permitted to other retired officers of State Life is hereby approved."</p>			a	Medical attendance/cost of medicines	b	Specialists fee/diagnostic tests	c	Hospitalization
a	Medical attendance/cost of medicines								
b	Specialists fee/diagnostic tests								
c	Hospitalization								
Action: DH(P&GS) GM(Med.)			CHAIRMAN'S INITIALS 						

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<p>ITEM (16) FORMULATION OF POLICY FOR PAYMENT OF FEE TO ADVOCATES/LAWYERS.</p> <p>97. The Executive Director (Legal Affairs) presented before the Board, a Memorandum dated 11th September, 2012 regarding formulation of policy for payment of fee to Advocates/Lawyers.</p> <p>98. Since inception of the Corporation; the Chairman and Executive Director Legal Affairs had power to approve fee of the lawyers. The Board of Directors in 157th meeting held on the 11th November, 2000 had approved Charter of Delegation of Financial Powers to various functionaries/officers. According to the Chart, the Executive Director Legal Affairs had no limit with regard to approval of legal fee. The arrangement was functioning smoothly.</p> <p>99. ED(Legal Affairs) submitted that as per circular No. 20(1)/87-LA, dated 22-11-2001, issued by the Ministry of Law Justice and Human Rights under the subject "Formulation of policy for nomination of legal advisors and placement of advocates on various panels" directives were issued that cases where legal fee is above Rs. 100,000 are to be referred to the Ministry for approval.</p> <p>100. The new policy has created hurdles in proper day to day functioning of the Legal Affairs Division. The Corporation sometimes is compelled to resort to legal course of action in matters where financial implication is in millions of rupees. In order to institute or defend such legal cases on emergency basis, the Corporation is handicapped to engage a competent, high profile and professional lawyer or legal firm due to delay viz approval from Ministry of Law, Justice and Human right through Ministry of Commerce, hence unable to effectively lead/defend the cases. As a consequence, in many instances our cases are lost due to poor quality of advocacy. A list of few high profile cases with estimated financial impact is attached Annex-A to the Memorandum.</p> <p>101. ED(Legal Affairs) informed the Board that it has come to be understood that in some public sector organizations, the Board of Directors has authorized the CEO to approve any legal fee to protect the substantial interest of the organization at any cost. On 13-08-2012, in a briefing in the Board Room to the Minister of State of Commerce, the problem was pointed out and he advised that State Life should get approval of its Board to overcome the difficulties.</p> <p>102. ED(Legal Affairs) submitted that in order to protect the Corporation from massive financial losses and ensure the possession of valuable property/right by effectively defending and safe guarding the interest of the Corporation, it is requested to authorize the Chairman to get hired the services of prominent lawyers of higher standing and approve the fee above Rs. 100,000 subject to recommendation by the Executive Director LAD, P&GS and concerned Division and post-facto approval by the Board. We are confident that such inbuilt internal Control System will streamline the payment and also ensure to protect the interest of Corporation effectively.</p> <p>103. After deliberations, the Board resolved as under:</p>			

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<p>Action: DH(LAD)</p> <p>RESOLVED: "that the suggestion of ED(Legal Affairs) to authorize the Chairman for hiring the services of prominent lawyers of higher standing and to approve fee above Rs.100,000/- on the recommendation by the Executive Director LAD, P&GS and concerned Division subject to post-facto approval by the Board is hereby approved."</p> <p>ITEM (17) <u>PERFORMANCE BASED BONUS SCHEME (PBBS) FOR G&P DIVISION FOR THE YEAR 2010.</u></p> <p>104. Executive Director (P&GS) presented before the Board, a Memorandum on Performance Based Bonus Scheme for officers of G&P Division for the year 2010 which was put up at the 6th meeting of the Human Resources Committee of the Board of Directors held on 21st March, 2011 which after review of the Memorandum had resolved as under:-</p> <p>"That the Committee agreed with the proposal for the year 2010 without any retrospective effect of previous years and recommended to submit the matter to the Board at its next meeting for approval."</p> <p>105. P&GS Division had informed the Board of Directors at its 219th meeting held on 22nd and 25th April, 2011 that the Memorandum relating to the above subject would be presented at the next meeting of the Board.</p> <p>106. Under the existing Performance Based Bonus Scheme for G&P Division, the criteria was built around three factors i.e. real business growth(35 points), persistency (20 points) and profitability (25 points). G&P Division has proposed that effective 2009 onwards the points on which bonus is to be calculated shall be determined on overall basis for the whole Division.</p> <p>107. The Board directed that the above Memorandum be resubmitted in the 11th meeting of Human Resources Committee to be held on 1st October, 2012 for examination and recommendation to the Board.</p> <p>ITEM (18) <u>ANY OTHER ITEM WITH THE PERMISSION OF THE CHAIR.</u></p> <p>(I) <u>ESTABLISHMENT OF FULL FLEDGED INDIVIDUAL LIFE ZONE AT KOHAT AND D. I. KHAN.</u></p> <p>108. Executive Director (Marketing) presented before the Board, a Memorandum dated 17th September, 2012 for establishment of full-fledged Individual Life Zone at Kohat and D. I. Khan.</p> <p>109. Within the jurisdiction of Khyber Pakhtunkhwa, life insurance business of the Corporation in specific areas is being secured through Peshawar Zone. The areas of Kohat (Sector Office) and Dera Ismail Khan (sub-Zonal Office) are attached with and working as Sector Offices of Peshawar Zone. Including Kohat and D. I. Khan, business position of Peshawar Zone in 2011 remained as under:</p>			

Action:
DH(P&GS)

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S#	Names of Sector Offices	First Year Premium in 2011 (Rs)
01	Peshawar Cantt.	46,477,874
02	Shaheen (Peshawar City)	26,736,424
03	Minhas (Peshawar City)	32,537,334
04	Mardan	34,507,722
05	Nowshehra	38,231,562
06	Kohat	47,377,041
07	Bannu	23,237,886
08	D. I. Khan	49,476,578
	TOTAL First Year Premium:	298,582,421

110. Entire operational resources for carrying out the routine work of underwriting, field services including commission disbursement, policyholders' services in respect of above areas are made available by the Corporation at Peshawar, being full-fledged individual life Zone. All the above offices are, therefore, required to approach the city of Peshawar for entire services as stated above.

111. Due to extra-ordinary pressure of work related with the Sector offices as integrated at the zonal office of Peshawar, it has been felt necessary that disintegration of services from Peshawar be considered by selecting needy areas for conversion into separate full-fledged zones. The Sector Office of Kohat and D. I. Khan are geographically located away from Peshawar. By the way of upgradation, Kohat and D. I. Khan can be established as full fledged independent Zones to facilitate the field personnel and policyholders of both the areas without any further travelling and reference to the city of Peshawar for services.

112. Business position of KOHAT and D. I. KHAN for the last three years remained as under:

YEAR	KOHAT (First Year Premium)	D. I. KHAN (First Year Premium)
2011	47,377,041	49,476,578
2010	34,365,539	38,656,158
2009	27,684,184	29,033,955

113. Establishment of full-fledged individual life zone requires provision of following services by deputing officers and staff which involves a considerable expenditure:

- i) Underwriting
- ii) Cash Counters
- iii) Commission disbursement to field
- iv) Field Training
- v) Agency Administration
- vi) F&A (employees' Pay Roll and field disbursements including claim payments)
- vii) Personnel & General Services
- viii) I T (field personnel, employees, policyholders data administration)

114. Besides, provision of capital items being essential operational resources also requires substantial one time finance. Difference of rent between existing and new premises for Kohat Zone and Sector Office will be an additional feature of running expenses including maintenance etc, whereas office of D. I. Khan is housed in State Life owned building, already.

115. The Board is requested to kindly consider and allow Marketing Division to proceed further for working out feasibility with exact evaluation of one time and

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running expenditure for establishment of Kohat and D. I. Khan Zones. It is added that the Sector of Kohat was converted into Zone during March 1996 but due to insufficient business potential and progress, it was closed and reverted again during 1998 as Sector Office of Peshawar Zone.

116. After deliberations, the Board resolved as under:

RESOLVED:

"that the recommendation of ED(Marketing) to allow Marketing Division to carry out feasibility study and financial viability for establishment of Kohat and Dera Ismail Khan Zones in view of prospect of growth and SECP directives to encourage Islamic Insurance and submit the same to the Board for its review and consideration was hereby approved."

(II) **REGULARIZATION OF SEVEN IT PROFESSIONAL WORKING ON CONTRACT SINCE 2010 AND HIRING OF EIGHT IT PROFESSIONAL OF VACANT POSITION.**

117. Executive Director (P&GS) presented before the Board, a Memorandum for regularization of services of seven IT Professional currently working on contract since 2010 and hiring of eight IT Professional on remaining already approved vacant position.

118. In 10th IT Steering Committee meeting held on 28th August 2012, Executive Director (IT) presented that services of seven (07) IT Professionals working on It Project since 2010 may please be regularized against respective SLIC cadres mentioned below and permission may be granted to hire IT professionals on remaining eight (08) vacant positions already approved. In this connection a detailed working paper was submitted to the IT Steering Committee. (Copy placed at Flag – A to the Memorandum)

S No.	Name of the Professional	Present Designation	Current Salary (Rs.) PM	Recommended SLIC Cadres
1.	Mr. Muhammad Ali	Project Director	125,000/-	Deputy General Manager
2.	Mr. Behroz Mirza	Assft. Project Manager	100,000/-	Manager
3.	Mr. Osama Khan	Business Analyst	60,000/-	Deputy Manager
4.	Mr. Shah Jehan	Business Analyst	60,000/-	Deputy Manager
5.	Mr. Wajahat Ali Khan	Business Analyst	60,000/-	Deputy Manager
6.	Mr. Abdul Aziz	Business Analyst	60,000/-	Deputy Manager
7.	Mr. Faisal Aziz	Technical Writer	45,000/-	Assistant Manager

119. The IT Steering Committee resolved to agree with the proposal of ED (IT) and advised to present the case in ensuing Board meeting for approval. (copy of the Minutes placed at Flag – B to the Memorandum).

120. ED(P&GS) informed the Board that the Board of Directors in its 192nd meeting held on November 01, 2007 had approved the IT Strategy along with permission to recruit following fifteen (15) IT Professionals for implementation of IT Strategy as follows:-

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Action:
DH(Mark)

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S.No.	Position	Designation	No. of Posts
1.	Project Manager	AGM	01
2.	Assistant Project Manager	Deputy Manager	02
3.	Business Analyst/Co-coordinator	Assistant Manager	09
4.	Report Writer	Assistant Manager	01
5.	Quality Assurance Expert	Deputy Manager	02

121. After completing proper recruitment procedure, thirteen (13) IT professionals were hired on one year contract at market based salaries in 2010 out of which only seven (07) are presently in State Life.

122. ED(P&GS) requested the Board of Directors to consider and approve to regularize the services of IT Professionals as mentioned above.

123. After deliberations, the Board resolved as under:

RESOLVED:

"that the recommendation of IT Steering Committee at its 10th meeting held on 20th August, 2012 at State Life, Principal Office, Karachi, to regularize the services of the following seven IT Professional against respective SLIC cadres is hereby approved with effect from 1st October, 2012:-

S No.	Name of the Professional	Present Designation	Current Salary (Rs.) PM	Recommended SLIC Cadres
1.	Mr. Muhammad Ali	Project Director	125,000/-	Deputy General Manager
2.	Mr. Behroz Mirza	Asstt. Project Manager	100,000/-	Manager
3.	Mr. Osama Khan	Business Analyst	60,000/-	Deputy Manager
4.	Mr. Shah Jehan	Business Analyst	60,000/-	Deputy Manager
5.	Mr. Wajahat Ali Khan	Business Analyst	60,000/-	Deputy Manager
6.	Mr. Abdul Aziz	Business Analyst	60,000/-	Deputy Manager
7.	Mr. Faisal Aziz	Technical Writer	45,000/-	Assistant Manager

"that the recommendation of IT Steering Committee at its 10th meeting held on 20th August, 2012 at State Life, Principal Office, Karachi to hire IT Professionals on remaining eight vacant position at market based salaries as earlier resolved by the Board of Directors at its 192nd meeting held on 1st November, 2007 is hereby approved for strengthening IT Division.

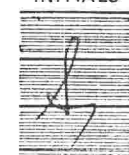
(III) REVISION OF PAY PACKAGE OF COL. @ MOHSIN ALI SHAH, GM(RE).

124. The Board of Directors directed that the above Memorandum be submitted to the HR Committee at its 11th meeting to be held on 1st October, 2012 for examination and its recommendation be submitted to the Board of Directors at its 229th meeting for confirmation.

(IV) PRESENT STATUS – STATE LIFE BUILDING NO.1, FASIALABAD.

125. Executive Director (Real Estate) presented before the Board, a Memorandum regarding present status of State Life Building No.1, Faisalabad which is as follows:-

CHAIRMAN'S INITIALS



Action:
DH(P&GS)
DH(IT)

Action:
DH(P&GS)
DH(IT)



Action:
DH(P&GS)

MINUTES OF 228TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME																								
MINUTE BOOK	KARACHI	19 TH SEPTEMBER, 2012																									
<table border="1"> <tr> <td>4</td><td>Recruitment of Sales Representatives: One mark on every 1% increase over 15% previous year's base recruitment:</td><td>10</td><td></td></tr> <tr> <td>5</td><td>No. of Policies sold: One Mark on every 1% increase over 15% increase over previous year's base:</td><td>10</td><td></td></tr> <tr> <td>6</td><td>General Attitude & Behaviour</td><td>10</td><td></td></tr> <tr> <td>7</td><td>Attendance</td><td>5</td><td></td></tr> <tr> <td>8</td><td>Health & Social Habits</td><td>5</td><td></td></tr> <tr> <td colspan="2">Overall Grading / Rating by Reporting Officer (Zonal Head)</td><td>100</td><td></td></tr> </table>				4	Recruitment of Sales Representatives: One mark on every 1% increase over 15% previous year's base recruitment:	10		5	No. of Policies sold: One Mark on every 1% increase over 15% increase over previous year's base:	10		6	General Attitude & Behaviour	10		7	Attendance	5		8	Health & Social Habits	5		Overall Grading / Rating by Reporting Officer (Zonal Head)		100	
4	Recruitment of Sales Representatives: One mark on every 1% increase over 15% previous year's base recruitment:	10																									
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6	General Attitude & Behaviour	10																									
7	Attendance	5																									
8	Health & Social Habits	5																									
Overall Grading / Rating by Reporting Officer (Zonal Head)		100																									
1 st Countersigning Officer: (Regional Chief)																											
2 nd Countersigning Officer: (Divisional Head-Marketing)																											
Note-1: Marks under items 1 through 5 will be based on Audited Business Figures.																											
Note-2: Only overall "Grading & Numerical Rating" will be recorded against total marks obtained , instead of rating on individual parameters / business indicators.																											
<p>Notes:</p> <p>A) The revised format will take effect from the APARs for the year 2012 onwards till further orders.</p> <p>B) All other rules and regulations governing performance evaluation for all purposes will remain unchanged.</p> <p>C) Reshuffling of Area Manager(s) working under Manager (Marketing) and/or Assistant General Manager (Marketing) will not be allowed after 31st March in a year. Regional Chiefs/Zonal Heads will be required to maintain stability and equilibrium amongst business base of Sectors</p> <p>D) Due to exit of Manager (Marketing)/AGM (Marketing) for any reason in a year after 31st March, his/her team consisting of Area Managers will be placed direct with the AGM (Marketing) of the same Sector or Zonal Head, as the case may be, for remaining period of that particular year.</p> <p>E) Newly appointed Area Managers (after promotion from the cadre of Sales Manager) will not be moved from existing Sector being headed by Manager (Marketing) and/or AGM (Marketing) during currency.</p> <p>F) The revised format will be applicable to Managers (Marketing) and AGMs (Marketing) performing as Sector Heads/sub-Zonal Heads in IL Zones.</p> <p><u>General</u> In case of any clarification if required, the decision of Marketing Division will be final and binding on all.</p> <p>130. The HR Committee of the Board considered the Memorandum in its 10th meeting held on 8th June 2012 at Principal Office and resolved as under for placing the matter for the Board of Directors for approval:-</p> <p>"that the HR Committee after detailed discussion recommended for approval of the Board as follows:</p> <p>a) Since the job of Marketing Executives/Personnel is performance oriented in nature, therefore, discretionary portion of the assessment should be minimized and following amendment may be incorporated:</p>																											

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	<p>Marks for Business Performance Evaluation: 80</p> <p>Marks for Evaluation other than Business Performance: 20</p> <p>Marketing Division to revise the proposed format with the ratio of 80 and 20 marks as elaborated above. New Appraisal system will be effective from 01-01-2012 onwards.</p> <p>b) Maintenance of separate seniority list in respect of Managers (Marketing) & Assistant General Managers (Marketing) falling under the category of marketing personnel may be approved with effect from 01-01-2012 onwards."</p> <p>131. After deliberations, the Board resolved as under:</p> <p>RESOLVED:</p> <p>"that as recommended by HR Committee at its 10th meeting held on 8th June, 2012 the proposed revised format of Part-II of the existing APAR as per Annexure-D to the minutes is hereby approved."</p> <p>"that the recommendation of HR Committee at its 10th meeting held on 8th June, 2012, for maintaining of separate seniority in respect of Managers (Marketing) & Assistant General Managers (Marketing) falling under the category of marketing personnel with effect from 01-01-2012 onwards is hereby approved."</p> <p>132. The meeting ended with vote of thanks to the chair.</p> <div style="text-align: right;">  (CHAIRMAN) </div>		
	<div style="text-align: right;"> CHAIRMAN'S INITIALS  </div>		

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	<div>Annexure-A</div> <div>ITEM (3) CONSIDERATION AND APPROVAL OF MINUTES OF 44TH MEETING OF BOARD AUDIT COMMITTEE HELD ON 30-04-2012.</div> <div>The 44th meeting of the Board Audit Committee of State Life Insurance Corporation of Pakistan held on 30th April, 2012 (Monday) at 03:00 P.M. in the Board Room, 3rd Floor, State Life Building No. 9, Dr. Zia-ud-din Ahmed Road, Karachi.</div> <div>The following members attended the meeting:</div> <div><div>Mr. Husain Lawai</div><div>Member/Chairman</div><div>Mr. Farooq Hadi</div><div>Member</div><div>Mr. Wazir Ali Khoja</div><div>Member</div><div>Mr. Nihal Anwar</div><div>Member</div><div>Mr. Altaf Ahmed Shaikh</div><div>Secretary</div></div> <div>The Board Audit Committee deliberated upon the following items:</div> <div>1. Item 1: To approve minutes of the 43nd BAC meeting & its compliance</div> <div>The minutes of the 43rd B.A.C meeting held on 28th April, 2012 were placed before the Committee and same were unanimously approved.</div> <div>2. Item 2.To review the progress on the matters discussed in previous B.A.C. meetings.</div> <div>1. Tangible Fixed Assets, Coding and Physical Verification & Maintenance of Fixed Assets Registers</div> <div>BAC directed that P&GS Division should maintain registers of fixed assets as suggested by statutory auditors on prescribed formats required under Section 230 of the Companies ordinance 1984, read with Technical Release 6 (TR-6).</div> <div>2. Progress on Sukkur Fraud Case.</div> <div>BAC has noted latest status and suggested that further progress in this regard may be pursued effectively.</div> <div>3. Internal Audit Functions /Appointment of Consultant for Enhancing the Scope of Internal Audit in SLIC.</div> <div>It was dealt as separate agenda item No. 7.</div>		

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<p>4. Application of (International Financial Reporting System) IFRS-4.</p> <p>Due to technical reasons, SECP has asked ICAP technical committee to design new formats of financial statements for Life Insurance companies. Matter has not been finalized by ICAP. BAC has desired that any progress by ICAP may be intimated to Board Audit Committee.</p> <p>5. Anti Fraud Program</p> <p>The BAC recommended that a comprehensive policy may be prepared separately by F&A division in co-ordination with concerned divisions and proposed policy may be submitted to BOD for consideration and approval.</p> <p>6. Revised Chart of Delegation of Financial Powers</p> <p>The BAC recommended that a comprehensive policy may be prepared separately by F&A division in co-ordination with concerned divisions and proposed policy may be submitted to BOD for consideration and approval.</p> <p>7. Provision in respect of Ordinary Shares appearing on defaulters' corner</p> <p>Divisional Head (Investment) informed the committee that matter was discussed in the meeting with senior members of the audit firm, M/s Anjum Asim Shahid Rahman, which was also attended by Divisional Head F&A. It was mutually agreed not to make a provision of Rs.99,036,419 for the reason that the default corner is a temporary placement by KSE due to non compliance of the specified criteria as above. He further informed that provision of Rs.60,871,954 has already been made in 2009. However, it was decided that D.H. (Investment) shall provide details of companies on defaulters corners and submit assessment paper, so that appropriate decision may be taken regarding suggesting further provision in books of accounts.</p>			

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<p>8. Investment Portfolios.</p> <p>The BAC directed that Investment Division may submit detailed position paper on Investment Portfolios (local and foreign) in next meeting of BAC.</p> <p>9. Status on following legal cases:</p> <p>(a) Various cases of SLIC in court for decision.</p> <p>(b) State Life V/s Hamayon Baig Muhammad.</p> <p>(c) The details about the number of pending cases for mutation and title acquired properties which need release from illegal occupation/possession of third parties.</p> <p>BAC has noted the latest status in this regard and suggested effective pursuance by concerned Divisions.</p> <p>10. I.T./Online processing (reference ERP)</p> <p>BAC has directed that I.T. Division shall give presentation on ERP in its next meeting.</p> <p>11. Un-reconciled Subsidiary Balances:</p> <p>Divisional Head (PHS) has informed to the Committee that net financial impact is around Rs. 16 millions which has already been reconciled with the statutory auditors. BAC has noted the latest status in this regard.</p> <p>3. <u>Item 3. To Review the Audit Reports of IA&C Division for the 2nd, 3rd & 4th Quarters, 2011.</u></p> <p>Divisional Head (IA&C) briefed the Committee that at present IA&C division is engaged in the pre-auditing activities i.e. verification of payment vouchers before disbursement. He further informed that an audit manual is under-process to enhance the scope of IA&C division.</p> <p>BAC, however, emphasis that scope of IA&C should be enhanced and it should prepare audit reports as being prepared by statutory auditors since present quarterly reports are infact mere statements. It is therefore decided that DH (IA&C) will propose post audit activities alongwith resources required for such activities in next BAC meeting.</p>			

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<p>4. <u>Item 4. To Review compliance of previous audit objections/reports.</u></p> <p>BAC has directed that all divisions should pro-actively pursue the Audit observations and accordingly frame policies/programs. Similarly, audit paras of Govt. auditors should also be expedited at appropriate forum for their earlier settlement. Progress report in this respect may be submitted to BAC in its next meeting.</p> <p>5. <u>Item 5. To Review Audit plan for the year 2012.</u></p> <p>D.H. (IA&C) should propose Post-Audit activities as discussed at agenda item No.3.</p> <p>6. <u>Item 6. Appointment of Consultant for Preparation of Audit Manual.</u></p> <p>BAC scrutinized the technical and financial criteria of companies and also reviewed the Terms of Reference approved by the BOD in its 216th meeting held on 15-12-2010.</p> <p>After detailed deliberations, BAC decided to re-call the tenders afresh for appointment of consultant on the basis of revised TOR. In order to maintain quality of work, it would be ensure that one audit firm among top five audit firms must be one of our consultant as per resent notification of SECP dated 23.2.2012.</p> <p>7. <u>Item 7. Position Paper -Appointment of Statutory Auditors for Audit of Accounts for the Year ending 31st December, 2011.</u></p> <p>BAC noted that subject matter has already been resolved.</p> <p>8. The meeting ended with the vote of thanks from the chair.</p> <p style="text-align: center;">(Husain Lawai) Chairman, Board Audit Committee</p>			
<p style="text-align: right;">CHAIRMAN'S INITIALS</p> 			

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Annexure-B

ITEM (13) COMMERCIAL AUDIT OBSERVATIONS IN RESPECT OF RECOVERY OF OUTSTANDING DUES FROM VACATED TENANTS – WRITING OFF OF THE OUTSTANDING AMOUNT OF RS.2.883 MILLION.

Tenantwise Rent O/S

As on 30-06-2012

Annexe "C"

List of Vacated Tenant

S.#.	BLDG No.	TENANT NAME	Vacated On	Closing Balance Rent 2003	Closing Balance Electric 2003	Closing Balance Parking 2003	Closing Balance Water 2003	Total Outstanding 30-06-2012
1	SLB 1	Clear net	31-Jan-01	15,000				15,000
2	SLB 1	TCS	30-Sep-96	0	2,470			2,470
3	SLB 1 B	Remfry	30-Jun-98	0		60,800	14,487	75,287
4	SLB 1 C	Frist capital	30-Jun-99	0		7,082		7,082
5	SLB 2	Islamic Investment Bank	28-Feb-98	206,074	18,554	11,600		236,228
6	SLB 2	Equity participation	31-Dec-99	0	4,858		18,750	23,608
7	SLB 2	First Islamic Modarba	03-Sep-98	9,588				9,588
8	SLB 2	Bolan bank	05-Mar-00	15,288		10,400		25,688
9	SLB 2	Asstt.Regitrar	Prior 2000	14,022				14,022
10	SLB 2	ICP	30-Jun-03	13,689				13,689
11	SLB 2	Mazhar Industries		5,504				5,504
12	SLB 2A	M K Fast	Prior 2000	18,570	5,065			23,635
13	SLB 2A	Cosulate Of Panama		124,462	64,708			189,170
14	SLB 2B	Haq Sons	Prior 2000	6,545				6,545
15	SLB 3	Sind Floor Mills	01-Jul-78	10,828				10,828
16	SLB 3	Pioneer Ins.	27-May-84	41,252				41,252
17	SLB 3	Gen.& Comm.Trade	Prior 2000	164,480				164,480
18	SLB 3	Provedence Modarba	01-Dec-01	6,406	3,422			9,828
19	SLB 3	Pakistan Tractor	31-Dec-79	21,550				21,550

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	20	SLB 4	Dossani Agencies	31-Dec-90	45,858				45,858
	21	SLB 4	A Mateen	10-Jan-97	6,473				6,473
	22	SLB 4	Sheikh Co.Trader	07-Jan-99	1,744	14,612			16,356
	23	SLB 4	Meraj Corp.	26-Aug-92	6,993				6,993
	24	SLB 4	Shaukat Textile	27-Nov-88	183,723	25,616			209,339
	25	SLB 5	F.I.A.	08-Oct-92	6,864				6,864
	26	SLB 5	S. Azher Ali	29-Jan-97	25,000				25,000
	27	SLB 5A	Narges D.Sethna	13-Apr-01	10,181				10,181
	28	SLB 5C	Critex co	02-Feb-93	9,631				9,631
	29	SLB 5C	M.Yousuf	Prior 2000	1,744				1,744
	30	SLB 6A	Treasury Office	22-Sep-00	39,639				39,639
	31	SLB 6A	Dawood Trader	26-Apr-93	25,225				25,225
	32	SLB 6A	Penta Express	01-Jan-03	7,518				7,518
	33	SLB 6B	East Pak Cotton	02-Dec-89	15,403				15,403
	34	SLB 6B	Dawood Corp.	20-Apr-93	103,166				103,166
	35	SLB 6B	Director of National Sav	11-Jan-99	26,321				26,321
	36	SLB 7	Trade World	15-Jul-86	32,959	16,743			49,702
	37	SLB 7	Information Sys.	04-Jul-99	113,360	3,428			116,788
	38	SLB 7	Equity Medical	20-Oct-91	55,440	5,015			60,455
	39	SLB 8	Rafa A Qudoos	Prior 2000	300				300
	40	SLB 8	Abdul Majeed	23-10-01	186,052				186,052
	41	SLB 11	M Tufail	01-Jun-98	278,669				278,669
	42	SLB 11	Interplast	Prior 2000	175,978			5,382	181,360
	43	NAZ'BA D.	Khadija Sultana	30-Jun-01	25,025				25,025
	44	1 B QR.	Athar Ahmed	26-Mar-90	31,839			6,042	37,881
	45	1 B QR.	Muzaffar Ahmed	14-Jul-91	27,817			3,954	31,771
	46	1 B QR.	M A Saeed	25-Apr-97	72,700			3,556	76,256
	47	1 B QR.	Zia Ansari	13-Nov-00	42,753			1,825	44,578
	48	1 B QR.	Ismail	Prior 2000	15,338				15,338

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	49	1 B QR.	Tariq Mehmood	Prior 2000	1,895			1,895	
	50	1 B QR.	Aizaz Mubashir	02-Aug-01	65,891		558	66,449	
	51	1 B QR.	Shoib Ahmed		45,370			45,370	
	52	106CLIF	Overseas Reg.	30-May-91	14,765		13,675	28,440	
	53	1A FRR.	Shaujat Ali Khan	12-Jul-00	0		15,643	15,643	
	54	49 A QR.	Mukhtar ul Jalil	11-Jan-81	53,850		2,342	56,192	
	55	49 A QR.	S Abid Javaid	27-Nov-95	1,200		2,202	3,402	
	56	49 A QR.	ABL	01-Sep-92	6,600		5,551	12,151	
	57	49 A QR.	Hamid Mukhtar	Prior 2000	2,410			2,410	
	58	49 A QR.	Iftiqar Yaqoob		57,550		469	58,019	
	59	Gul C.HYD	Southern Comm.		37,923			37,923	
			SUB-TOTAL		2,534,425	164,491	89,882	94,436	2,883,234

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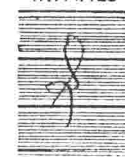
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<p style="text-align: right;"><u>Annexure-C</u></p> <p>ITEM (14) POSITION PAPER ON CURRENT STATUS OF AUTOMATION OF STATE LIFE.</p> <p style="text-align: center;">STATE LIFE INSURANCE CORPORATION OF PAKISTAN</p> <p style="text-align: center;"><u>Position Paper for the Board of Directors</u></p> <p style="text-align: center;"><u>Implementation of Pre-Packaged Software Solution</u></p> <p>The Board of Directors in its 218th meeting held on March 21, 2011 desired to present updated project progress report on implementation of Pre-Packaged Software Solution in every Board Meeting. In compliance of the board directives, subject position is furnished as under:</p> <p>1. <u>Module-wise implementation status of Pre-packaged Software Solution:</u></p> <p>1.1. <u>Investment Module</u></p> <p><i>This modules is comprises over following five (05) sub-modules.</i></p> <ul style="list-style-type: none"> ▪ T – Bill = {Treasury Bills} ▪ TDR = {Terms Deposits Refinance} ▪ TFC = {Term Finance Certificates} ▪ PIB {Pakistan Investment Bonds} ▪ Equity {Money Market} <p><i>The implementation committee (comprising Investment & IT Division resources) and the team of SHMA are working since July 2011 to run application and identify gaps, in parallel with the customization.</i></p> <ul style="list-style-type: none"> • T – Bill & TDR sub-modules were singed-off and are now fully operational. • Implementation activities after customization & development of user required reports for PIB, Equity & TFC sub-modules have been completed. These sub-modules are also fully operational. Presently, User Division is using these applications in parallel and getting confidence by reconciling with manual system. • Formal sign-off for these sub-modules from Investment Division is expected in December 2012 upon reconciliation of quarterly/periodic reports. <p>1.2. <u>Group Life Administration System Module - (GLAS)</u></p> <ul style="list-style-type: none"> • After completion of Gap Analysis phase, the customized software was deployed on test server and implementation team completed testing of functions with real data & Pre-UAT with subject matter specialists. • The formal Users Trainings (to properly hand-over the GLAS module to functional users) for UAT and parallel Run are underway since 1st week of July 2012. For the purpose, implementation teams along with designated resources from SHMA are deployed in G&P Karachi Zone. <p>1.3. <u>Individual Life Administration System Module - (ILAS)</u></p>			

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<p><i>The Individual Life Administration System Module (ILAS) covers almost 80% of the core functions of State Life which includes following sub modules:</i></p> <ul style="list-style-type: none"> ▪ <i>New Business</i> ▪ <i>Policy Conservation & Alterations</i> ▪ <i>Reinsurance</i> ▪ <i>Claim & Loan Management</i> ▪ <i>Agency Admn./Commissions</i> <ul style="list-style-type: none"> • <i>The Gap Analysis phase was completed and signed-off on June 3, 2011 and the same was provided to SHMA to initiate customization. Since diversification of functions in different life insurance products associated with various supplementary riders is very high; therefore Gap Document was provided to SHMA with an understanding that any improvement suggested by the stakeholders during customization process will be accommodated accordingly.</i> • <i>IT Project Office team in collaboration with subject matter specialists from PHS Division are reviewing and elevating the various products for further improvements and incorporation of new functionalities in the system.</i> • <i>After customization of identified Gaps, SHMA started following activities for New Business & Underwriting sub-modules from 26th December 2011.</i> <ul style="list-style-type: none"> ▪ <i>Pre-implementation Preparation</i> ▪ <i>Incorporation of additional features</i> ▪ <i>Generation of compliance Document</i> ▪ <i>Pre-implementation sessions with Technical Users/IT team</i> ▪ <i>Entry of parameters & validation of Reports</i> ▪ <i>Testing of functions with real data</i> ▪ <i>UAT with subject matter specialists</i> ▪ <i>Initiate user Training</i> • <i>Testing of functions with real data & Pre-UAT with subject matter specialists for New Business & Underwriting sub-modules was almost completed in August 2012. During the process users identified some changes; same were forwarded to SHMA for customization. In the mean time, activities to provide requisite infrastructure at Karachi South zone are underway. This will facilitate to start UAT, Parallel Run & user training from mid of September 2012 in this zone.</i> • <i>Besides this, SHMA delivered Claims sub-module after customization of gaps on 22nd June 2012 for Pre-UAT activities. During the process of pre-UAT major deficiencies were identified. Presently, various illustrations related with SLIC products have been provided to SHMA for better understanding and incorporation in this modules.</i> <p>1.4. <u>GL Module</u></p> <ul style="list-style-type: none"> • <i>Final Gap Document was reviewed by functional users of F&A Division and got signed-off on 20th July 2011. In light of identified gaps, SHMA completed customization of this module and delivered for its review and validation in March 2012.</i> 			

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- During the pre-UAT process, some deficiencies in the newly developed Chart-of-Account were surfaced, the matter was discussed with SHMA and F&A Division and preparation of revised version of Chart-of-Account is in process and finalization is expected by the end of September 2012.

2. Deployment of New ICT Infrastructure:**2.1. Preparation of SLIC - Data Centre:**

- Dismantling of existing structure at proposed site was completed.
- Civil works are in progress.
- As per work plan submitted by the vendor, activity is expected to be completed by 15th December 2012.

2.2. Procurement of Branded Servers, Storage Solution and License Software:

- Tender was published in press, SLIC & PPRA's websites on 10th June 2012.
- Bids were collected and technical bids were opened on 19th July 2012.
- Technical evaluation of bids was completed and opening of financial bids is planned to be held on 14th September 2012.

(Saleem Khaliq)
Divisional Head (IT)

Dated: September 6, 2012.

STATE LIFE INSURANCE CORPORATION OF PAKISTAN

Monthly Progress Report on
Implementation of Pre-Packaged Software Solution

September 2012

The Board of Directors in its 226th meeting held on July 4, 2012 directed to submit monthly progress report on implementation of Pre-Packaged Software Solution to the Board Members. In compliance of the board directives, subject progress report is furnished as under:

2. Module-wise implementation status of Pre-packaged Software Solution:**2.3. Investment Module**

This module is comprises over following five (05) sub-modules.

- T – Bill = (Treasury Bills)
- TDR = (Terms Deposits Refinance)
- TFC = (Term Finance Certificates)
- PIB (Pakistan Investment Bonds)
- Equity (Money Market)

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<p>The implementation committee (comprising Investment & IT Division resources) and the team of SHMA are working since July 2011 to run application and identify gaps, in parallel with the customization.</p> <ul style="list-style-type: none"> • T – Bill & TDR sub-modules were signed-off and are now fully operational. • Implementation activities after customization & development of user required reports for PIB, Equity & TFC sub-modules have been completed. These sub-modules are also fully operational. Presently, User Division is using these applications in parallel and getting confidence by reconciling with manual system. • Formal sign-off for these sub-modules from Investment Division is expected in December 2012 upon reconciliation of quarterly/periodic reports. <p>2.4. <u>Group Life Administration System Module - (GLAS)</u></p> <ul style="list-style-type: none"> • After completion of Gap Analysis phase, the customized software was deployed on test server and implementation team completed testing of functions with real data & Pre-UAT with subject matter specialists. • The formal Users Trainings (to properly hand-over the GLAS module to functional users) for UAT and parallel Run are underway since 1st week of July 2012. For the purpose, implementation teams along with designated resources from SHMA are deployed in G&P Karachi Zone. <p>2.5. <u>Individual Life Administration System Module - (ILAS)</u></p> <p>The Individual Life Administration System Module (ILAS) covers almost 80% of the core functions of State Life which includes following sub modules:</p> <ul style="list-style-type: none"> ▪ New Business ▪ Policy Conservation & Alterations ▪ Reinsurance ▪ Claim & Loan Management ▪ Agency Admn./Commissions <ul style="list-style-type: none"> • The Gap Analysis phase was completed and signed-off on June 3, 2011 and the same was provided to SHMA to initiate customization. Since diversification of functions in different life insurance products associated with various supplementary riders is very high; therefore Gap Document was provided to SHMA with an understanding that any improvement suggested by the stakeholders during customization process will be accommodated accordingly. • IT Project Office team in collaboration with subject matter specialists from PHS Division are reviewing and elevating the various products for further improvements and incorporation of new functionalities in the system. • After customization of identified Gaps, SHMA started following activities for New Business & Underwriting sub-modules from 26th December 2011. <ul style="list-style-type: none"> ▪ Pre-implementation Preparation ▪ Incorporation of additional features ▪ Generation of compliance Document 			

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	<ul style="list-style-type: none"> ▪ Pre-implementation sessions with Technical Users/IT team ▪ Entry of parameters & validation of Reports ▪ Testing of functions with real data ▪ UAT with subject matter specialists ▪ Initiate user Training <ul style="list-style-type: none"> • Testing of functions with real data & Pre-UAT with subject matter specialists for New Business & Underwriting sub-modules was almost completed in August 2012. During the process users identified some changes; same were forwarded to SHMA for customization. In the mean time, activities to provide requisite infrastructure at Karachi South zone are underway. This will facilitate to start UAT, Parallel Run & user training from mid of September 2012 in this zone. • Besides this, SHMA delivered Claims sub-module after customization of gaps on 22nd June 2012 for Pre-UAT activities. During the process of pre-UAT major deficiencies were identified. Presently, various illustrations related with SLIC products have been provided to SHMA for better understanding and incorporation in this modules. <p>2.6. GL Module</p> <ul style="list-style-type: none"> • Final Gap Document was reviewed by functional users of F&A Division and got signed-off on 20th July 2011. In light of identified gaps, SHMA completed customization of this module and delivered for its review and validation in March 2012. • During the pre-UAT process, some deficiencies in the newly developed Chart-of-Account were surfaced, the matter was discussed with SHMA and F&A Division and preparation of revised version of Chart-of-Account is in process and finalization is expected by the end of September 2012. <p>3. Deployment of New ICT Infrastructure:</p> <p>3.1. Preparation of SLIC - Data Centre:</p> <ul style="list-style-type: none"> • Dismantling of existing structure at proposed site was completed. • Civil works are in progress. • As per work plan submitted by the vendor, activity is expected to be completed by 15th December 2012. <p>3.2. Procurement of Branded Servers, Storage Solution and License Software:</p> <ul style="list-style-type: none"> • Tender was published in press, SLIC & PPRA's websites on 10th June 2012. • Bids were collected and technical bids were opened on 19th July 2012. • Technical evaluation of bids was completed and opening of financial bids is planned to be held on 14th September 2012. 		
	<p style="text-align: right;">(Saleem Khaliq) Divisional Head (IT)</p> <p>Dated: September 6, 2012.</p>		
	<p style="text-align: right;">CHAIRMAN'S INITIALS</p> 		

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Annexure-DITEM (18(V) ANY OTHER ITEM WITH THE PERMISSION OF THE CHAIR.MODIFICATION IN THE EXISTING APAR SYSTEM FOR MARKETING EXECUTIVES – MANAGER (MARKETING) & AGM (MARKETING).

Revised Format of Part-II of the existing APAR as approved by the Board w.e.f. 1-1-2012 onwards:-

S#	ITEMS	Maximum Marks	Marks Obtained
1	Increase in First Year Premium: One Mark on every 1% increase in FYP over 10% increase:	35	
2	Ratio of Second Year Persistency: One Mark on every 1% over 75% Persistency:	15	
3	Ratio of Third & Over years' Renewal Persistency: One Mark on every 1% over 85% Renewal Persistency:	10	
4	Recruitment of Sales Representatives: One mark on every 1% increase over 15% previous year's base recruitment:	10	
5	No. of Policies sold: One Mark on every 1% increase over 15% increase over previous year's base:	10	
6	General Attitude & Behaviour	10	
7	Attendance	5	
8	Health & Social Habits	5	
Overall Grading / Rating by Reporting Officer (Zonal Head)		100	

1st Countersigning Officer: (Regional Chief)

2nd Countersigning Officer: (Divisional Head-Marketing)

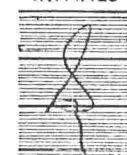
Note-1: Marks under items 1 through 5 will be based on Audited Business Figures.

Note-2: **Only overall** "Grading & Numerical Rating" will be recorded against **total marks obtained**, instead of rating on individual parameters / business indicators.

Notes:

- G) The revised format will take effect from the APARs for the year 2012 onwards till further orders.
- H) All other rules and regulations governing performance evaluation for all purposes will remain unchanged.
- I) Reshuffling of Area Manager(s) working under Manager (Marketing) and/or Assistant General Manager (Marketing) will not be allowed after 31st March in a year. Regional Chiefs/Zonal Heads will be required to maintain stability and equilibrium amongst business base of Sectors
- J) Due to exit of Manager (Marketing)/AGM (Marketing) for any reason in a year after 31st March, his/her team consisting of Area Managers will be placed direct with the AGM

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	<p>(Marketing) of the same Sector or Zonal Head, as the case may be, for remaining period of that particular year.</p> <p>K) Newly appointed Area Managers (after promotion from the cadre of Sales Manager) will not be moved from existing Sector being headed by Manager (Marketing) and/or AGM (Marketing) during currency.</p> <p>L) The revised format will be applicable to Managers (Marketing) and AGMs (Marketing) performing as Sector Heads/sub-Zonal Heads in IL Zones.</p> <p><u>General</u></p> <p>In case of any clarification if required, the decision of Marketing Division will be final and binding on all.</p> <p>=====</p>		
	<p>CHAIRMAN'S INITIALS</p> 