

47TH (EMERGENCY) MEETING OF THE BOARD OF DIRECTORS

HELD AT	ON	TIME	
Karachi	Monday 5th December, 1977	11.30	A.M.

The 47th (emergency) Meeting of the Board of Directors of State Life Insurance Corporation of Pakistan, called pursuant to the notice dated December 4, 1977, was held at Karachi on Monday the 5th December, 1977 at 11.30 a.m.

The following were present :

Mr. D.M. Qureshi - Chairman
 Mr. Nisarun Nabi - Executive Director
 Mr. P. Sequeira - Executive Director
 Mr. Sameeul Hasan - Director
 Mr. S.A. Walajahi - Executive Director
 Mr. M. Zulqarnain - Executive Director
 Mr. S.M. Mahboob, Secretary, Board of Directors was also present.

The following business was transacted.

ITEM NO.1: CONFIRMATION OF THE MINUTES OF THE 46TH BOARD MEETING HELD ON 14TH AND 15TH NOVEMBER, 1977.

The Minutes of the 46th Meeting of the Board of Directors held on 14th and 15th of November, 1977 were confirmed.

ITEM NO.2: TO CONSIDER CHAIRMAN'S MEMORANDUM NO.42/77 RE: MUSLIM INSURANCE COMPANY.

The Board considered Chairman's Memorandum No.42/77 regarding the petitions to be filed by State Life in its capacity as Administrator of the Muslim Insurance Company, under Section 106 of the Insurance Act against the Ex-Administrator and 4 other persons in respect of the embezzlement, misappropriation etc. committed by them. The Chairman explained the necessity of filing the petitions before 9th of December, 1977 and proposed that a specific power of attorney be granted in favour of Mr. S.M.H.Rizvi who is presently acting as nominee of the Administrator. This had been suggested by the Legal Adviser entrusted with this work. The Board decided to grant the required power of attorney and for this purpose passed the following resolution :

R E S O L U T I O N

"RESOLVED that proceedings under Section 106 of the Insurance Act 1938 may be initiated and filed in the Lahore High Court against M/s. Tahseen Ahmad, Ex-Administrator, Muslim Insurance Company Limited, Sharaful Islam Khan, Deputy General Manager, (under suspension), Fazal Illahi Malik, Chief Manager, Alnoor Brahch (under suspension) of Muslim Insurance Company Limited, Islamuddin Rajput and Naeem Hussain Dar of Indus Surveyors, Lahore and/or against other persons who may be added later if need be, in respect of embezzlement, misappropriation, misapplication, misfeasance and retainer in respect of the funds and

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<p>properties of the Muslim Insurance Company Limited committed by them.</p> <p>FURTHER RESOLVED that Mr. S.M.H. Rizvi, Attorney for the State Life Insurance Corporation of Pakistan - Administrator, Muslim Insurance Company Limited be and is hereby authorised and empowered to commence, institute and prosecute the above proceedings against the aforementioned persons and/or against other persons who may be added later if need be and deemed appropriate by him in this regard.</p> <p>ALSO RESOLVED that Mr. S.M.H. Rizvi be and is hereby authorised and empowered to sign and verify the petition, any affidavit, rejoinder or other documents that may be required to be filed in the Court in the above regard and to swear affidavits and to make statements on oath or otherwise before any court or other Authority in the above proceedings and to appoint any Advocate/Advocates for conduct of the above proceedings on behalf of State Life Insurance Corporation of Pakistan - Administrator, Muslim Insurance Company Limited and to do all other acts, deeds and things that may be required to be done in connection with the effectual prosecution and conduct of the above proceedings as already conferred upon him by virtue of the general power of attorney dated 10th day of September, 1977."</p> <p>ITEM NO.3: <u>ANY OTHER MATTER</u></p> <p>(a) <u>TO CONSIDER CHAIRMAN'S MEMORANDUM NO.43/77 REGARDING THE POWER OF ATTORNEY TO THE ZONAL HEADS.</u></p> <p>The Board considered Chairman's Memorandum No.43/77 suggesting that part 2 of the resolution passed at the 42nd Meeting of the Board of Directors held on October 21-23, 1976 may be amended to the effect that the power of attorney to be granted to a Zonal Head in the form already approved by the Board, may be signed by the Chairman and any Executive Director. The aforementioned resolution restricted this authority to the Chairman and the Executive Director (Administration).</p> <p>Agreeing with the proposal the Board passed the following resolution :-</p> <p style="text-align: center;"><u>RESOLUTION</u></p> <p>"RESOLVED that part 2 of the resolution passed at the 42nd meeting of the Board of Directors held on October 21, 22 and 23, 1976 (vide Item No.XI) be amended to read as under :</p> <p style="text-align: center;">"2. That the Chairman and an Executive</p>			

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Director of the Corporation execute on behalf of the Corporation the said General Power of Attorney and have the common seal of the Corporation fixed thereto in their presence."

- (b) TO CONSIDER THE VALUATION REPORT FOR THE PERIOD ENDED DECEMBER 1976 AND TO CONSIDER APPROPRIATION OF SURPLUS.

Mr. Sameeul Hasan, Consulting Actuary, presented to the Board the Valuation Report of the Corporation prepared by M/s. S.S. Akhtar and S. Hasan, Consulting Actuaries, for the two yearly period January, 1975 to December, 1976. Highlighting the features of the valuation, Mr. Hasan stated that a Valuation Surplus of Rs.12.68 crores arose during the period under review (including interim bonuses paid) compared to Rs.10.15 crores in the preceding inter-valuation period ended 31-12-1974, representing an increase of 25% despite the strengthening of various reserves and provisions. The average gross rate of interest yielded by the assets constituting the Life Fund which was 7.5% in 1974, had increased to 8.1% in 1975 and 8.8% in 1976. This, and the other factors detailed in the Report, indicate that State Life is in a healthier financial condition compared to the preceding years. The with profit business by itself was not earning the bonus rate proposed in the report, but the investment income and other sources of surplus have provided the required support for proposing the following rates of bonuses on with profits policies in force for the full sum insured on 31st December, 1976 issued by State Life and the erstwhile insurers whose business was nationalised, excepting the six Companies mentioned below:

A. <u>Class of Policy</u>	Simple Reversionary Bonus per 1000 Sum Assured	
	Total Business, other than U.K. Sterling business	U.K. Sterling business
1) Whole Life Assurances	Rs.30 p.a.	£ 30 p.a.
2) Endowment Assurances:		
a) Term upto 14 years	Rs.11 p.a.	£ 11 p.a.
b) Term 15-19 years.	Rs.17 p.a.	£ 15 p.a.
c) Term 20 years and over.	Rs.25 p.a.	£ 22 p.a.
B. Group Defferred Annuities to receive a cash bonus equal to 8% per annum on 92% of premiums paid, less interest at 3% per annum on 92% of the premiums paid. This bonus to be applied to reduce the next premium.		

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The value of the bonuses thus allocated comes to:

- (i) Rs.35,300 in the form of cash bonuses; and
- (ii) Rs.11,88,02,538 on account of Reversionary Bonus.

Interim bonuses may be allowed at the above rates till the next valuation.

With Profits Policies issued by the following Companies will not be entitled to bonuses at the aforementioned rates. Instead their policies will receive simple reversionary bonus at the rate of Rs.6 per annum per thousand Sum Assured provided the policies were in force for the full sum assured on 31-12-1976 :-

- 1) East West Mutual Insurance Company
- 2) Grand Mutual Life Insurance Company
- 3) International General Insurance Company of Pakistan.
- 4) Pakistan Mutual Insurance Company
- 5) Standard Insurance Company
- 6) Union Insurance Company of Pakistan

The Board discussed the Report in detail and thereafter approved the same in toto, including the bonuses proposed in the Report, and authorised the Chairman to announce the same at the appropriate time.

The meeting then ended with a vote of thanks to the Chair.


Chairman

Confirmed,
subject to amendments suggested today.
13.12.77

CHAIRMAN'S
INITIALS

