

## FOURTH MEETING OF THE BOARD OF DIRECTORS

HELD AT	ON	TIME
Karachi	November 17 & 18, 1972	2:00 p.m.

The Fourth Meeting of the Board of Directors of the State Life Insurance Corporation of Pakistan was held on the 17th & 18th November, 1972, in the Board Room of the Corporation at Karachi, as per Corporation's Notice dated 14th November, 1972. The following were present:

1. Mr. H. U. Beg, SQA, PTS	Chairman
2. Mr. S. F. Alam	Member
3. Mr. Samee-ul-Hasan	Member
4. Mr. D. M. Quraishi, TQA	Member
5. Mr. P. Sequeira	Member
6. Mr. A. A. Toor, PA&AS	Member
7. Mr. S. A. Walajahi	Member
8. Mr. M. Zulqarnain	Member

Messrs S. A. Zahid and S. S. Akhtar attended by special invitation.

Mr. M. Sadiq Khan was in attendance.

The following business was transacted.

ITEM NO: II Confirmation of the Minutes of the 3rd Meeting of the Board held on 6.11.1972.

The minutes of the 3rd Meeting of the Board held on 6.11.1972 at Karachi were confirmed.

Regarding item II(ii) of the Minutes, a question was raised whether it would be advisable to inform the field staff about the impending changes in their remuneration structure at this time. Some of the members thought it was the appropriate time, while others did not share this view on the ground that it may divert attention and adversely affect business production.

It was, ultimately decided that the matter be left to the Unit Heads to deal with it in such manner as they thought fit.

ITEM NO: II To consider and approve the General Power of Attorney for use by the Investment Department.

A draft of a General Power of Attorney in favour of Mr. D. M. Quraishi, Executive Director (Investment), was circulated for the consideration and approval of the Board.

The Board, after due consideration, approved the General Power of Attorney, with minor amendments, and passed the following resolutions to this effect.

“Resolved that Mr. D. M. Quraishi, Executive Director State Life Insurance Corporation of Pakistan be and is hereby given the following General Power of Attorney:

GENERAL POWER OF ATTORNEY

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GENERAL POWER OF ATTORNEY

EXECUTED AT KARACHI ON THE.....DAY OF NOVEMBER, 1972 STATE LIFE INSURANCE CORPORATION OF PAKISTAN.....PRINCIPAL MR. D. M. QURAISHI (EXECUTIVE DIRECTOR) ....GENERAL ATTORNEY

WHEREAS for purpose of facilitating transaction of our business and ensuring speedy and efficient conduct of our affairs, it is expedient and the Board of Directors have resolved to appoint Mr. D. M. Quraishi, our Executive Director, as our General Attorney, and the Chairman and a Director of the Corporation authorised to execute a general power of attorney in his favour.

Know all persons, therefore, by these presents that we, STATE LIFE INSURANCE CORPORATION OF PAKISTAN, established under the Life Insurance (Nationalisation) Order (President's Order No. 10 of 1972) having our Principal Office at Karachi (at present in American Life Building, third floor, I.I. Chundrigar Road, Karachi) (hereinafter called the "Corporation") do hereby nominate, constitute and appoint our Executive Director Mr. D. M. Quraishi as our true and Lawful general attorney (herein called the "General Attorney") for us and on our behalf, inter alia to do the following acts, deeds and things, that is to say:-

- (1) to sign and execute
  - (a) Any application for allotment of shares and issue of share certificates;
  - (b) application for consolidation and splitting of Corporation's shareholdings;
  - (c) deeds for transfer of shares in favour of or by the Corporation;
  - (d) acceptance of allotment and renunciation of allotment of shares in favour of the Corporation;

and have such transfer of shares registered and take all other steps to complete any of these transactions.

- (2) to purchase and pay for and sell, shares, NIT Unit Certificates, debentures and Government securities including Bonds and Savings Certificates for and by the Corporation, collect and realise Income Tax Bonds, interest, dividends and bonus and right shares relating thereto and execute any transfer deeds or purchase deeds, applications and other documents for purposes herein specified;
- (3) to arrange and order for custody of shares and securities acquired, and release of shares and securities transferred or otherwise disposed of, by the Corporation;
- (4) (a) to purchase, acquire or give on lease, hire, hire-purchase or by exchange, grant or otherwise and pay for or sell any movable or immovable property for and on behalf of the Corporation and execute any document in this behalf;

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- (b) to enter into any underwriting, buy-back or debenture financing arrangement with any person, company or other institution and execute any agreement or other document in that behalf;
- (c) to accept any mortgage, charge, guarantee, undertaking or similar security in favour of the Corporation and have the charge registered under the companies Act.
- (d) open and operate any fixed deposit, call deposit or current account in respect of the funds of the Corporation;

5. to get any document, between the Corporation and other party for purposes above, registered under the Registration Act or notarially attested;

6. generally to do all acts completely and effectually to carry out the purposes herein specified;

7. AND the Corporation shall ratify and confirm all that the General Attorney may lawfully do by virtue of these presents.

IN WITNESS WHEREOF WE, STATE LIFE INSURANCE CORPORATION OF PAKISTAN, have caused this power of attorney, to be executed under the hand of the Chairman and a Director of the Corporation, this the day, month and year first above written

FOR STATE LIFE INSURANCE CORPORATION  
OF PAKISTAN

In presence of:

Chairman

1. \_\_\_\_\_

2. \_\_\_\_\_

Director

Limitations as to exercise of General Power of Attorney.

2. Resolved that the powers vested in Mr. D. M. Quraishi, Executive Director, in terms of the General Power of Attorney duly approved under Resolution No; (1) be and is exercisable by him with the prior approval of the Chairman in relation to clauses 2 and 4 therein.

ITEM NO: 111 To consider & approve the Organisational Chart for the Principal Office.

The organisational chart of the Corporation prepared under the directions of Chairman was approved with minor changes as per Annex 'A'

ITEM NO: IV: Job List:

A job list indicating the various jobs to be undertaken, the persons responsible there-for and the time by which the jobs were required to be completed was approved as per Annex 'B' The following observations were made in this connection:

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ITEM NO: V: To consider papers on Temperate Zone Rebates and Terminal Bonus by M/s S. A. Zahid & S. S. Akhtar.

The papers written by M/s S. A. Zahid and S. S. Akhtar on the subject were considered. It was observed that the existing rebate of 8% on residents in temperate zones was allowed at a time when different mortality tables were used on Indo-Pakistanis' lives. The table which now formed the basis for the Corporation's rates was not very different from the actual mortality experience of Pakistanis abroad. It was therefore, felt that there was no justification for the continuation of the rebate and it was decided to discontinue it.

Terminal Bonus:

It was agreed that there was no justification for Terminal Bonus now and it was decided that it should be discontinued and a press note issued explaining the whole position. It was also decided that the question of timing may be brought in the next Board meeting for discussion.

ITEM NO: VI: Life Reinsurance:

The Board considered the working paper prepared by Mr. Sameeul Hasan and approved the following recommendations in principle

- 1) Each Unit's retention should be Rs. 3.5 lacs.
- 2) There should be no pool. Each Unit was strong enough to keep a retention of Rs. 3.5 lacs. By eliminating the pool much useless work could be cut out.
- 3) For cases over Unit's retention, cessions should be made on "risk premium basis" under a treaty with a foreign reinsurer. The terms of the treaty should be negotiated by the Principal office but the treaty should be signed by the Unit General Manager. There could be a treaty each with Munichre, Swiss Re and Mercantile General. However, quotations may also be invited from other foreign reinsurers of repute.
- 4) Reinsurance beyond treaty limits should be placed facultatively.

It was observed that in view of the ban imposed by the Government on placing of Life reinsurance abroad, the matter would have to be taken up with the Government. It was decided that Mr. Sameeul Hasan would prepare a draft reference to the Government, which would be brought up to the Board for consideration and approval.

ITEM NO: VII Delegation of Powers:

Mr. S. F. Alam raised the point that it was not clear whether under the existing Regulations the General Managers could delegate their powers to their subordinate officers. It was felt that while the Regulation could be made more explicit on the subject at the time of making amendment, the difficulty could be overcome by requesting the Chairman to authorise the General Managers to delegate the powers, as the Chairman was competent to do so under Regulation 6(1) read with Regulation 9(2).



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In view of the urgency of the matter, the General Managers of the three Units 'A', 'B' and 'C' made a formal request to the Chairman for authorisation to delegate to their subordinate officers such of the powers as are vested in them under Regulation 9(2)(a) to (h) of the State Life Insurance Corporation (General) Regulations, 1972 and to perform such functions and duties as in their opinion may be necessary or desirable for the efficient conduct and management of the affairs of the Units.

The Chairman in exercise of the powers vested in him under Regulation 6(1) read with Regulation 9(2) was pleased to grant the request of the General Managers.

Under Regulation 11(1) "Validation of Contracts", the Board passed the following resolution authorising the officers designated by the General Managers to sign policies.

"Resolved that the Board do hereby authorise the signing of policy documents on behalf of the Corporation by such Officers as may be designated by the General Managers concerned in their respective Units, under Regulation No: 11(1) of the State Life Insurance Corporation (General) Regulation and that the names of such designated officers be furnished by the Unit Heads in due course to be recorded by the Corporation to form an integral part of the said resolution and be deemed to be ratified by the Board."

ITEM NO: VIII Other items.(i) Telegraphic Address:

It was decided to adopt "STATELIFE" as the telegraphic address for the Principal Office of the Corporation. Mr. Sequeira informed that, for the time being, he had changed the telegraphic address of his Unit as 'C' Beema. It was decided that the other Units should also change their Telegraphic address on the same lines

(ii) Working Hours:

It was the consensus that working hours should be made uniform through out the Corporation. However, as the existing practice differed from company to company it was necessary to examine the practical aspects of the implementation of this decision. It was decided that the matter would be considered by the three Unit Heads who would make their recommendations.

(iii) Advances:

Mr. Walajahi enquired whether the advances permissible under the law should continue to be allowed despite the overall excess. It was decided that for the time being no advance should be paid till 31st December 1972. From 1st January 1973, however, advance permissible under the law may be allowed.

It was further decided that Unit Heads should make further efforts to accelerate to the recovery of outstanding advances.

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(iv) Transfer of staff within the system:

Mr. Walajahi enquired whether the restriction imposed by the Board on the transfer of field staff from one company to the other was also applicable to office staff.

It was clarified that the restriction was only for the field staff, where such transfers could affect the business adversely. In the case of office staff, there was no objection to such transfers if they were in the interest of the organisation.

(v) Group Insurance:

It was felt that the rate of Group Insurance within the same unit should be uniform and should be determined in consultation with the Principal Office.

It was decided that a paper should be prepared on the subject by Mr. Walajahi and Mr. Zulqarnain who may also consult the Actuaries in this respect.

(vi) Registry of information on substandard lives:

Previously information regarding sub-standard or non-insurable life was sent to Insurance Association of Pakistan, who, in turn, used to circulate this information to all its members. It was felt that after nationalisation the work should be taken over by the Corporation. It was decided that Mr. Alam would prepare a scheme for the takeover.

(vii) Meetings of the Board:

It was decided that in future the meeting of the Board should be held on Thursday. The Agenda and the working papers should be circulated fairly in advance in any case not later than the preceding Saturday.

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

*confirmed as amended.*  
*2262*  
*30/11/72*

*[Signature]*  
 Chairman