HELD AT	, ON	TIME	
Karachi.	Tuesday June 6, 1978	11.00	A.M.

The 52nd Meeting of the Board of Directors of State Life Insurance Corporation of Pakistan, called pursuant to the notices dated 24th & 27th May, 1978 was held at Karachi on 6th June, 1978 at 11.00 A.M.

The following were present :

Mr. D.M. Qureshi - Chairman
Mr. Samee-ul-Hasan - Director
Mr. Nisar-un-Nabi - Director
Mr. P. Sequeira - Director
Mr. S.A. Walajahi - Director

Mr. S.M. Mahboob - Secretary, Board of Directors

Following business was transacted :-

ITEM 1: CONFIRMATION OF MINUTES.

The Minutes of the 51st Meeting of the Board of Directors held on 20th April, 1978 were confirmed.

ITEM 2: SECRETARY'S IMPLEMENTATION REPORT.

The Secretary's report on the implementation of the decisions of the Board meetings was considered. While noting that most of the decisions had been implemented, the following observations were made in respect of the decisions not implemented:

Action by Chairman/ED(B&A).

Decision taken at 42nd Meeting held on 23-10-1976.

"Preparation of the assets register in respect of furniture, fixture, office equipments and vehicle".

Chairman had requested the ED(B&A) at the 51st Board Meeting, to look into the matter and to arrange expeditious disposal of the matter by the P&GS Division. In consequence the P&GS Division reported that assets registers had been completed except for the Karachi Zone who have been reminded to expedite completion of the registers without further delay.

The Board took a serious view of the delay in the implementation of this decision even after 19th months, and requested ED(S&D)S to look into the causes of non-compliance by Karachi Zone.

Action by EDs(S&D)N&S.

Decisions taken at 46th Meeting held on 15-11-1977.

1. EDs(S&D) in consultation with the Consulting Actuaries to finalise new Term Insurance Plans to be launched in early 1978.

The Board decided that the plan may be included in the Prospectus (Rate Book) and the Zonal Heads may be advised about it. No publicity campaign may be launched.

HAIRMAN'S INITIALS

	52ND MEETING OF THE	BOARD OF DIRECTORS	
TORS	HELD AT	ОИ	TIME
BOOK .	Karachi	Tuesday June 6, 1978.	11.00
			A.M.

Rules to be made re: Field Consultative Committee.

It was reported by ED(S&D)N at the 52nd meeting that they are under preparation.

Action by Mr. S.A. Walajahi. ED(S&D)S. (PHS) & (D/S).

Decision taken at 42nd Meeting held on 23-10-1976.

1. Creation of a team to clear and arrest the increase in the suspense account.

On 17-4-1978 the ED informed the Board that the work is in progress and he will bring up the matter to the Board in due course.

The ED advised the 52nd meeting that as a result of formation of special teams and other measures taken for clearance of suspense accounts, the amount in suspense which was 2.56 crores constituting 10.01% of 1976 R.P. was brought down to 2.01 crores (provisional) representing 7.52% of RP for 1977. Simultaneously, measures had been adopted to arrest the growth of new suspense. Due to the difficulties in computerising the work of new suspense, it had been decided to maintain the status quo until the Computer Division be in a position to take this work.

The Board suggested that the job may be accomplished in accordance with the procedure already set up for a cut-out date for the suspense account.

Decision taken at 45th Meeting held on 24-7-1977.

- 2. Settlement of claims and measures required to improve the position:
 - (a) ED/advise the Board of the system and procedure devised to examine and settle outstanding maturity claims.
 - (b) ED may appoint a Committee to examine all maturity claims outstanding for over six months.
 - (c) Claims outstanding for five years be written off on the basis of a procedure to be drawn up.
 - (d) To circulate a quarterly report to the Directors regarding outstanding claims.

The ED advised the Board at 52nd meeting, that under instruction of ED(PHS), DGM(PHS) and AGM(PHS) have made certain investigations in regard to settlement of maturity and death claims. Based on their preliminary studies a comprehensive strategy is being developed for the implementation of the Board's decision with effect from 1-9-1978. The report pertaining to outstanding claims as at 31-12-1977, is being finalised and pending confirmation of the figures from the accounts department it will be circulated to the Board members by 1st July, 1978.

CHAIRMAN'S INITIALS

AZOO LTD. O. (P.) LTD. RACHI. 239856 -72/500-139

HELD AT	ON	TIME	
Karachi	Tuesday June 6, 1978	11,00	A.M.

Decision taken at the 51st Meeting held on 20-4-1978.

3. ED was requested to examine and report to the Board the possibility of sending premium notices to APL policy holders also.

The ED promised at the 52nd meeting, to do so.

ITEM 3: HONDRARIUM TO MR. N.A. JAJVI.

The Board considered Chairman's Memorandum No.41/78 proposing that in consideration of the additional work being done by Mr. N.A. Jajvi, DGM, Investment Division, of handling the investment portfolio of the Employees Old Age Benefits Institution, he may be allowed a Special Pay of Rs.200/- per month as an addition to his existing emoluments.

The Board approved the proposal and decided to sanction w.e.f. 1-4-1978 a Special Pay of Rs.550/- per month to Mr. N.A. Jajvi for as long as he is called upon to shoulder the additional responsibility of handling the investment portfolio of E.O.B.I. With effect from the same date, the Special Pay of Rs.350/- per month being drawn by Mr. N.A. Jajvi stands withdrawn. The said Special Pay of Rs.550/- will cease to be paid should Mr. Jajvi relinquish the responsibility of E.O.B.I. work, in which event he will draw only Rs.350/- as Special Pay.

ITEM 4: LATE SYED SALIMUDDIN - GROUP INSURANCE.

The Board considered Chairman's Memorandum No.42/78 proposing that in line with the Board's earlier decision not to treat the officers less favourably than unionised staff drawing comparable emoluments in relation to the compulsory Group Insurance coverage till such time that the Pay Commission's Report is implemented, a sum of Rs.25,000/- be paid in respect of the claim of Late Mr. Syed Salimuddin, Junior Officer.

The Board approved the payment of a total amount of Rs.25,000/- less Rs.10,000/- payable under the compulsory Group Insurance Cover. The Board also decided that if as a result of the Pay Commissions Report and having regard to its effective date Mr. Salimuddin would have been entitled to a larger amount of insurance, that additional benefit be also allowed.

ITEM 5: AREA MANAGERS : FAILURE TO MEET PERFORMANCE STANDARDS OF 1977.

CHAIRMAN'

The Board considered Memorandum No.47/78 of the Executive Directors (S&D), presenting, in compliance with the Board's decision at 49th meeting, the following formula for the deductions which may be effected from the emoluments of the Area Managers who failed to meet the performance standards in 1977:

DEVELOPED AREAS

Quota completed, total expense Direct and Office (excluding incentive) within 10%.

INSURANCE CORPORATION OF PAKISTAN

ECTORS		HELD AT	ON	TIME
JTE BOOK	Karachi Tuesday Jun		Tuesday June 6, 1978	11.00
	2.	Quota not completed, total ding incentive bonus) withi	expenses Direct & Office (exclu- n 10%.	A.M.
			ACTION _	
	3.	incentive bonus) exceeds 10	mses Direct & Office (excluding %.	
		(a) Direct cost in excess	of 5%. office in excess of 5%.	
0		will be recoverable.	and 50% of excess over 10% Actual percentage at ED's pard to non-recurrent and included.	
		(b) Direct within 5% but 0	ffice cost in excess of 5%.	
		As in (a), but little	more lenient.	
		(c) Direct cost in excess	of 5%. Office Cost within 5%.	
		As in (a).		
	4.	Quota not completed. total bonus) exceeding 10%.	expense (excluding incentive	
		(a) Compute pro-rata deduction of shortfal direct cost after said	1 of quota. Recompute	
		(b) If recomputed direct c 10% of actual performa	ost and office cost within nce, no further action.	
		10%. Here rate up pro	ost and office cost exceeds -rata deduction on account 25% to 100%, depending on	
	5.		proceed as above, but "5%" and in same proportion as fixed ped quota.	
	6.	In every case where expense pense items, specially offi tion by staff withdrawal et	exceeds margin, scrutinise ex- ce expenses, for possible reduc- c.	-
	7.	to break even on total cost	en points should be fixed so as (excluding incentive). Indivi- having regard to past perfor- and budgetted increase.	
	in tha	respect of 1977 performance	e mentioned formula for application and also approved the suggestion onditions in 1977 curtailment of	CHAIRMAN'

emoluments be kept at the minimum in accordance with the recommendations of the EDs(S&D) who had also proposed certain deviations due to exceptional circumstances, details of which were provided

CHAIRMAN'S INITIALS

AMAZOO LTD. & CO. (P.) LT. KARACHI. L: 239856 3/11-72/500-139

in the Memorandum.

HELD AT	ON .	TIME	
Karachi.	Tuesday June 6, 1978	11.00	A.M.

The Board noted that the strict enforcement of 'cuts' as proposed in the formula for 1977 would result in a recovery of Rs. 4.23 lakhs from the Area Managers as compared with Rs.0.86 lakhs intended to be recovered but considered that the leniency shown was justified by considerations of exceptional conditions obtaining in 1977 despite which direct costs and office expenses had both been contained within 5% each, and the total within the prescribe limit of 10%.

 $% \left(A\right) =\left(A\right) +A\left(A\right)$ Also decided that the formula may be used as a guideline for future implementation

ITEM 6: STATE LIFE COMPUTER.

The Board considered Memorandum No.44/78 of the Executive Director (PHS) regarding the financial and administrative arrangements that must be finalised before the arrival of State Life Computer in December, 1978. The ED recommended that the Board may approve the capital expenditure of Rs.17 million, sanction the required staff strength for the Computer Division, approve an appropriate scale of Technical Pay for the Computer Staff, and appoint a committee for executing the jobs preparatory to installation of the equipment.

The proposals were discussed at length and it was decided to segregate the issues into those which required urgent solution, and those that should be resolved after detailed study and deliberation. Accordingly the Board took the following decisions:

(a) The Board sanctioned the estimated capital cost amounting to Rs.8.00 lacs in relation to items at No.3, 4, 5, 6, 9 and 11 listed in schedule 'B' attached to the Memorandum. As regards cost of item at No.1 & 2 it was decided to incur this capital expenditure of 143 lacs in the year 1979 and to provide for it in the capital budget for 1979. As for items at No.7, 8, 10 and 13 it was decided that they be scrutinised by a Committee whose recommendations as approved by the Chairman will be deemed to have been approved by the Board. The Committee will comprise of the following:-

- 1. E.D.(PHS)
- Convenor
- 2. D.G.M.(B&A)
- Member
- 3. Chief Engineer
- Member
- 4. Chief, Internal Audit
- _
- & Evaluation.
 5. A.G.M.(DPD)
- Member
- 6. D.G.M.(P&GS)
- Secretary

(b) For determining the staff strength, the Board decided that the matter be examined by a Committee, whose recommendations, as approved by Chairman, will be deemed to have been approved by the Board. This Committee will comprise of the following:-

- 1. Mr. S.A. Walajahi
- Executive Director Convenor
- 2. Mr. Samee-ul-Hasan
- Director & C.A.
- 3. Mr. Nisar-un-Nabi
- Executive Director
- 4. Mr. P. Sequeira
- Executive Director



E BOOK

52ND MEETING (F THE	BQARD OF	DIRECTORS.		
HELD AT			ON	The second secon	TIME
Karachi		Tuesd	ay June 6, 19	78	11.00
				-	A.M.

- (c) The Board did not approve payment of Technical Pay to the Computer Staff, as proposed. Instead, it was decided that all new staff should be hired on contract basis on remuneration commensurate with the market rates. The existing staff may also be considered at State Life's option to be allowed to switch over to the contract basis. All these matters shall be decided by the Chairman, on the recommendations of Committee of Directors, as at (b) above, which approval shall be deemed to be the approval of the Board.
- (d) The Board further decided that all administrative arrangements, including the execution of jobs for preparation of site of the computer, shall be undertaken by the Committee mentioned at (a) above.
- (e) The Board further decided that the feasibility of forming a subsidiary company inter alia for economy of the computer operation be also examined taking all factors into account including the incidence of income tax liability of State Life vis-a-vis the subsidiary in regard to the operation etc. and a report in this behalf be presented by ED(PHS) for the consideration of the Board.

ITEM 7: LIMRA SEMINAR.

The Board considered Memorandum No.45/78 of the E.D. (S&D)S suggesting that State Life should arrange in Pakistan in 1979 two schools of the Life Insurance Marketing and Research Association of USA, and for this purpose approve an expenditure of Rs.8 lacs. While approving the scheme in principle the Board desired ED(S&D)S to firm up the proposal as regards estimated expense, the possibilities of attracting financial assistance from foreign agencies through the proper channels and other ground work. ED(S&D)S may initiate implementation and revert to the Board for budget sanction after the proposal has been firmed up.

ITEM 8: FIELD REPRESENTATIVES : MATTERS DISCUSSED AND DECIDED

The Board considered Memorandum No.46/78 of the E.D. S&D (North) recounting the details of discussions of the Directors Committee with the field representatives in Lahore in May, 1978, and the resultant decisions requiring the Board's approval as detailed below:

Amendment of Section 40(2A) of the Insurance Act.

The Government be moved to amend Section 40(2A) of the Act whereby reference to any medical examination being necessary for the revival of a lapsed policy, automatic paid-up policy and re-instatement of a paid-up policy to the full Sum Assured be obviated, provided that a period of at least three months intervenes between the date of lapse or paid-up as the case may be, and subject to the realisation of the arrears by the agent concerned, fulfilment of under-writing requirements, notice to the former agent and subject to such further conditions, if any, as may be approved by the Government. The draft amendment be submitted to Government with the approval of the Chairman.

CHAIRMAN': INITIALS

AAZOO LTD. CO. (P.) LTD. ARACHI. 239856 1-72/500-139

Karachi Tuesday June 6, 1978 11.00 A.M.

Medical Facilities Scheme for SOs and SMs.

Certain changes be introduced in the Medical Facilities Scheme available to Sales Officers and Sales Managers for the remainder of the current year (1978) only which will, inter alia, provide an incentive to the field workers concerned to substantially increase the business performance in the current year, as an adhoc measure and pending rationalisation of field facilities generally which are under consideration. The provision of incentives, as detailed hereunder, not to detract from the facilities already existing.

(a) Adhoc enhancement in room rent charges for 1978 only. (Admissible only on 30% increase)

Sales Officers from Rs.25/- to.Rs.35/- Sales Managers from Rs.30/- to Rs.40/-

(b) Adhoc enhanced Delivery Charges for 1978 only (admissible only on 30% increase).

In clause 7 of the existing Medical Scheme, for the figures Rs.350/- and Rs.300/-, the figures of Rs.500/- and Rs.400/- respectively shall be substituted.

(c) Entitlement of Medical Benefits irrespective of age.

In clause 3(a) of the Medical Scheme, for the figures 57 years and 58 years, the figures 59 years and 60 years respectively shall be substituted.

(d) Medical Treatment outside the Station of pos-

Sales Officers, Sales Managers and their families who qualify for medical benefits under the scheme will be allowed medical treatment under the scheme outside the station of their posting provided that they inform their prospective Zonal Heads who will consider and authorise the prescribed expenses for medical treatment, etc. on the merits of the cases within the purview of the overall scheme.

(e) Spouse of SO/SM qualifying as dependent family member.

The spouse of a Sales Officer or Sales Manager who qualifies for medical treatment in respect of a dependent family member under Clause 3(c) & 3(d) of the field medical scheme not to be debarred from being considered as a member of the family for the purpose of the scheme merely by virtue of the fact that he/she is holding an Agent's licence provided that the said spouse is not earning any other income.

INSURANCE CORPORATION OF PAKISTAN

RECTORS	HELD AT	ON	TIME
UTE BOOK	Karachi	Tuesday June 6, 1978	11.00
	/		A.M.
	(f) Adhoc inclusion of Den only (admissible only	on 30% increase).	
	Dental treatment be in to the following exten	cluded in the Scheme it:	
	i) Consultation fee o Dental Surgeon.	of To be treated as Specialist fee.	
	ii) Expenses for extra tion of teeth.	Surgical expenses (not to be taken in the limit).	
	iii) Expenses for abces treatment.	s To be accounted for in the limit.	
	iv) Exp e nses for filli of teeth, not gold filling.	ng To be accounted for in the limit.	
	v) Expenses for scali of teeth.	ng To be accounted for in the limit.	
	(g) Overall limit of medic	al expenses.	
	of the Medical Scheme increased by 10% on an in the case of Sales O who in 1977 completed of first year premium	expenditure under Clause 4 for out-door treatment be adhoc basis for 1978 only fficers and Sales Managers more than 30% of the limits required to be completed in ales Officers and Sales	
	(h) Adhoc inclusion of Fat Medical facility durin	her and Mother in	
	patient of the depender Sales Officer and Sales ble limits be sanction Sales Officers and Sale	asis, treatment as out-door nt father and mother of a s Manager within permissi- ed in the case of those es Managers who in 1977 com- he present prescribed levels me.	
	Persistency.		
	The Government be moved within Rules $39A(5)(\mathring{\mathbf{v}})$ and $39B(8)$ of the existing rates prescribed for payment between 70% and 80% and 80% and 90% and the necessary draft amendment pations, if any, be submitted to the Chairman.	nt of commission on persistency be split into fractional units rescribing the terms and condi-	CHAIRMAN'S INITIALS

CHAIRMAN'S INITIALS

HELD AT	ON	TIME	N I
Karachi	Tuesday June 6, 1978	11.00 A	.M.

Group Insurance Cover.

The existing eligibility and levels of Group Insurance Cover applicable to field workers be increased for 1978 only on an adhoc basis by 30%, based on 1977 performance pending rationalisation of field facilities already proposed.

The Board accorded its approval for implementation of the proposals as outlined above.

ITEM 9: INVESTMENT IN NDFC DEPOSIT SCHEMES.

The Board considered Chairman's Memorandum No.47/78 presenting an analysis of the State Life's investment in the deposit schemes of National Development Finance Corporation and the advisability of making further investments in these schemes.

In view of the facts that investment in the schemes qualify as 'approved investment', the rate of interest is very attractive; and the security being strong since the entire share capital of NDFC is owned by the Government of Pakistan, the Board approved an additional investment upto Rs.30 million in the NDFC deposit schemes.

ITEM 10: INVESTMENT : DEBENTURE LOAN TO PREMIER TOBACCO.

The Board considered Chairman's Memorandum No.48/78 recommending that State Life agree to underwrite the public issue of the non-convertible debentures of the Premier Tobacco Industries Limited, of Rs.15 million, in the amount of Rs.5 million, carrying an interest of 4% above the Bank Rate. In view of the good operating profit margin, satisfactory financial position and payment record, the Board approved underwriting of these debentures in the amount of Rs.5 million, on the following terms and conditions:

The company to pay to State Life -

- 1. (a) Project Examination and Professional Assistance fee @ ½% of the nominal amount of debentures to be subscribed by State Life. The fee will be non-refundable.
 - (b) Commitment charge 2 1½% per annum payable quarterly on the principal sum of debentures remaining undisbursed after 30 days from the date of issue of sanction letter.
 - (c) Underwriting commission @ 1% of the nominal amount of public issue underwritten.
 - (d) (i) Interest on debentures @ 4% above the Bank Rate per annum payable half-yearly.
 - (ii) Additional interest @ 2% over and above the rate of interest given at (i) above on the principal, interest and other dues remaining unpaid on due dates.



INSURANCE CORPORATION OF PAKISTAN

IRECTORS		HELD AT	HE BOARD OF DIRECTORS	TIME
NUTE BOOK		Karachi	Tuesday June 6, 1978	11.00
	2.	the company ranking pacreated in favour of	nt and future assets of ari-passu with the charge other senior creditors on all present and fu-	A • M •
	3.		welve half-yearly instal- eriod of two years from -	
	4.	Prior to the disburse	ment of loan, the company to:	
		(a) furnish evidence been obtained for debentures (Rs.1	the balance amount of	
			rder of the Controller for the issue of deben-	
		(c) appoint Trustee to Deed with the pri	o the Debenture Trust or approval of State Life.	
	5.	The company to submit tions as and when req	information on its opera- uired by State Life.	
	6.	Such other terms and may prescribe.	conditions as State Life	ě
	7.	tance will remain val	itment for financial assis— id for one year from the he case by the ^B oard of	
	ITEM 11:	REVIEW OF ORDINARY LI	FE BUSINESS.	
	business noted wit quarter o	5 containing a review of the Corporation from h satisfaction that the f 1978 showed a growth f 1976. The Renewal P	Memorandum No.49/78 of the ED(PHS of the Ordinary life insurance m January to April, 1978. It was e First Year Premium in the first rate of 31% compared to the firs remium income upto April, 1978 in orresponding period of 1976.	t
	ITEM 12:	PAYMENT OF HONORARIUM	TO DPD STAFF.	
	jobs and be made b age of st leted thr It was so through t	commending that the com updating of other pend by certain officers of aff in the DPD, the yearough acquiring outside aggested that in 1978 to	Memorandum No.50/78 of ED(PHS) an pletion by the DPD of the year an ing jobs required extra efforts t the DPD. On account of the short ar-end jobs in 1977 had been comp services at a cost of Rs.16,000. hese jobs may be accomplished paying them adequate compensation	d O CHAIRMAN'S INITIALS

KALAMAZOO LTD. A. & CO. (P.) LTD. KARACHI, TEL: 239856 143/11-72/500-139

HELD AT ON TIME

Karachi Tuesday June 6, 1978

11.00 A.M.

The Board accepted the recommendation of the E.D. and sanctioned under Regulation 72 of the State Life Employees (Service) Regulations payment of (a) a sum of Rs.10,000 for completing year-end jobs, and (b) Rs.10,000 for updating other pending jobs so that the two are completed respectively by 30th of June and 30th of August, 1978. The Board authorised the ED(PHS) and ED(B&A) to determine the entitlement of each individual having regard to his contribution in completing the job within the specified time.

ITEM 13: AREA MANAGERS : INCREASE IN STRENGTH.

The Board considered Memorandum No.51/78 of the ED(S&D) South, recommending that an additional vacancy of an Area Manager may be sanctioned, thus raising the additional strength from 4 to 5 in Category 'A' in substitution of the vacancies of two 'B' category Area Managers sanctioned at 49th Board Meeting. The Board approved the recommendation.

The Board also reviewed the policy of filling the vacancies of Area Manager and resolved the following:

For filling a sanctioned vacancy of an Area Manager 'A' Category, preference may be given to a 'B' Category Area Manager at the same station or a station in the immediate vicinity who has already completed business of Rs.7 lacs in 1977 or Rs.8 lacs in later calender year and who is otherwise considered suitable. Failing his appointment, Sales Managers may be considered in the usual way.

ITEM 14: (REVISED) REVENUE AND CAPITAL BUDGET FOR 1978.

The Board considered Memorandum No.52/78 of the ED(B&A) containing proposals of the revised estimates of Income and Expenditure for 1978 based on the adjustments proposed by various cost centres, the actuals for 1977, and the income targets for 1978. The proposals are summarised below :-

The revised FYP targets were fixed by assuming a growth of 25% over 1976 production except for Overseas Division where the targets fixed by the policy group were adopted. Moreover, F.Y.P. income of Rs.25 lacs is expected to be generated as a result of openingof offices in Middle East, against which an expense of Rs.10 lacs was approved by the Board. Renewal Premium Income, Investment income, Rent and other income have been maintained at the original level. Since the Investment and Real Estate Divisions have proposed slightly higher expenses the net income from Interest, Dividend and Rent has registered corresponding decrease. Group Premium targets have been taken as approved by the Board.

The ratio of claims adopted in the original budget has been maintained at the same proportion of Premium Income. However some zonal adjustments have been made on the basis of actuals of 1977 and the different mix of F.Y. and Renewal Premium in every zone.

INUTE BOOK

a.m.

INSURANCE CORPORATION OF PAKISTAN

52ND MEETING OF THE BOARD OF DIRECTORS

HELD AT ON . TIME

Karachi Tuesday June 6, 1978 11.00

The commission payment figures have also been kept at the same percentage of First Year, Renewal and Group Premium Income as in the original estimates. The agents stipendary scheme expenses that were proposed on adhoc basis in the original estimates have been rationalised and fixed at 1% of F.Y.O.L. premium excluding Overseas portfolio. The incentive bonus to Area Managers which was not provided for in the original estimates has been included. With increased activity in the field substantial payments are expected under this category. The rate of incentive bonus is 2% of the First Year Premium. However, keeping in view the production of the direct field, it was expected to be lower.

The increase in provision of expenses like Medical Fees, Stamp Duty etc. was due to the revision in the ratio of expenses originally provided for in the light of actual expenses in these categories. Increase proposed under some other heads was on account of higher estimates received from cost centres for various reasons including higher actual expenses in the previous year. The reasons generally given were extensive training programmes of the field and office training department, extensive tours both of (S&D) and (P&GS) Divisions, higher cost of uniforms, stationery etc. and increased development activities including opening of new area offices in various parts of the country as well as expansion of the pension business in the (G&P) Division. The increase in pay and allowances is because of recruitment and proposed recruitment of staff in some departments of the Principal Office. The highest rise is in medical expenses which is mainly due to the legal opinion that the Cost of Living Allowance is to be included in the basic pay for fixation of limits for out of hospital expenses of the workers. A slight increase is also due to the revised scale of medical benefits that may be applicable to the field workers as a result of the recent negotiations with the field. In 1977 budget capital expenses were provided at 1.5% of the expected first year premium of each zone and Rs.5 lacs for the various divisions and departments of the Principal Office. However, since opening of new area offices in various territories is planned, an additional capital outlay at 0.5 percent of FYP may be allowed to the zones. capital expenditure in excess of this allocation should be met from the general capital budget of the zones but the amount sanctioned for new area offices should not be appropriated for meeting any other capital expense. The net increase in Capital Budget of the zones is Rs.420 thousand i.e. about 43% more than last year's sanction of Rs.966 thousand.

The Corporation has been allowed to import its computer. The estimates of capital and revenue expenses proposed in the budget, however, do not take into consideration the revenue expenses and capital outlay involved in this project. Revenue expenses may not be very substantial during 1978 and are expected to be met out of the proposed budget allocations. The capital expenses are likely to be Rs.1.70 crores. Since the equipment is likely to be installed in December, 1978 the provision for capital expenses of 143 lacs representing machine cost and importation cost shall be made in 1979 budget. A provision of Rs.8.00 lacs is made for capital expenses on items at No.3, 4, 5, 6, 9 and 11 of schedule B attached to the Memorandum of ED(PHS). Corresponding provision shall also be made in the Revenue budget for Depreciation.

CHAIRMAN

(ALAMAZOO LTD. A. & CO. (P.) LTD. KARACHI. TEL: 239856 143/11-72/500-139

HELD AT	ON	TIME	
Karachi	Tuesday June 6, 1978	11.00 A	.M.

Proposed expense under the head 'Pay and Allowances' includes a margin of about 4% for the financial effect of implementation of Pay Commission recommendations. Expense in excess thereof may be met out of the contingencies amount of Rs.25 lacs.

The Board approved the Capital and Revenue Budget as proposed subject to an increase in the Incentive bonus, as per details given below :

REVENUE BUDGET.

CHAIRMAN'S

Income

		(in 000s)
First Year Premium		71 600
Renewal Premium		281800
Group Premium		100000
Interest & Dividend	170000	
Less expenses	(1025)	168975
Rent	27500	
Less expenses	(19631)	7869
Others		19345
Total		649589
		CANADA DO COME TO COME

Payments on Policies

(in 000s)

Death claims	31806
Maturity claims	95418
Group claims	62300
Surrenders	43200
Bonus cash	2500
Profit commission	5000
Total	240224

Commission Expenses

	(in 000s)
Commission O.L.F.Y. Commission O.L. Renewal	23330 11112
O/R Commission F.Y.	21490
O/R Commission Renewal	2778
Commission Group	1980
O/R Commission Group	830
Stipendary Scheme	693
Incentive Bonus to Area Managers	1000
Total:	63213

STATE LIFE INSURANCE CORPORATION OF PAKISTAN

ALAMAZOO LTD. A. & CO. (P.) LTD. KARACHI. TEL: 239856 143/11-72/500-139

RECTORS	52ND MEETING OF THE BOARI	ON	TIME
UTE BOOK	Karachi	Tuesday June 6, 1978	11.00
		100,119 00110 0, 1910	A.M.
	Management Exp	enses	
	e w	(in 000s)	
	Medical fees	,	
	Policy stamps	992	1
	Salaries and wages	883 22770	
1	Allowances	18529	
	Overtime	1218	
	P.F. Contribution	2686	
	Bonus	2687	
	Medical expenses	3974	
	Rest & Recreation	241	
	Gratuity	5129	
	Employees welfare	1505	1
1	Educational cess	244	i
1	Office rent (own)	5612	
	Office rent (occupied)	1865	•
	Printing & Stationery	2337	
	Travelling	836	
	Conveyance	168	į.
	Entertainment	263	1
	Insurance Communications	350	
1	Utilities	2444	1
	Motor car expenses	603	1
	Maintenance & repairs	1810	
	Bank charges and interest	772 113	
	Difference in exchange	10	l
	Advertisement	2694	1
	Training expenses	270	1
	Legal and professional charges	1000	i
	Subscription	80	1
	Books & Periodicals	211	1
1	Conferences and meetings	259	1
	Prizes and awards	817	1
	Furniture and fixture (Hire)	16	r
	Depreciation	2620	1
	Retainers fees	511	
	Rates and taxes	96	I
	Audit fee and professional cha		
	D.P. Hire and services	2000	
	Foreign tour (Group)	35	
	broup Insurance	840	- 1
	Maintenance (Lahore Guest House	1 T T T T T T T T T T T T T T T T T T T	- 1
	Policyholders Levy Bad Debts	5	I.
	Miscellaneous expenses	265	
	Contingencies	257 3500	1
	ontringeneres	2500	ı
	Total:	92934	l

CHAIRMAN'S INITIALS

A.M.

	52ND MEETING	G OF THE BOARD OF I	DIRECTORS		
	HELD AT	ON	B:	TIME	I
·	Karachi	Tuesday June 6,	1978	11.00	T
			1		T
	Summary o	of Operational Rati	ios		Service Servic
	Death Claims (Percent Maturity Claims (Perc Group Claims includir Surrender (percentage Investment expense pe Real Estate Expense R Total Life Expense Ra Group Expense Ratio Renewal Expense Ratio Accretion to life fur	centage of premium) ng profit commission e of premium) ercentage Ratio etio			
	CAPITAL BUDGET.				
	Capital 6	Expenses (Excludin	g Cars)	*	١
			(in 000s)		į
		200 (12.5t)	Additional al tion for new offices only.		
	Karachi Lahore Rawalpindi	414 390 87	138 130 29		
	Hyderabad	108	36		İ
	Peshawar	41	13		ı
	Principal Office	500	_		
	U.K.M.O.	48	=		Ī

The Board authorised the Chairman and ED(B&A) to allocate the contingency provision of Rs.25 lacs whenever needed and also to re-allocate other heads of management expenses not only between various cost centres, but also from one head of expense to another. Similar authority was given to the Chairman and the Executive Director (B&A) for re-allocation of capital expenses between various cost centres.

800

2388

346

D.P.D.

The Board viewed with concern the rising trend in the expense ratio, and while it was realised that this was due mainly to factors beyond the Corporation's control such as normal inflation and Wage Commission and expected Pay Commission Awards which had nullified the effect of economies due to transfer of staff to EOBI, the Board considered it imperative to take stock of the situation and adopt measures for affecting economy in operations. The Board accordingly appointed a Committee, consisting of M/s. Nisar-un-Nabi ED(B&A) Convenor, and Samee-ul-Hasan, Director and Consulting Actuary to study the following, and submit its recommendations for consideration of the Board at its next meeting:

- (a) To identify the main areas of expenses;
- (b) To suggest ways and means to control them;
- (c) To review the Capital budget and propose the possible economies, and



STATE LIFE INSURANCE CORPORATION OF PAKISTAN

52ND MEETING OF THE BOARD OF DIRECTORS

CTORS	HELD AT	ON	TIME
TE BOOK	Karachi	Tuesday June 6, 1978	11.00
			A.M.

(d) suggest ways and means for increasing the revenue of the Corporation;

ITEM 15: INVESTMENT - PORTFOLIO REVIEW.

The Board considered Chairman's Memorandum No.53/78 containing a review of the investment portfolio for the first five months of 1978, and noted the changes in the volume and spread of various investments. In particular, it was noted that the target for investment income on the basis of the strategy approved by the Board is expected to be achieved.

ITEM 16: FIELD FACILITIES.

The Board considered Memorandum No.54/78 of the ED(S&D)S recommending the following facilities to the Field personnel in Karachi Zone:

- (a) reimbursement of salaries for Peon/Parttime Clerk/Part-time Typist/Full-time Typist/Sweepers, on existing basis, from 1st February, 1978 to 30th June, 1978, allowed.
- (b) reimbursement of pay of a Sweeper, Peon/
 Part-time Clerk/Part-time Typist/Fulltime Typist upto a maximum of Rs.750/per month per Agency Office, allowed.
- (c) Zonal Head, Karachi, authorised to open New Agency Offices for direct Sales Managers provided the total office cost including rent, telephone, electricity, staff salaries on reimbursement basis or otherwise, does not exceed 5 percent of the total first year premium written by direct Sales Managers and provided that such cost be within the sanctioned Zonal budget.

The Board approved the proposals outlined above in their application to all Zones on similar basis.

ITEM 17: AGHA DIN MOHAMMAD - SALES MANAGER.

The Board considered Memorandum No.55/78 of the ED(5&D) South, regarding the request of Mr. Agha Din Mohammad, a Sale Manager of Hyderabad, that State Life may finance his treatment abroad for the 'loss of voice'. While sympathising with him in the matter, the Board regretted its inability to provide him the assistance, but all State Life personnel could be requested to make contribution voluntarily.

CHAIRMAN'S

AZOO LTD. CO. (P.) LTD. ARACHI. 239856

HELD AT	ON	TIME	
Karachi	Tuesday June 6. 1978	11.00	A . M .

ITEM 18: REAL ESTATE - SALE OF PLOT NO.13, CL-10, DR. ZIAUDDIN ROAD, KARACHI.

The Board considered Chairman's Memorandum No.56/78 regarding the sale of plot No.13, CL-10, Dr. Ziauddin Ahmed Road, Karachi, to M/s. ARPAK International Investments Limited @ Rs.1000 per Square Yard. The P.I.A. who had earlier been offered this plot, at this rate, as per decision of the 37th Board Meeting, had refused to increase the bid beyond Rs.800/-. The Board noted the substantial gain obtained through this transaction.

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

Confirmed

----X----

(D. M. QURESHI) Chairman

14/9/78

HAIRMAN'S