

75TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
TE BOOK	Karachi	Tuesday 26th June, 1984	10.00 A.M.

The 75th meeting of the Board of Directors called pursuant to notices dated 10th June and 17th June, 1984 was held at the Principal Office on Tuesday, the 26th June, 1984 at 10.00 A.M.

The following were present:

1. Mr. N.A. Jafarey - Chairman
2. Mr. S.S.A. Bukhari - Director
3. Mr. Mahboob Siddiqui - Director
4. Mr. Samee-ul-Hasan - Director
5. Mian Abdul Qadir - Director
6. Mr. Safdar Ali Chaudhry - Director
7. Mr. Agha Nasir Ali - Director

Mr. A. Mateen, Secretary to the Board was also present.

The following business was transacted:

ITEM 1: CONFIRMATION OF MINUTES.

The minutes of the 74th meeting of the Board of Directors held on 21st March, 1984 were confirmed.

ITEM 2: IMPLEMENTATION REPORT ON THE DECISIONS TAKEN IN THE 74TH MEETING.

The implementation report on the decisions taken in the 74th meeting of the Board was placed before the Board.

"Item 6: Leave Rules"

The Board in its 74th meeting had asked for certain information with regard to the proposal that the leave rules prescribed in the Third Wage Commission Award for unionised employees be also extended to the Officers. The Executive Director (B&A) placed before the Board his Memorandum dated 26th June, 1984 containing the desired information.

It was decided to defer consideration of the proposal till the next meeting.

ITEM 3: RECORDING OF MINUTES.

The Board recorded the minutes of :

- (i) 79th meeting of the Executive Committee held on 7th & 8th March, 1984;
- (ii) 80th (Emergent) meeting of the Executive Committee held on 18th April, 1984; and
- (iii) 81st meeting of the Executive Committee held on 25th April, 1984.

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ITEM 4: CREATION OF GRATUITY TRUST.

The decision already taken by circulation on Executive Director (B&A) Memorandum with regard to the creation of a Gratuity Trust for the Corporation's Officers and staff was confirmed.

ITEM 5: CORPORATION ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1983.

The Executive Director (B&A) placed before the Board Memorandum No.76/84 with regard to the annual accounts of the Corporation for the year ended 31st December, 1983. He explained briefly the salient features of the Corporation's financial and business operations during the year under review and as described in detail in the Memorandum. During the course of discussions, the following observations were made:

EARLY FINALISATION OF THE ACCOUNTS.

Appreciating the finalisation of the accounts by May, 1984 the Chairman hoped that same tempo would be maintained in future years. The Board recorded that during the next year the annual accounts would be considered and approved by it in the month of May. The Board desired that its appreciation of the efforts involved in the early finalisation of the accounts be conveyed to G.M. (B&A) and his associates and colleagues in the B&A Division.

ADJUSTMENT OF RENEWAL PREMIUM IN 1982 & 1983

The Board desired that a report with regard to the adjustment of the renewal premium with reference to the "APL" and "outstanding premium" in 1982 and 1983 should be prepared by the General Manager (B&A) and submitted in the next meeting of the Executive Committee.

WAGE COMMISSION FOR INSURANCE CORPORATIONS - FINANCIAL IMPACT.

Noting that the implementation of the consecutive Wage Commission Awards brought in its wake enormous financial repercussions, the Board desired that the possibility of direct negotiations with the CBA may be examined, or, alternatively, proposal for a separate Wage Commission for State Life only be considered sometime before the currency of the present Award expires.

COMPUTERISATION AND STREAMLINING THE SYSTEMS

The Director & Consulting Actuary stated that the everrising expense ratio could be held in check by:

- (a) complete computerisation of all the financial operations within the available manpower resources; and
- (b) simplification, stream-lining and modernising of the present systems.

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The Board directed that the Systems Division should immediately initiate studies in order to bring about improvement of, and simplification in, the present systems.

ACCRUED GROUP PROFIT COMMISSION

Noting that no provision has been made in the accounts for accrued group profit commission, the Board directed that the desirability of making provision therefor in future years balance sheets be examined and a report in this regard be submitted in the next meeting of the Executive Committee.

LOW INCOME FROM REAL ESTATE PORT-FOLIO

Observing that the income from Investments in Real Estate is poor, the Board approved the proposal from E.D. (RED) that un-economic residential units be disposed off to the existing tenants, the price of the units to be fixed in the light of the report of Surveyor/Architect to be engaged for the purpose.

PERSISTENCY RATIO

The Director & Consulting Actuary stated that the persistency worked out to 67% according to the figures mentioned in the final accounts whereas in the Memorandum the same has been reported as 74%. He desired that the reasons for the disparity in figures may be explained.

HOUSE PROPERTY IN PAKISTAN

It was observed that Note 10-A to the accounts was of historical importance and that the note be either discontinued or revised in future after position in that regard had been ascertained.

TWO-COLUMN BALANCE SHEET.

The Director & Consulting Actuary desired that General Manager (B&A) examine the desirability of having two-column balance sheet - one column for shareholders/Government's Capital and the other column for Life Insurance Fund.

AUDITORS REPORT

The points raised in the Auditors detailed report were considered. It was decided that the same should be dealt with on top-priority basis - the most important observation of serious implications to be attended to first and a preliminary report in this regard be submitted to the Executive Committee not later than 30th September, 1984. The Board also recorded that non-reconciliation of the bank accounts as pointed out by the Auditors was one of the matters which deserved top priority.

The Board then approved the revenue account, appropriation account and balance sheet together with notes thereon for the year

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ended 31st December, 1983 as also various provisions made therein and passed the following resolutions:

RESOLVED

- (a) that the 11th Annual Accounts comprising the Corporation's revenue account, appropriation account and balance sheet together with notes, provisions and charges for the year ended 31st December, 1983 initialed by Riaz Ahmed & Co., Chartered Accountant and placed before the Board be and are hereby approved and the Chairman and two Directors affix their signature on the accounts.
- (b) that a copy of the approved accounts together with Directors report be forwarded to the Federal Government after all Auditors have affixed their signatures to the accounts.

ITEM 6: ANY OTHER BUSINESS.CONVEYANCE LOAN TO UNIONISED STAFF -
AMENDMENT OF INSURANCE RULES.

The Executive Director (B&A) placed before the Board Memorandum No.77/84 proposing that Rules 63E(2) of the Insurance Rules be amended to read as follows consequent on recommendations of Third Wage Commission Award in that regard:-

"The loan under the rule shall not, if it is for the purchase of Bicycle, exceed Rs.600/- or if it is for purchase of Motor-cycle/Scooter, exceed Rs.12,000/- or the actual cost of the vehicle whichever is less. It shall be available to the employees who have three years service, are drawing Rs.750/- per month or above and who hold a valid scooter/motor-cycle licence and furnish guarantees to the satisfaction of "State Life""

There being no other business the meeting ended with a vote of thanks to the Chair.


(N.A. Jafarey)
Chairman