

79TH MEETING OF THE BOARD OF DIRECTORS

HELD AT	ON	TIME
Karachi	Monday, 17th June, 1985.	1:30 p.m.

The 79th meeting of the Board of Directors called pursuant to notice dated 16th June, 1985 was held at the Principal Office at Karachi on Monday, the 17th June, 1985 at 1:30 P.M.

The following were present :

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| 1. | Mr. Safdar Ali Chaudhry, | Acting Chairman |
| 2. | Mr. Mahboob Siddiqui, | Director |
| 3. | Mr. Samee-ul-Hasan, | Director |
| 4. | Mian Abdul Qadir, | Director |
| 5. | Mr. Agha Nasir Ali, | Director |

Mr. S.S.A. Bukhari was on leave.

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

The following business was transacted :

ITEM 1: CONFIRMATION OF MINUTES:

The minutes of the 78th meeting of the Board of Directors held on 4th June, 1985 were confirmed.

ITEM 2: 1984 DECLARATION OF BONUS FOR PAKISTANI RUPEE POLICY :

The Board considered Consulting Actuary's Memorandum dated 17th June, 1985 recommending the following bonuses for Pakistani Rupee policy on the basis of actuarial valuation as at 31st December, 1984 :-

I. WHOLE LIFE AND ENDOWMENTS.

For With Profits Whole Life and Endowments in force for the full sum insured :

a) Reversionary bonuses per thousand sum insured per annum

	1981 & <u>1982</u>	1983 & <u>1984</u>
Whole Life Endowments	Rs.38	Rs.45
20 years and over	Rs.33	Rs.38
15 to 19 years inclusive	Rs.22	Rs.26
14 years and less	Rs.12	Rs.12

PLUS Persistency Bonuses from the 6th Policy Year onwards

Rs. 7	Rs.12
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b) Terminal Bonuses will be paid on claims by death or maturity in 1985 and 1986, where more than 10 years premiums have been paid. The rate will be Rs.20 per thousand sum insured for each year's premium paid in excess of 10 years, subject to a maximum of Rs.400 per thousand sum insured.

c) Special Terminal Bonuses will be paid on claims by maturity in 1985 and 1986, where a FAMILY INCOME BENEFIT rider is in force at maturity, and has been in force for more than 10 years. The rate

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will be Rs.10 per thousand basic sum insured under the policy for each year in excess of 10 years that the FIB rider has been in force, subject to a maximum of Rs.200 per thousand basic sum insured.

d) Interim Bonuses (including Persistency Bonuses, where applicable) on death and maturity claims will be allowed till the next valuation, at the rates in (a) above.

II. ANTICIPATED ENDOWMENTS.

For With Profits Anticipated Endowments/Three Stage/Three Payment Policies of whatever type in force for the full sum insured :

a) Reversionary bonuses for 1983 and 1984 (and interim bonuses on claims by death or maturity till the next valuation) will be at the following rates :

<u>Policy Term</u>	<u>Rate of Reversionary Bonus</u>
20 years and over	Rs.26 per thousand sum insured per annum
15 to 19 years inclusive	Rs.18 per thousand sum insured per annum
14 years and less	Rs.12 per thousand sum insured per annum

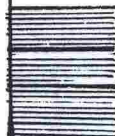
b) They will not get Persistency or Terminal Bonuses

c) They will get Special Terminal Bonuses in FAMILY INCOME BENEFIT Rider cases, as mentioned in I.(c) above. The Special Terminal Bonuses will be calculated on the basic sum insured under the policy, and not on the residual survival benefit.

d) If the policyholder lets a Survival Benefit remain with State Life, a Special Reversionary Bonus will be added six months after the due date of the Survival Benefit. For Survival Benefits falling due in 1985 and 1986 which the policyholder opts to leave, Special Reversionary Bonuses will be allowed as follows (The figures within brackets indicate the previous rates applicable to survival benefits which fell due in 1983 and 1984):

<u>Period between Survival Benefit due date and maturity date</u>	<u>Special Reversionary Bonus per Rs 1,000 Survival Benefit</u>	<u>Period between Survival Benefit due date and maturity date</u>	<u>Special Reversionary Bonus per Rs 1,000 Survival Benefit</u>
20 years	Rs.2,650 (Rs 2,410)	9 years	Rs 850 (Rs 790)
18	2,320 (2,110)	8	720 (660)
16	1,970 (1,800)	7	590 (540)
14	1,630 (1,490)	6	470 (430)
12	1,300 (1,190)	5	360 (330)
10	1,000 (920)	4	250 (230)

CHAIRMAN'S INITIALS



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III. FAMILY INCOME BENEFITS WHERE POLICYHOLDER HAS DIED.

Family Income Benefit to heirs or nominees of deceased policyholders will be increased from 1st January, 1986 as follows, under With Profits policies :

<u>Year of Life Insured's death</u>	<u>Increase</u>	
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1983 or earlier	12%	<u>Note:</u> The percentage increase will be allowed on the "actual percent benefit including any increase of 12% or 6% made on 1st January, 1984"
1984	6%	

IV. EAST WEST MUTUAL ETC.

Policies issued by the East West Mutual, Grand Mutual, I.G.I., Pakistan Mutual, Standard and Union Insurance, and former East Pakistani companies will get Reversionary Bonuses at R.12 per thousand sum insured per annum (as against R.10 in 1982). But none of the foregoing will get Persistency, Terminal or Special Terminal Bonuses. Policies issued by the LIC will get no Bonuses at all.

The above recommendations were approved by the Board.

BIG DEAL POLICIES

On the recommendation of the Consulting Actuary, the Board decided to give reversionary bonus of R.2/- per thousand sum insured per annum extra to big deal policies in view of the fact that the premium for the endowment component of such policies was at a higher rate than usual. The Board however, noted that at the 1980 valuation bonus notices sent to big deal policyholders were erroneously based on the face sum insured, whereas they should correctly be based on endowment component which is 25% of the face sum insured.

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

Sayid
(Acting Chairman)