

8th MEETING OF THE BOARD OF DIRECTORS

RECTORS	HELD AT	ON	TIME
UNIT BOOK	Karachi	January 6, 1973	

The 8th meeting of the Board of Directors of the State Life Insurance Corporation of Pakistan was held on Saturday the 6th January, 1973 in the Corporation's Board Room at Karachi, in pursuance of notice dated 4th January 1973.

The following were present:

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| 1. Mr. H. U. Beg, SQA., PTS | Chairman |
| 2. Mr. S. F. Alam | Member |
| 3. Mr. M. S. Janjua | 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 |

Leave of absence was granted to Mr. Samee-ul-Hasan who had proceeded on Haj.

Mr. M. Sadiq Khan was in attendance.

The following business was transacted:

ITEM NO: I Confirmation of the minutes of the 7th Meeting of the Board of Directors held on 21/22nd December 1972.

The minutes of the 7th meeting of the Board held on 21st/22nd December, 1972, were confirmed subject to certain typing errors and omissions in the item pertaining to Agency Commission and Organisation structure to be corrected by Mr. Walajahi in consultation with the Unit Heads.

ITEM NO: II Agency Commission Rates:

The Chairman observed that the new agency commission rates as recommended by the Board had been approved by the Government. The new rates structure was more incentive oriented and fairly liberal. But inspite of that there were certain elements who were going about spreading false rumours and creating misgivings about the new structure. We should be ready to explain the correct position to all concerned. He, accordingly requested the Unit Heads to take effective measures to check such rumours and to explain the new structure to the field staff as it was in fact in the interest of the genuine workers. The Unit Heads and all others present assured the Chairman of their whole-hearted support and co-operation in this regards.

ITEM NO: III New Business figures:

The Chairman was informed by the Unit Heads of the provisional business figures as at 31st December 1972 which showed an all round increase in business. While appreciating the efforts made by the Unit Heads and their Field staff for increasing the business, the Chairman pointed out that certain vested interests had started a whispering campaign against the progress made and were trying to give the impression that the business after nationalisation had gone down. It was, therefore, necessary to place the correct position before the public. This would require adequate coverage in the press and publicity. It was accordingly decided that the business figures should be widely publicised giving company-wise position compared to the previous year.

In this connection it was decided that as before a pamphlet should be issued indicating the exact achievements made by the Life Insurance business after nationalisation.

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ITEM NO: IV Organisational Chart for the Units.

The Draft Organisational Chart for the Units circulated with the minutes of the 7th Meeting of the Board was discussed. The Chairman observed that in principle the General Manager should be in effective control of the Units and the Deputy General Manager should be only at such places where independent supervision was needed. He desired that this as well as other questions including the number of Chief Managers required and the span of their duties should be discussed by the Unit Heads among themselves and they should come up with their agreed proposals.

The Unit Heads accordingly discussed the matter and came up with the following suggestions which were approved by the Board.

- (i) The Dy. General Manager should be only at such places where the General Manager himself was not there, i.e. if the General Manager was at Lahore, he could have a Dy. General Manager at Karachi. The Dy. General Manager in his own jurisdiction would be the incharge of both the Development and Administration (Policy servicing) sides. At the Headquarter of the Unit, the Development and Administration would be separately under the charge of an Asstt: General Manager each.
- (ii) The number of Chief Managers in each Unit, should for the present, not exceed three, depending on the requirements of the Unit. The Chief Managers will be concerned only with the Development side.

It was also decided that the Head of the Unit Accounts Department should be of the rank of Asstt: General Manager and may be designated as Comptroller.

ITEM NO: V Bonus to Staff:

Mr. S. F. Alam stated that it had been the practice in most of the companies to pay bonus to their staff in advance and that the staff were requesting for similar facility this year also. It was decided that the practice and the basis adopted for the grant of bonus in the previous year should be adopted for the present also without any commitment for the future i.e. the practice and the basis adopted in 1972 in respect of 1971 may be adopted in 1973 in respect of 1972 without any future commitment.

ITEM NO: VI Leave encashment:

It was decided that in cases where the employees were entitled to encashment of un-utilised leave according to their terms of appointment, Union agreements or Service rules as upto 31st December 1972, cash payment may be made for such leave upto 31st December, 1972. No payment should however be made if it was not strictly covered by the said terms of appointment, Union agreements or Service rules. From 1st January 1973 the employees would be governed by the State Life Employees (Service) Regulations 1973.

ITEM NO: VII Advance of Pay:

Mr. Alam pointed out that there was a demand for advance of pay as per previous practice. It was decided that in cases where there was such a demand and there were genuine grounds, the non-executive staff may be paid advance equal to one month's pay recoverable in the same year, pending the finalisation of bye-laws regarding Co-operative Societies for advances.

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ITEM NO: VIII Shifting of Principal Office to Premier Insurance Building

It was decided to shift the Principal Office of the Corporation to the newly built Premier Insurance building on the following grounds:

- (i) The rent in Premier Insurance building was lower. So it would be economical to shift there;
- (ii) There was not enough space in the (former) ALICO building to accommodate the entire Principal Office on one floor. The entire office could be located on one floor in the Premier Insurance building;
- (iii) There was scope for future expansion of office in the Premier Insurance building.

It was also decided that Mr. S. A. Walajahi and Mr. D. M. Quraishi would organise the shifting.

In this connection the question of re-naming the buildings owned by State Life was also raised. It was decided that Mr. D. M. Quraishi would attend to this matter.

ITEM NO IX To consider the procedure and policy regarding release of advertisement by Units:

The question of formulating a procedure and policy for the release of advertisements by the Principal Office and the Units was considered.

The Chairman observed that publicity and public relations were very sensitive subjects and could make or mar the image of the organisation. It was, therefore, necessary that the overall policy should be laid down by the Principal Office and the Units should work within the framework of that policy. There should also be a proper control over the expenditure which should be related to business production. Mr. S. A. Walajahi suggested that a policy decision regarding newspapers and other media to be used for advertisement needs to be taken. Further a demarcation of areas between the Principal Office and the Units was also necessary.

After due consideration, the following decisions were taken:

- (i) Up to 31st January, 1973 advertisement may be allowed in any of the newspapers approved by the D.F.P. The decision to select the paper out of the approved list should, however, be that of the Corporation. This may be arranged with the D.F.P. till the matter has been formally taken up by the Chairman with the Government.
- (ii) The Unit Heads along with Mr. Walajahi should discuss the matter and devise the procedure and policy for publicity and public relationing indicating inter alia, the division of areas between the Principal Office and the Units.

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ITEM NO X: To consider application of Lever Brothers Ltd., for a 7 year extension in the redemption of its debentures amounting to Rs. 28 lacs.

The Chairman placed before the Board for their consideration Executive Director (Investment) Memorandum on Lever Brothers. The Executive Director (Investment) said that Lever Brothers have requested for an extension by another 7 years the redemption period of its 7% per annum non-convertible debentures amounting to Rs. 28 lacs. These debentures were issued to the erstwhile Norwich Life Insurance Society and Prudential Assurance Co. Ltd., in 1966. The debentures will mature on January 10, 1973. Although the company's performance in the past has not been very satisfactory, it has never defaulted in the payment of interest on the debentures. As for the future, the operating projections indicate that inspite of its reduced level of operations due to loss of Chittagong factory, the Company will be able to strengthen its earning position. The loss of East Pakistan market, which accounted for a relatively small portion of its total sales, does not appear to affect the Company's profitability to any significant extent. The Company is expected to earn reasonable profits which would enable it to service the renewed debentures satisfactorily. The renewed debentures will carry a rate 10-1/2% as interest.

The Board agreed and passed the following resolution:

RESOLVED;

"That the State Life may extend the redemption period of Lever Brothers debentures for a further period of 7 years on the terms and conditions outlined in Executive Director (Investment) Memorandum of December 23, 1972."

ITEM NO: XI To consider Training programme drawn up by the Training Consultant

Mr. S. A. Walajahi informed the Board that the services of Mr. M. A. Ghani Training Adviser, Pakistan Burmah Shell had been placed at the disposal of the Corporation for a period of 6 weeks, with effect from 15th January, 1973. Mr. Ghani, in consultation with the Training Department, had drawn up a training programme on the following lines -

- (i) A residential Programme for Trainers Training will be run from 18th January to 31st January 1973. The participants will consist of Training men engaged in training work on full time basis, those who have the potential of being good trainers and whom the Units may wish to employ as full time trainers at a later stage, and the Instructors who will teach the Agents Training course to the trainers. The syllabus of the Trainers Training course will consist of:
 - i) Trainers Training
 - ii) General Salesmanship Course
 - iii) Agents Training course, which will be prescribed by the Board for training of agents.
- (2) If it is confirmed that the number of trainers available is not sufficient to organise the training programmes of the Units, a fresh batch may have to be recruited from amongst the existing field workers and others, and a second trainers course will be organised in the second fortnight of February 1973



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- (3) A course for senior managers of 1 week's duration will be held at Lahore as soon as the selection of Officers of the rank of Chief Managers and above are finalised. This will also be a residential course.
- (4) Two training courses for Area Managers, one at Karachi and another at Lahore, of the duration of 10 days each will be held.
- (5) Two courses for the Managers of 1 week's duration each, one at Karachi and the other at Lahore, will be held provided Mr. Ghani can find time for it.

The Board accepted the proposals of Mr. Ghani and authorised the Training Department to make necessary arrangements for the various programmes.

ITEM NO XII Any other matter:

The Chairman observed that sometime the constituent Sub Unit of a Unit takes policy actions which could have serious repercussions on other sub-Units or Units. This was not proper and could create avoidable problems. He, therefore, desired that no policy decision should be taken by any of the constituent sub-Units or Units without the prior concurrence of the Board. For this purpose instructions should be issued by the General Managers to all concerned.

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


Chairman

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