

## MINUTES OF 92ND MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	Karachi	Sunday, 31st July, 1988	10.30 A.M.

In pursuance of notices dated 14th and 18th July, 1988 the 92nd Meeting of the Board of Directors was held on Sunday, the 31st July, 1988 at 10.30 A.M. at the Principal Office at Karachi.

The following attended the Meeting:

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|----------------------------|----------|
| 1. Mr. M.A.M. Siddiqui     | Chairman |
| 2. Mian Mumtaz Abdullah    | Director |
| 3. Mr. Nisar Un Nabi       | Director |
| 4. Mr. Safdar Ali Chaudhry | Director |
| 5. Mr. Nazier Ahmed Jajvi  | Director |

Mr. Sameeul Hasan, Director was on leave.

Mr. Asim S.M. Khan, Secretary Board was also present.

The meeting started by recitation from the Holy Quran.

At the commencement of the Meeting the Board expressed concern that Mr. Sameeul Hasan was not well and expressed good wishes for his early recovery.

The Agenda for the Meeting was taken up and the following business was transacted:

ITEM NO. 1: CONFIRMATION OF THE MINUTES OF THE 91ST MEETING OF THE BOARD OF DIRECTORS HELD ON 17TH APRIL, 1988.

The Minutes of the 91st Meeting of the Board of Directors held on 17th April, 1988 were confirmed.

ITEM NO. 2: TO RECORD THE MINUTES OF THE FOLLOWING MEETINGS OF THE EXECUTIVE COMMITTEE.

- (i) 127th Meeting of the Executive Committee held on 24th March, 1988.
- (ii) 128th(Emergent)Meeting of the Executive Committee held on 11th April, 1988.
- (iii) 129th Meeting of the Executive Committee held on 3rd May, 1988.

The Board recorded the Minutes of the above Meetings. With regard to 128th (Emergent) Meeting Mian Mumtaz Abdullah desired that the matter regarding Rest House/Guest House at Islamabad may be looked into whereupon it was pointed out to him that the Executive Committee had fully deliberated upon the issue and was of the view that it would not be in the interest of the Corporation to have a rest house jointly with other Corporations. Should it be a directive from the Ministry it would be carried out.

ITEM NO. 3: TO CONSIDER IMPLEMENTATION REPORT ON THE DECISIONS TAKEN IN PARTIAL ITEMS OF (81ST & 85TH) AND 91ST MEETINGS OF THE BOARD OF DIRECTORS.

Secretary's report on implementation of the decisions taken in the above Meetings of the Board was considered. The Board noted that the implementation reports on the following matters were not received:

- (i) 86th Meeting: Analysis of Medical expenses report from P&GS Division.
- (ii) 89th Meeting: House Rent Allowance - Report from P&GS Divn.
- (iii) 91st Meeting: Executive Director(PHS) was requested to expedite measures to increase rate of return on Policy loan to 12% per annum.

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ITEM NO. 4: RESERVATION OF POST OF ONE MANAGER (DEVELOPMENT) IN LESS DEVELOPED ZONE FOR AREA MANAGERS WORKING IN THOSE ZONES.

The Board confirmed the decision taken by circulation.

ITEM NO. 5: STATE LIFE'S ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1987-EXECUTIVE DIRECTOR (F&A)'s Memorandum No.39/88.

Executive Director (F&A) placed before the Board Memorandum along with the Corporation's audited Balance Sheet and Revenue Accounts for the year 1987. The Memorandum was discussed in detail and on suggestion of one of the Directors it was agreed that -

- (a) The causes of increasing surrenders would be analysed and necessary steps taken to check increase in surrenders.
- (b) Proposals to reduce renewal expense ratio would be submitted for consideration of the Board.
- (c) Proposal for more attractive life insurance schemes to substantially increase the number of Policyholders and to introduce aggressive salesmanship would be prepared and introduced.

The Board observed the following:

Life Fund: The Board noted that the Life Fund registered an impressive growth rate of 19.85% over 1986. Net accretion to the Life Fund amounted to Rs.1577.0 million as compared to Rs.1520.3 million in the preceding year. The Life Fund stood at Rs.9518.8 million on 31st December, 1987 as compared to Rs.7941.8 million at the end of last year.

Premium Income: First Year Premium Income including Annuities and Single Premium registered an increase of 16.22% as compared to the growth rate of 27.21% achieved in the preceding year. Renewal Premium Income went up by 17.15% and amounted to Rs.1241.142 million in 1987 as compared to growth rates of 25.01% in 1986 and 21.72% in 1985. Group Premium Income aggregated to Rs.834.239 million in 1987 as compared to Rs.673.668 million in the preceding year showing an increase of 23.83%. The increase was mainly due to the inclusion of Rs.390.200 million as premium of National Accidental Death Insurance Scheme. The premium on this account for the year 1986 was Rs.287.500 million. The compensation admissible under this scheme was raised to Rs.15,000/- from Rs.10,000/- effective 1.7.1987. Growth in group premium excluding NADI Scheme premium worked out to 14.98% as against 11.44% in 1986.

Death Claims: Death Claims rose to Rs.101.900 million in the year 1987 from Rs.86.125 million during the preceding year.

Maturity Claims: Maturity Claims amounted to Rs.377.042 million as against Rs.326.003 million in 1986.

Group Claims: Group Claims including claims of Rs.132.083 million under NADI Scheme increased from 275.271 million in 1986 to Rs.416.376 million in 1987.

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Administrative Expenses: The Administrative Expenses rose by 13.13% and amounted to Rs. 261.316 million during 1987 as compared to Rs. 230.970 million in the preceding year. Increases under major heads of expenses were explained and discussed.

Investment Income: Total income from investment for the year 1987 was Rs. 1091.885 million as compared with Rs. 903.729 million in 1986. The improvement was 20.8% in 1987 over 1986 as against 18.4% in 1986 over 1985. Realised capital gains contributed Rs.36 million to investment income in 1987 as against Rs.38.59 million in 1986.

Real Estate Income: The Corporation's holding in Real Estate (including shares in the two wholly-owned property Companies of the value of Rs. 35.952 million) increased by Rs. 34.591 million from Rs. 318.353 million in 1986 to Rs. 352.943 million in 1987.

Payment to Field Workers: Payment to field workers increased by 19.06% to Rs. 520.439 million during the year under review from Rs. 437.112 million in the preceding year. The increase under this head in 1986 over 1985 was 26.58%. Increase in the volume of First Year Premium and growth in renewal business accounted for the rise in payments to field workers. Measured as percentage of total ordinary life premium the payments to field workers worked out to 29.9% in 1987 as against 29.3% in 1986 and 29.6% in 1985. As a percentage of total premium, the payments to field workers were 20.18% in 1987, 20.17% in 1986 and 22.50% in 1985.

Cash in Bank at Kenya: One of the Directors suggested that the Federal Government should be approached for utilisation of cash in Bank at Kenya by the Pakistan Embassy or Trading Corporation of Pakistan and State Life be paid the equivalent amount in Pak Currency.

Advertisement Expenses: Expenses on advertisement including those incurred for NADI Scheme increased from Rs. 8.212 million in 1986 to Rs. 13.043 million in 1987. The increase is due to enhancement in advertisement rates by newspapers and T.V./ Radio media.

Expense Ratio: Renewal Expense Ratio went down to 21.7% as compared to 24.4% in 1986 mainly due to increase in Group Premium Income. However, if premium of Rs. 390.200 million of NADI Scheme was excluded the Renewal Expense ratio would work out to 23.64%.

Auditors Report: The Board approved the Revenue Account, Appropriation Account and the Balance Sheet together with notes for the year ended 31st December, 1987 as also the provisions made thereunder and passed the following resolution:

'RESOLVED'

- (a) That the 15th Annual Accounts of the Corporation's Revenue Account, Appropriation Account and Balance Sheet together with notes, provisions and charges for the year ended 31st December, 1987 initiated by Rahim Jan & Co., Chartered Accountants and placed before the Board be and are hereby approved and the Chairman and two Directors affix their signatures on the Accounts.

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(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.

The Accounts and the Balance Sheet were signed by the Chairman, Mian Mumtaz Abdullah and Mr. Nisar Un Nabi.

ITEM NO. 6: ANY OTHER MATTER WITH THE PERMISSION OF CHAIR.

(i) UPGRADATION OF POSTS - Executive Director(F&A)'s Memorandum No. 40/88.

The Board considered the proposal of Executive Director(F&A) in accordance with the decision taken in the 91st Meeting of the Board under Item 9(ii) and approved upgradation of the following posts:

- (i) Post of Deputy Manager, Incharge Group & Pension Office, Rawalpindi upgraded to that of Manager.
- (ii) Post of Executive Officer, Incharge Development Office, Group & Pension, Gujranwala upgraded to that of Assistant Manager.
- (iii) ✓ One post of Manager(PHS), P.O. upgraded to that of Assistant General Manager.
- (iv) ✓ One post of Manager(FMD), P.O. upgraded to that of Assistant General Manager.
- (v) ✓ One post of Manager, Budget & Accounts Division, P.O. upgraded to that of Assistant General Manager.
- (vi) One post of Assistant Manager in B&A Division, P.O. upgraded to that of Deputy Manager.
- (vii) ✓ Post of Manager, IA&E, Lahore upgraded to that of Assistant General Manager.
- (viii) Post of Assistant Manager, Incharge IA&E Deptt. Rawalpindi upgraded to that of Deputy Manager.
- (ix) Post of Incharge Agency Administration Deptt. Rawalpindi Zone upgraded to that of Manager.
- (x) One post of Assistant Manager, RED, Lahore upgraded to that of Deputy Manager.

The Board also approved upgradation of the following posts in the Computer Division:

- (a) ✓ 2 posts of Managers be upgraded to that of Assistant General Managers.
- (b) 4 posts of Executive Officers be upgraded as Asstt. Managers.

The revised staff strength of the Computer Division would be as under:

General Manager	1
Dy. General Manager	-
Asstt. General Managers	3
Managers	7
Deputy Managers	12
Assistant Managers	19
Executive Officers	14
Total	<u>56</u>

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- (ii) PROPOSAL THAT STATE LIFE ENTER INTO LEASING FINANCE - EXECUTIVE DIRECTOR(INVESTMENT)'S MEMORANDUM NO. 41/88.

The Board considered the proposal of Executive Director(Investment) and approved that the Corporation should enter into leasing financing and go ahead with seeking and obtaining the necessary approvals/amendments in order to provide Leasing Finance.

- (iii) SALE OF PLOT BELONGING TO DEFUNCT CHRISTIAN MUTUAL INSURANCE CO. - ED(RED)'S MEMORANDUM NO.42/88.

The Board considered the proposal of Executive Director(RED) regarding sale of land belonging to Christian Mutual Insurance Co. and approved the sale of land. The Board also approved that advertisement of the sale of land should be in National Newspapers and authorised Executive Committee to negotiate sale price and to dispose of this land.

- (iv) REVIEW OF INVESTMENT PERFORMANCE DURING THE SIX MONTHS PERIOD ENDING JUNE 30, 1988 - EXECUTIVE DIRECTOR(INV)'S MEMORANDUM NO.43/88.

The Board noted the investment portfolio as on 31st December'87 and as on 30th June, 1988 alongwith net changes in the investment income during the period.

- (v) PROGRESS ON PROJECTS - ED(RED)'S MEMORANDUM NO.44/88.

Executive Director(RED) placed before the Board the progress on the undergoing projects.

- (a) State Life Building project, Karachi-(State Life Bldg.No.11),
- (b) State Life Building, Lahore.
- (c) Building plot No. 5, Islamabad.
- (d) Peshawar Building project.

(vi) Executive Director(RED) informed the Board that the plot of land adjacent to State Life Building No.3 on Dr. Ziauddin Ahmed Road, Karachi was advertised for sale and suggested that the purchase of this plot be negotiated if found suitable. The Board authorised Executive Committee to negotiate purchase.

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

*Ruth d d g*

Chairman

ASMK/SNH-8/888.

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