

MINUTES OF 98TH MEETING OF THE BOARD OF DIRECTORS.

RECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	Thrusday, 28th December, 1989.	10.30 A.M.

In pursuance of Notices dated December 4, 1989 and 6th December, 1989 the 98th Meeting of the Board of Directors was held on 28th December, 1989, at 10.30 A.M. in the Board Room, at Principal Office in State Life Building No. 9, Dr. Ziauddin Ahmed Road, Karachi.

The following attended the Meeting:

- | | |
|-----------------------------------|----------------------|
| 1. Mr. Iqbal M. Qureshi, | Chairman (Presiding) |
| 2. Shahzada Aman-i-Room, MNA, | Director |
| 3. Malik Mohammad Aslam, MNA, | Director |
| 4. Haji M. Ishaque, MNA, | Director |
| 5. Chaudhry Sikandar Hayat Malhi, | Director |
| 6. Mian Tariq Mahmud, | Director |
| 7. Mr. marghub Ahmad, | Director |
| 8. Mr. Nazier Ahmed jajvi, | Director |
| 9. Mr. S.Z.H. Jafri, | Director |
| 10. Mr. Mubarik Ahmed Malik, | Director |

Dr. A.H. Khan and Malik Asad Sikandar, were granted leave of absence.

Mr. Zamir-Uddin Hussain, Secretary Board was also present.

The Meeting commenced with the recitation from Holy Quran by Mr. Zamir-Uddin Hussain.

The Chairman commenced the proceedings by welcoming the newly appointed Directors by the Federal Government who, he declared, are source of strength and inspiration to the Corporation.

The following business was transacted:

ITEM NO. 1: CONFIRMATION OF 97TH MEETING OF THE BOARD OF DIRECTORS.

The Minutes of 97th Meeting of the Board of Directors held on 8th October, 1989 were confirmed unanimously.

ITEM NO. 2: RECORDING OF THE MINUTES.

The Board recorded the following Minutes:

- i) 140th Meeting of the Executive Committee held on 5th October, 1989.
- ii) 141st Meeting of the Executive Committee held on 27th November, 1989.
- iii) 142nd(Emergent) Meeting of the Executive Committee held on 4th December, 1989.
- iv) 143rd(Emergent) Meeting of the Executive Committee held on 9th December, 1989.

The Chairman directed the Secretary to note the observation of Mr. Nazier Ahmed jajvi, about the non-receipt of two notices of Executive Committee's Meetings and to send him notices of future Meetings in time.

ITEM NO. 3: IMPLEMENTATION REPORT ON DECISIONS TAKEN ON ITEMS OF 94TH 95TH, 96TH AND 97TH MEETINGS OF THE BOARD OF DIRECTORS.

94th Meeting.

Item No. 3: (i) Persistency Committee.

The Board was apprised that the efforts in this regard which started with the formation of the Persistency Committee about 3 years ago, has produced tangible results. Persistency has improved in 1988. The Convener

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also read out a paper, based on the findings of the Committee, in the Senior Executive Conference - 1989. The Board directed that the full report of the present Persistency Committee is to be submitted in the next Board Meeting.

(iv) Medical Expenses.

The Board directed that all the Zones be advised to expedite the information asked for on the given format and then the desired analyses be done quickly and presented to the Board.

95th Meeting.Item No. 4: Hill Station Allowance to officers.

The Board was informed that the proposal for Hill Station Allowance to the officers has not been accepted by the Ministry. The Board directed Executive Director(F&A) to reapproach the Ministry as it is a genuine need.

96th Meeting.Item No. 3: (2) Cash in Bank at Kenya.

The Board directed that the undermentioned informations asked by the Central Bank of Kenya be provided expeditiously to effect repatriation of the funds to State Life:

- i) Nationalisation Order,
- ii) Policyholders' addresses, and
- iii) Copies of individual policies.

97th Meeting.Item No. 6: Car Policy.

A separate Memorandum No. 49/89 as item No. 11 of the Agenda has been placed before the Board for its consideration.

Item No.10: Offer for sale of plot on Davis Road, Lahore.

The Board directed the Investment Committee to take-up this issue. Chaudhry Sikandar Hayat Malhi was authorised to coopt any director to facilitate evaluation of the property and then to negotiate the purchase price and to submit recommendations to the Board for its consideration.

Item No.11: Sale of State Life Building No.3, situated on plot bearing No.SE-10-R/59/1, Boharwala Chowk, Lahore

The Board directed that the Investment Committee to take-up this issue Chaudhry Siksndar Hayat Malhi was authorised to coopt any director to examine the possibility of selling the property at a good price and to submit recommendations to the Board.

Item No.15: State Life's Annual Account for the year ended 31st December, 1989.

(ii) The Board directed that the Monthly Progress report of Group Insurance be put up before the Board in the subsequent Meetings, as a matter of routine.

The Board further directed that a comprehensive plan to enlarge the scope of Group portfolio be prepared by the Sales & Development Committee and to put up its recommendations in the next Board Meeting.

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The Board further decided that to implement the recommendations of the Committee, as approved by the Board, Federal Government be approached for (a) change in relevant law, if any, or (b) to remove any lacuna therein, if necessary.

- (viii) Option for retirement after completion of 25 years of service.

Letter sent to the Ministry of Commerce - Reply awaited.

- (ix) Amendment in Insurance Act, 1938 and Insurance Rules, 1958.

Letter sent to the Ministry of Commerce - Reply awaited.

ITEM NO. 4: BUDGET ESTIMATE FOR 1990 AND REVISED BUDGET ESTIMATE FOR 1989.

Revised Estimate for 1989.

The Board considered the Revised Estimates for 1989 for income and out-go. The Board was apprised that revision is mainly due to increase in the Premium Income (FYP + Renewal) thereby increasing the business related costs such as commissions paid to field workers etc. National Accident Insurance (NAI) Premium was also not received that was budgeted initially for 1989. Also, the anticipated increases in salaries and allowances of the officers, as decided in the 97th Board Meeting, have been provided for.

The Board approved the Revised Estimates for 1989 as per attachments 'A', 'B', 'C' and 'D' of the Memorandum No. 42/89, dated 20th December, 1989 and placed as Annexures 'I', 'II', 'III' and 'IV'.

Budget Estimate for 1990.

The Board was apprised that budget estimates have been prepared on historical cost basis and after discussion with all the Zonal Heads and Divisional Heads at Principal Office of the Corporation.

The business growth of State Life was thoroughly discussed. The Board decided that since State Life's role is linked with the national economy, it is essential that the business growth of State Life improves substantially, thereby attracting more savings and effecting improvement in the rate of Domestic Savings.

The Board was apprised that the imposition of Federal Insurance Fee has adversely affected the business growth of State Life and that a separate Memorandum No. 46/89 dated 9.12.1989 on this subject has been placed as item No. 8 of the Agenda for the consideration of the Board.

The Board expressed concern over the low growth of business and the present spread of life insurance in the country which is to be widened by approaching a much larger segment of the population and by devising new plans and improving rate of return in terms of bonuses to the policyholders. The productivity of individual agents is to be improved as well.

The Board decided that to effect perceptible and substantial increase in the FYP a detailed study is needed and directed the Sales & Development Committee to (a) examine business potentials and (b) ways and means to cover larger segment of the market. The Board authorised the S&D Committee to hire out-side agency for such a study, if necessary.

The Board directed that vigorous efforts be made to enlarge the scope of Group Insurance for which also the S&D Committee is required to give its

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recommendations for the consideration of the Board in its next Meeting.

The Board authorised a provision of Rs.2,00,000 under the head of Market study and research for the purposes of hiring out-side Consultants.

The Board further directed that since investment in the 'real estate' needs careful consideration, the 'Investment Committee' was charged with the responsibility to give its recommendations to be considered in the next Board Meeting.

The Board directed that since higher allocation has been approved under the head of 'travelling' in view of the anticipated appointments of new Area Managers, the estimate for business growth is to be revised upwards and the S&D Committee was asked to take note of this point while framing its recommendations to the Board.

While approving the Estimated Budget - 1990 under the head of Law charges, the Board's directives in this regard that appear later on against Item No. 9 (Memorandum No. 47/89 dated 17.12.1989) of the Agenda is to be taken into consideration.

While approving the Estimated Budget - 1990 under the head of Prizes & Awards, the Board's directives regarding Long Service Award appear later on against Item No.15 of the Agenda (Memorandum No. 53/89 dated 23.12.1989) which are to be taken into consideration.

While approving the Budget of advertising, the Board directed that a break-up of proposed expenses on advertisement be submitted in the next Board Meeting. The Board further directed that the unutilised amount on account of advertisement of NAI Scheme be deducted from 1989 Revised Budget.

The Board decided that it will sit again after 3 months or so to review the report of Sales and Development Committee on the increased Business targets and to revise the budgetary allocations to meet enhanced expenses due to increased business production as visualised by the Board.

While deliberating upon the Capital Budget(Revised) Estimate for 1989, the Board directed that Capital Budget of Principal Office for the year 1989 be reduced to the extent it remained unutilised (11 million) as provided for replacement of lifts since the expenses for replacement of lifts have been provided for in 1990 Capital Budget Estimates.

The Board further directed that the Committee which has been formed by the 'Executive Committee' to examine the Power and capacity of the proposed Computer that will replace the IBM 370/125 Computer installed at Principal Office in 1979, be asked to expedite its report. This report will be examined by a 'Higher Committee' formed by the Board comprising Malik Mohammad Aslam, Mr. S.Z.H. Jafri and Mr. Marghub Ahmad. The report/recommendations of the 'Higher Committee' will then be considered by the Board. Based on this report the Board will consider the approval of the Capital Budget for the replacement of Main Frame Computer at Principal Office.

The Board further directed that meanwhile IBM be requested to extend its 'service period' by six months, i.e. until 31st December,1990.

Further, the Board approved the following:

1. Revenue Budget Estimate(Revised) for 1989 and 1990(estimate) as set-out in Annexures 'A', 'B', 'C' and 'D' to the Memorandum No.42/89 minus Rs.1.463 million being the unutilised amount on advertisement of NAI Scheme from 1989 Revised Budget, additional out-lay fo Rs.2,00,000 to 1990 Budget(estimate) for market study

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& research and less by Rs.3.5 million for Long Service Award included under the head Prizes & Awards. (Annexures 'I', 'II', 'III' and 'IV' refer).

2. Further provisions, if necessitated, due to revised increase in business targets be placed before the Board.
3. Capital Budget (Revised) for 1989 and 1990 (Estimated), as set out in para 9 of the Memorandum No.42/89 dated 20.12.1989 presented by Executive Director (F&A) to the Board, less unutilised amount of Rs.11 Million on account of replacement of lifts at Principal Office as provided for in the Budget Estimate of 1989, as per Annexure 'V'.
4. Additional stock budget for FMD in the amount of Rs.0.25 million as detailed in para 11 of the Memorandum No.42/89 dated 20.12.89.

The Executive Director (Finance & Administration) was authorised by the Board to make re-appropriation within the over-all approved budgetary allocations for the year 1990.

ITEM NO. 5: APPOINTMENT OF AUDITORS IN U.A.E.
Executive Director (F&A)'s Memorandum No. 43/89 dated 18.11.1989.

The Board considered the above Memorandum put up by Executive Director (Finance & Administration) and approved the appointment of M/s Sajjad Haider & Co., for the audit of State Life Accounts, for the year 1989 in Dubai and Abu Dhabi at reduced Audit Fee of DH.10,000/00 plus DH.1,000/- as out of Pocket Expenses.

ITEM NO. 6: WIDOW'S PENSION FOR THE WIFE OF LATE F.U.SIDDIQUI, EX-FIELD OFFICER, FORMER EASTERN FEDERAL UNION INSURANCE COMPANY LTD., (LIFE) MERGED IN STATE LIFE AFTER NATIONALISATION.
Executive Director (F&A)'s Memorandum No.44/89 dated 19.12.1989.

The Board considered the above Memorandum put-up by Executive Director (Finance & Administration) and approved a Pension of Rs.1,545/- per month to the wife of late F.U. Siddiqui, ex-Field Officer, former Eastern Federal Union Insurance Company Ltd., (Life), with effect from 1.1.1990, instead of Rs.800/- per month, as directed by Ombudsman (Wafaqi Mohtasib), and to pay the arrears of Rs.51,928/-, if so directed by the Ombudsman, up to 31.12.1989, on account of financial benefits allowed to Pensioners by the Federal Government from time to time.

ITEM NO. 7: APPOINTMENT OF MEDICAL GRADUATES IN NEW BUSINESS DEPARTMENT.
Executive Director (F&A)'s Memorandum No. 45/89 dated 17.12.1989.

The Board thoroughly deliberated upon the above Memorandum put up by Executive Director (F&A). While agreeing with the need to augment the strength of underwriters in view of anticipated increase in the business of State Life, the Board decided that the proposal, as placed before the Board, needs further examination. The Board then directed the Executive Director (PHS) and the Executive Director (F&A) to re-examine the issue and submit to the Board the revised recommendations to take care of the underwriting needs of State Life.

ITEM NO. 8: FEDERAL INSURANCE FEE.
Executive Director (PHS)'s Memorandum No.46/89 dated 9.12.1989.

The Board was apprised that in accordance with its decision/directive in the last (97th) Meeting two legal firms of repute, viz M/s Fazl-e-Ghani Khan & Co., and Mansoor Ahmed Khan & Co., were asked to examine the issue of Federal Insurance Fee imposed by the Federal Government on all premiums due on 1.7.1989 and thereafter. The reports of the above legal firms were examined by the Board and it was decided that the Federal Government be re-approached to do away with this levy for the reasons put forward

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by the above legal firms and also because it is adversely affecting the business of State Life.

ITEM NO. 9: REVIEW THE PROGRESS OF THE COURT CASES FILED BY STATE LIFE FOR RECOVERY OF ITS DUES.

Chairman's Memorandum No. 47/89 dated 17.12.1989.

The Chairman apprised the Board that the above Memorandum has been placed before the Board in compliance with the directive of the Federal Government.

The head of the law Division, Mr. Jafar H. Siddiqui was invited by the Board to explain certain points raised by the Board.

Mr. Jafar H. Siddiqui informed the Board that approximately 50.00 million rupees are recoverable by State Life and that the chances of recovery are bright. The Board was however, not satisfied with this assurance as, in the opinion of the Board, it is not worth while to pursue each and every case out of a total of 91 cases. Cost benefit ratio of expenses involved and cost of late receipt of money should be examined to pursue such cases.

The Board directed Mr. Jafar H. Siddiqui to prepare a statement splitting:

1. Cases filed by State Life for recovery of its dues and
2. Cases filed against State Life.

The Board further directed that item No.1 - cases filed by State Life for recovery of its dues, be further divided into:

- a) where the recoverable amount is up to Rs.10,000/-
- b) where the recoverable amount is over Rs.10,000, and up to Rs.25,000/-.
- c) where the recoverable amount is over Rs.25,000/- and up to Rs.1,00,000/-.
- d) where the recoverable amount is over Rs.1,00,000/-.

The Board further directed Mr. Jafar H. Siddiqui to enlist the steps to be taken, such as, negotiation with the defendants to arrive at an out-of-court agreement or writing off full or partial amount to avoid further legal and other expenses un-necessarily.

The Board also directed Mr. Jafar H. Siddiqui to prepare the above statement incorporating his recommendations and add a remarks' column for the use of the Investment Committee. The Investment Committee will be required to give its positive recommendations to the Board regarding individual cases.

The Board further directed Mr. Jafar H. Siddiqui to prepare a list of cases where State Life has written off recoverable amount.

ITEM NO.10: OVERSEAS OPERATIONS OF STATE LIFE.
Executive Director(S&D)'s Memorandum No. 48/89 dated 19.12.1989.

The Board deliberated upon the above Memorandum put-up by the Executive Director(S&D) regarding re-organising/revitalising the U.K. Main Office (UKMO). This was thoroughly discussed by the Board which decided that before State Life embarks upon any course of action the following factors are to be looked into:

1. Why State Life had decided to close its new business operations in UKMO — factors that led to this decision. (Earlier Report/ Board's Memos be also placed before the Board) and

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2. Feasibility study to determine whether or not UKMO is going to be a viable operation.

In view of above the Board decided that a Committee comprising Haji Mohammad Ishaque and Mr. Noman Cheema, an actuary, be charged with the responsibility of undertaking feasibility study with particular reference to the viability of the business operations of UKMO and place their recommendations within 3 months for the consideration of the Board.

It was further decided that Mr. Tariq Mahmud will assist the Committee as a coopted member, should he choose to join the Committee in the UK at his own cost.

The Board further directed Executive Director(S&D) to prepare a feasibility study with economic justification and the profitability of Kuwait and UAE operations and place it before the Board in the next Meeting.

ITEM NO.11: CAR POLICY - CAR LOAN FACILITY FOR EXECUTIVES AND AREA MANAGERS.
Executive Director(F&A)'s Memorandum No.49/89 dated 21.12.1989.

The Board considered the fresh Memorandum No.49/89 dated 21.12.1989 and approved the following:

- (a) Car loan to Executives and Area Managers be allowed @ 75% of the price of the vehicle, subject to the maximum of Rs.1,50,000 with the proviso that 25% of the price of the vehicle is to be borne by the official concerned.
- (b) The existing rate of interest on car loan, i.e. 3/4th of the (State) Bank rate + 1% is to be modified to equal the Bank rate charged by State Bank of Pakistan, from time to time, i.e. the current rate of interest of 10% charged by State Bank of Pakistan is to be changed as and when State Bank effects a change in the Bank rate.
- (c) The number of Executives to be covered under the approved Car Policy was increased from 250 to 500 and, as such, allocation of funds of 7.0 million was increased to 15.00 million rupees.

ITEM NO.12: PERSONAL STAFF FOR ADDITIONAL POSTS OF DEVELOPMENT EXECUTIVES
Executive Director(F&A)'s Memorandum No.50/89 dated 23.12.1989.

The Board considered the above Memorandum put-up by Executive Director (Finance & Administration) and decided that since the 48 posts asked for have been caused by the creation of additional 24 executive posts of Managers/ Assistant General Managers(Development), as approved by the Board in its 97th Meeting, the consequential need of manpower is approved as under:

	Steno-grapher.	Junior Office Assistant	Junior Office Assistant-cum Typist.	Naib Quasid.
Karachi Zone	3	-	-	3
Hyderabad Zone	1	-	-	1
Multan Zone	2	-	2	4
Faisalabad Zone	2	2	-	4
Lahore Zone	2	-	-	2
Gujranwala Zone	1	-	3	4
Rawalpindi Zone	2	-	1	3
Peshawar Zone	1	-	2	3
Total	14	2	8	24

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<p>ITEM NO.13: <u>MANPOWER - CREATION/UPGRADATION OF POSTS IN PRINCIPAL OFFICE DIVISIONS FOR P.O. AND FOR THEIR RESPECTIVE SECTIONS IN ZONAL OFFICES.</u></p>		
<p>- <u>UPGRADATION OF CERTAIN POSTS OF DIVISIONAL HEADS AT PRINCIPAL OFFICE.</u></p>		
<p><u>Executive Director Memorandum No. 51/89 dated 21.12.1989.</u></p>		
<p>The above Memorandum was withdrawn by Executive Director(F&A) with the permission of the Chair and will be presented in the next Board Meeting.</p>		
<p>ITEM NO.14: <u>INCREASE IN PAY SCALE, ALLOWANCES, FRINGE BENEFITS AND OTHER PERQUISITES FOR OFFICERS OF THE STATE LIFE.</u></p>		
<p><u>Executive Director(F&A)'s Memorandum No.52/89 dated 23.12.1989.</u></p>		
<p>The above Memorandum was placed by Executive Director(F&A) for the consideration of the Board. Executive Director(F&A) apprised the Board that it has in the 97th Meeting deliberated upon item No.15(vi) of the Agenda (of 97th Meeting) — "Revision of Pay Scales & Allowances etc. of Officers of State Life Insurance Corporation of Pakistan: Executive Director(F&A)'s Memorandum No. 35/89 dated 28th September, 1989" and decided that:-</p>		
<p>"That whole package of Financial Compensation be reviewed with a view to restricting it to 16.5% increase over the present package. The Chairman was authorised by the Board to send the revised package to the Federal Government for approval."</p>		
<p>Consequently, the Chairman, State Life sent his recommendations in line with the directive of the Board to the Ministry of Commerce for approval. The Commerce Ministry forwarded these proposals to the Ministry of Finance which decided that the proposals be divided into 3(three) categories. The items of the proposal which, in the opinion of Finance Ministry, could be decided by the Board of Directors of State Life and formed part of the 'revised package' were considered by the Board and the same were approved. The approval of the Board is for the following items:</p>		
<ul style="list-style-type: none"> (i) Car Policy (ii) Driver or Subsidy. (iii) Utilities (Electricity, Gas & Water). (iv) Late Sitting Compensation. (v) Newspapers - Reimbursement limit of: (vi) Group Insurance Cover. (vii) Residential Telephones (viii) Changes in option for Pension OR Gratuity. (ix) Awards (x) Office Facilities. 		
<p>(i) <u>Car Policy.</u></p>		
<p>All the Assistant General Managers posted in the departments other than Sales & Development, be included under the purview of 'Car Policy' of the Corporation and they are to be allowed:</p>		
<p>Car Rental at the rate allowed to Assistant General Managers(S&D) i.e. Rs.1900/- per month and reimbursement of petrol expenses at the rate of Rs.900/- per month, being 50% of the entitlement admissible to Assistant General Managers(S&D), which is Rs.1800/- per month.</p>		
<p>(ii) <u>Driver or Subidy.</u></p>		
<p>Senior Executives of the level of Deputy General Managers be provided with a driver or reimbursement of Rs.1500/- per month as driver's salary.</p>		

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(iii) Utilities (Electricity, Gas & Water).

The expenses on account of utilities be reimbursed to the officers of State Life on production of certificate from the respective officers claiming the amount:-

1. Executive Officers and Assistant Managers. = @ Rs.250/- per month
2. Dy.Managers and Managers = @ Rs.300/- per month.
3. Asstt.General Managers = @ Rs.350/- per month.
4. Dy.General Managers & General Managers. = @ Rs.400/- per month.

(iv) Late Sitting Compensation

The reimbursement of refreshment and meal expenses for late sitting, as allowed to the officers of State Life be reimbursed as under:

- (a) If the officer is to sit and work for at least two hours, he will be entitled to reimbursement of Rs.25/- instead of Rs.10/- as refreshment expenses.
- (b) If the late sitting continued for 4 hours or more, meal expenses are to be reimbursed at the following revised rates:-

	<u>EXISTING</u>	<u>APPROVED</u>
1. Executive Officers and Assistant Managers	= Rs. 40/-	Rs. 60/-
2. Dy.Managers and Managers	= Rs. 45/-	Rs. 70/-
3. Asstt.General Managers.	= Rs. 50/-	Rs. 80/-

- (c) If the late sitting is continued for over 10 hours after the normal office hours, during the last working day of the year-end business closing, an additional payment of refreshment/ meal expenses be allowed at the discretion of the Zonal Head/ Divisional Heads concerned. All other conditions and instructions in this regard are to remain unchanged and the officers will work for extra hours only with the prior permission of the Departmental Head concerned.

(v) Newspapers - Reimbursement Limit of:

The limit on expenses of Newspapers be revised as under:

	<u>EXISTING</u>	<u>APPROVED</u>
Executive Officers	Rs. 80/- p.m.	Rs. 150/- p.m.
Assistant Managers	Rs. 90/- p.m.	Rs. 160/- p.m.
Deputy Managers	Rs.120/- p.m.	Rs. 190/- p.m.
Managers	Rs.140/- p.m.	Rs. 220/- p.m.
Asstt.General Managers	Rs.175/- p.m.	Rs. 260/- p.m.
Dy.General Managers	Rs.225/- p.m.	Rs. 320/- p.m.
General Managers	Rs.250/- p.m.	Rs. 350/- p.m.

(vi) Group Insurance Cover.

Additional Group Insurance Cover be provided to the officers by charging a token premium @ Re.1/- per one thousand sum assured per annum as per slabs given under:

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<u>Officers' Pay per month</u>	<u>Sum Assured</u>
Rs.1500 to 2500	Rs. 75,000/-
Rs.2501 to 3500	Rs. 1,00,000/-
Rs.3501 to 4500	Rs. 1,25,000/-
Rs.4501 to onward	Rs. 1,50,000/-

(vii) Residential Telephones:

(a) Reimbursement of residential telephone expenses be allowed to all Managers according to the limit applicable to them for the telephone installed at their residences,

(b) Departmental Head with the status of Deputy Manager/ Assistant Manager in smaller Zonal Offices be allowed reimbursement of their residential telephone bill. For this purpose individual cases are to be recommended by the respective Zonal Heads and forwarded to P&GS Division, Principal Office for approval of the Executive Director(F&A), and

(c) Bills of residential telephone(which is installed at the recorded address of an officer and is in his sole custody) in the name of landlord/relatives be reimbursed provided a certificate certifying that reimbursement of telephone expenses has not been claimed elsewhere is attached with the bills.

(viii) Changes in Option for Pension OR Gratuity.

A total number of 30 cases, changes in option from Gratuity to Pension,be allowed on the request of the officers. If, however, requests for change in option are received in excess of 30 cases,options upto 30 cases only be allowed at the discretion of the Management.

(ix) Awards.

One time cash award of Rs.500/- be allowed to the officers,on acquiring of accademic qualifications of Graduation/Post Graduation during the service,out of existing budget provision.

(x) Office Facilities.

Offices of the Managers be furnished with synthetic carpet.

The Board further decided and approved that the effective date of approved benefits be 1st January, 1989.

The Board also approved the financial impact of Rs.4.783* million on the above items. They constitute an increase of 4.9% over the present total package before implementation of the Scheme as under:

(Rupees in million)

	<u>Existing</u>	<u>Proposed</u>	<u>Difference</u>	<u>Percentage</u>
	Rs.	Rs.	Rs.	increase
1. Car Rental	1.608	2.155	0.547	0.56
2. Car Petrol	1.600	1.859	0.259	0.27
3. Subsidy/Drivers' salary	-	0.288	2.288	0.30
4. Utilities	-	2.508	2.508	2.57
5. Late Sitting	0.510	0.767	0.257	0.26
6. Newspapers	3.841	4.509	0.668	0.68
7. Group Insurance	0.412	0.624	0.212	0.22
8. Residential Telephone	0.556	0.600	0.044	0.05
TOTAL	8.527	13.310	* 4.783	4.90

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Regarding 'Facility of loans and advances to officers' a separate Memorandum No.54/89 by Executive Director(F&A) was put-up as item No.16 of the Agenda for the consideration of the Board.

ITEM NO.15: LONG SERVICE AWARDS TO EMPLOYEES IN GRADE 1 TO 8(SUPERINTENDENT) AND MN-I TO MN-III.
Executive Director(F&A)'s Memorandum No.53/89 dated 23.12.1989.

The Board considered the above Memorandum put up by Executive Director (Finance & Administration) and decided that in the current year State Life has acceded to very many demands of financial benefits, both for the staff and the officers and hence it is to be deferred. The Board further directed that Long Service Award be given on extra-ordinary, meritorious, unblemished and continuous service of 20 years at least. Meanwhile the Board directed that staff motivational plan be developed by Mr. Marghub Ahmad and Mr. Mubarik Ahmed Malik and submitted to the Board for consideration.

ITEM NO.16: FACILITY OF LOANS AND ADVANCES TO OFFICERS.
Executive Director(F&A)'s Memorandum No.54/89 dated 21.12.1989.

The Board decided to defer the consideration of the above Memorandum for 3-4 months so as to assess the impact of financial benefits already agreed to by the Board on the growth of business.

ITEM NO.17: CONSTRUCTION OF STATE LIFE BUILDING NO.11, KARACHI-SLOW PROGRESS OF WORK -DELAYS AND PROPOSALS FOR IMPROVEMENTS.
Executive Director(RE)'s Memorandum No.55/89 dated 23.12.1989.

The Board deliberated upon the above Memorandum put-up by Mr. S.Z.H. Jafri, Executive Director(RE) and decided that it is in the interest of State Life to have its Building No.11 completed quickly as already the State Life has spent nearly 5 crores on this project with only 05% work remaining for which it was assessed that a sum of Rupees 15-25 lacs is required.

The Board further decided that to overcome the cash flow problem of the Contractor, Mr. Abdul Latif, which according to him, is hindering the completion of the project (SLB-11), a sum of Rs.1.5 million be released to the Contractor in 3(three) equal instalments. The first instalment be released immediately. Subsequent 2(two) instalments be released on the satisfactory work progress to be determined by the Consultants M/s Nespak(Pvt) Ltd., and the Real Estate Division of State Life and the Chairman was empowered to exercise his discretion in this regard.

The Board further decided that in case of default by the Contractor after receiving the first instalment of Rs.05 million, the State Life is to take over the possession of the Building No.11 and make fresh arrangements for the completion of SLB-11.

As a guideline to future course of action, the Board accorded priority to the completion of the project so that revenue(rental) generation begins.

ITEM NO.18: PROPOSAL FOR PURCHASE OF NATIONAL PRESS TRUST BUILDING SITUATED ON PLOT NO.1-A, SURVEY NO.SR-11, MCLEOD ROAD, KARACHI.
Executive Director(RE)/(PHS)'s Memo No.56/89 dated 23.12.1989.

The Board considered the above Memorandum placed by Mr. S.Z.H. Jafri, Executive Director(RE) and decided that the Investment Committee and Haji Mohammad Ishaque as coopted member examine the proposal and put-up their recommendations to the Board. The Board directed the Committee to look into:

1. Site Plan.
2. Plot Construction Ratio of the NPT property
3. Existing tenants and areas occupied by them

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4. Possibility of vacation of Parking lot
5. Possibility of division of whole plot so that a new building could be constructed on the present Parking lot.

The Board was apprised that the tenants - Trading Corporation of Pakistan(TCP) and Export Promotion Bureau(EPB) may vacate the premises soon and shift to Trade & Finance Centre.

The Board directed the Committee to do an investment study on all Pakistan basis. The Committee was authorised to co-opt any director to facilitate such a study or to assess/evaluate a property and submit its recommendations to the Board.

ANY OTHER MATTER WITH THE PERMISSION OF THE CHAIR.

1. The Board directed Executive Director(F&A) to provide a room in all the Zones to be used by the director/s.

2. CARS IN THE ZONES.

The Board directed that the 'Car Policy' of the Zones be reviewed and Executive Director(F&A) to place his recommendations for the consideration of the Board.

** Further, the Board decided that the following Zones be provided one additional vehicle for protocol duties. The Board further directed that vehicles be purchased second hand but in good condition with the approval of Ministry of Commerce.

	<u>No. of vehicle approved.</u>
Hyderabad Zone	1
Faisalabad Zone	1
Rawalpindi Zone	1
Peshawar Zone	1
Multan Zone	1
Gujranwala Zone	1
	<u>6</u>

The Board approved that any of the following makes of the vehicles be purchased.

1. Toyota 1300 C.C.
2. Pajero
3. Land Cruiser.

3. ROTATION OF THE BOARD MEETINGS.

The Board decided that the venue of the Board Meeting be rotated so that meetings are held at Zones as well. However, the Board left this matter to the discretion of the Chairman.

4. NEED OF ACTUARIES.

The Board directed Executive Director(PHS) that Mr. M. Mazharuddin, Deputy General Manager(Actuarial) be advised to prepare a report pertaining to the short and long term needs of actuaries in State Life, taking into account the projected increase in business. The report is to include a working paper on a scheme to cover the projected needs of State Life in this area.

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5. PREMIUM RATES.

The Board directed Executive Director(PHS) to collect rates for whole Life and Endowment Assurance as charged by Companies operating in U.S.A., U.K., U.A.E., and by Life Insurance Corporation of India (LICI).

6. RATE OF RETURN.

The Board directed the Actuarial Division to analyse the rate of return offered to the insured persons on their premium vis-a-vis the rate of interest built in the premium rate calculation and bonuses offered.

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



CHAIRMAN

AMENDMENT

** As observed by Chaudhry Sikandar Hayat Malhi, Director, this para be read as under:

"Further, the Board decided that in the following Zones which have been upgraded vide Board's decision in its 97th Meeting or where it is otherwise necessary for the business development purposes and for protocol duties, an additional vehicle be provided. The Board further decided that vehicles be purchased second hand in good condition or hired on lease with the approval of Minister for Commerce."



CHAIRMAN

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ANNEXURE 'I'BUDGET ESTIMATES FOR THE YEARS 1989(REVISED) AND 1990.

(Rupees in Million)

I N C O M E

TITLE OF ACCOUNT	REVISED ESTIMATES 1989	BUDGET ESTIMATES 1990
<u>A. PREMIUM INCOME</u>		
<u>First Year Premium</u>		
Pakistan	899.980	1169.920
Overseas	<u>4.120</u>	<u>5.410</u>
Total	<u>904.100</u>	<u>1175.330</u>
<u>Renewal Premium Second Year.</u>		
Pakistan	525.380	698.900
Overseas	<u>1.700</u>	<u>2.035</u>
<u>Third Year and Over.</u>		
Pakistan	1323.529	1577.088
Overseas	<u>13.000</u>	<u>14.216</u>
Total	<u>1863.609</u>	<u>2292.239</u>
<u>Group Premium.</u>		
Pakistan	560.000	630.000
Overseas	<u>0.222</u>	<u>0.075</u>
Total	<u>560.222</u>	<u>630.075</u>
<u>Annuity and Single Premium.</u>	<u>0.458</u>	<u>-</u>
TOTAL PREMIUM INCOME	<u>3328.389</u>	<u>4097.644</u>
<u>B. OTHER INCOME</u>		
Interest on Policy Loans	77.454	100.343
Dividend & Interest	1478.273	1722.901
Rental Income (Gross)	66.175	87.151
Miscellaneous & Other Income.	<u>7.350</u>	<u>9.622</u>
TOTAL OTHER	<u>1629.252</u>	<u>1920.017</u>
TOTAL GROSS INCOME	<u>4957.641</u>	<u>6017.661</u>

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RECTORS	HELD AT	ON	TIME
UTE BOOK	KARACHI	Thrusday, 28th December, 1989.	10.30 A.M.

ANNEXURE 'II'

BUDGET ESTIMATES FOR THE YEAR 1989(REVISED) AND 1990

(Rupees in Million)

TITLE OF ACCOUNT	C L A I M S	
	BUDGET REVISED 1989	BUDGET ESTIMATES 1990
<u>Death Claims:</u>		
PAKISTAN	139.811	162.709
OVERSEAS	1.000	1.300
Total	<u>140.811</u>	<u>164.009</u>
<u>Claims Incvestigations Expenses.</u>		
PAKISTAN	0.521	0.675
GROUP	0.022	0.070
N.A.I. Scheme	0.200	0.050
Total	<u>0.743</u>	<u>0.795</u>
<u>Maturity Claims</u>		
PAKISTAN	460.900	492.480
OVERSEAS	12.000	15.000
Total	<u>472.900</u>	<u>507.480</u>
<u>N.A.D.I. Claims</u>		
Group Claims Pakistan	180.000	90.000
Overseas	-	-
Total	<u>538.487</u>	<u>502.260</u>
<u>N.A.D.I. Scheme Profit Commission.</u>		
<u>Group Profit Commission:</u>		
PAKISTAN	77.249	65.320
OVERSEAS	-	-
Total	<u>126.049</u>	<u>163.232</u>
<u>Annuities</u>		
<u>Surrenders</u>		
PAKISTAN	2.103	2.000
OVERSEAS	196.500	209.342
OVERSEAS	13.500	16.000
Total	<u>210.000</u>	<u>225.342</u>
TOTAL CLAIMS EXPENSES	<u>1491.093</u>	<u>1565.118</u>

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ANNEXURE 'III'.COMMISSION EXPENSES BUDGET FOR THE YEAR 1989(REVISED) AND 1990.

(Rupees in Million)

TITLE OF ACCOUNTS	REVISED EST. MATES 1989	BUDGET ESTIMATES 1990
Agency Commission First Year	343.558	446.625
Overriding Commission First Year	316.435	411.365
Agency Commission Annuity	0.034	-
Overriding Commission Annuity	0.007	-
Production Bonus to Area Managers	27.123	35.260
<u>FIELD PRIZES & AWARDS</u>		
i) First Year Premium.	6.079	8.637
ii) Renewal Premium	-	-
Field Group Insurance	6.755	9.041
Field Medical Expenses	13.509	18.082
Field Office Expenses/ Allied Facilities.	40.530	54.246
TOTAL FIRST YEAR	754.030	983.256
Agency Commission Renewal	108.089	132.950
Overriding Commission Renewal	37.272	45.845
TOTAL RENEWAL COST	145.361	178.795
Agency Commission (Group)	2.521	2.835
Overriding Commission (Group)	0.840	0.945
Prizes & Award (Group)	0.150	0.200
TOTAL GROUP COST	3.511	3.980
GRAND TOTAL:	902.902	1166.031

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MEETING	HELD AT	ON	TIME
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ANNEXURE 'IV'.

BUDGET ESTIMATES FOR THE YEAR 1989(REVISED) AND 1990(ESTIMATE)

ADMINISTRATIVE EXPENSES

(Rupees in Million)

TITLE OF ACCOUNTS	REVISED ESTIMATES 1989	PROPOSED ESTIMATES 1990
Salaries	220.942	234.405
Travelling Expenses	20.130	24.767
Auditors Fees	0.545	1.165
Medical Fees	5.479	6.631
Law Charges	2.021	2.093
Advertisement	16.197	16.713
Printing & Stationery	12.557	16.775
Policy Stamps	5.996	7.341
Staff Welfare(Long Service Awards)	29.995	33.132
Postage, Telegrams & Phones	16.864	19.992
Utilities	10.286	11.969
Entertainment	2.379	2.851
Bank Charges	1.892	2.270
Conference & Meetings	5.026	6.020
Prizes & Awards	0.388	1.500
Training Expenses	2.941	3.575
Market Study & Research	0.000	0.200
Computer Expenses	4.892	6.109
Miscellaneous Expenses	21.985	27.931
Rents (State Life Buildings)	15.234	15.224
Rents (Other Buildings).. ..	11.090	13.549
Bad Debts	-	-
Gratuity, Pensions, Provident Fund Contribution	22.747	21.409
Depreciation Expenses	19.517	18.817
TOTAL ADMINISTRATIVE EXPENSES	449.103	494.438

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ASNEXURE 'V'

APPROVED CAPITAL BUDGET 1989 (REVISED) AND 1990 (ESTIMATED)

(Rupees in million)

			Capital Budget (Revised) 1989	Capital Budget (Estimate) 1990
Karachi	..	..	2.025	2.412
Hyderabad	..	..	0.750	0.905
Quetta	..	..	0.105	0.150
Lahore	..	..	3.000	3.920
Faisalabad	..	..	1.757	2.385
Multan	..	..	1.800	2.445
Gujranwala	..	..	1.350	1.899
Rawalpindi	..	..	1.797	2.153
Peshawar	..	..	0.840	1.182
Overseas	..	..	0.138	0.180
Group & Pensions	..	..	0.161	0.363
National Accidental Death Insurance Scheme	0.100	-
Principal Office	5.000	19.000
			<u>18.823</u>	<u>36.994</u>

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