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GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH
MINISTRY OF COMMERCE

NOTIFICATION

Dacca, the 26th February, 1977.

No. S.R.O. 64-L/77.—In exercise of powers conferred by section 30 of the Insurance Corporations Act, 1973 (VI of 1973), the Government is pleased to make the following rules, namely:—

THE INSURANCE CORPORATIONS RULES, 1977.

1. **Short title and commencement.**—(1) These rules may be called the Insurance Corporations Rules, 1977.

(2) They shall come into force at once.

2. **Definitions.**—In these rules, unless there is anything repugnant in the subject or context, "Act" means the Insurance Corporations Act, 1973 (VI of 1973).

3. **Capital.**—(1) The authorised capital of each Corporation shall be Taka five crores to be divided into five lakh shares of Taka one hundred each.

(2) The shares of each Corporation shall be under its control and shall be allotted to the Government for the amount subscribed by it from time to time according to the requirements of the Corporation concerned.

(4737)

Price: Taka 1.50

(3) Each Corporation shall maintain at its head office a Share Register and shall enter therein the following particulars, namely:—

- (a) the name of the shareholder;
- (b) the amount of the share issued and subscribed; and
- (c) the date on which issued.

4. **Restriction on voting.**—A Director who is either directly or indirectly interested in a contract entered or proposed to be entered into or claims to be settled by a Corporation shall, as soon as possible after the relevant circumstances have come to his knowledge, disclose the nature of his interest to the Corporation and shall not take part in any deliberation or vote in any matter with respect to that contract or claims.

5. **Meetings.**—(1) The Meetings of the Board shall be held as and when necessary and at such times and places as the Managing Director may, in consultation with the Chairman, determine.

(2) The notices of the meeting shall be issued by the Managing Director or an officer authorised by him in this behalf.

(3) The Managing Director shall call a meeting of the Board on a requisition signed by at least three Directors to consider only such matters as are indicated in the notice of requisition.

(4) The Managing Director shall call a meeting of the Board when so asked by the Government to consider a matter of public importance.

(5) The Managing Director shall, in consultation with the Chairman, determine the items of discussion for each meeting and he shall also include any item in the agenda if suggested by any Director.

(6) Not less than seven clear days' notice of each meeting shall be given to the Directors:

Provided that for an emergency meeting, at least 24 hours' notice shall be given to the Directors.

(7) Non-receipt of notice for a meeting issued under sub-rule (6) by any Director shall not vitiate the proceedings of such meeting.

(8) A meeting of the Board may also be held by circulation; but no resolution shall be deemed to have been duly passed by the Board by circulation unless the draft resolution, together with supporting notes and papers, if any, has been circulated to all Directors and has been approved by a majority of the Directors.

6. **Quorum and adjournments.**—(1) If, within half an hour from the time appointed for holding a meeting, the quorum is not present, the meeting shall stand adjourned to a time, date and place to be decided by the Chairman which shall be within a week from the date of such meeting.

(2) If, at any such adjourned meeting, the quorum is also not present within half an hour from the time appointed for holding the meeting, the Directors present shall form the quorum.

(3) The Chairman may, with the consent of the majority of the Directors present at a meeting, adjourn the same to another date, time and place.

(4) No business other than that which are included in the items of discussion shall be transacted at any meeting or adjourned meeting without the permission of the Chairman.

(5) It shall not be necessary to give notice of an adjourned meeting.

7. **Voting.**—All matters included in the items of discussion for a meeting shall be decided by a majority of Directors present and voting and, in the event of equality of votes, the Chairman or the Director presiding over the meeting shall have a second or casting vote in addition to the vote to which he is entitled as a Director.

8. **Proceedings.**—(1) The proceedings of every meeting of the Board shall be recorded and circulated by an officer authorised by the Managing Director in this behalf to the Directors before the next meeting is held.

(2) The proceedings of every meeting shall be placed before the next meeting for confirmation.

(3) When the proceedings are confirmed with or without modification, the same shall be entered in the book of the proceedings of the Corporation and signed by the Chairman; and in case the Chairman is absent, the proceedings shall be signed by the Managing Director and another Director who was present in the meeting as a mark of authentication. Such entry in the book of proceedings shall be conclusive evidence of the decision taken by the Board.

(4) A resolution of the Board shall ordinarily be effective after its confirmation at the next meeting. If it becomes necessary to give effect to any decision of the Board before its confirmation, the Managing Director shall implement the same in consultation with the Chairman and report the matter while placing the proceedings to the meeting for confirmation.

9. **Chairman.**—(1) The Chairman shall ordinarily preside over all the meetings of the Board.

(2) The Board may assign to the Chairman such functions as have not been—

(a) entrusted to the Managing Director by the Government;

(b) assigned to the Managing Director by the Board; and

(c) given to the Managing Director under the Act and rules or regulations made thereunder.

10. **Fees and allowances.**—(1) Subject to the provisions of sub-rule (2) the Corporation shall pay to a Director including the Chairman, other than the Managing Director,

(a) a fee of one hundred Taka for attending each meeting of the Board;

(b) a fee of seventy-five Taka for attending each meeting of a Committee of the Board;

- (c) in case he is normally a resident outside the Dacca city or Narayanganj, a daily allowance and travelling allowance at the rates as are admissible to the Managing Director and, in case he is normally a resident outside the Dacca city or Narayanganj, a conveyance allowance of twenty-five Taka per day for attending meetings of the Board or of a Committee of the Board if no transport is provided by the Corporation.

Explanation.—A meeting of the Board or of its Committee held on a date originally fixed and on subsequent date or dates to which it is adjourned will constitute one meeting.

(2) Subject to such instructions as the Government may issue from time to time in this behalf, an official Director may be allowed all or any of these fees and allowances specified in sub-rule (1).

(3) Notwithstanding anything contained in sub-rule (1), if the meetings of the Board and of the Committee of the Board are held on the same day, the Corporation shall pay fee and allowance for only one such meeting.

11. **Honorarium, etc.**—The Corporation shall pay such honorarium and other benefits to the Chairman and for such period as the Government may determine from time to time.

12. **Managing Director.**—(1) The Managing Director, being the chief executive, shall conduct and manage the affairs and business of the Corporation in accordance with the provisions of the Act, rules, regulations, Government instructions and the resolutions of the Board and shall act and be guided by the sound commercial principles and business practices.

(2) The Managing Director shall be responsible for execution, implementation and compliance with the provisions of the Act, the Insurance Act, 1938, and the rules and regulations made under those Acts, Government instructions and the decisions of the Board.

(3) The Managing Director shall ensure, and be responsible for, preparation, maintenance and timely submission of all statements, forms, returns, reports and registers to the relevant authorities as required under the Act, the Insurance Act, 1938, and the rules made under those Acts. He shall also be responsible for the preparation of all papers and statements as may be required by the Board.

(4) Subject to the budget provisions, the Managing Director shall be competent to authorise expenditure not exceeding fifty thousand Taka on any one item at any one time other than the payment of claims :

Provided that the Board may authorise any higher amount on any one item.

13. **Budget.**—(1) Each Corporation shall maintain its accounts and prepare annual budget statement according to the calendar year.

(2) The Jiban Bima Corporation and the Sadharan Bima Corporation shall prepare annual budget statement in the form set out in Schedule I and Schedule II, respectively and submit the same to the Government by the 15th November every year for approval. It shall also submit such explanations and statements in respect of the annual budget statement as the Government may call for.

(3) No expenditure shall be incurred by a Corporation unless it is included in the budget approved under sub-rule (2) :

Provided that if, at any time, an item of expenditure not included in the approved budget is found to be of inescapable nature or a shortfall occurs in any item, the Corporation shall submit to the Government a supplementary budget statement for approval in the form set out in Schedule I or Schedule II, as the case may be, together with necessary explanations and information.

(4) The annual budget statement to be submitted to the Government under sub-rule (2) shall be accompanied by a report highlighting the progress and achievement during the year and the programme of activities for the next year to which the budget statement relates.

14. **Actuarial valuation.**—(1) The Jiban Bima Corporation shall cause the actuarial valuation referred to in section 20 of the Act to be completed and submitted to the Government by the September of the year following the period of years for which the valuation becomes due.

(2) The actuarial report required to be submitted to the Government under sub-rule (1) shall be drawn up in accordance with the provisions of the Fourth Schedule to the Insurance Act, 1938.

15. **Accounts.**—(1) The balance sheet, the profit and loss account and the revenue accounts of each class of insurance business referred to in sub-section (1) of section 19 of the Act shall be drawn up in accordance with the provisions of section II of the Insurance Act, 1938, and in the forms referred to therein.

(2) The balance sheet of a Corporation shall be signed by the Managing Director and the Chairman and, in the absence of the Chairman, by two other Directors not being the official Directors.

16. **Annual report.**—(1) The Board shall, as soon as may be after the receipt of the report of the auditors appointed under sub-section (2) of section 19 of the Act, prepare a report to be called the Directors' Annual Report on the working of the Corporation during the year to which the accounts relate which shall, *inter alia*, contain—

- (a) a resume of the performance, progress and achievements during the year under review in relation to the targets fixed earlier for that year;
- (b) highlights of the important activities, events or losses;
- (c) the programmes and targets fixed for the next year;
- (d) a brief comparative analysis of the financial position of the Corporation during the year under review *vis-a-vis* the previous year, and
- (e) reasons for failure, if any, to achieve the programmes and targets fixed for the year under review.

(2) The report under sub-rule (1) shall be signed by the Managing Director and the Chairman or, in the absence of the Chairman, by two other Directors, not being official Directors, and shall, together with the audited balance sheet, profit and loss account and revenue accounts, be submitted to the Government before the 30th June every year.

17. **Progress report.**—(1) Each Corporation shall submit to the Government a quarterly progress report not later than 45 days following the closing date of each quarter showing, amongst others, claims notified, pending and paid indicating the amount involved, expenses incurred and premium received under each class of insurance business. The Jiban Bima Corporation shall, in addition, show in the progress report the amount of business in force at the end of the quarter and total sum insured during the quarter to which it relates.

(2) Each Corporation shall also submit to the Government an annual progress report not later than 30th June every year containing the particulars mentioned in sub-rule (1).

(3) Notwithstanding the provisions in sub-rule (1) and (2), the Jiban Bima Corporation in its annual progress report shall furnish the following information :—

- (a) the total amount of new business;
- (b) the total number of new policies issued;
- (c) the total amount of business in force;
- (d) the total amount of commission paid under new and old business separately;
- (e) the total amount of management expenses under new and old business separately;
- (f) number of policies lapsed and amount involved;
- (g) number of policies revived and sum assured thus revived;
- (h) total amount of premium received, both new and old; and
- (i) investments made.

(4) The Board shall as soon as may be after the receipt of the report of the auditors appointed under sub-section (2) of section 19 of the Act, prepare a report to be called the Directors' Annual Report on the working of the Corporation during the year in which the accounts relate which shall contain—

- (a) a resume of the performance, progress and achievements during the year under review in relation to the targets fixed earlier for that year;
- (b) highlights of the important activities, events or losses;
- (c) the programmes and targets fixed for the next year;
- (d) a brief comparative analysis of the financial position of the Corporation during the year under review vis-à-vis the previous year; and
- (e) reasons for failure, if any, to achieve the programmes and targets fixed for the year under review.

(5) The report under sub-rule (4) shall be signed by the Managing Director and the Chairman or in the absence of the Chairman, by two other Directors not being official Directors, and shall, together with the audited balance sheet, profit and loss account and revenue accounts, be submitted to the Government before the 30th June every year.

Particulars.	Actuals	Budget	Actuals	Revised	Budget	Increase (+)
	for the year before last.	for the estimates for the current year.	for first 6 months of current year.	estimates for the current year.	estimates for 19 Taka	or Decrease (-). Taka
1	2	3	4	5	6	7
	Taka	Taka	Taka	Taka	Taka	Taka
B. EXPENDITURE						
B-1. Pay and allowances—						
1. Pay of officers .. .. .	..	..	..	..	..	..
2. Pay of establishment .. .. .	..	..	..	..	..	..
3. Allowances and other benefits:						
(a) Medical charges .. .. .	..	..	..	..	..	..
(b) Travelling and conveyance .. .. .	..	..	..	..	..	..
(c) House rent expenses .. .. .	..	..	..	..	..	..
(d) House rent allowances .. .. .	..	..	..	..	..	..
(e) Entertainment allowances .. .. .	..	..	..	..	..	..
(f) Overtime .. .. .	..	..	..	..	..	..
(g) Fringe benefits .. .. .	..	..	..	..	..	..

(h) Bonus:	..
(i) Festival/Profit ..	..
(ii) Incentive ..	..
(i) Other allowances ..	..
(i) Delegation and Training ..	..
Total of B-1.	..

B-2.—Office Expenses—

1. Printing and stationery ..	..
2. Rent, rates and taxes ..	..
3. Electricity ..	..
4. Liveries and uniforms ..	..
5. Postage, Telegram and Telephone Charges ..	..
6. Publicity and advertisement ..	..
7. Legal expenses ..	..
8. Audit fees ..	..
9. Petroleum, Oil and Lubricants ..	..
10. Bank charges ..	..
11. Repairs and maintenance:	
(a) Buildings ..	..
(b) Vehicles ..	..
(c) Others ..	..

7.	Insurance charge for cars and others	..
8.	Insurance stamps	..
9.	Actuarial fee	..
10.	Contribution to Bangladesh Insurance Academy.	..

Total of B-3.

B-4. Claims and Commission—

1.	Claims:	..
	(a) By death	..
	(b) By maturity	..
	(c) By surrender	..
	(d) Annuity	..
	(e) Group claims	..
	(f) Bonus to policy-holders	..
2.	Commission to agents	..
3.	Overriding commission to employees of agents.	..
4.	Reinsurance premium	..

Total of B-4

B-5. Contingencies—

1.	Business Development Expenses	..
2.	Donations and Subscriptions	..
3.	Books and periodicals	..
4.	Washing charges	..
5.	Welfare and recreation	..

B. EXPENDITURE

1. Building account .. .. .	..
2. Vehicles crafts .. .. .	..
3. Furniture and office equipment .. .. .	..
4. Loans and advances:	
(a) Staff .. .. .	..
(b) Others .. .. .	..
5. Others (items to be specified) .. .. .	..

Total Expenditure ..

Surplus/Deficit of Capital Budget (A-B)

SUMMARY

Total Receipts .. .. .	..
Total Expenditure .. .. .	..
Net Surplus/Deficit .. .. .	..
Appropriation:	
(a) Accretion to Life Fund .. .. .	..
(b) Profit to the Government .. .. .	..
(c) Bonus to policy-holders .. .. .	..

SCHEDULE II

[See rule 13]

ANNUAL BUDGET STATEMENT OF THE SADHARAN BIMA CORPORATION FOR 19

PART A—REVENUE BUDGET

Particulars.	2	3	4	5	6	7
	Actuals for the year before last.	Budget Estimates for current year.	Actuals for first 6 months of current year.	Revised Estimates for current year.	Budget Estimates for 19...	Increase(+) or Decrease (-).
	Taka	Taka	Taka	Taka	Taka	Taka
1. RECEIPTS						
*1. Premium:-Less Reinsurances						
(a) Fire
(b) Marine
(c) Motor and Miscellaneous
2. Commission on reinsurance
3. Interest, rent and dividend						
(a) Interest
(b) Rent
(c) Dividend
4. Other and miscellaneous income
Total Receipts

* Indicates gross premium and reinsurance premium for each class of business.

B. EXPENDITURE

B-1.—Pay and allowances :

1. Pay of officers .. .. .	..	..
2. Pay of establishment .. .. .	..	..
3. Allowances and other benefits :		
(a) Medical charges .. .. .	..	..
(b) Travelling and conveyance .. .. .	..	..
(c) House rent allowances .. .. .	..	..
(d) House rent expenses .. .. .	..	..
(e) Entertainment allowances .. .. .	..	..
(f) Overtime .. .. .	..	..
(g) Fringe benefits .. .. .	..	..
(h) Others allowances .. .. .	..	..
(i) Delegation and Training .. .. .	..	..
(j) Bonus :		
(i) Festival/Profit .. .. .	..	..
(ii) Incentive .. .. .	..	..

Total of B-1

12. Depreciation	..
13. Directors' fee and allowances	..
14. Medical fees	..
15. Entertainment and Canteen expenses	..
16. Computer rent	..
17. Special charges (major items to be specified)	..

Total of B-2

B-3.—Other charges ;

1. Provident Fund contribution	..
2. Pension and gratuity	..
3. Group Insurance charges	..
4. Income-tax for employees	..
5. Benevolent Fund	..
6. Interest on deposits and borrowing	..
7. Insurance charges for cars and others	..
8. Insurance stamps	..
9. Contribution to Bangladesh Insurance Academy	..

Total of B-3

4. Washing charges .. .. .	..
5. Welfare and recreation .. .. .	..
6. Games and Sports .. .. .	..
7. Other contingencies .. .. .	..
Total of B-5 .. .. .	..
GRAND TOTAL OF B .. .. .	..
TOTAL REVENUE RECEIPTS-A .. .. .	..
TOTAL REVENUE EXPENDITURE-B .. .. .	..
SURPLUS/DEPOSIT OF REVENUE BUDGET (A-B)	

PART B—CAPITAL BUDGET**A. RECEIPTS :**

1. Share capital from Government .. .. .	..
2. Loans grant from Government .. .. .	..
3. Disposal of shares .. .. .	..
4. Recovery of loans and advances .. .. .	..
5. Disposal of other assets (items to be specified)	
Total Receipts .. .. .	..

Particulars.	2	3	4	5	6	7
	Actuals for the year before last.	Budget estimates for current year.	Actuals for first 6 months of current year.	Revised estimates for the current year.	Budget estimates for 19	Increase(+) or Decrease(-).
	Taka	Taka	Taka	Taka	Taka	Taka
B. EXPENDITURE :						
1. Building account
2. Vehicles crafts
3. Furniture and office equipment
4. Loans and advances :						
(a) Staff
(b) Others
5. Others (Items to be specified)
Total Expenditure
Surplus/Deficit of Capital Budget (A-B)						

SUMMARY

Total Receipts	..	..
Total Expenditure	..	..
Net Surplus/Deficit	..	..
Appropriation :		
(a) Reserves for unexpired risks	..	..
(b) Exceptional Losses Reserves	..	..
(c) General Reserves	..	..
(d) Reserves for taxation	..	..
(e) Profit to the Government	..	..

By order of the President
M. MATIUR RAHMAN
Secretary.