


# Statement of Expenses

For The Year Ended December 31, 2009

Figures in Rupees

	Statutory Funds			Aggregate December 31, 2009	Aggregate December 31, 2008
	Ordinary Life	Universal Life	Accident & Health		
<b>Acquisition Costs</b>					
Remuneration to Insurance Intermediaries on Individual Policies:					
Commission on First Year Premiums	—	17,244,964	495,270	17,740,234	7,968,829
Commission on Second Year Premiums	—	773,604	—	773,604	321,514
Commission on Subsequent Renewal Premiums	—	776,370	—	776,370	932,636
Other Benefits to Insurance Intermediaries	—	128,318	—	128,318	360,250
<b>Group Policies:</b>					
Commission	2,374,721	—	5,199,533	7,574,254	5,483,710
	2,374,721	18,923,256	5,694,803	26,992,780	15,066,939
<b>Branch Overhead:</b>					
Salaries, Allowances and Other Benefits	—	18,896,838	3,936,194	22,833,032	9,276,446
Other Operational Costs	—	21,692,758	1,140,388	22,833,146	14,149,560
	—	40,589,596	5,076,582	45,666,178	23,426,006
Other Acquisition Cost					
Policy Stamps	15,250	179,585	21,950	216,785	66,180
<b>Total Acquisition Cost</b>	<b>2,389,971</b>	<b>59,692,437</b>	<b>10,793,335</b>	<b>72,875,743</b>	<b>38,559,125</b>
<b>Administration Expenses</b>					
Salaries and Other Benefits	8,710,718	8,788,009	678,950	18,177,677	18,889,182
Travelling Expenses	393,239	408,248	135,802	937,289	1,650,458
Auditor's Remuneration	166,476	66,591	99,886	332,953	273,233
Actuary's Fees	400,000	400,000	400,000	1,200,000	1,200,000
Medical Fees	877,608	585,072	—	1,462,680	1,223,279
Advertisements	2,077,947	678,171	904,228	3,660,346	2,169,089
Printing and Stationary	1,281,929	939,065	342,999	2,563,993	1,927,150
Operating Lease Rental	296,726	182,803	280,400	759,929	1,045,222
Staff Welfare	2,195,479	1,556,498	228,183	3,980,160	4,543,595
Postage, Telegram and Telephone	383,372	202,893	786,114	1,372,379	1,451,871
Electricity and Gas	566,990	156,171	455,944	1,179,105	854,316
Newspaper and Periodicals	7,217	4,200	3,500	14,917	11,014
Entertainment Expense	502,450	331,240	208,176	1,041,866	1,202,085
Repair and Maintenance	201,594	146,614	9,326	357,534	378,129
Insurance	138,453	—	442,500	580,953	718,016
Stamps	14,766	—	—	14,766	—
Consultancy Charges	342,825	213,840	106,920	663,585	1,464,644
Bank Charges	416,034	265,853	85,288	767,175	473,700
Miscellaneous Expense	1,577,779	517,920	270,053	2,365,752	1,345,366
	<b>20,551,602</b>	<b>15,443,188</b>	<b>5,438,269</b>	<b>41,433,059</b>	<b>40,820,349</b>
<b>Gross Management Expenses</b>	<b>22,941,573</b>	<b>75,135,625</b>	<b>16,231,604</b>	<b>114,308,802</b>	<b>79,379,474</b>
Commission From Reinsurers	(6,008,583)	(322,193)	—	(6,330,776)	(7,188,203)
<b>Net Management Expenses</b>	<b>16,932,990</b>	<b>74,813,432</b>	<b>16,231,604</b>	<b>107,978,026</b>	<b>72,191,271</b>

The annexed notes 1 to 34 form an integral part of these financial statements.



**CHIEF JUSTICE (R) MIAN MAHBOOB AHMAD**  
Chairman



**MAHEEN YUNUS, CPCU**  
Managing Director &  
Chief Executive



**A. K. M. SAYEED**  
Director



**JAVED YUNUS**  
Director