

October, 2011

**FELLOWSHIP EXAMINATION
GROUP INSURANCE &
RETIREMENT BENEFIT SCHEMES**

Reg. No.

--	--	--	--	--	--	--	--

[Time : 3 Hours]

[Total Marks : 100]

Answer **any five** questions only.
All questions carry 20 marks each.

- | | Marks |
|---|--------|
| Q.1 Write Short notes on any four :- | 5 each |
| a) Group Creditor Insurance | |
| b) Group Insurance for non-employed Group | |
| c) Unit Linked Insurance plans under Group Insurance Schemes | |
| d) Ceiling on employer's contribution in respect of Group Superannuation and Gratuity Schemes. | |
| e) Fiduciary responsibility of the trustees in view of the new investment pattern w.e.f 01.04.2009 | |
| Q.2 a) Calculate Past Service Gratuity, Future Service Gratuity & Total Service Gratuity - Salary Rs. 13,000/- p.m., Gratuity Rate - 15/26 x monthly salary for each year of service, Past service 8 yrs., Future service 32 yrs., Total Service 40 yrs., | 5 each |
| b) Calculate Death claim benefit under Group Savings linked insurance scheme :- Risk Sum Assured 1,20,000/-, Mly premium Rs. 120/- out of which Rs. 40/- is Risk Premium, Rs. 80/- Savings Premium, Date of Commencement 1-2-05, Date of death 14-1-10 | |
| c) Express your opinion regarding employees increasing demand for pension benefits and 'longer life span.' | |
| d) Point - out a new area where insurers should provide insurance protection from social security point of view. Give reasons for its inclusion. | |
| Q.3 Distinguish between :- | |
| a) Group life Insurance Scheme & Individual life Insurance Scheme | 10 |
| b) Compare and Contrast Defined Benefit & Defined Contributory Superannuation Scheme. | 10 |

- Q.4 a) The Government is directly and indirectly taking steps to promote welfare measures for the working population and unorganized sector in the form of death cum retirement benefits. Discuss various measures in this regard. 10
- b) Providing Social Security to unorganized sector and weaker section of the society below poverty line is a problem and challenge for the state. Explain how the Government is tackling this problem, more specifically in the implementation of Jan Shree Bima Yojana. 10
- Q.5 ‘Chhaya Constructions’ a private limited company of 10 yrs. old approached to you. At present company has got privately administered approved gratuity Fund of Rs. 3.5 crores. Company has faced following problems. 20
- i) Due to change of their Fund investment Manager interest yield on Gratuity Fund for the year 2009-10 has dropped from 11.5% to 8.5%.
- ii) In Sept. 2009 due to large number of retirements and resignations trustees of Fund faced cash liquidity problem.
- iii) Actuary appointed for Fund valuation is charging exhorbitant fees and also not co-operating.
- iv) Frequent queries are raised by Income Tax department requiring frequent consultations. As a group schemes’ manager guide above client.
- (i) How scheme offered by your company will help them to overcome above problems.
- (ii) In addition, what more benefits it will offer and if agreed, how to switch over to your - company’s scheme.
- Q.6 ‘Rajendra Overseas Pvt. Ltd.’ a company engaged in import-export business approached to you for scheme to cover leave encashment liability. At present company provides payment of salary in lieu of accumulated Earned leave at the time of superannuation subject to maximum of 240 days. Company desires to cover this liability. As a group scheme’s manager can you suggest suitable scheme, if so, guide the client on 20
- a) Sailent features of scheme
- b) How it works
- c) Additional insurance coverage available

- d) Income Tax benefits available to employer
- e) Procedure for launching the scheme & for obtaining Income Tax Approval
- f) Data required etc.

Q.7 Explain the main points to be covered under the Rules and Trust Deed of an Insured Superannuation Scheme. 20

Q.8 Recently Government of India has revised the benefits under, “Employees Deposit Linked Insurance Scheme, 1976”. Considering these amendments state what are terms, conditions and benefits available at present under the scheme. 20

As a group schemes’ manager can you suggest group insurance scheme in lieu of Govt. EDLI scheme, if so, critically analyse advantages and disadvantages of both the schemes, bringing out salient features of scheme offered by you.

---END---