

OCTOBER, 2010

FL-83

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

Time: 3 Hours]

[Total Marks : 100

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

Marks

- 
- |    |   |         |
|----|---|---------|
| 1. | Write short notes on <b>any four</b> of the following:-   | 5 each  |
|    | a) Irrevocable Trust  |         |
|    | b) Multi-Employer Scheme  |         |
|    | c) Group Underwriting   |         |
|    | d) Experience Rating  |         |
|    | e) Need for pension   |         |
| 2. | a) Examine the concept of Insurable Interest in Group Insurance Products.   | 10 each |
|    | b) Discuss non contributory Group Insurance Schemes.  |         |
| 3. | a) What is meant by Employees - Deposit Linked Insurance Scheme, 1976 (E. D. L. I.)?<br>State and explain it's terms, conditions and benefits?  | 8       |
|    | b) An enquiry is received from 'Ayush' Infotech Pvt. Ltd., a reputed I. T. Company employing 1500 employees with average age of 35 yrs. and monthly wage bill of Rs. 2.25 crores, for switching over to Group Insurance Scheme in lieu of Govt. E. D. L. I. Scheme.<br><br>Prepare Draft Reply letter elaborating following points :- | 2 each  |
|    | i) Sailable features of Group Insurance Scheme offered by your Company.   |         |
|    | ii) How it is better alternative?   |         |
|    | iii) It's advantages to Employer and Employees.   |         |
|    | iv) Additional benefits which can be offered.   |         |
|    | v) Data required.   |         |
|    | vi) Steps to be taken for introducing Scheme.   |         |

4. A Joint Stock Company in private Sector Employing about 5,000 employees, has secured its Gratuity Liability through a Gratuity Trust Fund managed by the Trustees. The Fund which was set up 15 years ago is of the order of Rs. 180 crores as at 31.3.08. You are required to play the role of a Group Schemes Manager and propose to the Company to switch over from the self managed Gratuity Fund to the alternative of insurance Company's Group Gratuity Scheme.
- a) Discuss the relative merits and demerits of the two alternatives. 8
- b) Discuss the fiduciary responsibility of the Trustees in view of the New Investment Pattern W. E. F. 01.04.2009. 6
- c) State the important steps to be taken to bring about the switch over. 6
5. a) Explain briefly why Actuarial Valuation of Defined Benefit Schemes are necessary. Whether the benefits are funded or not? 10 each
- b) It is observed that of late Defined Benefit Superannuation Schemes have lost its appeal from the point of view of the employer.- Why so?
6. State the Income Tax position from the point of view both the employer and employees in respect of the following, indicating the relevant section/s in the Income Tax Act, 1961. 5 each
- a) Ordinary annual contribution and initial contribution made by an employer to an Approved Gratuity Fund.
- b) Ordinary annual contribution and initial contribution made by an employee to an Approved Gratuity Fund.
- c) Normal contribution and the additional contribution of the employee and normal contribution of employer made to a Recognized Provident Fund
- d) Premiums paid by the employee and the employer under a Contributory Group Insurance Scheme providing death benefits.
7. a) Whether an employer can fund his liability in respect of employees' leave encashment (lump sum) under a Group Insurance Scheme? If so bring out the details of the Scheme. 10 each
- b) Mention any one scheme under which the Govt. is providing insurance protection to rural and urban poor persons below poverty line and explain any one of them stating how the problems being faced in implementation of the Scheme are being tackled.

8. Write brief notes on **any four** of the following :-

- a) AamAdmi Bima Yojana.
- b) Janshree Bima Yojana and Shiksha Sahyog Yojana.
- c) Group Savings Linked Insurance Scheme.
- d) Group Insurance in conjunction with superannuation Scheme.
- e) Winding up of superannuation Fund.

----- END -----