

IC-104

Fellowship

EXAMINATION QUESTION PAPERS NOV.2007



भारतीय बीमा संस्थान
INSURANCE INSTITUTE OF INDIA
Universal Insurance Building,
Sir P. M. Road, Fort,
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Price Rs. 10/-

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. a) What are the segments of Group Schemes market? Examine the potential for business of each segment.	10
b) Examine the relevance of insurable interest for effecting Master Policies under Group Schemes.	10
2. a) "As compared to Self-Managed Gratuity Fund, LIC-managed Gratuity Fund is more beneficial". Discuss the statement with reference to Group Gratuity Scheme of LIC OF INDIA.	10
b) In the following example calculate :	10
i) Death Gratuity payable under Gratuity Act	
ii) Death Gratuity payable under Group Gratuity Scheme of LIC.	
Data :	
Employee's date of joining service	- 26.4.1995
Employee's date of birth	- 15.4.1960
DOC of Group Gratuity Scheme	- 1.4.1992
Date of last renewal of the scheme	- 1.4.2005
(Basic + D.A) salary of employee on renewal date	- Rs. 12,500
Date of Death of employee	- 27.8.2005
(Basic +D.A)Salary of employee as on date of death	- Rs.15,700
Retirement age	- 60 years
Scale of Gratuity 15 days salary for each year of service (i.e as per Gratuity Act).	
3. a) What are the advantages of getting a superannuation Scheme approved under Part 'B' of the Fourth Schedule of the Income Tax Act, 1961?	10
b) Discuss the various plans suitable for funding pension benefits.	10

4. Volvo Tech Net Ltd. is a private company, interested in introducing Group Savings Linked Insurance Scheme for its 80 employees. As a Manager of Pension & Group Schemes, how will you advise them on the following topics:- 20
- Object of the scheme
 - Contributions
 - Participation conditions
 - How contributions are dealt with
 - Benefits both on retirement and on premature death
 - Tax Benefits
 - Data Required
5. "Group Life Insurance with all its simplicity and low cost cannot justify its real utility if it fails to benefit the socially and economically weaker sections of the society." Discuss taking into consideration unorganised sector engaged in Rural and Urban areas. 20
6. a) What are the conditions to be fulfilled by an establishment for obtaining exemption from the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952? 10 each
- b) What are the conditions to be fulfilled by a Provident Fund to qualify for recognition under the Income-tax Act, 1961?
7. State the income tax position from the point of view of both an employee and employer (wherever applicable) in regards to the following, including the relevant sections of the Income Tax act, 1961:- 5 each
- Annual contribution made by an employee and employer under a Contributory Group superannuation Scheme.
 - Death benefit received under GSLI scheme consisting of risk cover sum assured and savings portion with accumulated interest.
 - Employer's contribution towards fourth yearly instalment of single premium towards Past Service Gratuity Liability.
 - Commutated Value payable under Group Superannuation Scheme.
8. Write short notes on : 5 each
- Transfer of equitable interest
 - Contributory Scheme
 - Shortfall in gratuity on withdrawal
 - Advantages of annual Premium Costing

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