May, 2012

FELLOWSHIP EXAMINATION
GROUP INSURANCE &
RETIREMENT BENEFIT SCHEMES

Time : 3 Hours

Answer Any Five questions only.
All questions carry 20 marks each.

Q.1 Write Short notes on Any Four:
   a) Multi-Employer Scheme
   b) Level Premium term assurance
   c) Transfer of equitable interest
   d) Need of Pension
   e) Janshree Bima Yojana

Marks
5 each

Q.2 a) What will happen if, an employer adopts ‘Pay as you method’ for payment of pension to employees?
   b) An employee is making contribution towards (i) P.F. (ii) G.I. Scheme (iii) Approved superannuation scheme. Whether he will be entitled for Income Tax benefit? If so, state relevant section & maximum limit?
   c) An employee, covered under insured superannuation scheme, has attained superannuation age. His employer has granted 3 years extension to him and employer desires to pay superannuation contribution during extended service. Whether it will be allowed? If so, how?
   d) Write Short note on:- Cash accumulation scheme.

5 each

Q.3 a) Under group life insurance scheme-
   (i) Group underwriting & (ii) Experience Rating are two special features. Explain these two concepts.
   b) What is meant by Gratuity? When it is payable and why it is called as statutory liability? What is present maximum limit of gratuity?
   What are the different ways available to employer for funding gratuity liability?
   Out of them which you will recommend and why?

10 marks

Q.4 a) What do you understand by insured superannuation scheme? Critically analyse advantages and disadvantages of insured superannuation scheme & privately administered superannuation scheme?
   b) Why social security schemes are needed? What is Government’s role in this regard? State the salient features of ‘Aam Admi-Bima Yojana’ & ‘Shiksha Sahyog Yojana’, explaining how the scheme is administered?

10 marks

Q.5 a) Examine the concept of Insurable Interest in Group Insurance Contracts.
   b) Discuss Non contributory Group Insurance Schemes.

10 marks

10 marks
Q.6  a) “Group Life Insurance is designed to combat economic insecurity”. Elucidate with reference to its origin, definition and development.  

b) Distinguish Group Insurance contract from Individual Insurance Contract.  

Q.7  Ashoka international School in your area has approached to you for Group Insurance Scheme. The school desires to have Group Insurance Scheme which will provide:-  

(i) High risk coverage in small premium.  
(ii) Cash benefits on withdrawals i.e. resignation & superannuation.  
(iii) Premium to be deductible from Monthly Salary. Particulars of staff strength of school are: Principal (1), Supervisors (5), Teachers/Clerks - (49), Attendants/Sepoys (10), Total 65  

As a group schemes’ manager of your company, suggest a suitable scheme offered by your company enumerating points - Eligibility conditions, Premium amount, Data required, Benefits to members as on death/withdrawal, Income Tax Benefits to employer & employee, Procedure for launching of the Scheme.  

Q.8  Give an account of the evolution of Provident Fund leading to the present legislation on the Subject?  

What are the conditions to be fulfilled by an establishment for obtaining exemption from the provisions of the Employees’ Provident Fund and Miscellaneous Provisions Act, 1952?  

END