

**PGDM (Insurance Business Management) 2021-23**  
**Employee Benefit**  
**INS- 403**  
**Trimester – IV, End-Term Examination, September, 2022**

Time allowed: 2 Hours

Max Marks: 40

Roll No: \_\_\_\_\_

**Note: Please be relevant and brief in your answers. Section B is compulsory.**

**Section-A**

**There are 4 questions in this section. Each question carries 05 marks. (Min. 150 words)**

A-1. Every organization today looks for retaining and sustaining talents . How does a robust Employee Benefit Scheme help in this endeavor ? (CO 1)

OR

A-1. Explain in brief as to why the employers are giving preference for “Defined Contribution” mode of funding for long term retirement benefits. (CO 1)

A-2. What are the changes proposed in Social Security Code in terms of payment of Gratuity ? Justify these changes . (CO 2)

OR

A-2. Discuss the salient features of employer – employee schemes as an EB offering . (CO 2)

A-3 Evaluate the four different options available for an employer to fund & pay deferred retirement liabilities from financial stability & accounting standard’s perspective. (CO 3)

OR

A-3. Outline the benefits ‘Approved retirement schemes’? Explain it giving the example of Gratuity schemes . (CO 3)

A-4 How has the growing use of emerging technology helping delivery of EB in corporate world ? Explain it with few examples. (CO 4)

OR

A-4 Outline in brief the salient features of three employee benefits schemes available in US market. (CO 4)

**Section B**

**Case Study 20 Marks**

**(CO 2)**

The following are the important points in a Group Life Coverage Slip issued by a broker for its client to the insurance companies for getting quotation.

**Scope of cover**

1. Death by Any Cause
2. Permanent Total Disablement ( Self Occupation)
3. Temporary Total Disablement

**Client:** Akasha Air , **Business:** Airlines **Members:** around 500 employees plus floating contractual laborers around 200 , **Place of Business:** India

**Insured Persons:** All currently employed and to be hired in future. Also to cover the floating contractual labours for the short period of their stay (Min 3 months)

**Limits:** Death : Graded Cover Rs 1 Cr for Senior Management team ( 12 members) , Rs 25 lakhs for Managerial Staff (No 24) and for rest Rs 5 lakhs. PTD – Own Occupation Clause (Accident), TTD: 100% of the monthly basic salary for each month and payable for a maximum period of 52 weeks from the date of disablement

**Waiting Period / Deductible:** 2 months manifestation period in respect of PTD following accident/sickness, Temporary Total Disablement: 7 days

**Extensions:** □ The policy is subject an upper age limit of 60 for staff and 65 for Sr Management, cover to be extended up to 70 years for them subject to full underwriting information, satisfactory medical examination results and terms to be agreed.

**Automatic Cover:** in respect of newly hired employees subject to monthly declaration, Automatic policy extension for a period not exceeding 30 days at policy anniversary upon request of the insured at pro-rata additional premium

**Other Conditions:**

1. Pre Existing Condition Exclusion deleted in respect of Death or Disability due to sickness
2. Salary details would not be shared by company
3. Free Cover Limit for all
4. Premium adjustment – Pro rata Additional/Refund premium on quarterly declaration even for floating

**Exclusions:** Group Life Benefit shall be subject to only Nuclear Fission, Nuclear Fusion or Radioactive Contamination only

Disability section of the policy shall only be subject to 1. Intentionally self-inflicted injuries and attempted suicides whether sane or insane, gross negligence and violation of the law 2. Abuse of drugs, alcohol and medication other than prescribed by a physician 3. War, invasion, act of foreign enemies, hostilities

**As a conservative underwriter identify four features which you would like to change looking at the profile / requirement of the client. Give your reasons and also suggestions for improvement. (5\*4)**

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