

**PGDM (Insurance Business) 2016-18**  
**Employee Benefit Schemes**  
**INS -405**

**Trimester – IV, End-Term Examination, September, 2017**

Time allowed: 2½ Hours

Max Marks: 50

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

**Instruction:** Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. In case of rough work please use answer sheet.

**Note :- Please be relevant and brief in your answers.**

**- Section C is compulsory.**

**- Do not write anything on this question paper except your roll no.**

**Section-A**

***There are 5 questions in this section. Attempt any 3 questions. Each question carries 5 marks. (Min. 150 words)***

- A-1. Briefly describe in chronological order introduction of different employee benefits schemes backed by law.
- A-2. Discuss the concept of "Defined Benefit" & "Defined Contribution". Why are the employers shifting to define contribution mode of retirement planning?
- A-3. Describe in brief the origin and provisions of EDLI scheme. How did it help in the growth of group life business in India?
- A-4. Why there is a need for the funding of defined benefit retirement schemes? What are the factors which influence the valuation of a gratuity fund?
- A-5. Describe in brief origin, scope and provisions of ESI scheme.

**Section-B**

***[Note: Answer 2 out of the 3 Questions below. Each Question carries 10 marks. (Min. 250 words)***

**[2x10=20]**

- B-1. The employee benefit landscape has gone beyond the insurance related products off late. Describe in brief five non-insurance linked employee benefits which are in use / demand.
- B-2. Group underwriting and experience rating are two special features of group life schemes. Explain these two concepts in detail.
- B-3. What are the income tax related benefits associated with an approved gratuity scheme from employee & employers perspective.

**P.T.O.**

**Section C**

**Case Study**

**15 Marks**

Here is the brief extract of a Group Medical FRQ Slip issued by a broker for one of its big client (No more than 2000) from IT sector.

**Scope of cover :** In-Patient , Day Care & Out Patient

**Client :** Express IT services , **Business :** IT & ITes

**Insured Persons:** All Employees currently employed & their dependents i.e. spouse & max two kids and to be hired in future

**Limits:** Manger Cadre : In-Patient Rs 1,000,000 , Out Patient Rs 50,000 ( 25% of the group)  
Others : In-Patient Rs 500,000 , Out Patient Rs 25,000

**Waiting Period / Deductible / Co-insurance :** 12 months waiting time for pre-existing & Chronic condition for new hired employees & dependents. Deduction of Rs 250 for all out-patient claims and Co-insurance of 15% in "A" band hospitals (list attached )

**Geographical Coverage:** Pan India

**Extensions:**  The policy is subject an upper age limit of 60 at inception . Cover to be extended to employees of the executive cadre over 65 years and up to 70 years subject to full underwriting information.

For the manager cadre members the medical bills for a treatment taken abroad while on duty to be settled on reasonable / customary charges basis.

Alternative medicines such as Homeopath , Ayurveda etc. to be given subject to Pre-Approval

**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 :** All condition and exclusions as per the expiring policy applicable (policy attached)

**Past Claim History :** Not available ( earlier insurance / TPA not sharing details)

Based on the above information given for the group PI explain the meaning , scope , limitation and the impact on the pricing on following points . What suggestions would you give to the client if they are looking for reduction in the premium ? (3\*5)

1. Scope of Cover
2. Waiting period , Deductible and Co-Insurance
3. Reasonable & Customary charges for managers while on foreign tour.
4. Automatic Cover
5. Past claim history

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