

PGDM (Insurance Business) 2012-14

Group Insurance & Retirement Plans

INS- 406

Trimester IV, End-Term Examination, September, 2013

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.

Explain in brief the Meaning, Scope and Importance of the followings:

- A-1. Commutation of Pension
- A-2. Contributory & Non-Contributory Schemes.
- A-3. Experience rating in Group Life Schemes
- A-4. NPS Lite Scheme
- A-5. Group Gratuity Schemes

Section-B

[Note: Answer 2 out of the 3 Questions below. Each Question carries 10 marks.

[2x10=20]

- B-1. Briefly describe the various retirement benefits provided for the employees in our country.
- B-2. What are the advantage of getting a superannuation Schemes approved by IT Authorities ?
- B-3. What are the conditions to be fulfilled by a group to be eligible for Group Insurance Cover ?

P.T.O.

Section-C

1. Mr. Binit is working as Marketing Manager with M/S Amptech Ltd for last 15 years and would be retiring after 3 years after completing a 18 years of service. At present his basic salary for the purpose of calculating gratuity is Rs. 35000. The Management expects a salary escalation of 12% for the next three years. Assuming an investment return of 10% for the next three years – calculate the reserve which the company should have as on date to take care of the gratuity payment for Mr. Binit.

(7.5)

2. Mr. Arun , the Regional Head of Mutual Life Insurance company was the President of the Lions Club of Mumbai . The club passed a resolution to grant a Group Life coverage for its members and their dependence. They requested Mr. Arun to arrange the same from his company at the best competitive rate.

The membership strength was of around 600 but it was doubtful that all would be joining the schemes. The coverage sought was of Rs. 500000 each for the members and Rs.250000 for the dependence that is Wife & wards (No additional 250).

The U/W Mr. Sujith was not that comfortable with this proposal but he had to honor the wishes of his boss.

Being his colleague working in claim section , you pl suggest the u/w parameters to Mr. Sujith -so as to avoid the anti selection possibilities.