

8 MAY 2024

NATIONAL LAW UNIVERSITY, JOHDPUR
End Term Examination May-2024
MBA (Insurance) IV Semester
Group Insurance and Pensions

Marks 100

Time: Three hours

Instructions:

1. Answer any FIVE questions .
2. All questions carry equal marks.
3. Use of Calculator is permitted

Q.1) Write short notes on *any four*:

- a) Free cover limit
- b) Group leave encashment schemes
- c) Rake making in Group Policies
- d) Investment options in National pension scheme
- e) Need for Reverse Mortgage in India
- f) Group Creditor Insurance Vs Traditional Group Term Insurance

Marks 5*4=20

Q.2) An employer with 4500 employees wants to provide pension benefit to its employees in executive and above category. There are 900 employees who fall in that category. What ways are available to him for providing the benefit? Which alternative do you think will be the most suitable option to ensure a regular pension on retirement or early retirement or on death before normal retirement date ?

Marks 20

Q.3) a) What is the rationale for introducing following conditions in Group policies :

- i. In Employer-Employee group, employer must contribute.
- ii. Individual member is not allowed to select the amount of Insurance.

b) What criteria is adopted by the Insurers for underwriting and premium rating while granting group Insurance to Non- Employee groups ?

Marks 10*2=20

Q.4) a) Who is covered under the Payment of Gratuity Act,1972 ? When is the Gratuity provided to an employee as per the provisions of Payment of Gratuity Act,1972 ?

b) An employer having 1200 employees purchased a Group Gratuity Cash accumulation scheme for its employees which covers gratuity in all contingencies. The scheme provides Anticipated service gratuity as per the last salary drawn in case of death by suitably combining it with term Insurance. As per the scheme rules the gratuity is to be provided as per the Gratuity Act,1972 and the retirement age for the employees is 60 years. What will be the term insurance sum assured provided under the scheme on the death of an employee who had joined the job at the age of 30 years and expires after completing 15 years of service and what will be the total gratuity provided to his beneficiaries on his death ? The last drawn salary (Basic + DA) of the employee is ₹1,05,000/- Also calculate the gratuity which will be exempted from tax ?

Marks 8+12=20

Q.5) a) Mr.Sagar works in a corporate sector and his employer is contributing towards National Pension Scheme for all the employees. Besides this he himself is contributing equally to the

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pension fund. His Basic Salary inclusive of DA is ₹100,000/ per month. What is the maximum contribution which his employer can contribute to the fund ? What tax rebate is available to both on this contribution ? (Also mention the relevant sections of the Income tax Act,1961) Marks 10

b) An employee covered under the employees Provident fund and miscellaneous provision Act, 1952 died on 25.03.2024. His salary (Basic + DA) at the time of his death was ₹16000/ and the average balance in his provident fund account during last 12 months is ₹4,00,000/. However, the balance in the Provident fund account at the time of his death is ₹2,54,000/. What amount will his nominee get from the scheme on his death ? Marks 10*2=20

Q.6) Briefly explain the following Social Security Insurance schemes launched under the Pradhan Mantri Jan-Dhan Yojana :

- a) Pradhan Mantri Jeevan Jyoti Bima Yojana
- b) Pradhan Mantri Suraksha Bima Yojana

Marks 10*2=20