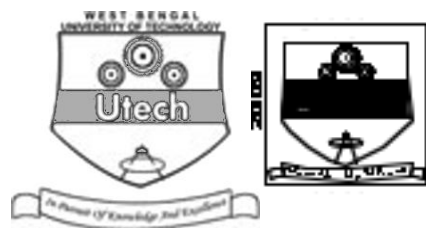


# GROUP & HEALTH INSURANCE ( SEMESTER - 6 )

CS/BIRM/SEM-6/BIRM-601/09



1. ....  
Signature of Invigilator

2. ....  
Signature of the Officer-in-Charge

Reg. No.

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Roll No. of the Candidate

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CS/BIRM/SEM-6/BIRM-601/09

ENGINEERING & MANAGEMENT EXAMINATIONS, JUNE – 2009

GROUP & HEALTH INSURANCE ( SEMESTER - 6 )

Time : 3 Hours ]

[ Full Marks : 70

## INSTRUCTIONS TO THE CANDIDATES :

- This Booklet is a Question-cum-Answer Booklet. The Booklet consists of **32 pages**. The questions of this concerned subject commence from Page No. 3.
- In **Group – A**, Questions are of Multiple Choice type. You have to write the correct choice in the box provided **against each question**.
  - For **Groups – B & C** you have to answer the questions in the space provided marked 'Answer Sheet'. Questions of **Group – B** are Short answer type. Questions of **Group – C** are Long answer type. Write on both sides of the paper.
- Fill in your Roll No. in the box** provided as in your Admit Card before answering the questions.
- Read the instructions given inside carefully before answering.
- You should not forget to write the corresponding question numbers while answering.
- Do not write your name or put any special mark in the booklet that may disclose your identity, which will render you liable to disqualification. Any candidate found copying will be subject to Disciplinary Action under the relevant rules.
- Use of Mobile Phone and Programmable Calculator is totally prohibited in the examination hall.**
- You should return the booklet to the invigilator at the end of the examination and should not take any page of this booklet with you outside the examination hall, **which will lead to disqualification**.
- Rough work, if necessary is to be done in this booklet only and cross it through.

**No additional sheets are to be used and no loose paper will be provided**

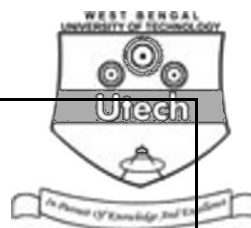
## FOR OFFICE USE / EVALUATION ONLY

Marks Obtained

Group – A								Group – B				Group – C				Total Marks	Examiner's Signature
Question Number																	
Marks Obtained																	

.....  
Head-Examiner / Co-Ordinator / Scrutineer

6650 ( 03/06 )



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## ENGINEERING &amp; MANAGEMENT EXAMINATIONS, JUNE – 2009

**GROUP & HEALTH INSURANCE****SEMESTER - 6**

Time : 3 Hours ]

[ Full Marks : 70

**GROUP – A****( Multiple Choice Type Questions )**

1. Choose the correct alternatives for the following :

10 ∞ 1 = 10

i) A situation where the insurance buyer knows better about his/her own condition than the seller is known as

a) Adverse selection problem      b) Moral hazard problems

c) Principle hazard problems      d) None of these.

ii) The tendency of people, to change their behaviour because of insurance, creates

a) Lemon problem      b) Moral hazard problems

c) Adverse selection problem      d) both (b) and (c).

iii) Health insurance

a) reduces the health risk

b) reduces the losses inflicted by ill health

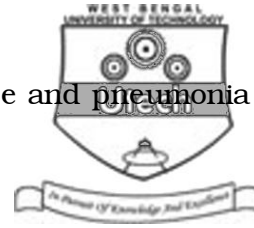
c) indemnifies the losses emanating from ill health

d) both (b) and (c).



iv) The features of the Jan Arogya policy include

- a) coverage against sudden illness like jaundice and pneumonia
- b) eligibility for the age group of 5-70 years
- c) coverage for injury caused by dental problems
- d) all of these.

☐

v) COLA is

- a) cost of living adjustment
- b) computed against the rate of changed in the price index
- c) cost of living agreements
- d) both (a) and (c).

☐

vi) The term “employee benefits” includes which of the following categories contributions ?

- a) Social security
- b) Unemployment compensation insurance
- c) Non-occupational disability insurance
- d) None of these.

☐

vii) The medical surgical expense benefits also provide coverage for

- a) attending physicians other than surgeon
- b) the cost associated with going for a second opinion
- c) home visit expenses which are not covered by this facility
- d) all of these.

☐



viii) Group insurance schemes benefit the employees by

- a) the low cost affair of group insurance policy as compared to the individual insurance
- b) contributions made to the group insurance policy where tax is deductible
- c) the help of large number of participants in reducing the administrative cost
- d) all of these.



ix) A claim that is believed to have occurred but has not yet been reported is known as

- a) ordinary claim
- b) reported claim
- c) IBNR claim
- d) open claim.

x) Which of the following statement is false ?

- a) An employer can claim deduction in respect of premium paid by him through cheque for the insurance
- b) HUF and individuals can avail tax rebate benefits under section 88
- c) any sum received by a company under key-man insurance policy will not be treated as taxable income to company
- d) none of these.

### GROUP – B

#### ( Short Answer Type Questions )

Answer any *three* of the following.

3 × 5 = 15

2. State the applicability of “Insurable interest” in group scheme.
3. Discuss in brief the importance of dread disease rider as a principal benefit in a health insurance plan.



4. Define social security. How does it vary from a social insurance?
5. Define the concept of Hospital Cash Benefit under a medical insurance plan.
6. State the main principles of Health Insurance.

**GROUP – C****( Long Answer Type Questions )**Answer any *three* of the following.

3 × 15 = 45

7. Mr. X has a taxable income of Rs. 3,00,000. He purchased a mediclaim policy by paying a premium of Rs. 10,000 and a life insurance policy by paying a premium of Rs. 40,000.
  - a) Calculate the tax liability of Mr. X
  - b) Had Mr. X, been artist, what would have been his tax liability ?

<b><i>Tax slabs</i></b>	
<b><i>Amount ( Rs. )</i></b>	<b><i>Rates applicable</i></b>
0 - 50,000	Nil
50,001 - 60,000	10%
60,001 - 1,50,000	20%
1,50,001 and above	30%

15

8. Define disability income insurance. What are the different disability benefits ? What are residual benefits ? Mr. Ramen, who is residually disabled, is receiving current income of Rs. 4,000 per month against the prior income of Rs. 12,000 per month. Assume also that the monthly indemnity is Rs. 8,000. What will be the benefit, which Mr. Ramen, can collect ?
 

2 + 3 + 3 + 7
9. Define annuity. Classify of annuity with brief description. Explain the different pension and superannuation schemes.
 

2 + 6 + 7



10. "Group term life insurance and Group universal life insurance have different characteristics" — Describe.



Jane, age 28 and John, age 30 are married and have a son, age one. Jane is covered under her employers group medical expense plan as an employee. Jane is also covered under John's plan as a dependent. Jane's Birthday is January 10, while John's on November 15. Both plans have the same coordination of benefits provision.

- If Jane is hospitalized, which plan is primary ? Which plan is excess ?
- If the son is hospitalized, which plan is primary and which plan is excess ?
- Assume that the couple gets divorce and Jane is awarded custody of her son. A court decree states that John must provide health insurance on his son. If the son is hospitalized after divorce, which plan is primary ? And which plan is excess ?

5 + 10

11. Describe the basic under writing principles that are followed in group insurance. Many employers have both group short term and long term disability income plans. Compare short term plans with long term plans with respect to each of the following :

- Elimination period
- Length of the benefit period.

6 + 9

12. Define coinsurance. State the nature of coinsurance. Explain the problems related with coinsurance.

3 + 5 + 7

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END