

IIISLA BENEVOLENT FUND
(Progress Report as on 15.01.2017)

Pursuant to Sub clause 7F of Rules & Regulation of IIISLA Benevolent Fund, the administrative body of the IIISLA Benevolent Fund is pleased to release its first interim report to apprise its member on the progress and Income & Expenditure account as on 15.01.2017.

1. INTRODUCTION

Further to the council meeting on 26.03.2016 at Kanpur and adoption of Extra Ordinary Meeting (EGM) resolution for formation of 'IIISLA Benevolent Fund' and adoption of its 'Rules & Regulations', birth of this noble service to IIISLA member took place. The scheme of 'IIISLA Benevolent Fund' was launched on 01.04.2016. In line of resolution each member has to contribute one time membership/ admission fee of Rs. 2000.00 for corpus fund and annual subscription of Rs. 1000.00.

The benefits under the fund are Rs. 5,00,000 (five lacs) for natural death claim and Rs. 2,00,000 (two lacs) for critical disease as defined in 'Rules & Regulation'.

On 30.03.2016 by order of IIISLA President a Fund Administrative Body was constituted as per by laws. The fund administrative body comprised of following members: -

1. Mr. Ashok Kumar – President
2. Mr. J.C. Joshi – Secretary
3. Mr. P. C. Kimtee – Treasurer
4. Mr. Jagdish Parmar – Representative West Zone
5. Mr. J.P. Singh – Representative East Zone
6. Mr. S. Upendra – Representative South Zone
7. Mr. P.C. Shukla – Representative North Zone

Function of the fund administrative body is to supervise the overall fund management including recommendation of claim to IIISLA – Admin for payment. It also studies member suggestions for improvement in fund operations and made recommendations to council from time to time.

2. MEMBERSHIP

2.1 Overall Membership Profile as on 15.01.2017

a.	Total IIISLA Members	9013
b.	Total Members above 70 years as on 01.04.16	544
c.	Total number of eligible members of IIISLA Benevolent Fund (a-b)	8469
e.	Total number of eligible members applied for IIISLA Benevolent Fund	5471
f.	Total number of eligible members whose IIISLA Benevolent Fund subscription is yet to received (c-e)	2998**

**2998 also includes 987 inactive members whose subscription is pending for more than 3 years



fig 1. Members pie for IBF contribution

2.2 State wise IBF members as on 15.01.2017

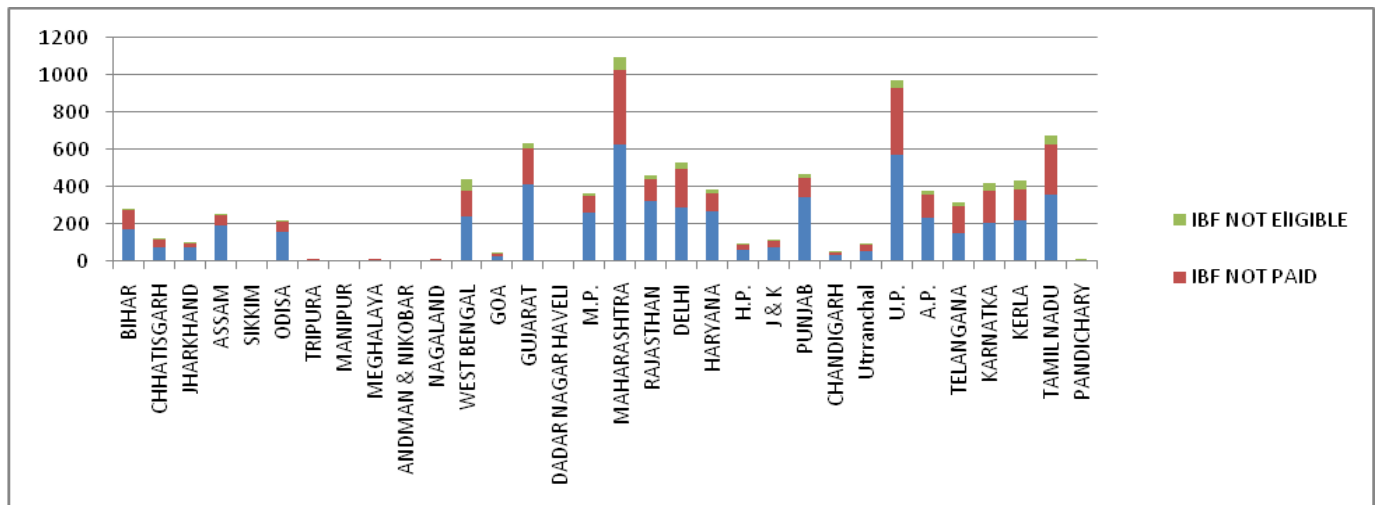


fig 2. State wise IBF membership profile

3. CLAIMS STATUS

Name of the Member	Membership No	Nature of Claim	Claim Intimation Date	Claim Settled Date	Claim Amount
Sansar Singh	F/N/02390	Death	25/07/2016	28/07/2016	5,00,000/-
Upam Jyoti Barman	A/E/04589	Medical Benefit	09/05/2016	14/09/2016	2,00,000/-
Shrikant	A/N/07186	Death	16/10/2016	17/10/2016	5,00,000/-
Arunendra Pratap Singh	A/E/04590	Death	04/08/2016	17/10/2016	5,00,000/-
Mousamkhan	F/W/04300	Death	16/10/2016	01/12/2016	5,00,000/-

Sallamkhan P					
Venu Gopal	F/S/03299	Medical benefit	17/10/2016	Pending for want of documents	00.00
P.K. Chandok	A/W/02281	Medical benefit	24/09/2016	Not entertained as does not fall in the critical disease category	Nil
Mukunda Shahu	A/E/03800	Medical benefit	17/01/2016	Pending for want of documents	00.00
			Total		22,00,000/-

4. **FINANCIAL MANAGEMENT**

4.1

RECEIPTS AND PAYMENT FOR THE PERIOD FROM 1st APRIL 2016 TO 15th JANUARY 2017

RECEIPTS		PAYMENTS	
PARTICULARS	AMOUNT in Rs.	PARTICULARS	AMOUNT in Rs.
TO ENTRANCE FEE	10942000	BY CRITICAL ILLNESS CLAIMS	200000
" SUBSCRIPTION/ANNUAL FEE	5471000	" DEATH CLAIMS	2000000
" DONATIONS RECEIVED	40000	" BANK BALANCES SB AND FD (BALANCING FIGURE RECORDED)	14253000
TOTAL	16453000	TOTAL	16453000

NOTES -

1. Interest received on FD/SB Bank Deposit not included in the above statement.

4.2 **Investment**

The council is alive to its member expectation for safety & security of the corpus fund. For this fixed deposit in nationalized bank are made in the denomination of 5.00 Lacs and 2.00 Lacs to earn maximum interest income.

S.N.	FDR Amount	No. of FD's	Total Amount	Maturity Amount
1	200000	18	3600000.00	3875680.00
2	500000	19	9500000.00	10222502.00
			13100000.00	14098182.00

5. PROJECTIONS

5.1 On actuarial study of natural death claims we have considered avg. age band for different age group and avg. death rate as on 2011 as from Govt. data.

Age band in years	No. of members as on 15.04.2016	Avg. death Rate per 1000
20 – 30	222	1.90
31 – 40	1085	3.30
41 - 50	2973	6.25
51 – 60	2179	13.00
61 – 70	1412	31.95
71 – 75	335	58.10
76 – 90	<u>206</u>	127.00
	<u>8412</u>	

The claim experience in 2016-17 seems to be encouraging as compared to Govt. data. But in future the age profile of existing member will grow with every year and numbers of claims are bound to increase. This can be seen with following table;

Age band in years	2016	2017	2018	2018	2019	2020	2021	2022	2023	2024	2025
20 – 30	222	181	130	89	61	36	20	9	5	3	1
31 – 40	1085	956	840	731	656	556	476	406	342	289	221
41 - 50	2973	2822	2667	2443	2156	1945	1734	1536	1359	1213	1085
51 – 60	2179	2362	2549	2764	2975	3098	3186	3235	3207	3109	2973
61 – 70	1412	1423	1431	1446	1444	1484	1564	1644	1793	1975	2179
71 – 75	335	423	495	569	677	752	764	787	767	703	660
76 – 90	206	242	292	359	429	520	643	766	899	1068	1223
Above 90		3	8	11	14	21	25	29	40	52	<u>70</u>
	<u>8412</u>	<u>8412</u>	<u>8412</u>	<u>8412</u>	<u>8412</u>	<u>8412</u>	<u>8412</u>	<u>8412</u>	<u>8412</u>	<u>8412</u>	<u>8412</u>

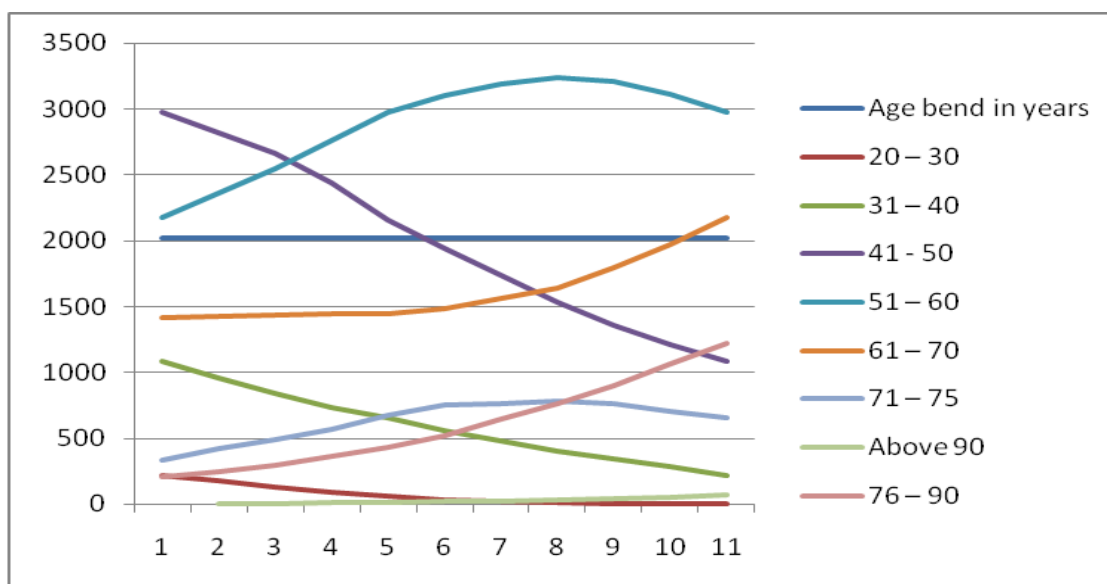


fig 3. Ten years projected age bend

- 5.2 Critical illness age specific claim data is not available. But as per IIB data the claim Ratio on 'Specific critical illness cover on indemnity basis' is around 21.98%.
- 5.3 The actuarial study indicates that the claim ratio is expected to show upward trend with every passing year. The IBF should have a strong corpus to meet future challenges.
- 5.4 On utility front the fund outsmart any other insurance product in the market with '0' conditions of pre-existing diseases and age loading. The annual subscription is so far the cheapest by any standard if compared with any product in the market.
- 5.5 A question is often asked as to why the age limit for IBF is restricted to 70 year. The BF administrative body feels that by this age a person is free from all social and personal responsibilities; therefore, financial burden is less in this age band. Secondly the expected mortality rate is high between 70 – 80 years as from Govt. data it is 127 per thousand. This will add to pressure on reserve and claim outgo.
- 5.6 The fund can enhance its cover with same annual subscription if all IISLA members join it.

6. Members feed back

IBF committee is regularly receiving suggestions from members, a few are listed below:

- Age limit for entry to enhance from 70 to 75 years with 50% payment of in death claim benefit.
- Death benefit to increase from 5 Lacs to 10 Lacs with increase in annual subscription from 1000.00 to 2000.00.
- Death benefit to increase from 5 Lacs to 7.50 Lacs with increase in annual subscription from 1000 to 1500.
- The scope of critical illness to be increased and should be specifically mentioned in the 'Claim Settlement Process'.
- IBF should have its own logo.
- A certificate of membership to be issued for each IBF member.

Members are requested to send their feedback/suggestions to iiislabf.feedback@gmail.com by 25th February 2017 for considerations.

(Above report is issued by BF administrative body as per provision of Benevolent Fund as per sub clause 7F of BF Rules & Regulations. The figures are provided by IISLA Admin. The BF Administrative body wishes sound health and long life of all members)