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ABSTRACT

This research was conducted to analyze the sustainability of Gagana Viru Saviya (GVS) Welfare Scheme in Sri Lanka Air Force. The research was conducted under three research objectives. Firstly, to study the features of different membership categories through comparison of relevant insurance/welfare schemes, secondly, to find out the opinions of the active members by means of comprehensive questionnaire, and finally and most importantly to explore the financial viability by calculating the Future Value of Annuity (FVA) in order to analyse the sustainability of the Fund. To achieve the first objective, a descriptive comparison within relevant welfare insurance schemes of tri forces and the 'Agrahara' insurance scheme of government servants' was carried out where the researcher found several equal benefits offered in 'Normal' and 'Enhanced' categories of two different premiums in GVS which need to be revised by a suitable board. Further, the highest payment for member/spouse's accidental death coverage, the payment of maturity benefits and the payment for the death of a parent of unmarried members can be highlighted as significant benefits offered by GVS. The second objective, the members' opinions were obtained through a questionnaire and almost all the responses given by the members could be considered positive. The respondents views could be summarized as; the scheme is very much effective and worth for the nominal premium. Further, some have suggested to educate the members of this welfare scheme and to increase the benefits with a higher premium as per the consent of the members. The third and most important objective of financial viability was analysed by forecasting the approximate fund position up to year 2032 with the expenditure based on several assumptions. Accordingly, it was found that even after paying the maturity benefits, the fund could be sustained in the future subjected to the essential recommendations made by the researcher such as reinsurance, outsourcing of the payment of death benefit, maintaining adequate fund balance to meet the future requirements of the aging member population as a contingency plan.

Key words: Gagana Viru Saviya, Sri Lanka Air Force, Maturity Benefit, Future Value of Annuity, Financial Viability, sustainability.