

YoungStar Super

THE LOYALTY ADDITIONS MAKE THIS HDFC STANDARD LIFE ULIP A VIABLE LONG-TERM INVESTMENT

BY TEENA JAIN KAUSHAL

HDFC standard life's YoungStar Super, a unit-linked child plan, is launched following the capping of charges by the regulator. To stay invested for the long-term, the plan offers bumper additions on maturity and double and triple death benefits to meet the financial needs of children. Rather than the child, this policy provides an insurance cover in the name of the earning member of the family. A child is the beneficiary in this case though the policy allows it to be taken for the benefit of any other person.

BUMPER ADDITIONS

Once the policy matures, and death and other risks ceases, loyalty additions are paid as follows:

If the term is 10 years, 50 per cent of the first-year premium gets added to the fund value;

If the term is more than 10 years, 100 per cent of the first-year premium gets added to the corpus.

SPECIAL DEATH BENEFITS

Double benefit. In case of death, the company continues to pay your regular premiums.

Triple benefit. In case of death, the company pays half of your regular premium and half is paid to the child to meet his or her expenses.

FUND PERFORMANCE

Fund Name	3-month	1-year	Equity Exposure (%)
■ Stable Managed Fund II	1.96	8.96	0
■ Secure Managed Fund II	2.7	8.16	0
■ Defensive Managed Fund II	4.74	29.35	15-30
■ Balanced Managed Fund II	7.35	49.87	30-60
■ Equity Managed Fund II	9.77	76.04	60-100
■ Growth Fund II	11.25	87.45	90-100
■ Liquid Fund II	2.22	9.68	0

*All returns in percentage as on 16 December 2009

PERFORMANCE

HDFC's YoungStar Superplan is supposed to give a return of Rs 27,93,426 and Rs 20,23,783 (for a premium of Rs 1 lakh for 15 years and a cover of Rs 15 lakh) considering 10 per cent and 6 per cent rate of return, if the entire fund is invested in the equity fund option. Post-cost return in the two cases in

FEATURES

■ Minimum entry age for life/health option	18
■ Maximum entry age for life/health option	65/55
■ Maximum age at maturity for life and health option	75/65
■ Minimum term period	10 years
■ Maximum term period	25 years

COST

PREMIUM ALLOCATION RATES		
Premium Paid/Frequency	Yearly/Half yearly (%)	Monthly (%)
YEAR 1		
■ 15,000 to 1,99,999	85	80
■ 2,00,000 to 4,99,999	87.5	82.5
■ 5,00,000 to 19,99,999	90	85
■ 20,00,000+	92	87
YEAR 2		
■ 15,000 to 1,99,999	90	85
■ 2,00,000 to 4,99,999	90	85
■ 5,00,000 to 19,99,999	90	85
■ 20,00,000+	94	89
YEAR 3		
■ 15,000 to 1,99,999	95	95
■ 2,00,000 to 4,99,999	95	95
■ 5,00,000 to 19,99,999	95	95
■ 20,00,000+	96	96
YEAR 4		
■ Fund management charges	1.25 per cent per annum of the fund's value (charged daily)	
■ Policy administration charges	Rs 50 per month. Increases by 5 per cent every year.	

this particular child plan policy is 7.44 per cent and 3.66 per cent, respectively.

WHAT TO DO

To meet the financial needs of your child the plan looks suitable. Moreover, its equity funds have given good returns over the period of the last one year. ■

teena.j@outlookindia.com