

Guide to Mortality and Risk Benefit Charges

This section aims to make you understand what Mortality and Risk Benefit Charges in unit-linked products are and how we compute them. There can be two types of risk benefit charges in our unit-linked products. Each type is meant to charge for different types of cover you choose. They are (as defined by IRDA vide Circular No. 032/IRDA/Act/Dec-2005):

1. **Mortality Charge**

This is the cost of life insurance cover. It is exclusive of any expense loadings levied either by cancellation of units or by debiting the premium but not both. This charge may be levied at the beginning of each policy month from the fund.

2. **Risk Benefit Charge**

This is the cost of morbidity benefit offered to you like Extra Life Benefit. It is exclusive of any expense loadings levied either by cancellation of units or by debiting the premium but not both. This charge may be levied at the beginning of each policy month from the fund. This charge will be taken in addition to the Mortality charge only in case you're covered for the benefit.

We compute the monthly charge for any benefit using the following formula:

$$\text{Charge amount} = \text{Charge Rate (attained age)} * \frac{\text{Sum_at_Risk}}{1000} * \frac{1}{12}$$

Here,

- Charge Rate (attained age) = Charge Rate applicable for the month depending on the attained age of the life assured on the day of calculation of charge amount
- Sum at Risk = Value of the part of the risk benefit that the company is liable to pay if claim is reported.

We deduct these charges every month by de-allocating units proportionately from all funds that your money is invested at the time of deduction of charge.

Rates (per 1000 sum at risk):

1. Charge Rate for Life Option
2. Charge Rate Extra Life Benefit

HDFC SL ProGrowth Plus

Age	1	2	Age	1	2
14	1.4954		45	3.0609	1.3935
15	1.4954		46	3.2924	1.4040
16	1.4954		47	3.5570	1.4250
17	1.4954		48	3.8657	1.4355
18	1.4954	1.2150	49	4.2296	1.4565
19	1.5064	1.2150	50	4.6265	1.4880
20	1.5284	1.2150	51	5.0564	1.4985
21	1.5505	1.2150	52	5.5526	1.5195
22	1.5725	1.2150	53	6.1038	1.5405
23	1.6056	1.2150	54	6.6992	1.5720
24	1.6277	1.2255	55	7.3717	1.5825
25	1.6607	1.2255	56	8.1104	1.6140
26	1.6938	1.2255	57	8.8380	1.6350
27	1.7269	1.2255	58	9.6318	1.6665
28	1.7489	1.2255	59	10.5910	1.6980
29	1.7600	1.2465	60	11.7266	1.7190
30	1.7710	1.2465	61	13.0606	1.7505
31	1.7930	1.2465	62	14.6041	1.7820
32	1.8151	1.2570	63	16.3571	1.8135
33	1.8482	1.2570	64	18.3195	1.8450
34	1.8923	1.2780	65	19.8299	1.8765
35	1.9364	1.2780	66	21.5278	1.9080
36	1.9915	1.2885	67	24.0856	1.9605
37	2.0576	1.2885	68	26.9300	1.9920
38	2.1348	1.3095	69	30.0611	2.0235
39	2.2230	1.3095	70	33.5230	2.0760
40	2.3333	1.3200	71	37.3266	
41	2.4545	1.3410	72	41.5271	
42	2.5538	1.3620	73	46.1246	
43	2.6861	1.3620	74	51.1850	
44	2.8514	1.3725	75	56.7306	

Notes

- Mortality charge rates are guaranteed for the policy term.
- Statutory Charges – Service Tax & Education Cess is payable at the applicable rate on the Mortality and the other Risk Benefit Charges.

We will be providing you information about how much we have deducted towards mortality and risk benefit charges for your policy in the annual unit statement send to you after every policy anniversary.

It is important that you **do not** judge a unit linked plan solely on the basis of the risk benefit charges or any other charge taken independently. Charges interact with each other. Thus, the key to understand the charges of your plan and how they impact the maturity value of your policy is to look at the policy benefit illustration.

Our certified Financial Consultant will be happy to explain the plan and the impact of charges in detail.