

Guide to Risk Benefit Charges

This section aims to make you understand what risk benefit charges in unit-linked products are and how we compute them. The charge is (as defined by IRDA vide Circular No. 032/IRDA/Act/Dec-2005):

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.

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

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

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 = Part of the risk benefit on the day of calculation of charge amount (which includes the Sum Assured *plus* a value of the future premiums payable) that we are liable to pay on valid claim

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. The charge rates (per Rs. 1,000 Sum_at_Risk) applicable for specific ages are:

Age	Mortality Charge	Age	Mortality Charge
14	1.5847	37	2.2312
15	1.5847	38	2.32
16	1.5847	39	2.4215
17	1.5847	40	2.5483
18	1.5847	41	2.6877
19	1.5974	42	2.8019
20	1.6227	43	2.954
21	1.6481	44	3.1441
22	1.6734	45	3.385
23	1.7114	46	3.6513
24	1.7369	47	3.9556
25	1.7748	48	4.3106
26	1.8129	49	4.729
27	1.8509	50	5.1855
28	1.8762	51	5.6799
29	1.889	52	6.2505
30	1.9017	53	6.8844
31	1.927	54	7.5691
32	1.9524	55	8.3425
33	1.9904	56	9.192
34	2.0411	57	10.0287
35	2.0919	58	10.9416
36	2.1552	59	12.0447

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Age	Mortality Charge	Age	Mortality Charge
60	13.3506	68	30.8345
61	14.8847	69	34.4353
62	16.6597	70	38.4165
63	18.6757	71	42.7906
64	20.9324	72	47.6212
65	22.6694	73	52.9083
66	24.622	74	58.7278
67	27.5634	75	65.1052

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 Charges
- We will be providing you information about how much we have deducted towards 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.