

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.

Mortality Charge (as defined by IRDA vide Circular No. 032/IRDA/Act/Dec-2005)

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:

$$\begin{aligned}
 \text{Charge amount} &= \text{Charge Rate (attained age)} * \frac{\text{Sum at risk}}{1000} * \frac{1}{12} \\
 &= \text{Charge Rate (attained age)} * \frac{1,00,000}{1000} * \frac{1}{12} \\
 &= \text{Charge Rate (attained age)} * 8.33333, \text{ rounded to nearest paisa.}
 \end{aligned}$$

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 = Sum Assured

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

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The charge rate (per Rs. 1,000 Sum Assured) applicable for each age is:

Attained Age	Mortality Charge	Attained Age	Mortality Charge
18	1.5847	40	2.5483
19	1.5974	41	2.6877
20	1.6227	42	2.8019
21	1.6481	43	2.9540
22	1.6734	44	3.1441
23	1.7114	45	3.3850
24	1.7369	46	3.6513
25	1.7748	47	3.9556
26	1.8129	48	4.3106
27	1.8509	49	4.7290
28	1.8762	50	5.1855
29	1.8890	51	5.6799
30	1.9017	52	6.2505
31	1.9270	53	6.8844
32	1.9524	54	7.5691
33	1.9904	55	8.3425
34	2.0411	56	9.1920
35	2.0919	57	10.0287
36	2.1552	58	10.9416
37	2.2312	59	12.0447
38	2.3200	60	13.3506
39	2.4215		

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 sent 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.

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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 up the policy benefit illustration.

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