

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.

There can be three 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/Actl/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. Extra Health Benefit Charge

This is the cost of Critical Illness benefit (offered to you exclusively as “Extra Health Benefit”) 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.

3. Extra Life Benefit Charge

This is the cost of Accidental Death benefit (offered to you exclusively as “Extra Life Benefit”) 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. This charge will be taken in addition to the Mortality charge only in case you have opted for this 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 = Part of the risk benefit on the day of calculation of charge amount that we are liable to pay on valid claim

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

HDFC Endowment Super

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

| Attained Age | Mortality Charge | Extra Health Benefit Charge | Extra Life Benefit Charge |
|---------------------|-------------------------|--|--------------------------------------|
| 18 | 1.4954 | 1.0470 | 1.2150 |
| 19 | 1.5064 | 1.0470 | 1.2150 |
| 20 | 1.5284 | 1.0470 | 1.2150 |
| 21 | 1.5505 | 1.0575 | 1.2150 |
| 22 | 1.5725 | 1.0785 | 1.2150 |
| 23 | 1.6056 | 1.0995 | 1.2150 |
| 24 | 1.6277 | 1.1205 | 1.2255 |
| 25 | 1.6607 | 1.1415 | 1.2255 |
| 26 | 1.6938 | 1.1625 | 1.2255 |
| 27 | 1.7269 | 1.1835 | 1.2255 |
| 28 | 1.7489 | 1.2045 | 1.2255 |
| 29 | 1.7600 | 1.2465 | 1.2465 |
| 30 | 1.7710 | 1.2885 | 1.2465 |
| 31 | 1.7930 | 1.3305 | 1.2465 |
| 32 | 1.8151 | 1.4040 | 1.2570 |
| 33 | 1.8482 | 1.4775 | 1.2570 |
| 34 | 1.8923 | 1.5720 | 1.2780 |
| 35 | 1.9364 | 1.6980 | 1.2780 |
| 36 | 1.9915 | 1.8450 | 1.2885 |
| 37 | 2.0576 | 2.0025 | 1.2885 |
| 38 | 2.1348 | 2.1810 | 1.3095 |
| 39 | 2.2230 | 2.3910 | 1.3095 |
| 40 | 2.3333 | 2.6010 | 1.3200 |
| 41 | 2.4545 | 2.8425 | 1.3410 |
| 42 | 2.5538 | 3.0840 | 1.3620 |
| 43 | 2.6861 | 3.3465 | 1.3620 |
| 44 | 2.8514 | 3.6300 | 1.3725 |
| 45 | 3.0609 | 3.9450 | 1.3935 |
| 46 | 3.2924 | 4.3020 | 1.4040 |
| 47 | 3.5570 | 4.6800 | 1.4250 |
| 48 | 3.8657 | 5.1000 | 1.4355 |
| 49 | 4.2296 | 5.5410 | 1.4565 |
| 50 | 4.6265 | 6.0660 | 1.4880 |

HDFC Endowment Super

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

| Attained Age | Mortality Charge | Extra Health Benefit Charge | Extra Life Benefit Charge |
|---------------------|-------------------------|--|--------------------------------------|
| 51 | 5.0564 | 6.6330 | 1.4985 |
| 52 | 5.5526 | 7.2525 | 1.5195 |
| 53 | 6.1038 | 7.9245 | 1.5405 |
| 54 | 6.6992 | 8.6700 | 1.5720 |
| 55 | 7.3717 | 9.5205 | 1.5825 |
| 56 | 8.1104 | 10.4340 | 1.6140 |
| 57 | 8.8380 | 11.3895 | 1.6350 |
| 58 | 9.6318 | 12.3660 | 1.6665 |
| 59 | 10.5910 | 13.3740 | 1.6980 |
| 60 | 11.7266 | 14.4135 | 1.7190 |
| 61 | 13.0606 | 15.4530 | 1.7505 |
| 62 | 14.6041 | 16.4925 | 1.7820 |
| 63 | 16.3571 | 17.5320 | 1.8135 |
| 64 | 18.3195 | 18.5610 | 1.8450 |
| 65 | 19.8299 | 19.6536 | 1.8765 |
| 66 | 21.5278 | | 1.9080 |
| 67 | 24.0856 | | 1.9605 |
| 68 | 26.9300 | | 1.9920 |
| 69 | 30.0611 | | 2.0235 |
| 70 | 33.5230 | | 2.0760 |
| 71 | 37.3266 | | |
| 72 | 41.5271 | | |
| 73 | 46.1246 | | |
| 74 | 51.1850 | | |
| 75 | 56.7306 | | |

Notes

- Mortality and Extra Life Benefit charge rates are guaranteed for the policy term
- Extra Health Benefit charge rates can be reviewed at the end of every three years from the launch of the product
- No changes can be made to our current Extra Health Benefit charge rates without prior approval from the Insurance Regulatory and Development Authority (IRDA)
- 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 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.