

## 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:

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

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 (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 deallocating units proportionately from all funds that your money is invested at the time of deduction of charge.

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The charge rates (per Rs. 1,000 Sum\_at\_Risk) applicable for specified attained ages are:

<b>Attained Age</b>	<b>Mortality Charge</b>	<b>Attained Age</b>	<b>Mortality Charge</b>
18	1.5847	42	2.8019
19	1.5974	43	2.954
20	1.6227	44	3.1441
21	1.6481	45	3.385
22	1.6734	46	3.6513
23	1.7114	47	3.9556
24	1.7369	48	4.3106
25	1.7748	49	4.729
26	1.8129	50	5.1855
27	1.8509	51	5.6799
28	1.8762	52	6.2505
29	1.889	53	6.8844
30	1.9017	54	7.5691
31	1.927	55	8.3425
32	1.9524	56	9.192
33	1.9904	57	10.0287
34	2.0411	58	10.9416
35	2.0919	59	12.0447
36	2.1552	60	13.3506
37	2.2312	61	14.8847
38	2.32	62	16.6597
39	2.4215	63	18.6757
40	2.5483	64	20.9324
41	2.6877	65	22.6694

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.

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.