

## 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 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/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.

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.

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

<b>Attained Age</b>	<b>Mortality Charge</b>	<b>Extra Health Benefit Charge</b>
18	1.4670	1.0470
19	1.4775	1.0470
20	1.4985	1.0470
21	1.5195	1.0575
22	1.5405	1.0785
23	1.5720	1.0995
24	1.5930	1.1205
25	1.6245	1.1415
26	1.6560	1.1625
27	1.6875	1.1835
28	1.7085	1.2045
29	1.7190	1.2465
30	1.7295	1.2885
31	1.7505	1.3305
32	1.7715	1.4040
33	1.8030	1.4775
34	1.8450	1.5720
35	1.8870	1.6980
36	1.9395	1.8450
37	2.0025	2.0025
38	2.0760	2.1810
39	2.1600	2.3910
40	2.2650	2.6010
41	2.3805	2.8425
42	2.4750	3.0840
43	2.6010	3.3465
44	2.7585	3.6300
45	2.9580	3.9450
46	3.1785	4.3020
47	3.4305	4.6800
48	3.7245	5.1000
49	4.0710	5.5410
50	4.4490	6.0660

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

<b>Attained Age</b>	<b>Mortality Charge</b>	<b>Extra Health Benefit Charge</b>
51	4.8585	6.6330
52	5.3310	7.2525
53	5.8560	7.9245
54	6.4230	8.6700
55	7.0635	9.5205
56	7.7670	10.4340
57	8.4600	11.3895
58	9.2160	12.3660
59	10.1295	13.3740
60	11.2110	14.4135
61	12.4815	15.4530
62	13.9515	16.4925
63	15.6210	17.5320
64	17.4900	18.5610
65	18.9285	19.6536
66	20.5455	
67	22.9815	
68	25.6905	
69	28.6725	
70	31.9695	
71	35.5920	
72	39.5925	
73	43.9710	
74	48.7905	
75	54.0720	

Notes

- Mortality 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.