

# CHILDREN'S PLAN



Give your child  
the perfect start in life



**Sar Utha Ke Jiyo**

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**As a parent, your priority is your child's future and being able to meet your child's dreams and aspirations. Today, providing a good education, establishing a professional career or even a modest wedding is expensive. Costs are increasing fast. Just imagine how much you'll need when your child takes these important steps in life! Plan today to ensure a bright future for your child. Start building savings today with our HDFC Children's Plan. So that your child is able to lead a life of respect and dignity with a secured financial future.**

### **HDFC Children's Plan**

**The HDFC Children's Plan gives you:**

- Invaluable financial support to your child
- A choice to customise an ideal plan for your child
- Multiple options for multiple benefits

The HDFC Children's Plan is designed to secure your child's future by giving your child (the beneficiary) a guaranteed lump sum, on maturity or in case of your unfortunate demise, early in the policy term. The premiums, paid by you, are invested by the company to give you good long-term returns.

The plan receives simple Reversionary Bonuses, which are usually added annually. At the end of the term an additional Terminal Bonus may be paid depending on the performance of the underlying investment (See 'Bonuses' for more details).

### **3 EASY STEPS TO YOUR OWN PLAN**

<b>Step 1</b>	Choose the amount of targeted savings and policy term using our Financial Planning Tool
<b>Step 2</b>	Choose any one of the 3 plan options as per your child's requirement
<b>Step 3</b>	Work out the premium payable and Sum Assured with our Financial Consultant

### **STEP 1: CHOOSE THE AMOUNT OF TARGETED SAVINGS**

This plan gives you the flexibility to structure the ideal plan for your child.

- Estimate the money, which you might require for your child at any one of the milestones in his or her future.
- Choose the amount of targeted savings and policy term using the Financial Planning Tool available with our Financial Consultant.



## STEP 2: CHOICE OF 3 PLAN OPTIONS

Let's assume that you are the insured parent and your child the beneficiary, who will receive the benefits as per your plan option. You can choose any one of the 3 plan options at the start of the policy.

- Accelerated Benefit Plan → Death Benefit **OR** Maturity Benefit
- Maturity Benefit Plan → Death Benefit **AND** Maturity Benefit
- Double Benefit Plan → Death Benefit **AND** Maturity Benefit

PLAN OPTION	DEATH BENEFIT (On death of insured parent during the policy term)	MATURITY BENEFIT
<b>Accelerated Benefit Plan</b>	<ul style="list-style-type: none"><li>• We will pay the Sum Assured + Bonuses Declared.</li><li>• The policy terminates immediately.</li></ul>	<ul style="list-style-type: none"><li>• We will pay the Sum Assured + Bonuses Declared.</li></ul>
<b>Maturity Benefit Plan</b>	<ul style="list-style-type: none"><li>• Your family need not pay any further premiums and policy continues.</li></ul>	<ul style="list-style-type: none"><li>• We will pay the Sum Assured + Bonuses Declared.</li></ul>
<b>Double Benefit Plan</b>	<ul style="list-style-type: none"><li>• We will pay the Sum Assured.</li><li>• Your family need not pay any further premiums and the policy continues.</li></ul>	<ul style="list-style-type: none"><li>• We will pay the Sum Assured + Bonuses Declared.</li></ul>

## STEP 3: PREMIUM YOU NEED TO PAY

Once you have chosen the amount required and the Plan Option, get an indication of corresponding premium you need to pay. The table below shows the Indicative Premiums for a male life assured paying annual premiums for a Rs. 5 lakh Sum Assured policy with the policy maturing when the child is 21 years old (i.e. 20-year term period and current age of child is assumed to be 1 year).

AGE OF PARENT (Yrs.)	ACCELERATED BENEFIT PLAN (Rs.)	MATURITY BENEFIT PLAN (Rs.)	DOUBLE BENEFIT PLAN (Rs.)
30	23,575	22,690	24,085
35	24,045	22,820	24,790
40	24,890	23,055	26,005

You can choose to pay your premium as either quarterly, half-yearly or annually depending on your convenience. We advise you to go for an annual premium payment mode, as it will help you save on the yearly premium payable as compared to other premium modes. You can pay your premium up to 15 days after the due date to fit in with your cash flow.

You also have a range of convenient auto premium payment options. For more details, you can speak to our Financial Consultant or contact your nearest branch.

## ELIGIBILITY

The age and term limits for the insured parent for taking out the HDFC Children's Plan are as shown below:

TERM PERIOD (Yrs.)		AGE AT ENTRY (Yrs.)		MAXIMUM AGE AT MATURITY (Yrs.)
Minimum	Maximum	Minimum	Maximum	
10	25	18	60	75

## BONUSES

The Reversionary Bonus is usually declared annually as a percentage of the basic Sum Assured of your policy. Once added to a policy, the bonus is guaranteed to be payable either on death or maturity (as described in STEP 2 : Plan Options). The Reversionary Bonus is declared keeping in mind a long-term view of investment returns, expenses, mortality and other experiences.

The Terminal Bonus is sometimes added to a policy on maturity and allows us to pay your fair share of the 'With Profits' fund, based on the experience over your policy term.

## BENEFICIARIES

The beneficiary (your child) is the sole person to receive the benefit under the policy. Where the beneficiary is less than 18 years of age, the benefit will be paid to the Appointee.

## TAX BENEFITS (Based on current tax laws)

You will be eligible for tax benefits under Section 80C and Section 10 (10D) of the Income Tax Act, 1961.

- Under Section 80C, you can save up to Rs. 33,990 from your tax each year (calculated on the highest tax bracket) as premiums up to Rs. 1,00,000 are allowed as a deduction from your taxable income.
- Under Section 10 (10D), the benefits received from this policy are completely tax-free.

The above-mentioned tax benefits are subject to changes in the tax laws.



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## SURRENDERING THE POLICY

- The HDFC Children's Plan is designed to provide your child with the maximum possible value over the longer term and the product features support this aim. However, we realise that early surrender is sometimes necessary. If you have paid premiums continuously for 3 years, then the contract acquires a guaranteed minimum surrender value.
- The guaranteed minimum surrender value is 50% of all premiums paid subsequent to the first year, excluding any extra premium paid for increased mortality risk.
- If the investment conditions allow, then we may pay a significantly higher discretionary surrender value over the minimum guaranteed surrender value after the 3 years' regular premium has been paid.



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## TERMS & CONDITIONS

- A) Exclusions: No benefit will be paid if the death has occurred directly or indirectly as a result of suicide within one year from the date of first being covered under the policy.
- B) The premiums mentioned in this document are indicative and may vary as a result of underwriting.
- C) Prohibition of Rebates: Section 41 of the Insurance Act, 1938 states:
- (1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer.
  - (2) Any person making default in complying with the provisions of this section shall be punishable with fine, which may extend to five hundred rupees.
- D) Service Tax: As per the Service Tax Laws, service tax is applicable on the life insurance premium with effect from 10/09/2004.
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Give your child a respectable future.  
Contact us today.

 **1800-227-227/6000 9191\***

sms **NOW** to **5676727**

Email: **life@hdfcinsurance.com**

Visit us at [www.hdfcinsurance.com](http://www.hdfcinsurance.com)



# Sar Utha Ke Jiyo

**Registered Office:** HDFC Standard Life Insurance Company Ltd., Ramon House, 169 Backbay Reclamation, Mumbai - 400 020.

This document has no monetary value at any time and is not proof of any contract with HDFC Standard Life Insurance Co. Ltd. The Children's Plan is a traditional insurance product. This version of the product brochure invalidates all previous printed versions for this particular plan. This product brochure is indicative of the terms, warranties, conditions and exceptions contained in the insurance policy. Please refer to the policy document for further details. Insurance is the subject matter of the solicitation. HDFC Children's Plan. Form No. SN. 10. UIN: 101N010V01. ARN : PP/08/2007/068.

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