

## Settlement of claims - Deceased Depositors

### Policy on settlement of claims in respect of Deceased Depositors

To facilitate expeditious and hassle-free settlement of claims on the death of a depositor the Bank's policy is as under:

#### 1. Access to balance in deposit accounts

##### (A) Accounts with survivor/nominee clause

In the case of deposit accounts where the depositor had utilized the nomination facility and made a valid nomination or where the account was opened with the survivorship clause ("either or survivor", or "anyone or survivor", or "former or survivor" or "latter or survivor"), the payment of the balance in the deposit account to the survivor(s)/nominee of a deceased deposit account holder represents a valid discharge of the bank's liability provided :

- The identity of the survivor(s) / nominee is well established and the fact of death of the account holder, through appropriate documentary evidence is produced;
- There is no order from the competent court restraining the bank from making the payment from the account of the deceased; and
- It has been made clear to the survivor(s) / nominee that he would be receiving the payment from the bank as a trustee of the legal heirs of the deceased depositor, i.e., such payment to him shall not affect the right or claim which any person may have against the survivor(s) / nominee to whom the payment is made.

Since payment made to the survivor(s) / nominee, subject to the foregoing conditions, would constitute a full discharge of the bank's liability, insistence on production of legal representation is superfluous and unwarranted. In such case, therefore, while making payment to the survivor(s) / nominee of the deceased depositor, the bank will not insist for production of succession certificate, letter of administration or probate, etc., or obtain any bond of indemnity or surety from the survivor(s)/nominee, **irrespective of the amount** standing to the credit of the deceased account holder.

##### (B) Accounts without the Survivor/Nominee clause

In case where the deceased depositor had not made any nomination or for the accounts other than those styled as "either or survivor" (such as single or jointly operated accounts), bank has adopted a simplified procedure for repayment to legal heir(s) of the depositor keeping in view the imperative need to avoid inconvenience and undue hardship to the common person. In this context, bank has fixed up a minimum threshold limit, for the balance in the account of the deceased depositors, up to which claims in respect of the deceased depositors could be settled without insisting on production of any documentation other than a letter of indemnity. The threshold limits are enunciated in Bank's Discretionary Administrative Powers, which may be exercised by the respective Branch Managers/Functional Heads.

#### 2. Premature termination of term deposit accounts

"In the case of term deposits, in the event of the death of the depositor, premature termination of term deposits would be allowed. Such premature withdrawal would not attract any penal charge".

#### 3. Treatment of flows in the name of the deceased depositor

In order to avoid hardship to the survivor(s) / nominee of a deposit account, bank will obtain appropriate agreement /

authorization from the survivor(s) / nominee with regard to the treatment of pipeline flows in the name of the deceased account holder. In this regard, bank will consider adopting either of the following two approaches:

- The bank could be authorized by the survivor(s) / nominee of a deceased account holder to open an account styled as 'Estate of Shri \_\_\_\_\_, the Deceased' where all the pipeline flows in the name of the deceased account holder could be allowed to be credited, provided no withdrawals are made.

**OR**

- The bank could be authorized by the survivor(s) / nominee to return the pipeline flows to the remitter with the remark "Account holder deceased" and to intimate the survivor(s) / nominee accordingly. The survivor(s) / nominee / legal heir(s) could then approach the remitter to effect payment through a negotiable instrument or through ECS transfer in the name of the appropriate beneficiary.

#### **4. Access to the safe deposit lockers / safe custody articles**

For dealing with the requests from the nominee(s) of the deceased locker-hirer / depositors of the safe-custody articles (where such a nomination had been made) or by the survivor(s) of the deceased (where the locker / safe custody article was accessible under the survivorship clause), for access to the contents of the locker / safe custody article on the death of a locker hirer / depositor of the article, the banks will adopt generally the foregoing approach, mutatis mutandis, as indicated for the deposit accounts.

#### **5. Time limit for settlement of claims**

Banks will settle the claims in respect of deceased depositors and release payments to survivor(s) / nominee(s) within a period not exceeding 15 days from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claim(s), to the bank's satisfaction.

#### **6. Check List of formalities to be completed for Deceased Claims:**

##### **Deposits**

##### **Payment of balance in the account of the deceased accountholder:**

Payment of balances at the credit of deposit account/s of deceased person/s in case of single account or in case of death of all joint accountholders in case of joint accounts, may be made to their legal heirs/nominee on the basis of -

I. Nomination

II. Without Nomination

(A) .Against Indemnity letter / Bond

(B) Legal representation

##### **I. Nomination:**

(i) Where a depositor dies or, in case of a joint account, all depositors die, the nominee or the person appointed by the depositor(s) to receive the payment on behalf of the minor nominee, should make an application for repayment of the deposit amount in the Bank's Form, duly filled in, along with a copy of the death certificate, duly certified by,

- (a) a Magistrate or Judicial Official OR
- (b) an Officer of the Central or State Government OR
- (c) an Officer of a bank OR
- (d) two persons acceptable to the bank.
- (e) Proof of identification of nominee (s) such as Election ID/ Pan card, Passport etc.
- (f) Stamped receipt for amount received signed by nominee / person on behalf of minor nominee

## **II. Without Nomination / Without Survivor clause**

### **A. Against Indemnity**

#### **Documents required:**

1. Death Certificate ((Duly certified as mentioned in 1 (i)
2. Claim application in the prescribed form and surety letter, consent letter of all other claimants (available with the branch)
3. Credit reports on claimants, sureties (two) in the prescribed form. Worth of surety lies should cover the claim amount.
4. Letter of Indemnity in the prescribed format duly executed on stamp paper (stamp duty as applicable from time to time) by all the claimants and sureties.
5. Proof of authority of legal heirs.
6. Stamped receipt signed by claimant /s for amount received.

**In case claim amount is upto Rs. 500/- :**

Letter of indemnity will be unstamped and sureties are not required.

### **B. Against Legal Representation (Case specific)**

#### **Documents required**

1. Death Certificate (Duly certified as mentioned in 1 (i))
2. Claim application in the prescribed form
3. Legal representation i.e. succession certificate or letter of administration or probate of Will granted by competent court.
4. Stamped receipt for amount received.

Copy of all documents should be submitted with original for verification by branch official and all documents should be signed in presence of branch official.

## **Safe Custody Articles / Safe Deposit Lockers**

### **With Nomination:**

In case of articles kept in safe custody / safe deposit lockers, nominee after having established his claim to receive the articles, the nominee/person appointed on behalf of minor has to fill following forms in addition to document required mentioned below.

- 1) A form of inventory of articles left in safe custody with the bank
- 2) A form of inventory of contents of safe deposit locker hired from the bank

In case of safe custody articles held in joint names, the delivery of safe custody articles will be given to the survivor, in case the authority to deliver to the survivor was submitted at the time of depositing the articles under safe custody.

As regards lockers hired jointly, on the death of anyone of the joint hirers, the contents of the locker are only allowed to be removed Jointly by the nominee and the survivor(s), after an inventory is taken in the prescribed manner. In such a case after such removal preceded by an inventory, the nominee and surviving hirer(s) may still keep the entire contents

with the same bank, if they so desire, by entering into a fresh contract of hiring a locker.

**Documents Required.**

1. .Death certificate (Duly certified as mentioned in point no. 1 (i)
2. .Application in prescribed format
3. Proof of identification such as Election card, Pancard , Passport etc
4. In case of safe custody articles, prescribed form is required to be filled in.
5. .Stamped receipt for delivery of securities pledged to the bank.

**Without Nomination:**

Access to the locker may be permitted to the legal heirs on production of satisfactory evidence to inspect the contents of the locker which may be delivered against the following documents.

1. Death Certificate ((Duly certified as mentioned in 1 (i)
2. Claim application in the prescribed form, consent letter of all other claimants (available with the branch)
3. Succession Certificate / Probate of Will / Letter of Administration.
4. A form of inventory of articles left in safe custody with the bank in prescribed form
5. A form of inventory of contents of safe deposit locker hired from the bank.
6. Stamped receipt / discharged safe custody receipt or receipt for delivery of securities pledged to the bank. (in case so applicable)

In exceptional cases, where the contents of the locker / safe custody articles are not of great value / importance, the heirs of deceased rental may be allowed to access to the locker and withdraw the contents against usual indemnity in addition to above documents except Succession Certificate/ Probate of Will / Letter of Administration (Request letter to be submitted by legal heirs

The above requirements are as per the existing guidelines of the bank and are subject to change from time to time.