

Chapter-2

Settlement of claims - Deceased Depositors- applicable for amount more than threshold limits (i.e. more than Rs.2 lacs)

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, it 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

For deposit accounts with operating instruction singly, jointly, joint account with mandate "either or survivor"/"Former or Survivor"/ "Any one or Survivor"/ with or without Nomination process is given under settlement of claims upto threshold limits i.e. Rs.2 lacs (two lacs). (It should be hyperlink and can be opened through here also)

2. General Guidelines:

i. Payment against Legal Representation:

- (a) In regard to payment of balances in the accounts of deceased customers to survivors/ claimants, the branches may call for succession certificates from legal heirs of deceased depositors in cases where there are disputes and all legal heirs do not join in indemnifying the bank or in certain other exceptional cases

where the branch has a reasonable doubt, about the genuineness of the claimant/s being the only legal heir/s of the depositor.

- (b) When all the heirs are ready to sign claim form and indemnity bond, branch may not insist for succession certificate.
- (c) The above guidelines are also applicable in respect of other assets like articles kept in the Banks, securities held against advances after adjustment thereof, if any, etc. of the deceased customers to legal survivors / claimants.

ii. **Premature termination of term deposit accounts**

In the case of term deposits, a clause in the account opening form itself to the effect that in the event of the death of the depositor(s), premature termination of term deposits by the survivor(s)/ nominee/ legal heirs would be allowed has been incorporated. The conditions subject to which such premature withdrawal would be permitted may also be specified in the account opening form. **Such premature withdrawal would not attract any penal charge.**

Payment of interest in case of term deposit accounts of deceased depositor(s):-

In case of a term deposit standing in the name/s of –

- (1) a deceased individual depositor, or
- (2) two or more joint depositors, where one of the depositors has died, interest shall be paid in the manner indicated below:-

(i) on the maturity of the deposit: at the contracted rate

(ii) In case of premature withdrawal by legal heir(s)/nominee/legal heir, i.e., in the event of the payment of deposit being claimed before the maturity date:

“In the event of payment of deposit being claimed before the maturity date, the branches should pay interest at the applicable rate or the Contracted Rate whichever is lower without charging penalty.”

(iii) In case of deposit being claimed after the date of maturity:

In the event of death / missing of the depositor before the date of maturity of the deposit and amount of the deposit is claimed after the date of the maturity, the branches should pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, the branches should pay simple interest at the applicable rate operative on the date of maturity for the period for which the deposit remained with Bank beyond date of maturity.

Splitting of Term Deposit

If, on request from the claimant/s, the bank agrees to split the amount of term deposit and issues two or more receipts individually in the names of the claimant/s, it shall not be construed as premature withdrawal of the term deposit, provided the period and aggregate amount of the deposit do not undergo any change.

iii. **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 may 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 could 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.

AND

heirs by affinity succeed simultaneously. Among heirs by consanguinity those in class I exclude those in class II. The heirs in two sections of class I succeed together. In each section nearer in degree exclude the remote. The son always takes as a residuary.

A certificate from Muslim Jama-I-eth in the letterhead signed by the head of the institution to which the deceased was affiliated should be obtained giving details of legal heirs with their age. In case of male deceased, a categorical certificate to the effect that the deceased had not married any woman other than the one named in the list is to be insisted upon.

iv. **Time limit for settlement of claims**

Bank will settle the claims in respect of deceased depositors and release payments to survivor (s)/ nominee in case of accounts with survivor/ nominee **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 claimant(s) to the bank's satisfaction. In the case of accounts without survivor/ nominee clause the claim should be settled within 1 month from the date on which the requisite documents have been submitted.

3. 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 bank will adopt generally the foregoing approach, mutatis mutandis, as indicated for the deposit accounts.

4. 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 No.352, 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 / Pan card, Passport, Aadhaar letter 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:

- ***Copy of Death Certificate***
- ***Photograph & KYC of (a) all claimant(s)/legal heirs, (b) Person furnishing Affidavit & (c) Surety(ies).***
- ***Letter of Disclaimer (Duly stamped & Notarized) Annexure-A, Letter of Indemnity (Duly stamped) Annexure-C***
- ***Receipt from claimants (payment made by issuing a Banker's Cheque)***
- ***Affidavit (Duly stamped & Notarized)- Annexure-B***
- ***Opinion Report of Surety(ies) -Annexure-D***
- ***Application form –(Form No.33 revised)***

Stamped receipt signed by claimant /s for amount received.

(*stamp duty as applicable from time to time in the state of execution as per state enactment) by all the claimants and sureties.)

B. Against Legal Representation

Additional Documents required

1. Legal representation i.e. succession certificate or letter of administration or probate of Will granted by competent court.
2. 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.