

Chapter-1

Part 1 – Settlement of claims in various types of accounts / facilities Upto Threshold limit i.e. Rs.2 lacs (two lacs) Outstanding Balance aggregating all accounts, value of contents in locker/articles kept in safe custody does not exceed Rs.2 lacs

1.1 Single Account with or without nomination

1.1.1 Savings Account/Current Account

With Nomination:

The balance outstanding will be paid to the nominee on verification of his/her identity (such as Election ID Card, PAN Card, Passport, *Aadhaar Letter*, etc.) and proof of death of depositor

Without Nomination:

The balance outstanding will be paid to the legal heirs (or any one of them as mandated by all of the legal heirs) on verification of (1) proof of death of depositor i.e. copy of death certificate of depositor, (2) Photograph & KYC of (a) all claimant(s)/legal heirs, (b) Person furnishing declaration, (3) Letter of Disclaimer(Duly stamped & Notarized) Annexure-A, 4) Letter of Indemnity (Duly stamped) Annexure-C (5) Declaration as per point no.5 in application form. (Form No.33 Revised)

1.1.2. Term Deposit Account

With Nomination:

The balance outstanding will be paid to the nominee on verification of his/her identity (such as Election ID Card, PAN Card, Passport, *Aadhaar Letter* etc.) and proof of death of depositor on maturity of deposit.

Without Nomination:

The balance outstanding will be paid to the legal heirs (or any one of them as mandated by all of the legal heirs) on verification of (1) proof of death of depositor i.e. copy of death certificate of depositor, (2) Photograph & KYC of (a) all claimant(s)/legal heirs, (b) Person furnishing declaration, (3) Letter of Disclaimer(Duly stamped & Notarized) Annexure-A, 4) Letter of Indemnity (Duly stamped) Annexure-C (5) Declaration as per point no.5 in application form (Form No.33 Revised)

1.1.3. Premature termination of Term Deposit Account

With Nomination:

Premature termination of term deposit account as per terms of contract will be permitted at the request of the nominee on verification of his/her identity (such as Election ID Card, PAN Card, Passport, *Aadhaar Letter* etc.) and proof of death of depositor.

Without Nomination:

Premature termination will be permitted on joint request by all legal heirs (or any of them as mandated by all the legal heirs) as per the terms of the contract The balance outstanding will be paid to the legal heirs (or any one of them as mandated by all of the legal heirs) on verification of (1) proof of death of depositor i.e. copy of death certificate of depositor, (2) Photograph & KYC of (a) all claimant(s)/legal heirs, (b) Person furnishing declaration, (3) Letter of Disclaimer(Duly stamped & Notarized) Annexure-A, 4) Letter of Indemnity (Duly stamped) Annexure-C (5) Declaration as per point no.5 in application form (Form No.33 (revised)

1.1.4. Safe Deposit Lockers

With Nomination:

The nominee will be allowed to access the locker and remove the contents on identification (such as Election ID Card, PAN Card, Passport, *Aadhaar Letter* etc.) and verification of proof of death of locker hirer. Before permitting the nominee to remove contents of the Safe Deposit Locker, the bank would prepare an inventory of the articles in the presence of nominee(s) and two independent witnesses. Form for taking inventory is enclosed as Annexure – 3.

Without Nomination:

Legal heir(s) of the deceased locker hirer or a person mandated by the legal heir(s) will be allowed to access the locker and remove the contents on verification of 1) proof of death of depositor i.e. copy of death certificate of depositor, (2) Photograph & KYC of (a) all claimant(s)/legal heirs, (b) Person furnishing declaration, (3) Letter of Disclaimer(Duly stamped & Notarized) Annexure-A, 4) Letter of Indemnity (Duly stamped) Annexure-C (5) Declaration as per point no.5 in application form (Form No.33 (revised)

Before permitting legal heir(s) to remove contents of the Safe Deposit Locker the bank would prepare an inventory of the articles in the presence of legal heir(s)/mandate holder and two independent witnesses. Form for taking inventory is enclosed as Annexure – E

1.1.5. Safe Custody Article/s

With Nomination:

Safe custody article/s will be delivered to the nominee on identification (such as Election ID Card, PAN Card, Passport, *Aadhaar Letter* etc.) and verification of proof of death of depositor. Before permitting nominee to remove contents of the Safe Deposit Articles, the bank would prepare an inventory of the articles in the presence of nominee and two independent witnesses. Form for taking inventory is enclosed as Annexure – 4.

Without Nomination:

Safe custody article/s will be delivered to the legal heir(s) or a person mandated by the legal heir(s) on verification of 1) proof of death of depositor i.e. copy of death certificate of depositor, (2) Photograph & KYC of (a) all claimant(s)/legal heirs, (b) Person furnishing declaration, (3) Letter of Disclaimer (Duly stamped & Notarized) Annexure-A, 4) Letter of Indemnity (Duly stamped) Annexure-C (5) Declaration as per point no.5 in application form (Form No.33 (revised)

Before permitting legal heir(s) to remove contents of a Safe Custody Articles the bank would prepare an inventory of the articles in the presence of legal heir(s) /mandate holder and two independent witnesses. Form for taking inventory is enclosed as Annexure – F.

1.2. Joint Account with or without nomination and without survivorship mandate (operated jointly)

1.2.1. Savings Account/Current Account

With Nomination:

a) In the event of death of one (or more but not all) of the joint account holders, the balance outstanding will be paid jointly to survivor(s) and the legal heirs of the deceased joint account holder (or any of them as mandated by all the legal heirs) against their joint claim on verification of the authority of the legal heirs and proof of the death of the depositors.

b) In the event of death of both / all joint account holders, the balance outstanding at the time of death of the depositors will be paid to the nominee on verification of his identity (such as Election ID Card, PAN card, Passport, *Aadhaar letter* etc.) and proof of death of depositors.

Without Nomination:

a) In the event of death of one (or more but not all) of the joint account holders, the amount outstanding will be paid jointly to survivor(s) and the legal heirs of the deceased account holder (or any one of them as mandated by all the legal heirs) against their joint claim on verification of the authority of legal heirs and proof of death of depositor.

b) In the event of death of both / all joint account holders The balance outstanding will be paid to the legal heirs (or any one of them as mandated by all of the legal heirs) on verification of (1) proof of death of depositor i.e. copy of death certificate of depositor, (2) Photograph & KYC of (a) all claimant(s)/legal heirs, (b) Person furnishing declaration, (3) Letter of Disclaimer (Duly stamped & Notarized) Annexure-A, 4) Letter of Indemnity (Duly stamped) Annexure-C (5) Declaration as per point no.5 in application form (Form No.33 Revised)

1.2.2. Term Deposit Account

With Nomination:

a) In the event of death of one (or more but not all) of the joint account holders, the balance outstanding will be paid jointly to survivor(s) and the legal heirs of the

deceased joint account holder (or any one of them as mandated by all the legal heirs) on verification of identity of the legal heirs and proof of death of the depositor on maturity of the deposit.

b) In the event of death of both / all the joint account holders, the balance outstanding at the time of death of the depositors will be paid to the nominee on verification of his/her identity (such as Election ID Card, PAN Card, Passport, *Aadhaar Letter* etc.) and the proof of death of depositors on maturity of the deposit.

Without Nomination:

a) In the event of death of one (or more but not all) of the joint account holders, the balance outstanding will be paid jointly to the survivor(s) and the legal heir(s) of the deceased joint account holders (or any of them as mandated by all the legal heirs) against their joint claim on verification of authority of the legal heirs and proof of death of the depositor on maturity of the deposit.

b) The balance outstanding will be paid to the legal heirs (or any one of them as mandated by all of the legal heirs) on verification of 1) proof of death of depositor i.e. copy of death certificate of depositor, (2) Photograph & KYC of (a) all claimant(s)/legal heirs, (b) Person furnishing declaration, (3) Letter of Disclaimer(Duly stamped & Notarised)Annexure-A, 4) Letter of Indemnity (Duly stamped) Annexure-C (5) Declaration as per point no.5 in application form (Form No.33 Revised)

1.2.3. Premature termination of Term Deposit Account

With Nomination:

a) In the event of death of one (or more but not all) of the joint account holders, premature termination will be permitted against joint request of the survivor(s) and the legal heir(s) (or any one of them as mandated by all legal heirs) as per the terms of contract on verification of identity of the legal heirs and proof of death of depositor

b) Premature termination of term deposit account as per the terms of contract will be permitted at the request of the nominee on verification of his/her identity (such as Election ID Card, PAN Card, Passport, *Aadhaar letter* etc.) and proof of the death of the depositors.

Without Nomination

a) In the event of death of one (or more but not all) of the joint account holders, premature termination will be permitted against joint request by the survivor(s) and the legal heir(s) of all the deceased depositors (or any one of them as mandated by all legal heirs) as per the terms of contract on verification of authority of legal heirs and proof of death of depositor.

b) The balance outstanding will be paid to the legal heirs (or any one of them as mandated by all of the legal heirs) on verification of 1) proof of death of depositor i.e. copy of death certificate of depositor, (2) Photograph & KYC of (a) all claimant(s)/legal heirs, (b) Person furnishing declaration, (3) Letter of Disclaimer (Duly stamped & Notarised) Annexure-A, 4) Letter of Indemnity (Duly stamped)

Annexure-C (5) Declaration as per point no.5 in application form (Form No.33 Revised)

1.2.4. Safe Deposit Lockers

With Nomination:

a) In the event of the death of one (or more but not all) of the joint locker hirers the nominee(s) will be jointly allowed to access the locker and remove the contents on identification and verification of proof of death of the locker hirer(s) along with the surviving hirer(s).

b) In the event of death of both / all joint locker hirers the nominee(s) will be allowed to access the locker and remove the contents on establishing his/her/their identity and verification of proof of the death of the hirers.

Before permitting surviving hirer(s) and/or nominee(s) to remove contents of the Safe Deposit Locker, the bank would prepare an inventory of the articles in their presence along with two independent witnesses. Form for taking inventory is enclosed as Annexure – E.

Without Nomination:

a) In the event of death of one (or more but not all) of the locker hirers, the surviving hirer(s) and legal heirs of the deceased hirer (or a person mandated by them) would be allowed to access the locker and remove the contents on verification of authority of legal heirs and proof of death of the hirer.

b) In the event of death of both / all the joint locker hirers, all the legal heirs (or any one of them as mandated by all legal heirs) would be allowed to access the locker and remove the contents on submission of 1) proof of death of depositor i.e. copy of death certificate of depositor, (2) Photograph & KYC of (a) all claimant(s)/legal heirs, (b) Person furnishing declaration, (3) Letter of Disclaimer (Duly stamped & Notarized) Annexure-A, 4) Letter of Indemnity (Duly stamped) Annexure-C (5) Declaration as per point no.5 in application form (Form No.33 Revised)

Before permitting surviving hirers and mandated legal heir(s) to remove contents of a Safe Deposit Locker, the bank would prepare an inventory of the articles in the presence of surviving hirers, mandated legal heir(s) and two independent witnesses. Form for taking inventory is enclosed as Annexure – E

1.2.5. Safe Custody Article/s

Generally, safe custody articles are not accepted in joint names. Even if accepted in joint names nomination facility is not provided.

1.3. Joint account with mandate “Either or Survivor”/ “Former or survivor”/ “Anyone or Survivors”/ “Latter or Survivor” - with or without nomination:

1.3.1 Savings Account / Current Account

With Nomination:

a) In the event of death of one (or more but not all) of the depositors, the balance outstanding will be paid to survivor (s) on verification of proof of death of the depositor.

b) In the event of death of both/all the joint depositors, the balance outstanding will be paid to the nominee on verification of his/her identity (such as Election ID Card, PAN Card, Passport, *Aadhaar letter* etc.) and proof of death of depositors.

Without Nomination:

a) In the event of death of one (or more but not all) of the depositors, the balance outstanding will be paid to survivor on verification of proof of death of the depositor.

b) The balance outstanding will be paid to the legal heirs (or any one of them as mandated by all of the legal heirs) on verification of 1) proof of death of depositor i.e. copy of death certificate of depositor, (2) Photograph & KYC of (a) all claimant(s)/legal heirs, (b) Person furnishing declaration, (3) Letter of Disclaimer (Duly stamped & Notarized) Annexure-A, 4) Letter of Indemnity (Duly stamped) Annexure-C (5) Declaration as per point no.5 in application form (form no.33 Revised)

1.3.2 Term Deposit Account**With Nomination:**

a) In the event of death of one (or more but not all) of the depositors, the balance outstanding will be paid to survivor(s) on verification of proof of death of the depositors on maturity of deposit or as agreed at the time of opening of deposit.

b) In the event of death of all joint depositors, the balance outstanding will be paid to the nominee on verification of his/her identity (such as Election ID Card, PAN Card, Passport, *Aadhaar letter* etc.) and proof of death of depositors on maturity of deposit or as agreed at the time of opening of deposit.

Without Nomination:

a) In the event of death of one of the depositors (or more, but not all), the balance outstanding will be paid to the survivors on verification of proof of death of the depositor on maturity of deposit or as agreed at the time of opening of deposit.

b) The balance outstanding will be paid to the legal heirs (or any one of them as mandated by all of the legal heirs) on verification of 1) proof of death of depositor i.e. copy of death certificate of depositor, (2) Photograph & KYC of (a) all claimant(s)/legal heirs, (b) Person furnishing declaration, (3) Letter of Disclaimer (Duly stamped & Notarized) Annexure-A, 4) Letter of Indemnity (Duly stamped) Annexure-C (5) Declaration as per point no.5 in application form. (Form No.33 Revised)

1.3.3 Premature termination of Term Deposit Account

With Nomination:

a) In the event of death of one (or more but not all) of the depositors, the survivor(s) will have the right to seek premature termination of term deposit account as per the terms of contract on verification of proof of death of the depositor.

b) In the event of death of all the joint depositors, the nominee will have right to seek premature termination of term deposit account as per the terms of the contract on verification of his/her identity (such as Election ID Card, PAN Card, Passport, *Aadhaar letter* etc.) and proof of death of depositors.

Without Nomination

a) In the event of death of one (or more but not all) of the depositors premature termination will be allowed against request from surviving depositor(s) as per the terms of the contract on verification of the proof of the death of the depositor.

b) In the event of death of all joint depositors, premature termination will be permitted against joint request by all legal heirs of the deceased depositors (or any one of them as mandated by all the legal heirs) as per the terms of contract.

The balance outstanding will be paid to the legal heirs (or any one of them as mandated by all of the legal heirs) on verification of 1) proof of death of depositor i.e. copy of death certificate of depositor, (2) Photograph & KYC of (a) all claimant(s)/legal heirs, (b) Person furnishing declaration, (3) Letter of Disclaimer (Duly stamped & Notarized) Annexure-A, 4) Letter of Indemnity (Duly stamped) Annexure-C (5) Declaration as per point no.5 in application form (Form no.33 Revised)

1.3.4 Safe Deposit Lockers

With Nomination:

At present B R Act (Section 45 ZE) does not provide nomination facility in respect of lockers with "Either or Survivor" / "Former or Survivor"/"Anyone or Survivors"/ "Latter or Survivor" mandate. Hence operational instructions are not given in this regard.

Without Nomination:

a) In the event of death of one (or more but not all) of the joint hirers, the surviving hirer(s) will be allowed to access the locker and remove the contents on verification of proof of death of the joint hirer(s).

b) In the event of death of all the locker hirers, all the legal heirs of the deceased joint hirers (or any one of them as mandated by all legal heirs) would be allowed to access the locker and remove the contents on verification of 1) proof of death of depositor i.e. copy of death certificate of depositor, (2) Photograph & KYC of (a) all claimant(s)/legal heirs, (b) Person furnishing declaration, (3) Letter of Disclaimer (Duly stamped & Notarized) Annexure-A, 4) Letter of Indemnity (Duly

stamped) Annexure-C (5) Declaration as per point no.5 in application form (form no.33 Revised)

Before permitting the surviving hirers/legal heir(s) to remove contents of a Safe Deposit Locker, the bank would prepare an inventory of the articles in the presence of surviving hirers/legal heirs and two independent witnesses. Form for taking inventory is enclosed as Annexure – E.

1.3.5 Safe Custody Article/s

Generally safe custody articles are not accepted in joint names. Even if accepted in joint names nomination facility is not provided.

1.4. HUF Accounts – Death of Karta

In the event of death of a Karta, HUF account may be settled as under:

- a) Obtaining affidavit cum indemnity from surviving members and legal heirs with two guarantors confirming their acceptance to one of the members as a new Karta. Bank shall allow the new Karta to continue to operate the existing account on the basis of such documents, ***in HUF accounts having small balances Rs.2 lacs (Two lacs only)***
- b) Similar procedure to be followed in cases where account is to be closed and balance in the account to be paid to the new Karta.

Note: Certain general clarifications about Nomination rules are given in Annexure 1 (available under download claim forms tab).

Claim specific actions / steps to be taken for settlement in respect of different accounts / facilities are illustrated in the tabulated form in the Annexure 1(a) (available under download claim forms tab).

Part - 2 Simplification of process /Guidelines for settlement of claims in respect of deceased depositors' accounts –Up to Threshold limit (Rs.2 lacs)

2.1 Documentation

Documents, which are required to be submitted along with the claim, form as applicable.

1. Copy of Death Certificate
2. Photograph & KYC of (a) all claimant(s)/legal heirs, (b) Person furnishing declaration (as per point no.5 of application form)
3. Letter of Disclaimer (Duly stamped & Notarized) Annexure-A,
4. Letter of Indemnity (Duly stamped) Annexure-C
5. Receipt from claimants (payment made by issuing a Banker's Cheque)

2.1.1 Bank should exercise due care and caution in ascertaining the identity of legal heir(s) /nominee(s) and the fact of death of the account holder, through appropriate documentary

evidence. If necessary, any official of the bank shall visit the place of the depositors to enquire about the genuineness of such claims.

2.1.2 It should be made clear to the survivor(s)/nominee(s) that he / they would be receiving the payment from the member bank as a trustee of the legal heirs of the deceased depositor, i.e., such payment to him / them shall not affect the right or claim which any person may have against the survivor(s)/nominee(s) to whom the payment is made.

2.1.3 It may be noted that since payment made to the survivor(s) / nominee(s), 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 and it would only serve to cause avoidable inconvenience to the survivor(s)/nominee(s). In such case, therefore, while making payment to the survivor(s)/nominee(s) of the deceased depositor, the bank should not insist on production of succession certificate, letter of administration or probate, etc., or obtain any bond of indemnity or surety from the survivor(s)/nominee(s), **irrespective of the amount** standing to the credit of the deceased account holder.

2.2 Time Norms 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 15days** 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.

2.3 Competent authority for settlement of claims

(As specified in Discretionary Administrative Powers, Bank's Publication No.154)

2.4 Premature termination of Term Deposits Accounts and payment of interest / other issues relating to Term Deposit Account

2.4.1 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.**

2.4.2 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.

2.4.3 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.

2.5 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.

2.6 Safe Deposit Locker

2.6.1. Procedure in case there is no Nomination/Survivorship clause:

2.6.1.1. On receipt of notice of death of a sole renter or of the last survivor of the joint renters, the locker should be sealed with the Bank's seal and a note to this effect should be made in the all respective records as well as in the Memorandum of Letting /Signature Card/Code Book. The Memorandum of Letting /Signature Card should be taken out of card index cabinet and kept carefully in a separate file.

2.6.1.2. Branches may at their discretion, on production of satisfactory evidence, permit a legal representative of the deceased to inspect the contents of the locker to enable him /her to obtain the necessary succession certificate or any other legal representation.

2.6.1.3. On registration of the succession certificate, probate of a will or letters of administration, the successor, executor or the administrator respectively shall have power to deal with the contents of the locker.

2.6.1.4. The contents of the locker, **sometimes, are not of great value/ importance**, hence, obtaining legal representation involves cost as well as time. The branches may, therefore, in appropriate cases, allow the heirs of the deceased renter to have access to the locker and withdraw the contents against usual indemnity, subject to the following:

- (a) The claimants/heirs of the deceased renter should furnish necessary particulars in the claim format, which is ordinarily obtained in deposit accounts.
- (b) A prescribed letter should be taken from all the heirs requesting the Bank to open the locker for the purpose of inventory.
- (c) The branch should then fix up a date and time for making an inventory and accordingly an inventory may be taken in the presence of all the heirs/ their duly constituted attorney/ies, two respectable witnesses known to the branch (should not be employees or ex-employees of the Bank), the valuer, the Safe Deposit Vault Custodian and another officer. The inventory may be prepared in the prescribed inventory record form. After making an inventory, care should be taken to redeposit all the contents in the said locker and to seal the locker.

2.6.1.5. *The branches should exercise powers as mentioned in Discretionary Administrative Powers, Bank's Publication No. 154 while considering delivering the contents against usual indemnity signed by the claimant/s and one or two surety/ies considered good for the amount involved.*

2.6.1.6. *On approval*, the claimant/s should be allowed to remove the contents from the locker after signing an indemnity and a letter of surrender together with the key.

2.6.1.7. Where an inventory is to be taken in terms of a court order, it should be done in the presence of (i) the Court's representative, (ii) the claimant/s to the contents of the locker held by the deceased renter, (iii) the valuer and (iv) two officers of the branch. The inventory should enumerate the contents of locker and it should be signed by those in whose presence the locker has been opened. The valuer's

assessment of the value of each item of the inventory should be in triplicate, one copy to the Court, the second to the claimant and the third to be retained on branch record.