



# Deceased Claim Policy

## Preamble

The Deceased Claim Policy has been framed with the approval of the Board as on 20-Aug- 2019. The premise of this policy is based on the RBI Circular No. RBI/2004-05/490 DBOD. No. Leg. BC.95 /09.07.005/2004-05 dated November 09, 2005, regarding settlement of deceased claim by banks and incorporates various instructions and guidelines issued by the RBI from time to time regarding procedures of handling such settlement. This policy will be applicable to the all the customers of Shivalik Small Finance Bank (the “Bank”) with effect from April 26<sup>th</sup>, 2021.

## Introduction

Death of a person is a turbulent period, both mentally and financially, for the members of the bereaved family. Speedy disposal of claim requests of deceased depositors would be a solace to the legal heirs/nominee/survivor of the deceased customer. The Bank shall adopt the policy of efficient and hassle- free handling of claim petitions by branches/Head Office while ensuring that the money / articles of deceased customer is claimed by the person/s who are entitled thereto.

The Bank shall settle all claims in respect of deceased customer/s and shall release payments / articles kept in SDV to survivor(s) / nominee(s) within a period not exceeding 15 days from the date of receipt of the claim, along with all required documents.

Banks should report to the Customer Service Committee/Board, at appropriate intervals, on an ongoing basis, the details of the number of claims received pertaining to deceased depositors / locker-hirers / depositors of safe custody article accounts and those pending beyond the stipulated period, giving reasons therefor.

## Objective

Objective of this policy is to smoothen the process of settling claim of deceased account holder and provide better customer service by avoiding hardships to the nominee(s)/heir(s) of the customers in settlement of their claims by settling the claims as expeditiously as possible.

## Definitions

### Deceased Account

A deceased account is a bank account such as a savings, Term Deposit, or current account, owned by a deceased person.

### Nominee

Nominee is the right conferred upon the bank account holder to appoint one or more persons who will be entitled to receive monies upon his death.

### Legal Representation

A legal representation is one that is granted by a Court of Law entitling the legal heirs of the deceased to collect the debts/securities or assets of the deceased. Bank may opt for settling the matter through legal representation.

The following documents represent different forms of legal representation:

- a) Succession Certificate
- b) Wills and Probate
- c) Letter of Administration
- d) Order of the Administrative General attached to the High Court.

### **Probate**

It is the legal process/court order administering the estate of a deceased person by resolving all claims and distributing the deceased person's property under a valid Will. Bank to act as per the probate/court order.

### **Letter of Administration**

It is order issued by a Court for administration of the property of a deceased. Bank must act as per the Court order.

### **Succession Certificate**

It is a certificate/order issued by a court of competent jurisdiction declaring the names of legal heirs of a deceased person and percentage of their share in the property of the deceased. This needs to be submitted in condition when there is no "Will" prepared by deceased and no "Nominee" is registered.

### **Intestate**

The depositor dies intestate means that he/she has not left behind any "Will".

### **Missing Persons**

The settlement of claims in respect of missing persons shall be governed by the provisions of Section 107/108 of the Indian Evidence Act, 1872. Section 107 deals with presumption of continuance and Section 108 deals with presumption of death. As per the provisions of Section 108 of the said Act, presumption of death can be raised only after a lapse of seven years from the date of his/ her being reported missing. As such, nominee/legal heirs/probated will (if the deceased has left behind the Will) must raise an express presumption of death of the subscriber under Section 107/ 108 of the Indian Evidence Act before a competent court. If the court presumes that he/ she is dead, then the claim in respect of a missing person can be settled as is done for any other deceased accounts.

### **Mode of Payment**

Payment should be made through "Account Payee only" Pay Order/Demand Draft as per the terms of the court order. In case the settlement is demanded as electronic transfers (NEFT/RTGS), cancelled cheque of the beneficiary account is mandatory to be obtained.

### **Note:**

Claim in a deceased account can be settled in the following order:

Payment to Nominee – If there is valid nomination, Bank shall be discharged by making payment to nominee.

If valid nomination is not available – then

Payment to Legal Heirs - On production of legal representation/probated will (if the deceased has left behind the Will).

If there is no legal representation / probated will – then

Payment to Legal Heirs Based on Indemnity – If all the legal heirs join together and if they are not joining together or if there is any dispute, then they have to be advised to get a court order. Also, succession certificate is mandatory wherein claim amount is more than 5 lacs.

## **Educating customers about Nomination and Survivorship Mandate**

Bank will take steps to educate customers about the advantages of Nomination Facility and Survivorship Mandate.

### **Survivorship Mandate**

A joint account opened as “either or survivor” or “anyone or survivor” or “former or survivor” or “latter or survivor” will facilitate the surviving account holder(s) to have unimpeded access to the credit balance in the account for withdrawal or to operate the account/s if one of the co-account holder/s dies.

If the mandate of survivorship is given / provided, the survivor(s) can give a valid discharge to the bank and payment to survivor(s) can be made in the normal course subject to the only rider that there is no order from a competent court restraining the bank from making such payment.

### **Nomination Rules in Respect of Liability Accounts**

Nomination is the facility made available to depositors whereby in case of death of depositors, the nominee can easily withdraw the deposits without going through the cumbersome procedures of obtaining succession certificates or letter of administration or probate of will etc. The nomination facility was introduced with the intention of minimizing the hardships caused to the family members on the death of depositor. The banking company (nomination) rules form part of the banking regulation act. The nomination facility simplifies the procedure for settlement of claims of deceased depositors as the bank shall get a valid discharge by making payment of the balance outstanding in a depositor’s account at the time of his death or delivering contents of locker or articles kept in safe custody to the nominee. Nomination facility is purely voluntary and at the discretion of the depositor(s)/hirer(s). It is to be made clear to the depositors/hirers that the nomination is introduced solely for the purpose of simplifying the procedure for settlement of claims of deceased depositors and nomination facility does not take away the rights of legal heir on the estate of the deceased. The nominee shall be receiving the money/stock from the bank as a trustee of the legal heir.

- Nomination can be made in respect of all types of deposit accounts held jointly or singly including sole proprietorship accounts. However, nomination facility is not available for the following types of deposit accounts:
  - a) Accounts held in the representative capacity – e.g., as trustee, as liquidator, as treasurer etc.
  - b) Accounts held in the capacity of partnership firm.
  - c) Accounts of joint stock companies/associations/clubs and such other organizations.
- The essence of the nomination rule is that the facility shall be available only to individual account holders in their own capacity singly or jointly. Since an overdraft account is not a deposit account, no nomination facility is available for credit balance held in overdraft accounts. Settlement of credit balance shall be processed through the usual banking and legal process.
- Nomination facility is available for non-resident accounts also, i.e. for NRE, NRO, FCNR, RFC as well as the following types of accounts:
  - a) Accounts opened by foreign nationals who are permanently resident in India.
  - b) Accounts opened by foreign nationals who are staying in India for pursuing studies, employment, business etc.

- c) Accounts opened by foreign nationals who are on a temporary visit to India for tour purposes.
- Only the account holders can nominate. In the case of joint deposits with other individuals, the nomination shall be done by the depositors jointly. In the case of joint deposits, the right to the nominee arises only on the death of all the joint depositors. A nominee cannot appoint another nominee as the right to make nomination vests with the depositor(s) alone
  - Nomination can be accepted either at the time of opening the account or at any time subsequently during the period in which the deposit is held by the Bank to the credit of the depositor
  - If the depositor is a minor, the nomination shall be made by a person lawfully entitled to act on behalf of the minor. In such cases the nomination shall be made by the natural guardian or the person who is lawfully entitled to act on behalf of the minor. When the minor attains majority a fresh nomination form or a consent letter shall be obtained from the depositor (erstwhile minor).
  - Nomination can be accepted in favor of an individual only. Nomination can be made in favor of only one person only, and nomination in favor of more than one person shall never be accepted, even if deposit is held by two or more individuals jointly. Further a nominee cannot be an Association, Society, Trustee or any other organization or Office bearer in his official capacity.
  - A minor can also be appointed as a nominee. However, in such cases, the depositor may appoint another individual, not being a minor, to receive the amount of deposit on behalf of the nominee in the event of death of the depositor(s) during the minority of the nominee.
  - Rights of a Nominee: The Bank shall follow Banking Company (Nomination) Rules wherever applicable. As per the Banking Company (Nomination) Rules, on the death of the sole depositor or all the depositors as the case may be, the nominee shall be entitled to the following rights:
    - a) The nominee shall be entitled to receive the principal money along with accrued interest on account of the deposit in respect of which he is nominated. Separate nomination required for each account. Nomination assigned for receiving a claim is account centric and not customer centric.
    - b) The nominee shall not be entitled to receive the periodical interest during the currency of deposit. However, on maturity of the deposit, the principal as well as accrued interest may be paid to the nominee at the time of settling the claim.
    - c) The nominee shall be entitled to get the account closed prematurely, subject to identification and other procedures. Wherever nominee has to sign, the word “Nominee” may be added beneath his signature to indicate the capacity in which he is claiming.
    - d) The nominee shall not be entitled to raise loan on the security of deposit.

### **Nomination rules in respect of Safe Deposit Lockers**

This facility is available to lockers held in individual capacity either singly or jointly. Hence lockers hired in representative capacity such as trustee, liquidator or in the name of companies, associations etc. are not eligible for this facility.

- Only the locker hirer can make nomination. If locker is hired by more than one individual, the nomination shall be made jointly by all the hirers
- Nomination can be accepted at any time as long as all the hirers are alive, and the contract of locker hire is in force
- For each locker, separate nomination application shall be required. However, where there are already some lockers/articles held/deposited by an individual and no nomination has been made in respect of them, then nomination for all such lockers/articles can be exercised through a single nomination application form provided the same individual is appointed as a nominee for all the lockers/articles

A nominee cannot appoint another nominee. Where the locker/article is hired/deposited by a minor, the nomination in such cases shall be made by a person lawfully entitled to act on behalf of the minor

- In the case of jointly hired lockers with joint mode of operation, on the death of one of the hirers, no further operations shall be allowed. The locker shall be vacated observing the prescribed procedure and the contents of the locker shall be handed over to the nominee and the surviving hirers jointly. For MOP with survivorship clause, the locker can be operated by the surviving hirers.
- Nomination shall be accepted in favor of individuals only. A nominee cannot be an Association, Society, Trustee or any other organization or Office bearer in his official capacity.
- In the case of lockers hired by sole hirer, nomination shall be accepted in favor of one individual only.
- In the case of lockers hired jointly by two or more individuals, nomination can be made in favor of more than one person.
- A minor can also be appointed as a nominee to receive the contents of a Safe Deposit Locker. But at the time of nomination itself, the person who is entitled to receive the contents of Safe Deposit Locker on behalf of the minor nominee shall be specified.
- Illiterate persons can also be appointed as a nominee.

## **Operation in different types of Account upon receiving Notice of Death of Account Holder**

### **Individual Accounts**

No further cheques should be paid even though they are dated prior to the date of death of the account holder.

### **Joint Accounts**

If the balance is payable to the survivor(s), cheques signed by the survivor(s) may be paid to the debit of the account. Further, in the case of a joint account:

- Standing in two names with mode of operation being either or survivor, upon intimation of death of one of the account holders by production of death certificate, the account needs to be converted into single account in the name of the survivor.
- Standing in three or more names where the mode of operation is 'Anyone or survivor', upon intimation of death of one of the account holders by production of death certificate the account will continue in the name of the remaining two account holders with the mode of operation to continue as 'Either or survivor' and there is no necessity to have a fresh mandate.
- Standing in joint names where the mode of operation is jointly, upon intimation of death of one of the account holders by production of death certificate, all operations in the account to be stopped till the legal heirs of the deceased are identified. The same process as outlined in single account wherein there is no nomination shall be followed for the share of deceased account holder.

### **Proprietary Accounts**

No further cheques should be paid even though they are dated prior to the date of death of the account holder.

### **Partnership Accounts**

The death of a partner has, ordinarily, the legal effect of dissolving the firm. The firm can continue basis the type of partnership specified in the deed. In case of continuing partnership, the firm may continue to function

with no impact on the account except restricting the operations on CIF of deceased partner. The surviving partner(s) can, however, operate the account for the purpose of winding up; and any cheques drawn by the surviving partner(s) can be paid. Cheques drawn by the deceased partner and presented after his death, should not be paid. The branches should request the surviving partner(s) to close the account by drawing a cheque signed by all of them and open a new account through which all further transactions may be passed.

### **Joint Hindu Family Firm Accounts**

In case of death of the Karta, the operation in account will be restricted. The operations of the account can be allowed post receiving the declaration from all the co-parceners on appointment of new Karta and all the KYC documents, CIF and account maintenance form duly signed by the new Karta.

### **Trust Accounts**

The Trustees must act jointly unless there is an express provision to the contrary in the Trust Deed. In case of death of any trustee, the operation on the account should be stopped unless the, relative Trust Deed confers express powers on the surviving trustee to act. In the absence of any specific provision in the Trust Deed, it is not safe for the Bank to assume that the surviving trustees possess full powers to deal with the account. Branches should, therefore, not allow the surviving trustees to operate on the account or withdraw the balance. In case of death of sole trustee, operation on the account should be immediately stopped. For settlement as closure or continuation of said account, court order is mandatory.

### **Executor's and Administrator's Accounts**

On the death of an executor or administrator unless otherwise provided for the in the Will or Probate or Letter of Administration, all the powers of the office bearers become vested in the surviving executors or administrators. The account should be allowed to be operated by co-executor(s), but the cheques signed by the deceased executor or administrator and presented after notice of his death should not be paid in the account. In case of death of a sole Executor or Administrator, it will be necessary to obtain fresh order of the court appointing a new Administrator.

### **Limited Company's Accounts**

Where notice of death is received in respect of a person who is authorized to operate an account of a Limited Co., outstanding cheques drawn by such person of the Company can still be paid. The Board resolution submitted by the Company regarding the operation of its Account should be examined by the branch to see whether any amendment or new resolution is necessary.

### **Association, Society, Club Account**

The instructions given in respect of Limited Company 's account shall also apply to account of Association, Society, Club etc.

### **Accounts Operated by a Holder of Power of Attorney or Letter of Mandate**

Upon the death of the principal, the authority of Attorney or Mandate holder stands cancelled. The operation on the account should be immediately stopped and no cheques signed by Attorney/Mandate holder should be paid after receipt of notice of death of the Principal.

### **Settlement of balances in Deposit Accounts**

#### **Liability 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 will represent a valid discharge of the bank's liability provided:

- The bank has exercised due care and caution in establishing the identity of the survivor(s) / nominee and the fact of death of the account holder, through appropriate documentary evidence,
- 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 the payment made to the survivor(s) / nominee, subject to the foregoing conditions, would constitute a full discharge of the bank's liability, while making payment to the survivor(s) / nominee of the deceased depositor, the Bank will 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, irrespective of the amount standing to the credit of the deceased account holder.

In case of balances lying in current account standing in the name of deceased individual depositor/ sole proprietorship concern, interest should be paid from the date of death of the depositor till the date of repayment to the claimant/s at the rate of interest applicable to savings deposit as on the date of payment.

The Branch Head/Cluster Head/Operation Head shall be the competent authority to approve such payments as per the following grid:

- Branch Head – Up to 1 Lacs.
- Cluster Head – 1 Lacs to 5 Lacs.
- Operation Head – 5 Lacs & above.

Documentary requirements for Claims – Liability accounts with Nomination:

- Claim Form.
- Death certificate issued by municipal authorities/government department. The photocopy should be original sighted by the Bank officer.
- Death Certificate issued in other than English language in India will be translated by the Bank in India.
- For Death Certificate (DC) issued outside India, the Death Certificate should be attested by Indian Embassy located in country issuing the DC or embassy of the country issuing DC located in India.
- In case the Death Certificate had been not written in English and issued outside India it should be attested by official translator and on letterhead.
- KYC details and proofs of the legal heirs/Survivor/Nominee.
- Customer Copy of Nomination, If any.
- Account details of the Claimant(s) (If available).

#### **Accounts Without the Survivor/Nominee Clause**

In a deceased account where there is neither Survivorship clause nor Nomination, the Bank will deliver the assets only to the legal heirs.

In case where the deceased depositor had not made any nomination or for the accounts not opened with the

survivorship clause ("either or survivor", or "anyone or survivor", or "former or survivor" or "latter or survivor"), the Bank will follow 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.

Settlement without legal representation:

- In cases where the total claim amount does not exceed Rs.5 lakhs (rupees five lakhs), the claim will be settled, without production of legal representation, on the basis of Indemnity – cum – Affidavit. This is applicable only when:
  - a) The customer has died INTESTATE i.e., without a WILL and
  - b) There are no disputes among the legal heirs and all the legal heirs (other than those who have furnished a Letter of Disclaimer) join in indemnifying the Bank and there is no reasonable doubt about the genuineness of the claimant(s) being the only legal heirs.

Documents required for settlement without legal representation:

- Death certificate issued by municipal authorities/government department. The photocopy should be original sighted by the Bank officer
- Death Certificate issued in other than English language in India will be translated by the Bank in India.
- For Death Certificate issued outside India, the Death Certificate should be attested by Indian Embassy located in country issuing the Death Certificate or embassy of the country issuing Death Certificate located in India
- In case the Death Certificate had been not written in English and issued outside India it should be attested by official translator and on letterhead.
- KYC details and proofs of all the legal heir(s).
- Account details of the Claimant(s) (If available).
- Claim Form duly filled and signed by the Claimant(s), other than those who signed the letter of disclaimer.
- Letter of disclaimer.
- The Declaration in the Claim Form regarding the Legal Heirs(s) of the deceased is to be signed by-
  - a) One independent person well known to the family of the deceased but unconnected with it and acceptable to the Bank; or
  - b) By any account holder of the Bank known to the family of the deceased but unconnected with- it; or
  - c) By any Govt. Official whose signature is verifiable by the Bank.
- Stamped Letter of Indemnity from the Claimant(s).
- One Surety good for the amount or two Sureties jointly good for the amount. Any legal heir(s) who has signed the Letter of Disclaimer in favor of other legal heir(s) may stand as surety if he/she is independently good for the amount of claim.

### **Settlement with Legal Representation**

Cases where the total claim amount exceeds Rs.5 lakhs (rupees five lakhs), or the requisite documents are not available / conditions are not satisfied for settlement without legal representation, the claim will be settled, with on the basis of legal representation. A legal representation is one that is granted by a Court of Law entitling the legal heirs of the deceased to collect the debts/securities or assets of the deceased. Bank may opt for settling the matter through legal representation. The following documents represent different forms of legal representation:

- Succession Certificate



- Wills and Probate
- Letter of Administration
- Order of the Administrative General attached to the High Court

Settlement of claims with legal representation will be done after due scrutiny of all relevant documents by the legal department of the Bank.

The Branch Head / Cluster Head/ Operation Head shall be the competent authority to approve such payments as per the following grid after clearance by legal department:

- Branch Head – Up to 1 Lacs.
- Cluster Head – 1 Lacs to 5 Lacs.
- Operation Head – 5 Lacs & above.

### **Settlement of Claims**

Bank gets a valid discharge by making payment of the credit balance in the account of the deceased. 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 required documents as per the existing policy of the bank, to the bank's satisfaction. In the case of accounts without survivor/nominee clause the claim should be settled within 15 days from the date on which the requisite documents have been submitted to the bank's satisfaction. The following steps should be followed for settling any claim:

#### **With Nomination**

##### **Savings Account**

###### **Individual Account**

The balance outstanding shall be paid to the nominee.

###### **Joint Holder Accounts, Without Survivorship Mandate**

In the event of death of one (or more but not all) of the joint account holders, the balance outstanding shall be paid jointly to survivor(s) and the nominee of the deceased depositor.

In the event of death of both / all joint account holders, the balance outstanding at the time of death of the depositors shall be paid to the nominee.

###### **Joint Holder Accounts, With Survivorship Mandate**

In the event of death of one (or more but not all) of the depositors, the balance outstanding shall be paid to survivor.

In the event of death of both/all the joint depositors, the balance outstanding shall be paid to the nominee.

##### **Current Account**

For settlement of claims, please refer to the instruction detailed in Point no. 2

##### **Term Deposit Account**

###### **Individual Account**

The balance outstanding shall be paid to the nominee, on verification of his/her identity and submission of proof of death of the depositor. The nominee named for the deposit is entitled to prematurely withdraw the said deposit.

Payment of the proceeds of such deposits to the nominee will represent a valid discharge of the bank's liability.

#### **Joint Holder Accounts, Without Survivorship Mandate**

In the event of death of one (or more but not all) of the joint account holders, the balance outstanding shall be paid jointly to survivor(s) and the nominee of the deceased depositor.

In the event of death of both / all joint account holders, the balance outstanding at the time of death of the depositors shall be paid to the nominee. The premature penalty will not be levied on maturing the deposits of the deceased depositor.

#### **Joint Holder Accounts, With Survivorship Mandate**

In the event of death of one (or more but not all) of the depositors, the treatment of balance outstanding in overdue deposit shall be paid to nominee. For all the deposits which are unmatured shall continue till maturity based on the surviving depositor's discretion.

In the event of death of both/all the joint depositors, the balance outstanding shall be paid to the nominee.

#### **Safe Deposit Locker**

The nominee is required to carry locker key for processing the deceased claim. In case the key is not available with the nominee or the surviving hirer, the locker break-open process to be followed, as defined in locker policy.

#### **Individual Hirer**

The nominee shall be allowed to access the locker and remove the contents on identification and verification of proof of death of locker hirer. Before permitting the nominee to remove contents of the Safe Deposit Locker, the Bank shall prepare an inventory of the articles in the presence of nominee and two independent witnesses.

#### **Joint Hirers, Without Survivorship Mandate**

In the event of the death of one (or more but not all) of the joint locker hirers, the nominee(s) shall 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). In the event of death of both/ all joint locker hirers, the nominee(s) shall 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 shall prepare an inventory of the articles in their presence along with two independent witnesses.

#### **Joint Hirers, With Survivorship Mandate**

At present BR 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. However, as per the above act, nomination facility is available only where the operations in lockers are done 'jointly' under the joint signatures of all the hirers.

#### **Without Nomination**

##### **Savings Account**

##### **Individual Account**

The balance outstanding shall be paid to the legal heirs/probated will (if the deceased has left behind the Will).

Or any one of them as mandated by all of the legal heirs on verification of the identity / authority of the legal heirs and submission of proof of death of the depositor.

#### **Joint Holder Accounts, Without Survivorship Mandate**

In the event of death of one (or more but not all) of the joint account holders, the amount outstanding shall 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 submission of proof of death of the depositor.

In the event of death of both/ all joint account holders, the balance outstanding shall be paid jointly to the legal heir(s) /probated will (if the deceased has left behind the Will) of all the deceased depositors (or any of them as mandated by all the legal heirs) on verification of authority of the legal heirs and proof of death of the depositors.

#### **Joint Holder Accounts, With Survivorship Mandate**

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

In the event of death of both/ all the joint depositors, the balance outstanding shall be paid jointly to the legal heirs (or any one of them as mandated by all the legal heirs) /probated will (if the deceased has left behind the Will) on verification of authority of legal heirs and proof of death of depositors.

#### **Current Account**

For settlement of claims, please refer to the instruction detailed in Point no. 2

#### **Term Deposit Account**

##### **Individual Accounts**

The balance outstanding shall be paid to the legal heirs (or any one of them as mandated by all the legal heirs)/ probated will (if the deceased has left behind the Will) on verification of the identity / authority of the legal heirs and submission of proof of death of the depositor (Premature penalty not to be levied). Premature termination shall be permitted on joint request by all legal heirs (or any of them as mandated by all the legal heirs).

#### **Joint Holder Accounts, Without Survivorship Mandate**

In the event of death of one (or more but not all) of the joint account holders, the balance outstanding shall 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 (Premature penalty not to be levied) on maturity of the deposit.

In the event of death of both/ all the joint account holders, the balance outstanding shall be paid jointly to the legal heirs of all the deceased depositors (or any one of them as mandated by all legal heirs) on verification of authority of the legal heirs and proof of death of depositors. Premature penalty shall not be levied on maturing the deposit.

#### **Joint Holder Accounts, With Survivorship Mandate**

In the event of death of one of the depositors (or more, but not all), the balance outstanding in overdue/matured deposits shall 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.

If the operating instruction is 'Either or Survivor' and one of the depositors expires before the maturity, no pre-payment of the fixed/term deposit may be allowed without the concurrence of the legal heirs of the deceased joint holder. This, however, would not stand in the way of making payment to the survivor on maturity. In case the mandate is 'Former or Survivor', if the former expires before the maturity of the fixed/term deposit, the 'Survivor' can withdraw the deposit on maturity. Premature withdrawal would however require the consent of the surviving depositor and the legal heirs of the deceased in case of death of one of the depositors. In the event of death of all joint depositors, the balance outstanding shall be paid to the legal heir(s) of all the deceased depositors (or any one of them as mandated by all the legal heirs of joint holders) on verification of authority of legal heirs and proof of death of depositors. Premature penalty shall not be levied on maturing the deposit.

### **Safe Deposit Locker**

The legal heirs are required to carry locker key for processing the deceased claim. In case the key is not available with the legal heirs or the surviving hirer, the locker break-open process to be followed, as defined in locker policy.

#### **Individual Hirer**

Legal heir(s) of the deceased locker hirer/probated will (if the deceased has left behind the Will) or a person mandated by the legal heir(s) shall be allowed to access the locker and remove the contents on verification of proof of death of locker hirer. The legal heir(s) shall have to produce documents to establish his/ their identity. Before permitting legal heir(s) to remove contents of the Safe Deposit Locker the Bank shall prepare an inventory of the articles in the presence of legal heir(s) / mandate holder and two independent witnesses.

#### **Joint Hirers, Without Survivorship Mandate**

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) shall be allowed to access the locker and remove the contents on verification of authority of legal heirs and proof of death of the hirer.

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) shall be allowed to access the locker and remove the contents on verification of authority of legal heirs and proof of death of the locker hirers.

Before permitting surviving hirers and mandated legal heir(s) to remove contents of a Safe Deposit Locker, the Bank shall prepare an inventory of the articles in the presence of surviving hirers, mandated legal heir(s) and two independent witnesses.

#### **Joint Hirers, With Survivorship Mandate**

In the event (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.

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) shall be allowed to access the locker and remove the contents on verification of the authority of legal heirs and proof of death of the locker hirers.

Before permitting the surviving hirers/ legal heir(s) to remove contents of a Safe Deposit Locker, the Bank shall prepare an inventory of the articles in the presence of surviving hirers/legal heirs and two independent witnesses.

#### **Others**

**Nominee/Legal Heirs Unaware About Deposit Held By Deceased Relative:**

If nominee is not aware of funds of deceased depositor, bank shall attempt to trace the nominee for disposal of funds.

**Nominee/Claimant Is Abroad:**

Proceeds will be settled after all the documents are verified by Indian embassy at the country of his residence and verification confirmation is received by the bank.

**Nominee/Claimant Is Residing At A Location Where SSFB Is Not Having Any Branch:**

If nominee is residing at a location which is far off, the proceeds can be settled if all the required documents are received through courier. In case of no nomination, proceeds will not be settled without presence of legal heirs/successors with all the documents as defined in the policy.

**Payment of Interest in case of Term Deposit Accounts of Deceased Depositor(s)**

In case of a term deposit of deceased depositors, interest shall be paid in the manner indicated below:

- If date of payment of claim is date of maturity of the deposit, the maturity proceeds will be paid at the contracted rate.
- In case of premature withdrawal i.e., in the event of the payment of deposit being claimed before the maturity date - interest will be paid on at applicable rate with reference to the period for which the deposit has remained with the Bank up to date of payment without charging penalty.  
For claims after the date of maturity and no auto renewal instructions exist –
- If the date of death of the customer is prior to the maturity date, the Bank shall pay interest at the contracted rate till date of maturity. From the date of maturity to the date of payment, the Bank shall pay simple interest at the applicable rate obtaining on the date of maturity, for the period for which the deposit remained with the Bank beyond the date of maturity.
- If the date of death of the customer is after the maturity date of the deposit, bank shall pay interest at the savings deposit rate obtaining on the date of maturity on the maturity amount from date of maturity till date of payment.  
Premature withdrawal will not attract any penal charge.

In case of an NRE deposit, when the claimants are residents, the deposit on maturity should be treated as a domestic rupee deposit and interest should be paid for the subsequent period at a rate applicable to a domestic deposit of similar maturity till such time the claim is settled.

If the TD (Term Deposit) account holder dies before the maturity of his/her TD account and nominee informed the bank to continue the stated TD account till maturity and bank has the right to honor the nominee's request after taking a NOC from legal heir/s (if any) and nominee can continue the TD account till maturity. In this scenario, The Branch Head/Cluster Head/Operation Head shall be the competent authority to approve such instruction/request, if the TD amount as per the following grid:

- Branch Head – Up to 1 Lacs.
- Cluster Head – 1 Lacs to 5 Lacs.
- Operations Head – 5 Lacs & above.

Approval Matrix based on remaining TD account tenure (till Maturity)

- Branch Head – less than or equal to 1 Year
- Cluster Head – Less than or equal to 5 Years

- Operations Head – Less than or equal to 10 years

If the LTD (Long Term Deposit) account holder dies before the maturity of his/her LTD account and nominee informed the bank to continue the stated LTD account till maturity and bank has the right to honor the nominee's request and nominee can continue the LTD account till maturity. In this scenario, The Branch Head/Cluster Head/Operation Head shall be the competent authority to approve such instruction/request, if the LTD amount as per the following grid:

- Branch Head – Up to 1 Lacs.
- Cluster Head – 1 Lacs to 5 Lacs.
- Operations Head – 5 Lacs & above.

## Reporting to The Board

A report will be placed before the Board, at appropriate intervals, on an ongoing basis, comprising the details of the number of claims received pertaining to deceased depositors / locker-hirers / depositors of safe custody article accounts and those pending beyond the stipulated period, giving reasons, therefore.

## Annexures

### Details of the annexures

Annexure 'A'	Affidavit stating that the deceased died intestate and there are no other legal heirs other than the one mentioned therein (to be stamped as per local Law). Affidavit to be executed before a Notary/Magistrate/other Officer authorized by State Government (as per ANNEXURE 'A').
Annexure 'B'	Indemnity Bond signed by all legal heirs and two sureties. The means of the sureties should not be less than double the claim amount (credit information to be obtained & credit report to be compiled). Indemnity Bond to be stamped as per the local laws (as per ANNEXURE 'B'). Indemnity Bond from 2 sureties having means not less than double the claim amount ANNEXURE 'B'
Annexure 'C'	If Branch Head is fully satisfied about the identity, integrity and bonafide of the claimants after due enquiry, he can settle the claim up to Rs. 100000/- without insisting for Legal heir certificate, affidavit and Indemnity Bond. Only a Declaration to be obtained in ANNEXURE 'C'.
Annexure 'D'	If the claim is less than Rs. 500000, then Letter of Indemnity (ANNEXURE 'D') be obtained instead of Indemnity Bond.
Annexure 'E'	A declaration from the respectable person/s well known to the deceased family and the bank (an existing customer is preferable) stating that the claimants are the only legal heirs of the deceased. (ANNEXURE 'E')
Annexure 'F'	The account operations to be stopped and balance to be paid to the surviving partner's along with the legal heirs of the deceased partner. (A letter to be obtained as per ANNEXURE 'F')
Annexure 'G'	<u>If locker key is lost:</u> It can be broken open upon request by legal heirs and after payment of arrears of rent and cost of drilling open/repairing. An indemnity also to be obtained as per "ANNEXURE 'G'. After taking joint inventory as above, articles along with a copy of inventory to be sealed and kept in safe custody till formalities of delivery of article is completed.

Annexure 'H'	If all the legal heirs join together, the procedure for settlement of death claim is same as for deposit accounts. In addition, if the legal heirs desire their claim to be settled against Letter of Indemnity, branch has to obtain the same in ANNEXURE 'H'.
Annexure 'I'	Settlement of claim without Legal representation
Annexure 'J'	Summary of Legal Heirs
Annexure 'K'	Documentary Requirement for claims
Annexure 'L'	Letter of Indemnity for FDRs Lost
Annexure 'M'	Claim Form (with Nomination or Joint Account(s))
Annexure 'N'	Claim Form (without Nomination or Joint Account(s))

**Note:** All the Annexures are uploaded on the portal along with the policy