

Death Claim Settlement Policy



The Sundargarh District Central Co-operative Bank Ltd.,
AT – REGENT MARKET, PO/DIST. – SUNDARGARH
PIN – 770001, ODISHA



Policy on Death Claim Settlement

In respect of Deceased Account Holders

1. Introduction:

In the course of availing of various Banking services, the customer's money or assets may remain in possession of the Bank. So long as the customer is alive, he/she or his/ her authorized representative can claim the moneys or assets back from the Bank giving a valid discharge. However, upon the death of the customer, it is his/her registered nominees/legal heirs who are entitled to receive the moneys or assets remaining in possession of the Bank.

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

1.2 The Bank shall settle all claims in respect of deceased depositors and shall 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.

2. Educating Customers about Nomination and Survivorship Mandate:

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

2.1 Survivorship Mandate:

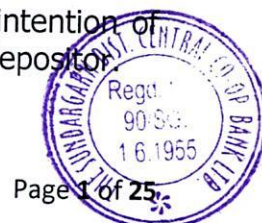
A joint account opened as "Either or Survivor" or "Anyone or Survivor" or "Former or Survivor" or "Latter or Survivor" will facilitate the surviving account holder(s) to have unimpeded access to the credit balance in the account for withdrawal if one of the co-account holders dies.

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.

2.2 Nomination Rules in respect of Deposit accounts:

2.2.1 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.



Policy on Death Claim Settlement

In respect of Deceased Account Holders



2.2.2 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 to the nominee.

2.2.3 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 heirs on the estate of the deceased. The nominee shall be receiving the money/articles from the bank as a trustee of the legal heirs.

2.2.4 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.

2.2.5 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 legal process.

2.2.6. 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.

2.2.7 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.

2.2.8 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 given by the depositor (erstwhile minor).

2.2.9 Nomination can be accepted in favour of an individual only. Nomination can be made in favor of only one person, and nomination in favour of more than one person shall never be accepted, even if deposit is held by two or more individuals

Policy on Death Claim Settlement

In respect of Deceased Account Holders



jointly. Further a nominee cannot be an Association, Society, Trustee or any other organization or Office bearer in his official capacity.

2.3.0 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.

2.3 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.
- 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.

2.4 Nomination Rules In Respect of Safe Deposit Lockers:

The 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, a separate nomination application shall be required. However, where there are already some lockers/deposited by an individual and no nomination has been made in respect of them, the nomination for all such lockers can be exercised through a single nomination application form provided the same individual is appointed as a nominee for all the lockers.

Policy on Death Claim Settlement

In respect of Deceased Account Holders



A nominee cannot appoint another nominee.

Where the locker is hired 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, 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.

In the case of lockers/ deposited by sole hirer/depositor, nomination shall be accepted in favour of one individual only.

In the case of lockers hired jointly by two or more individuals, nomination can be made in favour 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.

(For more details please refer to Head Office General Circular No. 44/2019-20 dated 28th June, 2019)

3. Action to be taken by bank on intimation of death of an account holder:

As soon as the Branch becomes aware of the death of the account holder, it will record the fact in the relevant account in the system and restrict operation in the account as applicable.

3.1 Further operation in the Accounts: Further operation in the different types of accounts will be allowed as follows:

3.2 Individual Accounts: No further cheques should be paid even though they be dated prior to the date of death of the account holder.

3.3 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 accounts;

3.3.1 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

Policy on Death Claim Settlement

In respect of Deceased Account Holders



3.3.2 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.

3.3.3 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 as regards single account wherein there is no nomination shall be followed as regards the share of deceased account holder.

3.4 Partnership Accounts: The death of a partner has, ordinarily, the legal effect of dissolving the firm. The surviving partner(s) can, however, operate the A/C 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 a/c by drawing a cheque signed by all of them and open a new a/c through which all further transactions may be passed.

3.5 Joint Hindu Family Firm Accounts: In case of death of the Karta, the operation in A/c should be stopped.

3.6 Trust Accounts: The Trustees have to 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 a/c should be stopped unless the, existing 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 A/C. Branches should, therefore, not allow the surviving trustees to operate the a/c or withdraw the balance. In case of death of sole trustee, operation in the account should be immediately stopped.

3.7 Executor's and Administrator's Accounts: On the death of an executor or administrator unless otherwise provided for 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 a/c 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 a/c. 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.

3.8 Company's Accounts: Where notice of death is received in respect of a person who is authorized to operate an A/C of a 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.

Policy on Death Claim Settlement

In respect of Deceased Account Holders



3.9 Association, Society, club Account: The instructions given in respect of Company's A/Cs shall also apply to A/Cs of Association, Society, Club etc.

4. 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 a/c should be immediately stopped and no cheques signed by Attorney/Mandate holder should be paid after receipt of notice of death of the Principal.

5. Treatment of inflow of funds in the name of the deceased depositor:

In the event there is an inflow of funds in the name of the deceased depositor, The Bank may seek authorization from 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. This will enable the survivor(s)/nominee to approach the remitter to effect payment in the name of the appropriate beneficiary.

6. Settlement of claims -Single holder accounts:

6.1 Savings Account/Current Account-With nomination: The balance outstanding shall be paid to the nominee on verification of his/her identity and submission of proof of death of the depositor.

6.2 Savings Account/Current Account-Without nomination: The balance outstanding shall be paid to the legal heirs (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.

6.3 Term Deposit Account- With nomination:

The balance outstanding shall be paid to the nominee, on verification of his/her identity and submission of proof of death of the depositor, at maturity. The nominee named for the deposit is entitled to prematurely withdraw the said deposit, if he /she so requests the bank, without seeking the concurrence of the legal heirs. Payment of the proceeds of such deposits to the nominee will represent a valid discharge of the bank's liability.

6.4 Term Deposit Account-without nomination:

The balance outstanding shall be paid to the legal heirs (or any one of them as mandated by all the legal heirs) on verification of the identity / authority of the legal heirs and submission of proof of death of the depositor. Premature termination shall be permitted on joint request by all legal heirs (or any of them as mandated by all the legal heirs).

6.5 Safe Deposit Locker-With nomination:

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

Policy on Death Claim Settlement

In respect of Deceased Account Holders



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.

6.6 Safe Deposit Locker—Without nomination:

Legal heir(s) of the deceased locker hirer 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.

7. Settlement of claims-Joint holder accounts:

7.1 Savings Account/Current Account –With nomination:

- 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 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 submission of proof of death of the depositors.
- 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 on verification of his identity and submission of proof of death of the depositors.
- Nominee's right arise after the death of all account holders.

7.2 Savings Account/Current Account -Without nomination:

- 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 identity 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) 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.

7.3 Term Deposit Account– With nomination:

- 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 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.
- In the event of death of both/ all the joint account holders, the balance outstanding at the time of death of the depositors shall be paid to the nominee on verification of his/her identity and the proof of death of depositors on maturity of the deposit.

Policy on Death Claim Settlement

In respect of Deceased Account Holders



7.4 Term Deposit Account– Without nomination:

- 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 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 on the maturity of the deposit.

7.5 Safe Deposit Locker–With nomination:

- 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 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.

7.6 Safe Deposit Locker–Without nomination:

- 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.

Policy on Death Claim Settlement

In respect of Deceased Account Holders



7.7 Premature Termination of Term Deposit Account–With nomination:

- In the event of death of one (or more but not all) of the joint account holders, premature termination shall 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.
- In the event of death of both/ all the joint account holder's premature termination of term deposit account as per the terms of contract shall be permitted at the request of the nominee on verification of his/her identity and proof of the death of the depositors.

7.8 Premature Termination of Term Deposit Account–Without nomination:

- In the event of death of one (or more but not all) of the joint account holders, premature termination shall 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.
- In the event of death of both/ all the joint account holders, premature termination shall be permitted against joint request by all legal heirs of 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 depositors.

8. Settlement of claims in respect of 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 have to raise an express presumption of death of the deposit holder 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.*** Further, the claim request shall be submitted by all the claimant(s)/legal heir(s) together at one time to settle the claim of missing deposit holder.

8.1 Where the claim amount involved is not exceeding Rs. 50000/:

The Branches have to obtain the documents as mentioned at Para-No.-(11.5).

Policy on Death Claim Settlement

In respect of Deceased Account Holders



8.2 Where the claim amount exceeds Rs. 50000/:

Such claims are to be referred to competent authority covering the details along with antecedent of missing person for its disposal on case to case basis and on production of court order presuming that the person is dead. If the court presumes that the person is dead, then the claim in respect of missing person can be settled as is done for any other deceased accounts, but without obtaining Indemnity Bond.

9. Settlement of claims where minor is a depositor:

In the case of an account opened on production of a guardianship certificate, the balance would be held at the disposal of the competent Court. The guardian shall not be allowed to draw on the account after notice of death of the minor.

In case of an account opened in the name of a guardian without production of guardianship certificate, the balance may be permitted to be withdrawn by the guardian.

In the case of a joint account with the guardian, the balance will be held at the absolute disposal of the guardian. In each case, the minor's death certificate should be duly recorded.

10. Payment of interest

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 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, 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 from date of maturity till date of payment.

Premature withdrawal will not attract any penal charge.



11. Documentation to be obtained:

11.1 Documents required for Claims-with Nomination:

- Claim Form-
- Death certificate.
- KYC details and proofs of the Nominee.

(Same procedure for release of locker)

**11.2 Documents required for Claims-within threshold limit
(i.e up to Rs. 50000/-)**

- Claim Form-
- Death certificate.
- Legal heir certificate.
- Letter of disclaimer/affidavit

(From all legal heirs if settlement to be done to one of them)

- KYC details & proofs of all legal heirs.

11.3 Documents required for Claims-without Nomination beyond threshold limit

- Claim Form-

(Duly filled and signed by the Claimant(s) other than those who signed the letter of disclaimer)

- Death certificate
- Legal heir certificate issued by Executive Magistrate
- Letter of disclaimer/Affidavit/NOC

(From all legal heirs if settlement to be done to one of them)

- Indemnity/Bond with Surety
- KYC details and proofs of all the legal heir(s)

(Same procedure for release of locker shall be followed)

11.4 Documents required where legal heir certificate not available

- Claim Form-
- Death certificate
- Probate where the account holder has left back a WILL
- Succession Certificate where there is no WILL
- KYC details & proofs of all legal heirs.

11.5 Documents required in respect of missing persons

Claim up to Rs. 50000/-:

- Claim Form-
- Copy of FIR
- Non-traceable report issued by police authorities
- Letter of indemnity-
- KYC details and proofs of all the legal heir(s)

Policy on Death Claim Settlement

In respect of Deceased Account Holders



11.6 Claim exceeding Rs. 50000/-:

1. Copy of court order wherein it has been declared/presumed that the person is dead.
2. 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 without obtaining Indemnity/Surety Bond.


Chief Executive Officer
12/8/2015