

**PUNJAB & SIND BANK
H.O.LAW & RECOVERY DEPTT.
NEW DELHI**

Dated: February 15, 2010

MASTER CIRCULAR NO.1/10

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TO ALL BRANCHES/CONTROLLING OFFICES

Reg: Instructions on settlement of death claims.

This is in supercession to Law Circular No.95 dated 14.08.2000 and Law Circular No.191 dated 26.03.2007.

To obviate the difficulties faced by the Field Functionaries in handling claims in the Deceased cases, the Department has taken the initiative to consolidate various instructions issued from time to time on the subject and to give the latest instructions valid as on date in this category of accounts. Besides, the formats required to be obtained while considering claims in the Deceased Cases, Law on the subject has been elaborately dealt with, to impart necessary knowledge to the Field Functionaries.

A handbook of instructions in the form of Manual is enclosed for your ready reference. We hope the Branches will be benefited from the contents of the same.

(J.S. KOCHAR)
General Manager (L& R)

SETTLEMENT OF DEATH CLAIMS

1. INTRODUCTION:

Prompt and proper settlement of claims is essential for removing any hardships to the claimants; particularly at the time of bereavement. This goes a long way in improving one of the important aspects of customer service. Apart from bringing in a lot of goodwill, a good image of the Bank is also projected. Hence, top priority must be given for expeditious settlement of claims.

DELEGATION OF POWERS

For the purpose of Powers, the amount is the balance outstanding as on date of death of the deceased depositor plus any other subsequent credit received in the account other than interest.

In cases where the claimant(s) produce Succession Certificate/ probate of Will from the Competent Court or Authority, the Branch Manager may release the money in terms of the said Succession Certificate without any reference to Zonal Office/Local Head Office/Head Office.

Provisions of this Manual will apply to settlement of claims arising out of deposits made with us and contents of safe deposit lockers.

Inheritance of the assets of the deceased depends on his religion and relative Succession Acts. Hence, when the parties approach for settlement of claims, Branches should enquire about: -

- i) The religion of the deceased depositor/account holder.
- ii) Whether the deceased died intestate (without making a Will).
- iii) Whether the deceased left any Will or Settlement.
- iv) Whether the Will has been probated.
- v) Who are the legal heirs of the deceased?
- vi) The age and relationship of the legal heirs with the deceased.
- vii) Details/description of the deposits/locker.

Any other data found necessary may also be called for.

The claimants should be clearly guided, in the first instance itself, regarding correct set of claim papers to be submitted by them and other pre-requisites for settlement of their claims.

Utmost care and proper guidance should be bestowed in the initial stage itself, which will facilitate the settlement of claims expeditiously. Otherwise, it may result in calling for information/documents in piecemeal thereby leading to undue inconvenience to the claimants and inordinate and avoidable delay in settlement of claims.

As and when the required claim papers/ other particulars are submitted by the claimants, Branch Managers should go ahead with the processing of the claim, duly observing the procedure explained in the subsequent clauses.

The Banking Companies (Nomination) Rules 1985 was introduced as a part of the Banking Regulation Act. With the introduction of the nomination facility, settlement of claims has to a large extent been simplified. By the nomination facility, all kinds of deposits accepted by the Bank, in case of death of the depositor/s can be paid back to the nominee provided the nomination is duly registered with the Branch in accordance with the Banking Companies (Nomination) Rules, 1985. If a nominee has been appointed for a deposit account, there arises no problem in settlement. It is only when no nominee has been appointed, the following procedure detailed hereinafter is to be followed. However, if a nominee is appointed for a deposit, the amount will be paid to the nominee only and not to the legal heirs of the deceased.

2. LEGAL TERMINOLOGY:

Before we go into the procedural aspect, a little bit of explanation on the legal expressions used are given hereunder: -

2.1.1. Testamentary Succession/disposition:

- i) The property of the deceased is distributed either by way of **Testamentary disposition** or **Intestate disposition**. Testamentary succession/disposition means distribution of the property of the deceased on the basis of a Will.
- ii) When a person leaves a Will/Codicil bequeathing his property. It is known as Testamentary disposition. On the other hand, when a person dies without any Will, the property will be distributed/inherited by the legal heirs as per the Succession Law by which the deceased was governed. Disposition of property in this manner is known as **Intestate disposition** or **Intestate succession**.

2.1.2. WILL

- i) “WILL” means the legal declaration of the intention of a testator (one who makes a will) with respect to his property which he desires to be carried into effect after his death {Section 2(h) of Indian Succession Act, 1925}. It includes codicil also.

A WILL comes into operation only on the death of the testator. A WILL can be revoked at any time by the testator during his life time.

A WILL is ambulatory in the sense that it is effective only from the date of death of the testator and till such time, it has no effect and it can be changed or revoked by the testator.

If there is any mistake in a WILL, it cannot be rectified by any Court of Law. No consideration is required for making a WILL.

- ii) A WILL may be made:
- a) For disposal of the property of the testator after his death and for appointing an Executor;
 - b) For appointing a testamentary guardian;
 - c) For exercising a power of appointment.*
 - d) For revoking or altering a previous WILL.

*NOTE: The power of appointment in item (c) refers to the right of holder of an Office or estate to nominate a person to succeed him on his death. For example a Head of a Mutt may appoint his successor to the Mutt.

- iii) A minor is legally incompetent to make a WILL and a WILL by minor is not a legal declaration.
- iv) A declaration in a WILL should relate to the property of the testator which he intends to dispose off. If the declaration contains no such information, it is not a WILL.
- v) A WILL may be in any form. It may be written in any language and no technical words are necessary. It may be written in ink or pencil. A WILL need not be stamped as it is exempted from stamp duty.
- vi) A WILL shall be attested by two or more witnesses in the presence of the testator. A WILL is not rendered void merely for the reason that it is witnessed by any of the beneficiaries under the WILL.

2.1.3. Codicil:

- i) A Codicil means an instrument made in relation to a Will and explaining, altering or adding to its dispositions and shall be deemed to form part of a Will {as per Section 2(b) of Indian Succession Act, 1925}. While obtaining a Probate, a Codicil alone will not be admitted to Probate when the Will is lost and the terms of the Codicil will be incapable of being carried out without knowledge of what was in the lost Will. If the existence of the Will is not proved, the Codicil will not be admitted to Probate.
- ii) A Codicil is of a similar nature to a Will as regards both its purpose and the formalities relating to it. But in general, it is supplemental to and considered as annexed to a Will previously made, being executed for the purpose of adding to, varying or revoking the provisions of that Will.

2.1.4. Probate:

- i) A probate means a copy of a Will certified under the seal of a Court of Competent jurisdiction with a grant of administration to the estate of the testator {Section 2(f) of Indian Succession Act, 1925}. A probate is conclusive as to the representative title of the Executor to represent the estate. It is also conclusive proof as to the due execution of the Will and as to the genuineness of the Will.
- ii) The effect of grant of the Probate is that it establishes the factum of the Will and the legal character of the Executor and all the property both movable and immovable of the deceased Testator vests in the Executor as from the death and as long as the grant stands, the Executor is the legal representative of the deceased.
- iii) Probating of the will should be insisted upon in the case of Wills made by any Hindu, Buddhist, Sikh or Jain where the wills are made in the Presidency towns i.e. Chennai, Kolkatta, and Mumbai.
- iv) Probate is not mandatory in the case of Hindus, Buddhists, Sikh or Jains, whose Wills are made outside the Presidency towns and in case of Mohammedans and Indian Christians.
- v) However probate may be called for at the option of the bank in any case, whether or not it is mandatory, where the bank is not satisfied about the execution of the Will or that the Will on whom the claim is based is the last Will of the testator.

- vi) Though it is not mandatory for certain cases of persons to obtain a probate. Bank can insist on a Probate for better proof about the execution of the Will or that it is the last Will of the deceased testator; regardless of religion of the testator, which would be well within the preview of section 213 of Indian Succession Act.
- vii) A probate obtained in a foreign Court of Law cannot be straight away taken for the purpose of settlement of claim. The applicants should be directed to apply to the Court of Law in India having jurisdiction for issue of a Letter of Administration or a Probate as the case may be.

2.1.5. Executor:

- i) Executor means a person to whom the execution of the last Will of a deceased person is, by the Testator's appointment, confined {Section 2(c) of the Indian Succession Act, 1925}. Executor also means the executor or the administrator of a deceased person.
- ii) Court shall not recognize the rights of an Executor unless he has obtained Probate of the Will under which he claims. But, under Section 213 of Indian Succession Act, the estate vests in the Executor by virtue of the Will and from the date of the death of the Testator. A period of seven clear days is required to pass after the death of the person dying leaving a Will or Codicil, before Probate can be granted. The Office of an Executor or Administrator is not assignable; nor does it survive after the death of a sole executor or administrator, in favour of his heirs.

2.1.6. Letters of Administration

Letters of administration include any letters of administration, whether general or with a copy of the Will annexed or limited in time or otherwise. Letters of administration are also granted under Section 232 of the Indian Succession Act. When a person dies leaving a Will without appointing an executor or if the executor appointed by the Will is legally incapable or refuses to act or who has died before the testator or before he has proved the Will, an administrator can be appointed only by a Competent Court as distinguished from an executor (who can be appointed only by a person by his Will or Codicil).

2.1.7. Administrator:

- i) An administrator means a person appointed by a Competent Authority to administer the estate of a deceased person when there is no executor {Section 2 (a) of Indian Succession Act, 1925}. If a person governed by this Act dies

without leaving a Will (i.e. intestate), a person is appointed to administer his estate, as provided in Section 218 and 219 of the Act. The person so appointed is called as 'Administrator'.

- ii) A property of the deceased does not vest in him until the grant is made. But, in order to prevent injury being done to the estate of the deceased, the legislature has adopted a doctrine of "relation back" that, upon the grant being made, the title of the administrator relates back to the time of the death of the intestate. An administrator is not a legal representative until the grant of letters of administration is made.

3. WHAT IS A CLAIM AND WHO IS TO CLAIM:

A claim arises when a deposit is held in the name of individual/s and if such depositor/s die/s, and if no nomination in such accounts have been made. In the case of sole depositor, a claim will arise when the sole depositor dies. In the case of joint deposits a claim arises under the following circumstances:

- i) Payable to Either or Survivor.
- ii) Payable Jointly
- iii) Payable to No.1/Former/Illiterate or Survivor

NOTES:

- I. If any of the joint depositor/s die/s after or before the due date and if the amount is claimed by the surviving depositor/s on or after the due date, the amount may be paid to them without referring the matter to the legal heirs of the deceased depositor/s. A claim does not arise.
- II. If account opening form containing survivorship clause has been obtained and if the joint depositor/s have authorized the Bank to pay the deposit amount to the surviving/any one of the surviving depositor/s, then no claim need be preferred, provided there is no Order from the Competent Court restraining the Bank from making such payment. Also the survivors can continue with the existing account duly deleting the name of the deceased.

A claim also arises when

- i) The sole hirer/ all the joint hirers of the **Safe Deposit Locker** die/s.

- ii) The sole depositor of a safe custody article dies.
- iii) In case of jointly deposited articles where one of the joint depositors dies and the application does not provide for delivery of the article to the surviving depositor in case one of the joint depositors dies, a claim has to be preferred by the surviving depositor and the legal heirs of the deceased depositor.
- iv) As regards guidelines relating to Safe Deposit Lockers/Safe Custody Articles, Branches may refer P & D Circular No.2326 dated 13.08.2007.

A claimant is entitled to claim the amounts under the deposit/contents of a locker on the basis of any testamentary disposition of rights (i.e. by way of a Will, a settlement etc.). The claimants generally are the legal heirs of the deceased or beneficiaries under a Will or Settlement etc. When the depositor/account holder dies intestate, the legal heirs would be the claimants.

If the deceased has left any Will, the beneficiaries under the Will, will be the claimants. Hence, the Branch should call for a Will and scrutinize it to ascertain whether the testator has bequeathed his assets that are now with the Bank to the beneficiaries now claiming. In case the Will is silent over Bank Assets/Accounts, the claim will have to be preferred by all the legal heirs despite the existence of a Will.

If any Court of Law granted Probate or Letters of Administration, the authorized person in whose favour the Probate or Letter of Administration has been issued is entitled to prefer the claim on behalf of the legal heirs.

If any Succession Certificate has been issued in favour of any person by the Court of Law, that person alone will be entitled to prefer the claim.

In the case of deposits in the name of minor/s, if a claim arises before maturity of the deposit, it should be settled only in favour of the legal heirs and not in favour of the guardian alone. However, the guardian may claim as one of the legal heirs of the minor.

4. MINOR AS A CLAIMANT

4.1 MINOR:

Minor means a person who has not completed 18 years of age. A minor attains majority on completion of 18 years of age.

If the Competent Court appoints a guardian during the minority of a person, then minor attains majority on completion of 21 years of age.

A minor is incompetent to enter into any contract as per Indian Contract Act.

GUARDIAN:

Guardian means a person having the care of the person of a minor or his property or both. There are different types of guardians, viz., Natural Guardian, Testamentary Guardian, Court appointed Guardian and De-fercto Guardian.

If there are any minor legal heirs among the legal heirs of the deceased, the following guidelines are to be adhered to.

4.2 Hindu/Christian

4.2.1. Father is the natural guardian of his minor sons/daughters and if the father is not alive, mother of the minor is the natural guardian.

4.2.2. Natural Guardian of a Hindu Minor

Mother of a Hindu minor can act as Natural Guardian even if the Father is alive in the following circumstances:

- a. Where the Father and Mother have agreed to that effect.
- b. Where the Father is totally indifferent in the matters of the minor.
- c. The father is physically unable to take care of the minor because he is staying away from the minor or because of his physical or mental incapacity.

In the case of Christian community, some states like Kerala, enacted legislations on guardianship, making paternal grand father, after him, full brothers in the order of seniority, half brother by the same father, paternal uncles in the order of seniority and maternal uncles in the order of seniority as legal guardians.

Natural Guardian of an illegitimate child:

In the case of illegitimate child, mother will be the natural Guardian and after her, the Father.

Minor as a guardian in certain circumstances:

A minor is incompetent to act as guardian of any minor except his own wife or child, or where he is the managing member of an undivided Hindu family, the wife or child of another minor member of that family.

Circumstances under which some other person can move the court where

Natural guardian Father or Mother is alive

Even if the father or mother is alive, some other person could be appointed as guardian by the Court under exceptional circumstances such as the interest of the father or the mother being in conflict with the minor's interest, ill- treatment of the minor by the father or mother etc.

Guardian ad litem:

Guardian ad litem means a guardian appointed by a Competent Court to be the guardian of the minor to look after the interest of the minor in a particular suit/legal proceeding. Such Guardian ad litem is appointed after hearing the father, mother or other guardian of the minor, if any.

In case both father and mother are not alive, only a person appointed by the Court can act as guardian for the minors.

Mohammedans:

The order of guardianship is as under:

- i) Father
- ii) Persons appointed by Father's Will
- iii) Father's Father
- iv) Person appointed by the Will of the Father's father
- v) In the absence of the above persons, only a person appointed by the Court can act as guardian of the property of the minor. However, at the discretion of the Manager, mother of the minor can be allowed as guardian to receive the share of the minor. Without insisting on Court guardianship, provided the share of the minors does not exceed Rs.2000/-

5. DEATH CERTIFICATE:

Death Certificate issued by any one of the following authorities may be accepted:

- i) Municipality/Corporation;
- ii) Registrar of Births and deaths;

- iii) Village headman;
- iv) Panchayat Office;
- v) Certificate issued by the Hospital or Nursing Home, where the depositor/account holder dies; and
- vi) Parish Priest.

6. FORMULA FOR SETTLEMENT OF CLAIM AMOUNT/ASSETS:

6.1. Legal heirs entitled to receive the claim amount/assets depends upon the religion of the deceased, relevant Act applicable and the class of legal heirs. Formula for apportioning the claim amount among the legal heirs is as under:

6.1.1. Legal heirs under Hindu Succession Act, 1956:

A. In the case of a Hindu male dying intestate:

i) Class I legal heirs:

Son, daughter, widow, mother, son of a predeceased son, daughter of a predeceased son: son of a predeceased daughter: daughter of a predeceased daughter: widow of the predeceased son, son of a predeceased son of a predeceased son: daughter of a predeceased son of a predeceased son, widow of a predeceased son of a predeceased son.

ii) Class II legal heirs:

- I. Father;
- II. 1. Sons's daughter's son;
2. Sons daughter's daughter;
3. Brother;
4. Sister;
- III 1. Daughter's son's son;
2. Daughter's son's daughter;
3. Daughter's daughter's son;
4. Daughter's daughter's daughter.
- IV 1. Brother's son;
2. Sister's son;
3. Brother's daughter;
4. Sister's daughter.
- V Father's father; Father's mother
- VI Father's widow; Brother's widow
- VII Father's brother; Father's sister
- VIII Mother's father; Mother's mother

IX Mother's brother; Mother's sister

(Explanation: Reference to a brother or sister do not include reference to a brother or sister by uterine blood)

iii) Order of succession among heirs:

Among heirs specified above, those in Class I shall take simultaneously and to the exclusion of all other heirs. Those in the first entry in Class II shall be preferred to those in the second entry. Those in the second entry shall be preferred to those in the third entry; and so on in succession.

iv) Distribution of property among heirs in Class I:

The property of an intestate shall be divided among the heirs in Class I in accordance with the following rules:

Rule I: The intestate's widow, or if there are more than one widow, all the widows together, shall take one share. (A Hindu male can have more than one wife legally if he has married before 1956).

Rule II: The surviving sons and daughters and the mother of the intestate shall each take one share

Rule III: The heirs in the branch of each predeceased son or each predeceased daughter of the intestate shall take between them one share.

Rule IV The distribution of the share referred to in Rule 3

(a) among the heirs in the branch of the predeceased son shall be so made that his widow (or widows together) and the surviving sons and daughters get equal portions, and the branch of his predeceased sons gets the same portion.

(b) Among the heirs in the branch of the predeceased daughter shall be so made and the surviving sons and daughters get equal portion.

NOTE: If a Hindu dies unmarried leaving behind him his mother, the mother shall get the entire property.

v) Distribution of property among heirs in Class II:

The property of an intestate shall be divided between the heirs specified in one entry in Class II so that they share equally.

B. In the case of Hindu Female dying intestate:

- (i) The property of a female dying intestate shall devolve as under:
- (a) firstly, upon the sons and daughters (including the children of any predeceased son or daughter) and the husband;
 - (b) secondly, upon the heirs of the husband;
 - (c) thirdly, upon the mother and father;
 - (d) Fourthly, upon the heirs of the father; and
 - (e) Lastly, upon the heirs of the mother
- (ii) Notwithstanding anything contained in item (i)-
- i. any property inherited by a female Hindu from her father or mother shall devolve, in the absence of any son or daughter of the deceased (including the children of any predeceased son or daughter) not upon the other heirs referred to in item (i), but upon the heirs of the father: and
 - ii. any property inherited by a female Hindu from her husband or from her father in law shall devolve, in the absence of any son or daughter of the deceased (including the children of any predeceased son or daughter) not upon the other heirs referred to in item (i) but upon the heirs of the husband

C. In the case of Hindu Female governed by Marumakhuthayam or Aliya Santhana Law, the order of Succession will be as follows:

- i) firstly, upon the sons and daughters (including the children of any predeceased son or daughter) and the mother;
- ii) Secondly, upon the father and the husband;
- iii) Thirdly, upon the heirs of the mother;
- iv) Fourthly, upon the heirs of the father; and
- v) Lastly, upon the heirs of the husband.

6.1.2. In the case of a person governed by Indian Succession Act, 1925 (Christians):

- (i) Firstly, upon widow/widower and children including children of predeceased son or daughter (lineal descendants). Where the deceased is survived by lineal descendants, widow/widower will get 1/3 of the assets and the balance will be shared by lineal descendants equally.

NOTE: In the case of children of predeceased son or daughter the share which predeceased son or daughter would have inherited will be divided amongst themselves equally.

- (ii) If the deceased is not survived by lineal descendants, then widow/widower will inherit half of the assets and the balance shall go to the persons who are kindred to the deceased in the following order:
- a. Father;
 - b. Mother, Brother, Sister including children of predeceased brother or sister.

NOTE:

1. Father excludes, mother brothers and sisters.
2. The rule applicable for inheritance in the case of children of predeceased son or daughter is the same as in the case of children of predeceased brother or sister.

6.1.3. In the case of Mohammedans:

After the death of the account holder/depositor (whether male or female) son/s become share/s along with the following. But his/their share will vary depending on the number of sons/daughters living.

- | | |
|--|--|
| 1. Father | 1/6 |
| 2. Father's father
(in the absence of father) | 1/6 |
| 3. Mother | 1/6 when there are two or more brothers or sisters or even one brother and one sister of any kind. |
| 4. Mother's mother
(in the absence of mother) | 1/6 |
| 5. Widow/Widows | 1/4 when there is no child or child of a son.
1/8 when there is a child or child of a son. |
| 6. Husband | 1/2 when there is no child or child of a son.
1/4 when there is a child or child of a son |
| 7. Daughter | 1/2 (in the absence of son) |
| 8. Daughters | 2/3 (in the absence of son) |

With son, daughters become a residuary. Sons are always entitled to double the amount that the daughters are entitled to get.

Brothers and sisters of the deceased will inherit their shares, only in the absence of father and children.

Example:

In the case of Mohammedan dying leaving behind only a son and a daughter their shares will be as follows:

(a) Son $2/3$

(b) Daughter $1/3$

NOTE:

In the Mohammedan (male or female) account holder/depositor dying intestate is leaving behind for example the following heirs:

I. (1) Widow (2) Son (3) Daughter

Their shares are determined as follows:

Widow - $1/8$ Son $2/3$ of $7/8$ Daughter $1/3$ of $7/8$

Widow $3/24$ Son $14/24$ Daughter $7/24$

II. If the deceased is survived by father, mother, husband, 2 sons and a daughter their share will be as follow:

Father $1/6$ Mother $1/6$ Husband $1/4$

$$1/6 + 1/6 + 1/4 = \frac{2+2+3}{12} = 7/12$$

2 sons get $4/5$ of $5/12$ $20/60 = 1/3$

Daughters get $1/5$ of $5/12$ $5/60 = 1/12$

The share will be as follow:

Father $2/12 = 1/6$

Mother $2/12 = 1/6$

Husband $3/12 = 1/4$

2 Sons $4/12 = 1/3$

Daughter $1/12 = 1/12$

III. If the deceased is survived by husband, mother 2 daughters and one son, the following will be the share.

Husband $1/4$ Mother $1/6$

$$1/4 = 1/6 = \frac{3+2}{12} = 5/12$$

Son $2/4$ of $7/12$ $=14/48$ $=7/24$

Daughters $2/4$ of $7/12$ $=14/48$ $=7/24$

The shares will be:

Husband $6/24$ Mother $4/24$

Son $7/24$ 2 daughters $7/24$

The question of working out the shares will arise only when minors are involved or any of the shares insist on payment of their shares separately.

**MODEL OPERATIONAL PROCEDURE FOR
SETTLEMENT OF CLAIMS OF DECEASED DEPOSITORS
&
RETURN OF ARTICLES IN SAFE DEPOSIT LOCKERS**

**SETTLEMENT OF CLAIMS IN RESPECT OF DECEASED DEPOSITORS –
SIMPLIFICATION OF PROCEDURE AND INTRODUCTION OF MODEL
OPERATIONAL PROCEDURE**

PART – I INTRODUCTION

- 1.1. Delays in settlement of claims by legal heirs of the deceased constituents of Banks cause considerable hardship to dependent legal heirs. Claims by legal heirs could be in respect of deposits, safe custody articles or contents of lockers. With a view to removing the hardship faced by Common Person, the Committee on Procedures and Performance Audit on Public Services (CPPAPS) had suggested that the Reserve Bank of India may issue comprehensive guidelines in the matter and IBA may be asked to draft and circulate a comprehensive model operational procedure, which could be used by banks for settlement of claims of deceased depositors and Safe custody articles.
- 1.2. The legal position is quite clear in the matter of deceased claims. In the absence of nomination or clear mandate in respect of a joint account or a Will left behind by the deceased depositor, Banks are expected to pay the stock (balance outstanding) at the time of death of the person to all the legal heirs. Considering the risk involved, Banks traditionally used to look for legal representation (in the form of a succession certificate, letter of administration or probate etc.) for settlement of claims. The system of obtaining operational mandates in joint accounts emerged as a banking practice to overcome difficulties in Settlement of claims in deceased accounts. Subsequently, the statutes were amended in 1985 to provide for nomination facility in bank deposits, safe deposit lockers and safe custody articles. However, since nomination facility is optional at the discretion of the depositor, problems and difficulties in settlement of deceased claims persisted.
- 1.3. The Reserve Bank of India vide circular No.DBOD.No.Leg.BC.95/09.07.005/2004-05 dated 9th June, 2005 have issued detailed guidelines for evolving simplified procedure for settlement of claims in respect of deceased depositors. The CPPAPS had also made recommendations for easy operation of lockers. Taking into consideration these recommendations RBI had issued detailed guidelines in respect of Safe Deposit Lockers and Safe Custody Articles emphasizing need for a simplified procedure for settlement of claims in respect of Safe Deposit Locker/ Safe Custody Articles Facility in the event of death of the depositor(s) vide its Circular DBOD.No.Leg.BC.78/ 09.07.005/2006-07 dated 17.04.2007.
- 1.4. In February 2006, IBA had circulated Model Operational Procedure covering settlement of claims in deceased deposit accounts. This revised Model Operational Procedure incorporates the subsequent RBI guidelines on settlement of claims in Safe Deposit Locker/Safe Custody Articles facility also. This model operational procedure will be applicable

to the deceased claims in deposit accounts falling within the threshold limit. Deceased claims within the threshold limits limit will be settled against indemnity by legal heirs of the deceased without any legal representation in the absence of nomination or mandate given by the deceased depositor(s). The drafting Committee could not arrive at a similar threshold risk limit for settlement of claims in a deceased safe deposit locker/ safe custody article account for settlement without legal representation considering the fact that value of assets remains unknown. It is expected that member Banks would evolve a customer friendly approach in such cases as envisaged by the RBI.

<p>PART-II- GUIDANCE TO THE CUSTOMERS ON ADVANTAGES OF NOMINATION FACILITY / SURVIVORSHIP MANDATE.</p>

2.1. NOMINATION FACILITY

- **Nomination Facility - an ideal tool to mitigate hardships of common persons in settlement of claims in the event of death of the account holder.**
- Nomination facility simplifies the procedure for settlement of claims of deceased depositors as Banks 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 is optional for bank customers. It is therefore necessary that nomination facility is popularized and customers are made aware of its advantages while opening a deposit account or opting for the lockers.
- Branches should inform account holder about the availability of nomination facility, and recommend his/her availing the option. Nomination facility, if availed, would ensure smooth settlement of claim to the nominee.
- It should also be made clear to the depositor (s) that 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 would be receiving the stock from the bank as a trustee of the legal heirs.

2.2. SURVIVORSHIP

- A Joint account opened as “ **Either or Survivor**” OR “**Anyone or Survivor**” OR “ **Former or Survivor**” OR “ **Latter OR Survivor** “ will permit 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 in the case of “**Either OR Survivor**” / “**Anyone OR Survivors**” and “**Former OR Survivor**” / “**Latter OR Survivor**” joint accounts.
- **In short, 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.**

2.3. CUSTOMER GUIDANCE AND PUBLICITY

This Model Operational Procedure (MOP) for settlement of claims of deceased depositors has been prepared with a view to removing hardships faced by common persons in settlement of claims in deceased accounts. This document also aims at creating greater awareness amongst depositors about the advantages of availing “nomination” facility offered by banks or giving operational mandates like “Either OR Survivor“, etc. when accounts are opened in joint names.

Branches may bring out pamphlets and other publicity materials incorporating details of operational procedures for settlement of claims of deceased depositors for distribution amongst depositors.

Branches may give wide publicity and provide guidance to deposit account holders on the advantages of the nomination facility and the survivorship clause. It should be highlighted in the publicity material that in the event of the death of one of the joint account holders, the right to the deposit proceeds does not automatically devolve on the surviving joint deposit account holders, unless there is a survivorship clause.

PART III – SETTLEMENT OF CLAIMS IN VARIOUS TYPES OF ACCOUNTS / FACILITIES
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3.1. Single Account with or without nomination

3.1.1. 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, and Passport 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 the Legal heirs) on verification of the authority of the legal heirs and proof of death of depositor.

3.1.2. 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, and Passport 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 the Legal heirs) on verification of the authority of the legal heirs and proof of death of depositor on maturity of deposit.

3.1.3. 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 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 on verification of the authority of the legal heirs and proof of death of depositor.

3.1.4 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 etc.) and verification of proof of death of locker hirer. Before permitting the nominee to remove contents of the Safe Deposit Locker, the Branch would prepare an inventory of the articles in the in presence of nominee(s) and two independent witnesses.

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 proof of death of locker hirer. The legal hire(s) will have to produce documents to establish his/their identity. Before permitting legal hire(s) to remove contents of the Safe Deposit Locker, the Branch would prepare an inventory of the articles in the presence of legal heir(s) mandate holder and two independent witnesses.

3.2. Joint Account with or without nomination and without survivorship mandate (Operated jointly)

3.2.1. 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 (s) (or any one 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 depositor(s) will be paid to the nominee on verification of his identity (such as Election ID Card, PAN Card, Passport 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 holder (s), the amount outstanding will be paid jointly to 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 jointly to the legal heir (s) of all the deceased depositors (or any one of them as mandated by all the legal heirs) on verification of authority of the legal heirs and proof of death of the Depositors.

3.2.2. 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 jointly to survivor(s) and the legal heirs of the deceased joint account holder (s) (or any one of them as mandated by al 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 depositor (s) will be paid to the nominee on verification of his/her identity (such as Election ID Card, PAN Card, Passport 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 one 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) In the event of death of both/all the joint account holders, the balance outstanding will 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.

3.2.3. 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 legal heirs and proof of death of depositor.

- (b) 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 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 of 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) In the event of death of both / all the joint accountholders, 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 legal heirs) as per the terms of contract on verification of authority of legal heirs and proof of death of depositor.

3.2.4. 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 hire(s) along with the surviving hire(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 Branch would prepare an inventory of the articles in their presence along with two independent witnesses.

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 verification of authority of legal heirs and proof of death of the locker hirers.

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

3.3.Joint account with mandate “Either Or Survivor”/ “Former or Survivor”/ “Anyone or Survivors”/ “Latter or Survivor” - With or without nomination:

3.3.1. 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 jointly to Survivor (s) on verification of proof of death of the Depositor.
- (b) In the event of death of both / 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 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 (s) on verification of proof of death of the depositor.
- (b) In the event of death of both / all the account holders, the balance outstanding will be paid jointly to the legal heirs (or any one of them as mandated by all the legal heirs) on verification of authority of legal heirs and proof of death of depositors.

3.3.2. 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 jointly 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 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 made to the survivor (s) on verification of proof of death of the depositor on maturity of deposit or as agreed at the time of opening of deposit.
- (b) In the event of death of all the joint depositors, the balance outstanding will be paid to the legal heir(s) of all the deceased depositors (or any one of them as mandated by all the legal heirs) on verification of authority of legal heirs and proof of death of depositors on maturity of deposit.

3.3.3. 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 depositor.
- (b) In the event of death of all joint depositors, account holders, 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 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 contract on verification of proof of death of 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 on verification of authority of legal heirs and proof of death of depositors.

3.3.4. Safe Deposit Lockers

With Nomination:

At present Banking Regulation Act (Section 45ZE) does not provide nomination facility in respect of lockers with “Either or Survivor”/ “Former or Survivor”/ “Anyone or Survivors”/ “Latter or Survivor”. 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 the legal heirs) would be allowed to access the locker and remove the contents on verification of authority of legal heirs and proof of death of locker hirers.

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

NOTE: Claim specific actions / steps to be taken for settlement in respect of different accounts / facilities are illustrated in the tabulated form in the annexure.

PART IV – SETTLEMENT OF CLAIMS IN RESPECT OF MISSING PERSONS

4.1. Legal Position

In terms of Section 108 of the Indian Evidence Act, 1872, presumption as of death can be raised and person can be taken or presumed to be dead in the eyes of Law and presumption thus raised tantamounts to physical death to give right to his legal heirs to claim from the Bank, the amounts lying to credit of such depositors' accounts.

4.2. Adoption of simplified procedures to avail inconvenience and undue hardship to the common person

With a view to avoid inconvenience and undue hardship to the claimants, we are pleased to inform that policy decision has been taken to settle claims received from Legal heirs/Nominees of missing persons for release of amounts lying in deposit accounts with the bank, as per two options given hereunder:-

OPTION-I – *(Where the depositor has been missing for more than 7 years and his/her nominee/legal heirs produce a Declaration from Court about presumption of death of missing person)*

To approach Court of competent jurisdiction for such Declaration and if the Declaration entitling a presumption to be raised is passed by the Court, then on the strength of a certified copy of the Orders passed, after due satisfaction, the claim can be dealt with in terms of existing policy for settlement of claims in respect of deceased depositors (Law Circular No.191).

OPTION-II – *(Where the Nominee/Legal Heirs of missing depositor are unable to produce a Declaration about presumption of death from Court)*

4.3. Settlement of claims within threshold limits

To obviate hardships involved in lengthy procedure to obtain Court orders about declaration of presumption of death etc by the Legal heirs/Nominees of missing depositors, it has been decided that claims up to a limit of Rs. 25000/- can be sanctioned by the General Manager (Law & Recovery) at Head Office simply on production of the following documents on the recommendations of Branch Manager/Zonal Manager:

- i) Copy of FIR for reporting missing of a person;
- ii) Non-traceable report issued by the police authorities; and
- iii) Letter of Indemnity.

However, in exceptional cases ED, CMD may sanction cases involving amount up to Rs.50,000/- and Rs.1,00,000/- respectively. In cases involving higher amounts, procedure given in OPTION-I will have to be followed.

PART V – SIMPLIFICATION OF THE PROCESS FOR SETTLEMENT OF CLAIMS IN DECEASED DEPOSITORS' ACCOUNTS

5.1. Documentation

Documents, which are required to be submitted along with the claim form:

1. Proof of death of depositor(s).
2. Proof of identification of nominee(s) wherever is applicable such Election ID Card, PAN Card, Passport etc., or any other satisfactory proof of identification acceptable to the Bank or proof of authority of legal heir(s) wherever is applicable.
 - 5.1.1. All Field Functionaries 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 Bank Official shall visit the place of the depositors to enquire about the genuineness of such claims.
 - 5.1.2. It should be made clear to the survivor(s)/ nominee(s) that he/ they 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/ 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.
 - 5.1.3. It may be noted that while making payment to the survivor(s)/ nominee(s) of the deceased depositor, we 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.
 - 5.1.4. In case where the deceased depositor had not made any nomination or for the accounts other than those styled as “Either or Survivor” (such as single or jointly operated accounts(s), following are the minimum threshold limits, for the balance in the account of the deceased depositors, up to which claims in respect of the deceased depositors would be settled without insisting on production of any documentation other than a letter of indemnity: -

AUTHORITY -----	AMOUNT -----
JMGS-I (BR.INCHARGE)	Upto Rs. 50,000/-
MMGS-II	Upto Rs. 1,00,000/-
MMGS-III	Upto Rs. 1,50,000/-
SMGS-IV	Upto Rs. 5,00,000/-
SMGS-V	Upto Rs. 7,50,000/-
TOP EXECUTIVE GRADE SCALE-VI	Upto Rs.10,00,000/-
TOP EXECUTIVE GRADE SCALE-VII AND ABOVE	Full Powers

In cases where the claimant(s) produce Succession Certificate/ probate of Will from the Competent Court or Authority, the Branch Manager may release the money in terms of the said Succession Certificate without any reference to Zonal Office/Local Head Office/Head Office.

However, in such cases the following steps must be taken:

- (i) The Branch Manager should satisfy himself that the Succession Certificate etc., produced are genuine, valid and legal.
- (ii) Proper verification and identification of the claimants be done before releasing the money.

Factum of the payment made must be recorded on the face of the original documents (Succession Certificate etc.)

5.2. Time Norms for Settlement of Claims

It is advised that the concerned Branch(s) will settle the claims in respect of deceased depositors and release payments to survivor(s)/ nominee in case of accounts with survivor/ nominee **within a period not exceeding 15 days** from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claimant(s) to the Bank's satisfaction. In the case of accounts without survivor/ nominee clause, the claim should be settled within 1 month from the date on which the requisite documents have been submitted.

5.3. Premature termination of Term Deposit Accounts and payment of interest/ other issues relating to Term Deposit Account.

- 5.3.1. In case of term deposits, 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. **Such premature withdrawal would not attract any penal charge.**
- 5.3.2. 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 heirs (s)/ nominee/ legal heirs i.e., in the event of the payment of deposit being claimed before the maturity date :**

The Bank will pay interest at applicable rate with reference to the period for which the deposit has remained with the Bank without charging penalty.

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

In such cases, interest should be paid as per instructions of HO P&D Department.

5.3.3. Splitting of Term Deposit

If, on request from the claimant/s, the Branch(s) 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.

5.3.4. TREATMENT OF FLOWS IN THE NAME OF THE DECEASED DEPOSITOR

In order to avoid hardship to the survivor (s)/ nominee of a deposit account, Branches 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, Branches 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 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.

5.4. Safe Deposit Locker

5.4.1. Procedure in case there is no nomination/ Survivorship clause

- 5.4.1.1. 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 all the respective records as well as in the Declaration Card. The Declaration Card should be taken out of card index cabinet and kept carefully in a separate file.
- 5.4.1.2. Branches may at their discretion, 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.
- 5.4.1.3. 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.

5.4.1.4. 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.

5.4.1.5. The Branches should forward the inventory papers to the next higher Authority to enable them to consider delivering the contents against usual indemnity signed by the claimant/s and one or two surety/ ies considered good for the amount involved.

5.4.1.6. On receipt of the 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.

5.4.1.7. Where an inventory is to be taken 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.

Clarifications regarding Provisions in Nomination Rules

The Banking Companies (Nomination) Rules 1985 have been framed in terms of Sections 45 ZA to 45 ZF of the Banking Regulation Act, 1949.

1. Deposit Accounts

- (i) Nomination facility is intended only for individuals including a Sole Proprietary concern.
- (ii) There cannot be more than one nominee in respect of single/ joint deposit account.
- (iii) Branches may allow variation/ cancellation of a subsisting nomination by all the surviving depositors acting together. This is also applicable to deposits having operating instructions “Either of Survivor”.
- (iv) It may be noted that in the case of a joint deposit account, the nominee’s right arises only after the death of all the depositors.

2. Safe Deposit Lockers

- (i) Nomination facility is available in respect of lockers hired singly as well as jointly. In respect of lockers in joint names, nomination rules are applicable only if lockers are operated jointly.
- (ii) Where the lockers are hired jointly, on the death of any of the joint hirers, the contents of the locker are allowed to be removed only jointly by the nominee(s) and the survivor(s) after an inventory is taken in the prescribed manner. In such a case, after such removal preceded by an inventory, the nominee and surviving hirer(s) may still keep the entire contents with the same Bank, if they so desire, by entering into a fresh contract of hiring a locker.
- (iii) Branches are not required to open sealed/ closed packets found in locker while releasing them to the nominee or nominees and surviving hirers. Description of the sealed/ closed packet(s) should however be mentioned in the inventory.
- (iv) Section 45 ZE of the Banking Regulation Act, 1949 does not preclude a minor from being a nominee for obtaining delivery of the contents of a locker. The responsibility of the Branch in such cases is to ensure that when the contents of a locker are sought to be removed on behalf of the minor nominee, the articles are handed over to a person who, in law, is competent to receive the articles on behalf of the minor.

Annexure – 1

SETTLEMENT OF CLAIMS IN VARIOUS TYPES OF OPERATIONAL INSTRUCTIONS

Deposits

With Nominations

Account in the name of	Operational instructions	Nominee	Situation	What is to be done
A	Self	X	X dies	A can change the nomination
A	Self	X	A dies	X will receive the outstanding
A,B	Either or Survivor	X	A dies	Balance outstanding will be payable to B
A,B	Either or Survivor	X	B dies	Balance outstanding will be payable to A
A,B	Either or Survivor	X	A&B die	X will receive the outstanding
A,B	Jointly	X	A dies	Payable to B and legal heirs of A jointly
A,B	Jointly	X	B dies	Payable to A and legal heirs of B jointly
A,B	Jointly	X	A&B die	Payment to X

Without Nomination

Account in the name of	Operational instructions	Situation	What is to be done
A	Self	A dies	Outstanding will be payable to the legal heirs or any one of them mandated by all of the legal heirs.
A,B	Either or Survivor	A dies	Outstanding will be payable to B
A,B	Either or Survivor	B dies	Outstanding will be payable to A
A,B	Either or Survivor	A&B die	Jointly payable to legal heirs of A & B (or any of them mandated by all the legal heirs)
A,B	Jointly	A dies	Jointly payable to B and legal heirs of the A (or any one of them mandated by all the legal heirs)
A,B	Jointly	B dies	Jointly payable to A and legal heirs of the B (or any one of them mandated by all the legal heirs)
A,B	Jointly	A&B die	Jointly payable to legal heirs of A & B (or any of them mandated by all the legal heirs)

LOCKERS

With Nomination

Locker in the name of	Operational instructions	Nominee	Situation	What is to be done
A	Self	X	X dies	A can change the nomination
A	Self	X	A dies	X will be given access to the locker and liberty to remove contents.
A,B	Jointly	X	A dies	B & X will be given access to the locker and liberty to remove contents jointly
A,B	Jointly	X	B dies	A & X will be given access to the locker and liberty to remove contents jointly
A,B	Jointly	X	A&B die	X will be given access to the locker and liberty to remove contents.
A,B	Jointly	X & Y	A dies	B along with X and Y will be given access to the locker and liberty to remove contents jointly.
A,B	Jointly	X & Y	B dies	A along with X and Y will be given access to the locker and liberty to remove contents jointly.
A,B	Jointly	X & Y	A&B die	X & Y jointly will be given access to the locker and liberty to remove the contents

Without Nomination

Locker in the name of	Operational instructions	Situation	What is to be done
A	Self	A dies	Legal heirs of A or any of them mandated by any of them.
A,B	Either or Survivor	A dies	B will be given access to the locker and liberty to remove the contents.
A,B	Either or Survivor	B dies	A will be given access to the locker and liberty to remove the contents.
A,B	Either or Survivor	A&B die	Legal heirs of A & B (or any one of them mandated by all legal heirs) will be given access to the locker and liberty to remove the contents.
A,B	Jointly	A dies	B and legal heirs of A (or any one of them mandate by all legal heirs) will be given access to the locker and liberty to remove the contents Jointly.
A,B	Jointly	B dies	A and legal heirs of B (or any one of them mandate by all legal heirs) will be given access to the locker and liberty to remove the contents Jointly.
A,B	Jointly	A&B die	Legal heirs of A & B (or any of them mandated by all legal heirs) will be given access to locker and liberty to remove the contents.

Part III – Settlement of claim in various types of accounts/ Facilities

1. With Nomination

Sr. No.	Nature of Account	Single Depositor	Joint A/c (operated jointly)	Joint A/c (Either or survivor)	Joint A/c (Former/Later or survivor)	Joint A/c (Anyone or survivors)
A	Saving/ Current A/c	Nominee	I. On death of one depositor- Legal Heirs of deceased + survivors. II. On death of all depositors - Nominee	I. On death of one depositor - Survivor II. On death of both depositors - Nominee	I. On death of former/ latter --- Survivor II. On death of both depositors - Nominee	I. On death of one or more depositor/s Survivor II. On death of all depositors - Nominee
B	Term Deposit A/c	-do- (on maturity of deposit)	-do- (on maturity of deposit)	-do- (on maturity of deposit)	-do- (on maturity of deposit)	-do- (on maturity of deposit)
C	Premature withdrawal of FD	-do- (As per terms of contract)	-do- (As per terms of contract)	-do- (As per terms of contract)	-do- (As per terms of contract)	-do- (As per terms of contract)

2. Without Nomination

r. No.	Nature of Account	Single Depositor	Joint A/c (operated jointly)	Joint A/c (Either or survivor)	Joint A/c (Former/Later or survivor)	Joint A/c (Anyone or survivors)
A	Savings/ Current A/c	Legal Heirs or person Mandated by them	I. On death of one depositor- Legal Heirs of deceased + survivors. II. On death of all depositors - Legal heirs of all the depositors	I. Survivor II. On death of both depositors - Legal Heirs of all the depositors	I. S urvivor II. On death of both depositors - Legal Heirs of all the depositors	I. On death of one or more depositor/s - Legal Heirs of deceased + survivors II. On death of all depositors - Legal Heirs of all the depositors
B	Term Deposit A/c	-do- (on maturity of deposit)	-do- (on maturity of deposit)	-do- (on maturity of deposit)	-do- (on maturity of deposit)	-do- (on maturity of deposit)
C	Premature withdrawal of FD	-do- (As per terms of contract)	-do- (As per terms of contract)	-do- (As per terms of contract)	-do- (As per terms of contract)	-do- (As per terms of contract)

3. Illustration on joint accounts

4. Joint Deposit Accounts (without nomination)

<i>Deposit Account of</i>	<i>With survivor clause</i>	<i>Without survivor clause</i>
A + B A dies	B can operate	B + Legal heirs of A
Both A + B die	Legal heirs of A + Legal heirs of B	Legal heirs of A + Legal heirs of B
A + B + C A dies	B + C can operate	B + C + Legal heirs of A
A + B die	C can operate	C + Legal heirs of A + Legal heirs of B
A + B + C die	Legal heirs of all	Legal heirs of all

5. Joint Deposit Accounts (with nomination)

<i>Deposit Account of</i>	<i>With survivor clause</i>	<i>Without survivor clause</i>
A + B A dies	B can operate	B + Legal heirs of A
Both A + B die	Nominee	Nominee
A + B + C A dies	B + C can operate	B + C + Legal heirs of A
A + B die	C can operate	C + Legal heirs of A + Legal heirs of B
A + B + C die	Nominee	Nominee

*Settlement of claims in respect of Deceased Depositors***Check List of Documents**

Claims	Document obtained Yes/No
1. Accounts with Nomination clause	
i) Application for Deceased claim from Nominee/Guardian of nominee. (Annexure -3)	
ii) Copy of Death Certificate (Verified with original)	
iii) Identify proof (as defined in part III)	
2. Joint Accounts with either or survivor clause	
i) Application for deceased claim from Survivor(s) (Annexure -3)	
ii) Copy of Death Certificate (Verified with original)	
3. For cases other than Nomination/Joint Accounts with survivor clause: (for amounts up to threshold limit)	
i) Application for Deceased claim (Annexure 4)	
ii) Copy of death certificate	
iii) Letter of Indemnity signed by claimant(s) (Annexure 5)	
4. Receipt (Annexure 6)	

Application for Deceased claim

(To be used when account has nomination or is a joint account with survivor clause)

From

To

The Branch Manager
.....
.....Branch

Dear Sir,

Reg: **Deceased Account**
Late Shri/Smt.....
Account No.(s).....

I/We advise the demise of Shri/Smt..... on.....
He/She holds the above account(s) at your branch. The account is in the name(s) of:
.....

A. In case of Nomination

I, son/daughter of Shri
.....residing at
.....

- (i) the registered nominee in the above account(s).
- (ii) the person authorized to receive payment on behalf of Master/Misswho is the nominee in the above account(s) and is a minor as on the date of this claim.

Please settle the balance in the account in the name of the nominee. I/we receive the payment as trustee(s) of the heirs of the deceased.

B. In case of joint account

I/We request you to delete the name of deceased person and continue the account in my/ our name(s) with same mode of operations.

I/we submit photocopy of the following document(s) together with originals. Please return the original to us after verification.

Death Certificate issued by.....

Identity proof (required in nomination cases)

Place

Date

Yours faithfully,

Claimant(s)

ANNEXURE- 4

APPLICATION FOR DECEASED CLAIM

(To be used for cases other than Nomination/ Joint account with Survivor clause)

From

To

The Branch Manager,
..... Bank
----- Branch

Dear Sir,

Re: Deceased Account

Late Shri/Smt.

Account No(s)

I/We advise the demise of Shri/Smt. _____ on

He/She holds the above account(s) at your branch. The account(s) is/are in the name of _____

I/We lodge my/our claim for the balances with accrued interest lying to the credit of the above named deceased who died intestate. I/ We am/ are the legal heirs of the above named deceased and lodge my/our claim for payment as per the bank's rules and discretion. The relevant information about the deceased and the legal heirs are as under.

1. Names in full of the parents of the deceased:
Father: _____
Mother: _____
2. Religion of the deceased: _____
3. Details of living (i) Husband (ii) Wife (iii) Children (iv) Father (v) Mother (vi) Brothers (vii) Sisters (viii) Grand Children. If Hindu Joint Family, the name and Address of the Karta and Co-parceners with their respective ages.

Full Name/Address	Occupation	Relationship with Deceased	Age
(i) _____	_____	_____	_____
(ii) _____	_____	_____	_____
(iii) _____	_____	_____	_____
(iv) _____	_____	_____	_____
(v) _____	_____	_____	_____
(vi) _____	_____	_____	_____

4. Name or Names of the Guardian/s of the minor Children of the Depositor : _____

(a) Whether Natural Guardian : _____

(b) Whether Guardian Appointed by a Court of law in India. If so, attach a certified copy or duly attested copy of such Order. : _____

(c) In whose custody the Minor/Minors is/ are? : _____

5. Claimant/s name/s and address in full

(i) _____

(ii) _____

(iii) _____

(Annexure- 4: page 3)

I / We submit the following documents. Please return the original death certificate to us after verification:

1. Death Certificate (Original + 1 Photocopy) issued by : _____
2. Letter of Indemnity

We request you to pay the balance amount lying to the credit of the above named deceased to on my/our behalf.

I/ We hereby solemnly affirm that the above statements are true and correct to the best of my/our knowledge and belief.

Place:

Yours faithfully,

Signature of Claimant(s)

Name of Claimant

Address

Signature

Affidavit cum Indemnity Letter

In respect of payment of balance in deposit accounts/ contents of safe deposit locker of deceased person.

(To be stamped with the duty payable for affidavit and Indemnity Bond)

I/We Mr/Mrs/Miss
(name/ names of the claimant)

(s/o, w/o, d/o), aged, address

do hereby solemnly affirm and state as follows:

1. I/We am/are the legal heirs of Mr/Mrs/Miss (name of deceased account holder) and the deceased is my/our (father/mother/wife/husband/son/daughter etc.)
2. I/We further state that I/We the following legal heirs are the only legal heirs entitled to claim the balance deposit/amount/jewels/ornaments and other valuables the contents held in the locker: -

No.	Name	Age	Relationship to the deceased
1.			
2.			
3.			
4.			
5.			

3. I/We further state that the deceased was holding an account (hereinafter referred to as “the account”) (specify the account details) _____ in _____ Branch of _____ Bank (hereinafter referred to as “the Bank”). At the time of the death of the deceased, the account was having a credit of Rs. _____ (balance amount in the account) which includes interest up to _____ (date of payment) amounting to Rs. _____ (amount being now paid).
4. I/We affirm that I/We am/are the sole legal heirs of the deceased who are entitled to receive the amount standing in the credit of the account belonging to the deceased.

5. I/We have requested the Bank to make the payment of the amount standing in the credit of the account belonging to the deceased together with interest thereon as applicable, to Shri/Smt _____ being one of the legal heirs for and on behalf of all the legal heirs.

OR

I/We have requested the Bank to hand-over contents of the Safe Deposit Locker to Shri/Smt _____, being one of the legal heirs for and behalf of all the legal heirs.

6. I/We are aware that the Bank has agreed to settle our claims relying on this affidavit and I/We agree to indemnify the Bank in respect of such payment/ delivery of the contents of items in Safe Deposit Locker against any claim made by any person for the amount standing to the credit of the account of the deceased.
7. I/We for ourselves and my/our respective heirs, executors and administrators jointly and severally agree, affirm and undertake that the Bank, its successors and assigns and its Managers, Agents, Officers and servants and their respective estates and effects are and shall from time to time and at all times hereafter be kept safe and saved harmless and indemnified for and in respect of such payment and against all actions, losses, cost, charges, expenses and demands whatsoever in respect of the said payment/ delivery of the contents of items in Safe Deposit Locker.

All the averments made herein before are true and correct and I/We put my/our signature/mark on this _____ Day of _____ 200__ at _____ in the presence of _____.

Signature(s) of deponents. (Claimants)

Signature of Witness

{Affidavit to be attested by Notary Public}

RECEIPT

Received with thanks from _____ Bank, _____ Branch, a
 Sum _____ of _____ Rs. _____
 (Rupees _____) by Banker's Cheque
 No. _____ dated _____ in favour of
 _____ in full and final
 settlement of my/our claim as successor on the balance in _____ Account(s)
 No(s) _____ standing in the name of the deceased
 Shri/Smt/Kum. _____. I/We do not have any other claim from the
 Bank henceforth.

Place:

Date:



(Signature of all the legal heirs
over a Revenue Stamp)

DECLARATION in case funds are settled in favour of a Minor

 I, _____ father and natural guardian of _____, hereby
 certify that the proceeds of your Banker's Cheque No. _____ dated _____
 favouring _____ issued by you in settlement of the balance in
 account number _____ of Late _____ will be utilized for the
 benefit of the minor only.