

Policy Guidelines for:

Settlement of claims in respect of deceased depositors

As per recommendations of the Committee on Procedure and Performance Audit on Public Services (CPPAPS), Reserve Bank of India has come out with a circular No.DBOD.No.Leg.BC.95/09.07.005/2004-05 dated June 09, 2005 directing all the banks to

1. Fix a threshold limit up to which the balance to the credit in a Deceased Depositor's account would be settled to the Legal Heirs on production of simple documents without insisting upon a Succession Certificate.
2. To issue policy guidelines detailing the documentation required to be obtained.

Policy Guidelines:

Provided below are the guidelines formulated in line with RBI circular for branches to comply with when handling claims in respect of deceased depositors' accounts.

1. Threshold Limit (balance to credit in a deceased depositor's account): **Rs.250,000/-**

2. Documentation to be obtained:

Accounts with Survivor/Nominee

Notarized copy of the Death Certificate and a request letter from the survivor/nominee for payment.

Accounts without Survivor/Nominee but within the threshold limit

- A. Notarized copy of the Death Certificate
- B. Legal heir ship certificate
- C. Standard Indemnity to be signed by all the legal heirs (**as per attached format**) – **Annexure 1**
- D. NOC (Letter of Disclaimer) from all the legal heirs if settlement to be done to one of them (**as per attached format**) – **Annexure 2**

Note: Every such case needs to be cleared by the concerned TBG Head.

Accounts without Survivor/Nominee and beyond the threshold limit

- A. Notarized copy of the Death Certificate
- B. Legal Heir ship Certificate
- C. NOC (Letter of Disclaimer) from all the legal heirs if settlement to be done to one of them
- D. Probate where the account holder has left back a Will
- E. Succession Certificate where there is no Will

3. Fixed Deposit Accounts:

Subject to production of satisfactory documentation as detailed above, a Fixed Deposit may be closed prematurely without any penal charges and the proceeds settled to the legal heir(s).

4. Treatment of flows in the name of the deceased depositor:

Till such time the documentation is completed by survivor(s) / nominee/ the legal heirs, branches would obtain an authority from them to return all the pipeline flows to the remitter with the remark "Account holder deceased" with intimation to the survivor(s) / nominee / legal heirs.

5. Time Limit for settlement of claims:

Wherever there is a survivor/nominee for a deceased account, branches would settle the claims for payment 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 our satisfaction.

6. Reporting Requirement:

Branches to report to CPPAPS at our bank, in the attached format, the details of the number of claims received pertaining to deceased depositors and those pending beyond the stipulated period, giving reasons therefore.

Annexure 1

(To be stamped as an Indemnity Bond)

LETTER OF INDEMNITY WITH RESPECT TO PAYMENT OF BALANCE IN THE DECEASED
CONSTITUENT'S ACCOUNT WITHOUT PRODUCTION OF LEGAL REPRESENTATION

To

Bank of America,

In consideration of your paying or agreeing to pay me/us

_____ the sum of Rupees _____ standing at the credit of current account/savings bank account No. _____ with your bank in the name of _____ since deceased without production of Letters of Administration or a Succession Certificate to his/her estate or a certificate from the Controller of Estate Duty to the effect that estate duty has been paid or will be paid or none is due.

I / We

_____ do hereby for ourselves and our heirs, legal representatives, executors and administrators jointly and severally UNDERTAKE AND AGREE to indemnify you and your successors and assigns against all claims, demands, Proceedings, losses, damages, charges and expenses which may be raised against or incurred by you by reason or in consequence of your having agreed to pay/ or paying me / us the said sum as aforesaid.

SIGNED AND DELIVERED

By the above – named

(heirs of the deceased)

Annexure 2

LETTER OF DISCLAIMER

Bank of America,

Date:

Dear Sir,

Account No. _____
In the name of _____
Balance Rs. _____

With reference to the above account(s), I / We the following legal heirs of the Late Ms/Mr. _____ (Name of the Deceased Account Holder) have to advise that we have no interest in the above Asset(s) and as such we have no objection to your paying the balance amount lying in the above Account with you in the name of the aforesaid Ms/Mr. _____ (Name of the Deceased Account Holder) to Ms/Mr. _____. Such delivery of the payment of the balance in the above account(s) would be completely binding on us and we will not question the Bank's action in so doing in any proceedings. I / We, also undertake to bind ourselves, our heirs and legal representatives not to revoke the declaration made herein.

| S.No | Name of Claimants | Age | Signature |
|------|-------------------|-----|-----------|
|------|-------------------|-----|-----------|

1.

2.

3.

4.

5.

Signed before me

This _____ day of _____

Notary Public/Magistrate