

**CITY UNION BANK LIMITED, ADMINISTRATIVE OFFICE**

**KUMBAKONAM**



**SETTLEMENT OF CLAIMS OF DECEASED CONSTITUENTS**

**&**

**RETURN OF ARTICLES IN SAFE DEPOSIT LOCKERS / SAFE CUSTODY**

(February 2024)

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## **SETTLEMENT OF CLAIMS OF DECEASED DEPOSITORS & RETURN OF ARTICLES IN SAFE DEPOSIT LOCKERS / SAFE CUSTODY**

### **1. ABBREVIATIONS & DEFINITIONS:**

- **Bank** : City Union Bank
- **Branch** : Any Branch of City Union Bank
- **RBI** : Reserve Bank of India
- **Policy** : Policy on Settlement of Claims of Deceased Depositors & Return of Articles in Safe Deposit Lockers / Safe Custody
- **Customer** : Any constituent of the Bank with or without a Banking relationship for the purpose of this policy (includes claimants)
- **Non-Resident** : A person defined under FEMA (1999)
- **FEMA** : Foreign Exchange Management Act(1999) and subsequent amendments
- **Employee** : Employee of the Bank
- **Officer** : An employee of the Bank in the scale of I to VII by whatever designation called and who holds a power of attorney issued by the Bank.
- **Depositor** : Any constituent, on the demise of whom or is reported missing as per law of land, a claim is being preferred with Bank
- **EEFC** : Exchange earners Foreign Currency Accounts
- **RFC** : Resident Foreign Currency Accounts
- **FCNR** : Foreign Currency Non Resident accounts
- **E or S** : Either or Survivor (Operational or Payout clauses)
- **F or S** : Former or Survivor (Operational or Payout clauses)
- **A or S** : Anyone or Survivor(Operational or Payout clauses)
- **L or S** : Latter or Survivor (Operational or Payout clauses)

### **2. OBJECTIVES:**

- To facilitate expeditious settlement of claims in respect of deceased customer, including claims of locker / return of articles accepted for safe custody and **jewel loan**.
- To evolve a simplified procedure, for such settlements (wherein nomination is available and not available) in the interest of customer as part of rendering customer service and in compliance to the regulatory requirements.

### **3. On Demise of - Depositor**

- This policy applies to all deposits (both demand and time deposits) including minors who hold such accounts either individually or jointly and includes 'Karta' of HUF.
- It also includes individuals who have availed jewel loans in their individual capacity under any of the Bank's scheme by whatever name called.
- It shall also include "Missing persons presumed dead" as per the applicable laws of the Land (Presently Sec 107, 108 of Indian Evidence Act 1872).

#### 4. **NATURE OF DEPOSIT (INCL. LOCKER & SAFE CUSTODY etc. and JEWEL LOAN):**

- Demand and Time deposits under any scheme by whatever name called. It also includes EEFC, RFC, and FCNR deposits etc.. In case the scheme is in pursuance of any regulatory requirement (like Tax Saver), the special conditions of the regulator shall also apply.
- Safe Deposit Lockers and Safe Custody articles
- Unpaid Demand Draft purchased by the customer presented for cancellation
- Jewel Loan availed by individual in their individual capacity under any of the schemes of the Bank.

#### 5. **PROOF OF DEMISE OF DEPOSITOR:**

- a. Death Certificate registered under the Registrar of Births & Death Act 1969
- b. If depositor dies abroad (outside India), Death Certificate / Registration of Death registered with the Indian Embassy

#### 6. **NOMINATION & SURVIVORSHIP MANDATE:**

- a. Nomination is introduced solely for the purpose of simplifying the procedure for settlement of claim of deceased depositors and nomination facility does not take away the rights of the legal heirs on the estate of the deceased. The Bank will settle the claim to the nominee in his capacity as a **Trustee of the legal heirs**.
- b. A joint account opened as 'Either or Survivor (E or S)' or 'Anyone or Survivor (A or S)' or 'Former or survivor (F or S)' will permit the surviving account holder to have unimpeded access to the credit balance in the account for withdrawal if one of the co-account holder dies.
- c. 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 (E or S)' or 'Anyone or Survivor (A or S)' or 'Former or survivor (F or S)' joint accounts.
- d. Payment to survivor 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.
- e. The right to deposit proceeds does not automatically devolve on the surviving joint deposit account holder/s, unless there is a survivorship clause.

#### 7.0 **SETTLEMENT OF CLAIMS FOR DEPOSIT ACCOUNTS:**

##### 7.1 **SINGLE ACCOUNT WITH OR WITHOUT NOMINATION**

	DESCRIPTION	WITH NOMINATION	WITHOUT NOMINATION
7.1.1	CASA account- Individual	The balance outstanding will be paid to the nominee on verification of his/her identity (subject to KYC norms) and proof of death of depositor.	The balance outstanding will be paid to the legal heirs (or any one of them as mandated by all of the legal heirs) on verification of the authority of

			the legal heirs and proof of death of depositor.
7.1.2	Term Deposit	The balance outstanding will be paid to the nominee on verification of his/her identity (subject to KYC norms) and proof of death of depositor on maturity of deposit.	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.
7.1.3	Premature termination of Term Deposit Account	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 (subject to KYC norms) and proof of death of depositor.	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
7.1.4	Safe Deposit Locker	<p>The nominee will be allowed to access the locker and remove the contents on identification (subject to KYC norms) and verification of proof of death of locker hirer. Before permitting the nominee to remove contents of the Safe Deposit Locker, the bank would prepare an inventory of the articles in the presence of nominee(s), two independent witnesses, one officer of the Bank, preferably who is not associated with locker facility or safe deposit articles.</p> <p>The Bank shall also obtain a separate statement from the nominee (claimant) or the person competent to receive articles on behalf of the minor, as the case may be, that all the contents in the locker or in the safe custody, as the case may be, are received and the locker is empty and they have no objection to allotment of the locker to any other customer as per norms.</p>	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 heir(s) will have to produce documents to establish his / their identity. Before permitting legal heir(s) to remove contents of the Safe Deposit Locker the bank would prepare an inventory of the articles in the presence of legal heir(s)/mandate holder, two independent witnesses, one officer of the Bank, preferably who is not associated with locker facility or safe deposit articles.
7.1.5	Safe Custody Article	Safe custody article/s will be delivered to the nominee on identification (subject to KYC norms) and verification of proof of	Safe custody article/s will be delivered to the legal heir(s) or a person mandated by the legal heir(s) on establishing his / their

		death of depositor. Before permitting nominee to remove contents of the Safe Deposit Articles, the bank would prepare an inventory of the articles in the presence of nominee, two independent witnesses and one officer of the Bank who is not associated with locker facility or safe deposit articles.	identification and verification of proof of death of the depositor. Before permitting legal heir(s) to remove contents of a Safe Custody Articles the bank would prepare an inventory of the articles in the presence of nominee, two independent witnesses and one officer of the Bank who is not associated with locker facility or safe deposit articles.
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## 7.2 JOINT ACCOUNT WITH OR WITHOUT NOMINATION AND WITHOUT SURVIVORSHIP MANDATE (OPERATED JOINTLY)

	DESCRIPTION	WITH NOMINATION	WITHOUT NOMINATION
7.2.1	CASA account- Joint account	<p>a) In the event of death of one (or more but not all) of the joint account holders, the balance outstanding will be paid jointly to survivor(s) and the legal heirs of the deceased joint account holder (or any of them as mandated by all the legal heirs) against their joint claim on verification of the authority of the legal heirs and proof of the death of the depositors.</p> <p>b) In the event of death of both / all joint account holders, the balance outstanding at the time of death of the depositors will be paid to the nominee on verification of his identity (such as Aadhaar, Election ID Card, PAN card, Passport etc.) and proof of death of depositors.</p>	<p>a) In the event of death of one (or more but not all) of the joint account holders, the amount outstanding will be paid jointly to the survivor(s) and the legal heir(s) of the deceased 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 legal heirs and proof of death of depositor(s).</p> <p>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 depositor(s) (or any of them as mandated by all the legal heirs) on verification of authority of the legal heir(s) and proof of death of the depositor(s).</p>
7.2.2	Term Deposit : Joint Account	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 heir(s) of the deceased joint account holder (or any one of them as mandated by all the legal heir(s)) on verification of identity of the legal heir(s) and proof of death of the	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 holder(s) (or any of them as mandated by all the legal heir(s)) against their joint claim on verification of

		<p>depositor(s) on maturity of the deposit.</p> <p>b) In the event of death of both / all the joint account holders, the balance outstanding at the time of death of the depositors will be paid to the nominee on verification of his/her identity (subject to KYC norms) and the proof of death of depositors on maturity of the deposit.</p>	<p>authority of the legal heirs and proof of death of the depositor(s) on maturity of the deposit.</p> <p>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.</p>
7.2.3	Premature Termination of Term Deposit – Joint Account	<p>a) In the event of death of one (or more but not all) of the joint account holders, premature termination will be permitted against joint request of the survivor(s) and the legal heir(s) (or any one of them as mandated by all legal heirs) as per the terms of contract on verification of identity of the legal heirs and proof of death of depositor.</p> <p>b) Premature termination of term deposit account as per the terms of contract will be permitted at the request of the nominee on verification of his/her identity (subject to KYC norms) and proof of the death of the depositors.</p>	<p>a) In the event of death of one (or more but not all) of the joint account holders, premature termination will be permitted against joint request by the survivor(s) and the legal heir(s) of all the deceased depositors (or any one of them as mandated by all legal heirs) as per the terms of contract on verification of authority of legal heirs and proof of death of depositor.</p> <p>b) In the event of death of both / all the joint account holders, 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 depositors.</p>
7.2.4	Safe Deposit Lockers	<p>a) In the event of the death of one (or more but not all) of the joint locker hirers the nominee(s) will be jointly allowed to access the locker and remove the contents on identification and verification of proof of death of the locker hirer(s) along with the surviving hirer(s).</p>	<p>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</p>



		<p>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.</p> <p>Before permitting surviving hirer(s) and/or nominee(s) to remove contents of the Safe Deposit Locker, the bank would prepare an inventory of the articles in their presence along with two independent witnesses and an officer of the Bank who is not associated with Safe Deposit Lockers or Safe Custody of articles.</p>	<p>heirs and proof of death of the hirer.</p> <p>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.</p> <p>Before permitting surviving hirers and mandated legal heir(s) to remove contents of a Safe Deposit Locker, the bank would prepare an inventory of the articles in the presence of surviving hirers, mandated legal heir(s) and two independent witnesses and an officer of the Bank who is not associated with Safe Deposit Lockers or Safe Custody of articles.</p>
7.2.5	<b>Safe Custody Article/s</b>	<p>Generally, safe custody articles are not accepted in joint names. Even if accepted in joint names as a special condition approved by Assistant General Manager of Planning and Development Department nomination facility is not provided.</p>	<p>Generally, safe custody articles are not accepted in joint names. Even if accepted in joint names as a special condition under the approval of Assistant General Manager of Planning and Development Department nomination facility is not provided.</p>

**7.3. JOINT ACCOUNT WITH MANDATE “EITHER OR SURVIVOR”/“FORMER OR SURVIVOR”/ “ANYONE OR SURVIVORS” / “LATTER OR SURVIVOR” - WITH OR WITHOUT NOMINATION:**

	DESCRIPTION	WITH NOMINATION	WITHOUT NOMINATION
7.3.1	CASA account	<p>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.</p> <p>b) In the event of death of both/all the joint depositors, the balance outstanding will be paid to the nominee on verification of his/her</p>	<p>a) In the event of death of one (or more but not all) of the depositors, the balance outstanding will be paid to survivor on verification of proof of death of the depositor.</p> <p>b) In the event of death of both/all the joint depositors, the balance outstanding will be paid jointly to the legal heirs (or any one of them as mandated</p>

		identity (subject to KYC norms) and proof of death of depositors.	by all the legal heirs) on verification of authority of legal heirs and proof of death of depositors.
7.3.2	Term Deposit Account	<p>a) In the event of death of one (or more but not all) of the depositors, the balance outstanding will be paid to survivor(s) on verification of proof of death of the depositors on maturity of deposit or as agreed at the time of opening of deposit.</p> <p>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 (subject to KYC norms) and proof of death of depositors on maturity of deposit or as agreed at the time of opening of deposit.</p>	<p>a) In the event of death of one of the depositors (or more, but not all), the balance outstanding will be paid to the survivors on verification of proof of death of the depositor on maturity of deposit or as agreed at the time of opening of deposit.</p> <p>b) In the event of death of all 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 of joint holders) on verification of authority of legal heirs and proof of death of depositors on maturity of deposit.</p>
7.3.3	Premature Termination of Term Deposit Account	<p>a) In the event of death of one (or more but not all) of the depositors, the survivor(s) will have the right to seek premature termination of term deposit account as per the terms of contract on verification of proof of death of the depositor.</p> <p>b) In the event of death of all the joint depositors, the nominee will have right to seek premature termination of term deposit account as per the terms of the contract on verification of his/her identity (subject to KYC norms) and proof of death of depositors.</p>	<p>a) In the event of death of one (or more but not all) of the depositors premature termination will be allowed against request from surviving depositor(s) as per the terms of the contract on verification of the proof of the death of the depositor.</p> <p>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</p>
7.3.4	Safe Deposit Lockers	In case the locker was hired jointly with survivorship clause and the hirers instructed that access of the locker should be given to "Either or Survivor", or "Anyone or Survivor", or "Former or Survivor" or according to any survivor clause permissible under the provision of	

		Banking Regulation Act 1949, the bank shall follow the mandate in the event of death of one or more of the locker hirers.
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## **8.0 HUF ACCOUNTS – DEATH OF KARTA**

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

a) Obtaining affidavit cum indemnity from surviving coparceners and legal heirs with two guarantors confirming their acceptance to one of the members as a new Karta. Banks shall allow the new Karta to continue to operate the existing account on the basis of such documents, in HUF accounts having small.

b) Similar procedure to be followed in cases where account is to be closed and balance in the account to be paid to the new Karta.

## **9.0 SETTLEMENT OF CLAIMS IN RESPECT OF MISSING PERSONS**

### **9.1. Legal Position**

The settlement of claims in respect of missing persons would 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 subscriber under Section 107/108 of the Indian Evidence Act before a competent court. If the court presumes that he/she is dead (issues decree), then the claim in respect of a missing person can be settled as is done for any other deceased accounts.

### **9.2 SETTLEMENT OF CLAIMS WITH OR WITHOUT NOMINATION**

The claim will be settled without insisting on production of any documentation other than;

- (i) FIR for reporting missing of a person.
- (ii) Non-traceable report issued by police authorities.
- (iii) Letter of indemnity
- (iv) Proof of identification of nominee(s) wherever is applicable such as Aadhaar, 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).

### **9.3 DISCLAIMER**

The survivor(s)/nominee(s) 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.

It may be noted that since payment made to the survivor(s) / nominee(s), subject to the foregoing conditions, would constitute a full discharge of the bank's liability.

#### 10.0 UNPAID DEMAND DRAFTS

The demand drafts purchased by the deceased depositor, if presented by nominee/survivor/legal heir(s), as the case may be, as a part of claim, shall be treated as like a demand deposit. However, if presented by the beneficiary, within the timelines (3 months from the date of instrument) revalidation is not allowed, it shall be paid in the normal course of business.

#### 11.0 JEWEL LOANS

Jewel Loans under any of the schemes of the Bank by whatever name called, are granted against the pledge of jewellery items. In the event of claim arising, the Bank shall consider the jewels / amount after appropriating the amount outstanding to the Bank.

DESCRIPTION	WITHOUT NOMINATION
JEWEL LOANS	<p>The Jewels will be handed over to the legal heirs (or any one of them as mandated by all of the legal heirs) on verification of the authority of the legal heirs and proof of death of depositor.</p> <p>2. If the Jewel has been auctioned, the balance jewels available or the excess amount available after adjusting the loan amount shall be payable to the legal heirs (or any one of them as mandated by all of the legal heirs) as mentioned above.</p>

#### 12.0 TIMELINES FOR SETTLEMENT

The claims in respect of deceased depositor and release of payment to survivor/nominee in case of accounts with survivor/nominee within a period of 15 days from the date of receipt of claim subject to production of proof of death of the depositor and suitable identification of the claimant(s) to the Bank's satisfaction. In case of accounts without survivor/nominee clause the claim would be settled with 1 month from the date on which the requisite documents are received by the Bank.

#### 13.0 RBI CIRCULARS / COMMUNICATIONS

SLNO.	DESCRIPTION	REFERENCE & DATE
1	Deposit Locker/Safe Custody Article Facility provided by the Bank- Revised Instruction	RBI /2021- 2022/ 86 DOR. LEG. REC /40/ 09.07.005/ 2021-22 DATED 18.08.2021
2	Safe Deposit Locker/Safe Custody Article facility provided by Banks	RBI/2022-23/168 CO. CEPD. PRS. No.S1233 /13-01-018/2022-2023 DATED 23.01.2023
3	Model Operational Procedure for Settlement of Claims of Deceased Depositors & Return of Articles in Safe Deposit Lockers / Safe Custody	April 2014