

CITY UNION BANK POLICY ON THE SIMPLIFIED PROCEDURE FOR SETTLEMENT OF CLAIMS IN RESPECT OF DECEASED DEPOSITORS ACCOUNTS

1. Short title and commencement :

1.1 This Policy is called 'CITY UNION BANK LIMITED POLICY ON THE SIMPLIFIED PROCEDURE FOR SETTLEMENT OF CLAIMS IN RESPECT OF DECEASED DEPOSITORS' ACCOUNTS

1.2 This Policy is made pursuant to the Directive of Reserve Bank of India vide circular bearing No. DBOD. NO. Leg. 95/09.07.005/2004-05 dated 09th June 2005

1.3 It shall come into force from 1st February, 2007

1.4 The Board of Directors of the Bank may modify the Policy from time to time.

2. Definitions :

In this Policy unless the context otherwise requires

2.1 **"Bank"** means City Union Bank Limited

2.2 **"Branch"** means Branch of City Union Bank Limited

2.3 "Policy" means this 'CITY UNION BANK LIMITED POLICY ON THE SIMPLIFIED PROCEDURE FOR SETTLEMENT OF CLAIMS IN RESPECT OF DECEASED DEPOSITORS' ACCOUNTS

2.4 **"Customer"** means a Person who has with the Bank an account (including a joint account with another person

2.5 **"Non-Resident"** means a person as defined in Foreign Exchange Management Act, 1999 (FEMA 1999)

2.6 **"Officer of the Bank"** means any person promoted or appointed in any scale between I to VII or any other scale as may be created subsequently and person who holds a supervisory, administrative or managerial post in the bank or any other person who has been appointed and is functioning as an officer of the bank, by whatever designation called.

2.7 **"Employee"** means employee of the City Union Bank Limited and shall include any person deputed by the Bank

2.8 **"Staff"** includes both Officers and Employees of the Bank

3. Objectives of the Policy :

The objectives of this Policy are

- a. To facilitate expeditious and hassle-free settlement of claims on the death of depositor
- b. To simplify the tortuous procedures, particularly those applicable to the family of a deceased depositor causing considerable distress to such family members.

4. Deceased depositor :

This policy applies to deposits/safe deposit lockers/safe custody articles of deceased individuals including minors who hold such accounts with branches of our bank either individually or jointly with other individual(s).

5. Nature of deposits :

The policy applies to

- a. Savings bank, current account or term deposits including monthly deposit schemes. It also includes deposit accounts opened under various special schemes
- b. Exchange Earners Foreign Currency Accounts (EEFC) Resident Foreign Currency Accounts (RFC) and Resident Foreign Currency (Domestic) Accounts RFC (D)
- c. Deposits opened in the name of an individual or jointly with other individual with 'Former or Survivor (F or S)'/ 'Either or Survivor (E or S)'/ 'Anyone or Survivor(s) (A or S)' clauses.
- d. Deposits opened and operated jointly by two to more individuals
- e. Deposits where the depositor has utilized the nomination facility subject to the nomination rules of the bank.
- f. Safe deposit lockers and safe custody articles

6. Proof of death of a depositor :

Registration of death of a person with the Registrar of Births and Deaths is a legal requirement. The branches must receive proof of death in every case without exception in the form of death certificate issued by the competent authority in original along with a photocopy. The Branch Manager must verify the original and certify the photocopy. The photocopy should be retained at the branch and the original may be returned to the person from whom the certificate was received. Notice of death of the depositor must be recorded in all the relevant registers.

If the customer dies in a foreign country then the proof of death must be attested by the officials of the Indian Embassy for that country.

7. Accounts in the name of individuals who are majors and where nomination has been registered :

1. In the case of deposit accounts/safe deposit lockers/safe custody articles where the deceased customer had utilized the nomination facility and made a valid nomination the payment of the balance in the deposit account or allowing access to safe custody lockers or deliver the safe custody articles represents a valid discharge of the bank provided the following conditions are fulfilled: It should be noted that the nomination facility will be available only for those accounts for which the nomination has been made.

- a. The identity of the nominee must be established properly. If the nominee is a customer of our bank and the account has been opened in his/her name by

duly following the policy of our bank pertaining to 'Know Your Customer (KYC)' then it should be sufficient to establish the identity of the nominee.

If the nominee is not a customer of our bank then proper identity must be established by applying the norms of Know Your Customer (KYC) policy of our bank. Proof of establishment of identity of nominee must be maintained with the records of the branch.

- b. There is no order from the competent court restraining the bank from making the payment from the account or allow access to safe custody lockers or deliver the safe custody articles of the deceased customer to the nominee.
 - c. It is to be made clear to the nominee that he/she would be receiving the payment from the bank or getting access to safe custody lockers or receive the safe custody articles as a trustee of the legal heirs of the deceased customer i.e. such discharge to him/her shall not affect the right or claim that any person may have against the nominee to whom the payment is made or access to safe custody lockers is allowed or delivery the safe custody articles is made. However the bank gets a valid discharge on acting as per nomination.
2. Production of succession certificates, letter of administration or probate etc., or any bond of indemnity or surety from the nominee irrespective of the amount standing to the credit of the deceased account holder need not be insisted upon in these cases provided the conditions mentioned in para. 1 (a to c) are fulfilled.
 3. If the nominee is a non-resident then the claim amount should be credited to the Ordinary non-resident account of the nominee held with our bank or any other bank.

8. Account that are opened without nomination but with the clause A or S, E or S and F or S and where the deceased customer is a major.

1. In the case of deposit accounts/safe deposit lockers/safe custody articles where the accounts have been opened with the clause A or S, E or S / F or S the payment of the balance in the deposit account or allowing access to safe custody lockers or delivering the safe custody articles to the survivor(s) represents a valid discharge of the bank provided the following conditions are fulfilled:
 - a. The identity of the survivor(s) must be established properly. If the survivor(s) is (are) customer(s) of our bank and the account(s) has (have) been opened in his/her name(s) by duly following the norms of our bank pertaining to 'Know Your Customer (KYC)' then it should be sufficient to establish the identity of the survivor(s).

If the survivor or any one of the survivors is not a customer of our bank then proper identity must be established by applying the norms of Know Your Customer (KYC) policy of our bank. Proof of establishment of identity of the survivor(s) must be maintained with the records of the branch.

- b. There is no order from the competent court restraining the bank from making the payment from the account or allow access to safe custody lockers or deliver the safe custody articles of the deceased customer
- c. It is to be made clear to the survivor(s) that he/she would be receiving the payment from the bank or getting access to safe custody lockers or receive the safe custody articles as a trustee of the legal heirs of the deceased customer i.e. such discharge to him/her shall not affect the right or claim that

any person may have against the nominee to whom the payment is made or access to safe custody lockers is allowed or delivery the safe custody articles is made.

- d. If the survivor is a non-resident then claim paid should be credited to either the ordinary non-resident account of the survivor or the Non-Resident (External) account as the case may,

9. Treatment of flows in the name of the deceased depositor

In respect of accounts of a deceased customer subject to nomination or having a survivor clause branches may get an agreement from the nominee or the survivor(s) with regard to the treatment of pipeline flows (i.e credits received during the pendency of the claim) in the name of the deceased account holder. The nominee or the survivor(s) may select any one of the two following approaches :

- a. Authorize the bank to open an account styled as 'Estate of Shri....., the Deceased' where all the pipeline flows in the name of the deceased account holder could be allowed to be credited provided no withdrawals are made. Balances in the account will become payable to the legal heirs of the deceased in the normal course.
- b. Authorize the bank to return the pipeline flows to the remitter with the remark 'Account holder deceased' and to intimate the nominee/ survivor(s) accordingly

10. Time limit for settlement of claims in respect of accounts mentioned para.7 and 8.

Subject to the production of proof of death of the depositor as per para 6. And proper identification of the nominee/ survivor(s) as per para 7 and 8 claims on these accounts will be settled within a period not exceeding 15 working days from the date of receipt of the claim.

11 Account that are opened without nomination or survivor clause and where the deceased customer is a major

A. Simplified procedure for settlement of claims:

a. Eligibility

- i. This procedure will apply only to deposit accounts and not to safe deposit lockers or safe custody articles.
- ii. This procedure will apply only to deposit accounts held with various branches of our bank. The balances in all the accounts together with interest do not exceed Rs. 25000/- (Rupees twenty five thousand only)

b. The Procedure

The balance(s) in the account(s) not exceeding Rs. 25000/- in all can be paid to the claimant against production of the following documents: The concerned branches should take care to verify that the relationship of the claimant with the deceased depositor is satisfactory for the settlement with reference to the legal system to which the deceased customer belonged (e.g. Hindu Succession Act, Succession Act-Christians, Mohammedan Act, etc)

- i. Proof of death as in para 6.

- ii. Claim form
- iii Legal Heirship Certificate
- iv An indemnity on a stamped paper as per proforma in Annexure.
- v. A letter as per proforma in Annexure from a prominent person acceptable to the bank who may be an account holder of the Bank or not to the effect that the claimant is legally entitled to receive the amount of the deceased depositor
- vi. Consent letter wherever applicable from the other claimants nominating one of the claimant to receive the money from the bank on behalf of them

In cases where deposits are held in more than one branch then a consolidated application should be prepared and processed through the branch having the maximum balance.

The various limits up to which different executives can dispose of such claims are given in Annexure.

B. Standard procedure for settlement of claims :

a. Eligibility

- i. This procedure will apply only to deposit accounts/safe deposit lockers/safe custody articles of the deceased customer.
- ii. It will apply to deposit accounts held with various branches of our bank the balances in various accounts added together exceed Rs. 25000/- (Rupees Twenty five thousand only)
- iii Deposits in the name of a minor individually or jointly with others
- iv. Deposits where a Minor is made a nominee by the deceased customer
- v. Joint accounts

b. The Procedure

The standard procedure of identifying the heirs of the deceased depositor legally will apply to these accounts. Such claims have to be considered and sanctioned only by the Senior Executive of the Central Office not below the rank of Deputy General Manager and above subject to various limits as per Annexure. The following documents are required.

- i Proof of death of the deceased customer
- ii Claim form in the prescribed format
- iii Legal Heirship Certificate
- iii Will duly probated or letter of administration wherever applicable as per the law applying to the deceased depositor (e.g. Hindu, Christian, Mohammedan etc.)

or

In case of mofussil Will where letters of administration or probate need not be obtained, the original Will should be called for, for inspection and return. A photocopy may be obtained and kept in the file. It should be ascertained whether the Will has been properly executed and attested by two witnesses

or

Succession certificate from the court where there is no Will. The original Will should be called for, for inspection and return. A photocopy may be obtained and kept in the file.

- iv If there are more than one claimant and if the payment is to be made to one of them then consent letters from the remaining claimant must be obtained as per Annexure.

12. Special type of customers

Non-Resident Indian (NRI)/Person of India Origin (PIO)

In the case of non-resident accounts (ordinary Non-Resident Account, Non-Resident (External) account and Foreign Currency Non-Resident Deposit (Bank) Accounts) the procedures mentioned above both under the Simplified procedure and standard procedure for the resident deceased depositors will apply mutatis mutandis.

13) SETTLEMENT OF CLAIMS IN RESPECT OF MISSING PERSONS

The bank shall follow the following system in respect of claim received from a nominee / legal heirs for settlement of claim in respect of Missing Persons.

1) The bank shall take into account the provisions of the Indian Evidence Act under Section 107 which deals with the presumption of continuance and Section 108 which deals with the presumption of death.

2) In terms of the provisions of Section 108 of the Indian Evidence 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, the 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. then the claim in respect of a missing person shall be settled on the basis of the same by the bank after considering the legal opinion and taking in to account the facts and circumstances of each case..

3) However, the bank shall settle the claims up to Rs.25,000 in respect of missing persons to the claimant/s without insisting on production of any document other than

- i) FIR and the non-traceable report issued by Police Authorities and
- ii) Letter of Indemnity.

14. HUF a/cs- 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 members and legal heirs with two guarantors confirming their acceptance to one of the members as a new Karta. Bank shall allow the new Karta to continue to operate the existing account on the basis of such documents, in HUF accounts having small balances.
- 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.

Annexure : 1

POWERS FOR SETTLEMENT OF CLAIMS INRESPECT OF DECEASED DEPOSITORS UNDER THE SIMPLIFIED PROCEDURE

S.No	Name of the Executive	Amount in Rupees
01	Chief Manager	25,000
02	Manager	10,000

Annexure : 2

POWERS FOR SETTLEMENT OF CLAIMS INRESPECT OF DECEASED DEPOSITORS UNDER THE STANDARD PROCEDURE

From 31.08.2018 –revised powers

S No	Designation	Disc. Power in ₹
1	BH	10,000
2	CM	25,000
3	AGM	3,00,000
4	DGM	5,00,000
5	GM	8,00,000
6	CGM / ED	15,00,000
7	MD	1,00,00,000
8	Board	Beyond Rs.1.00 cr

Annexure : 3

LETTER OF INDEMNITY ON A STAMPED PAPER

Manager
City Union Bank Limited

In consideration of your paying me/us the sum of Rs..... (Rupees) standing at the credit of the late..... (Mention the name and address of the deceased depositor) in the account(s) more fully mentioned herein under with your bank without the production of letters of administration or a succession certificate or any legal proof of heirship to his/her estate I/We (Mention the name(s) and address (es)) do hereby undertake to bind myself/ourselves and my/our heirs and legal representatives jointly and severally to indemnify and defend and relieve you from all or any claims, damages and expenses that may be raised against or incurred by you by re-payment of the sum as aforesaid along with all the expenses, charges and damages that you may incur.

S.No	Name of the Account	Account/Receipt Number	Balance outstanding Rs.	Maturity date
01	Savings Bank account			XXX
02	Current Account			XXX
03	Other type of accounts e.g. EEFC/RFC/RFC(D)			XXX
04	Term Deposit accounts			

In witness whereof I/We have hereunto set our hands at.... (Place) this day of (Month) (Year)

Witness :
(With names and addresses)

Signature of the claimant

1.....

2.....

Annexure : 4

VOUCHING LETTER

1, Shri..... son/daughter/wife of Shri..... permanently residing at (mention the address) solemnly and sincerely affirm and state as follows:

- (i) That I am a permanent resident at the address mentioned above and reside in the above address /..... (mention the address of the residence if different from the permanent address)
- (ii) That I am well acquainted with the family of Shri (name and address of the deceased customer) now deceased
- (iii) That the aforesaid Shri..... died intestate and that the devolution to his estate is governed by the Mohammedan Law/Hindu Law/(specify any other law that applies to the deceased customer)
- (iv) That the above mentioned deceased left behind:

S.No	Name	Age	Relationship with the deceased

- (v) That the balance lying in the various deposit accounts of the deceased with City Union Bank Limited at its (mention the name(s) of the branches of the bank) is payable to the above mentioned persons as his sole legal heirs.
- (vi) That to the best of my knowledge information and belief there are no other claimants to the assets in question except the persons named in paragraph (iv) above
- (vii) That the deceased left no other assets in respect of which it is necessary to take out legal representation.

Signed by

(To be notarized or attested by a magistrate/village munsif under his court seal)

Annexure : 5

AUTHORIZATION LETTER FROM THE NOMINEE/SURVIVOR(S) FOR PIPE LINE TRANSACTIONS OF THE DECEASED DEPOSITOR

Branch Manager
City Union Bank Limited
.....
.....

Dear Sir :

Sub : Death of Shri account holder of your bank.

1. As you are already aware that Shri has passed away and that I/we is/are the nominee/survivor(s)
2. I/We anticipate pipeline flows in the name of the deceased account holder. Therefore we hereby authorize you to proceed as under in respect of the pipeline inflows in the name of Late Shri.....,

You may open an account styled as 'Estate of Shri....., the Deceased' where all the pipeline flows in the name of the deceased account holder could be allowed to be credited.

In this case I/we understand that no withdrawals will be allowed and that. Balances in the account will become payable to the legal heirs of the deceased in the normal course.

OR

I/we hereby authorize the bank to return the pipeline flows to the remitter with the remark 'Account holder deceased' with due intimation to me/us.

Yours faithfully,

Annexure : 6

Consent Letter

Branch Manager
City Union Bank Limited
.....
.....

Dear Sir :

Sub : Claim on the account of Late Shri

1. You are already aware that Shri..... has passed away and that I/we, the undersigned, along with Shri (Name and address of the nominated person) am/are the legally entitled person(s) to receive the balances held by you in the accounts of Late Shri.....
2. I/we understand that the balance payable by your bank to me/us is Rs..... (Rupees.....)
3. I/we hereby nominate Shri (Name and Address of the nominated person) to receive the balance on my/our behalf.
4. I/we further authorize Shri to issue receipt for the money received from you or execute any other document that you may require in this connection.
5. I/we fully accept that the payment to be made by you to Shri will fully discharge the bank from its liabilities to the deceased customer, namely, Shri.....

Yours faithfully

- 1.
- 2.
- 3.
- 4.

Place :
Date :