

Emirates NBD India Branch

## Policy on Settlement of Claims of Deceased Depositors

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## **1. SCOPE**

The intent of this policy is to lay down clear guidelines with respect to settlement of claims of deceased depositors in respect of deposit accounts held with Emirates NBD Bank, branch (herein under called the 'Bank'). The bank would adhere to the provisions of Sections 45 ZA to 45 ZF of the Banking Regulation Act, 1949 and the Banking Companies (Nomination Rules) 1985.

## **2. OBJECTIVE**

Objective of this policy is to provide better customer service by avoiding hardships to the nominee(s)/ heir(s) of the depositors and to settle their claims as expeditiously as possible.

## **3. COVERAGE**

The policy deals with the procedure that would be followed by the Bank for settlement of claims of deceased depositor where:

- a. The depositor had utilized nomination facility ,
- b. Where, the joint account was opened with nomination but without survivorship clause,
- c. Where, the joint account was opened with "Either or Survivor" clause mandate and with nomination,
- d. Where, the depositor had not made a nomination
- e. Where, the joint account was opened without nomination and also without survivorship clause
- f. Where, the joint account was opened with "Either or Survivor" clause but without nomination.

## **4. PROCEDURE FOR SETTLEMENT OF VARIOUS CLAIMS**

The bank would follow the following procedure for settlement of claims of the deceased depositors:

### **4.1. SINGLE ACCOUNT WITH OR WITHOUT NOMINATION**

#### **4.1.1. 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, 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 of the legal heirs) on verification of the authority of the legal heirs and proof of death of depositor.

#### **4.1.2. 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, 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.

**4.1.3. Premature termination of Term Deposit Account in case of death of depositor/s****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.

**4.2. JOINT ACCOUNT WITH OR WITHOUT NOMINATION AND WITHOUT SURVIVORSHIP MANDATE (OPERATED JOINTLY)****4.2.1. 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 (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.

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 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 holders, the amount outstanding will be paid jointly to survivor(s) and the legal heirs of the deceased account holder (or any one of them as mandated by all the legal heirs) against their joint claim on verification of the authority of legal heirs and their identity (such as Election ID Card, PAN card, Passport etc.) and proof of death of depositor.

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 their identity (such as Election ID Card, PAN card, Passport etc.) and proof of death of depositors on the maturity of the deposit. Premature termination will also be permitted in such cases.

#### **4.2.2. 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 paid jointly to survivor(s) and the legal heirs of the deceased joint account holder (or any one of them as mandated by all the legal heirs) on verification of identity of the legal heirs and proof of death of the depositor on maturity of the deposit.

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 (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 of them as mandated by all the legal heirs) against their joint claim on verification of authority of the legal heirs and their identity (such as Election ID Card, PAN card, Passport etc.) 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 their identity (such as Election ID Card, PAN card, Passport etc.) and proof of death of depositors on the maturity of the deposit.

#### **4.2.3. 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 authority of the legal heirs and identity (such as Election ID Card, PAN Card, Passport etc of the legal heirs and proof of death of depositor.

b) In the event of death of both / all joint account holder, 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 (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 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 their identity (such as Election ID Card, PAN card, Passport etc.) and proof of death of depositor.

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.

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

**4.3.1. 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 to survivor (s) on verification of his/her identity (such as Election ID Card, PAN Card, Passport etc.) and proof of death of the depositor.

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 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 his/her identity (such as Election ID Card, PAN Card, Passport etc.) proof of death of the depositor.

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 by all the legal heirs) on verification of authority of legal heirs and his/her identity (such as Election ID Card, PAN Card, Passport etc.) and proof of death of depositors.

**4.3.2. 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 to survivor(s) on verification of his/her/their identity (such as Election ID Card, PAN Card, Passport etc.) and 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 paid to the survivors on verification of his/her identity (such as Election ID Card, PAN Card, Passport etc.) and 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 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 his/her/their identity (such as Election ID Card, PAN Card, Passport etc.) and proof of death of depositors on maturity of deposit.

#### **4.3.3. 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 death of the depositor.

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 (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 the contract on verification of his/her identity (such as Election ID Card, PAN Card, Passport etc.) and the proof of the death of the 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 his/her identity (such as Election ID Card, PAN Card, Passport etc.) and proof of death of depositors.

#### **4.4. 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 members 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 balances of below INR 1,00,000.

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.

#### **4.5. SETTLEMENT OF CLAIMS IN RESPECT OF MISSING PERSONS**

##### **4.5.1. 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, then the claim in respect of a missing person can be settled as is done for any other deceased accounts.

#### **4.5.2. Adoption of simplified procedures to avail inconvenience and undue hardship to the common person**

Obtaining court order regarding presumption of death could prove to be costly and time consuming for a common person. Hence bank may follow a simplified procedure for settlement of such claims up to a threshold limit of INR 1,00,000 after considering the legal opinion and taking into account the facts and circumstances of each case to avoid inconvenience and undue hardship to the common person.

#### **4.5.3. Settlement of claims within threshold limits**

Once the bank fix up the threshold limit, the claim within that limit should 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

### **4.6. SIMPLIFICATION OF THE PROCESS FOR SETTLEMENT OF CLAIMS IN DECEASED DEPOSITORS' ACCOUNTS**

#### **4.6.1. Documentation**

Documents, which are required to be submitted:

1. Proof of death of depositor(s).
2. Valid Proof of identification of nominee(s) wherever is applicable such as Election ID Card, PAN Card, Passport etc., or any other satisfactory proof of photo identification acceptable to the bank or proof of authority of legal heir(s) wherever is applicable.
3. KYC details and proofs of the legal heirs/survivor/nominee.

Bank shall 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 official of the bank shall visit the place of the depositors to enquire about the genuineness of such claims.

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.

It may be noted that since payment made to the survivor(s) (in case of joint account with survivorship clause) / nominee(s), subject to the foregoing conditions, would constitute a full discharge of the bank's liability, insistence on production of legal representation is superfluous and



unwarranted. In such case, therefore, while making payment to the survivor(s)/nominee(s) of the deceased depositor, the bank 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.

#### **4.6.2. Settlement without legal representation:**

- a) In cases where the total claim amount do not exceed Rs.5 lakhs (rupees five lakhs), the claim will be settled, without production of legal representation, on the basis of Indemnity – cum – Affidavit.
- b) This is applicable only when: i. The customer has died **INTESTATE** i.e. without a **WILL** and ii. There are no disputes among the legal heirs and all the legal heirs (other than those who have furnished a Letter of Disclaimer) join in indemnifying the Bank and there is no reasonable doubt about the genuineness of the claimant(s) being the only legal heirs.

#### **4.6.3. Time Norms for settlement of claims**

Bank 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 member bank's satisfaction alongwith the required documents. 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.

#### **4.6.4. Competent authority for settlement of claims**

Keeping in view the objective of settling the claims within a period not exceeding 15 days from the receipt of the claim, the COO will have powers to settle the claims upto INR 1,00,000 and claims above INR 1,00,000 will have to be approved by CEO.

#### **4.6.5. Premature termination of Term Deposits Accounts and payment of interest / other issues relating to Term Deposit Account**

In the case of term deposits, bank are advised to incorporate a clause in the account opening form itself to the effect that 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. The conditions subject to which such premature withdrawal would be permitted may also be specified in the account opening form. Such premature withdrawal would not attract any penal charge.

#### **4.6.6. 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 heir(s)/nominee/legal heir, 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:

Payment of interest on matured deposits shall be at the discretion of the banks .

#### **4.6.7. Splitting of Term Deposit**

If, on request from the claimant/s, the bank 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.

#### **4.6.8. Treatment of flows in the name of the deceased depositor**

In order to avoid hardship to the survivor(s) / nominee of a deposit account, bank 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, bank 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 the 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 NACH transfer in the name of the appropriate beneficiary.

### **4.7. Provisions of Law regarding Legal heirs**

#### **1. Hindus**

a. Primary heirs of a Hindu male are:

1. Son(s)
2. Daughter(s)
3. Wife
4. Mother
5. Children of Predeceased children

6. Widow of predeceased son
  7. Children of predeceased grand children
- b. Primary heir(s) of a Hindu female are:
1. Son(s)
  2. Daughter(s)
  3. Husband
  4. Children of predeceased children

## **2. Muslims**

- a. Primary heirs of a Sunni Muslim are:
1. Son(s)
  2. Daughter(s)
  3. Father
  4. Mother
  5. Spouse (Husband / Wife)
- b. Primary heirs of a Shia Muslim are:
1. Spouse (Husband / Wife)
  2. Mother
  3. Father
  4. Son(s)
  5. Daughter(s)

## **3. Christians**

- a. Primary heirs of a Christian are:
1. Spouse (Husband/Wife)
  2. Son(s)
  3. Daughter(s)

## **4. Parsis**

- a. Primary heirs of a Parsi male are:
1. Wife (Widow)
  2. Son(s)
  3. Daughter(s)
  4. Mother
  5. Father

6. Children of predeceased children
- b. Primary heirs of a Parsi female are:
  1. Husband
  2. Son(s)
  3. Daughter(s)
  4. Children of predeceased children

**5. 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) Banks may allow variation/cancellation of a subsisting nomination by all the surviving depositor(s) 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.

**6. SETTLEMENT OF CLAIMS IN RESPECT OF DECEASED DEPOSITORS - CHECK-LIST OF DOCUMENTS**

**Claims Document obtained : Yes/ No**

**1. Accounts with Nomination clause:**

- Application for Deceased Claim from Nominee/Guardian of nominee
- Copy of Death Certificate (Verified with original)
- Identity proof

**2. Joint Accounts with Either of Survivor clause:**

- Application for Deceased Claim from Survivor(s)
- Copy of Death Certificate

3. For cased other than Nomination/ Joint Accounts with survivor clause:  
(for amounts upto threshold limit)

- Application for Deceased Claim
  
- Copy of Death Certificate
  
- Letter of Indemnity signed by claimant(s)
  
- Receipt

## 7. RBI CIRCULAR

RBI/2004-05/490 DBOD.No.Leg. BC.95 /09.07.005/2004-05 dated 9<sup>th</sup> June 2005  
Addendum RBI/2013-14/214 DBOD.No.Leg.BC.48/09.07.005/2013-14 dated 3<sup>rd</sup> September 2013

## 8. POLICY MANDATORY INFORMATION

Name	Description
Document Title	Comprehensive Deposit Policy
Document Classification	Regulatory
Document Sub classification	Compliance
Original Publish Date	July 2017
Policy Producing Business Line	Operations / Sethuraman Sathappan
Policy Producing Department or Function	Operations / Sethuraman Sathappan
Document Author	Prasanna Abhyankar
Document Approver(s)	India EXCO
Document Contact(s) (PM)	India Operations
Last Review Date	December 2020
Next Review Date	December 2022
Legal & Regulatory Requirements	Yes – Reserve Bank of India
Effective Date	December 2020