

## **Policy on claim settlement of deceased and missing persons**

Branches receive requests for settlement of claims from the nominees or legal heirs in respect of deceased customers as well as persons reported missing. The intent of this policy is to lay down clear guidelines with respect to claim settlement of deceased depositors and missing persons both in respect of deposits and lockers.

### **Background**

Indian Banks' Association (IBA) has issued model operational procedures for settlement of claims of deceased depositors in October 2007 and revised them in March 2008. As per the master circular on customer service dated November 3, 2008 the bank should have a Board approved policy on claim settlement of deceased and missing persons.

In order to facilitate expeditious and hassle-free settlement of such claims on the death of a depositor, the Reserve Bank of India (RBI) also has asked the banks to follow a simple procedure with minimum documentation for release of balance amounts in deceased account holders' accounts, without insisting on production of succession certificate, letter of administration, probate or obtaining any bond of indemnity or surety from the survivor(s) or nominee.

For accounts which do not have 'Either or Survivor' clause nor have a nomination, the RBI has asked banks to fix a threshold limit upto which they could release the balance amount lying in the deceased account holders' account after obtaining a letter of indemnity and without insisting upon production of any other documents.

### **Settlement of deceased claims**

At branches, customers have the option of maintaining their accounts under various modes of operations including:

1. Account in single name
2. Joint accounts with survivorship mandate (any of the account holders can operate the account)
3. Joint accounts without survivorship mandate (all account holders must jointly operate the account)

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. The survivor will supersede the nominee for settlement even if a nomination is available on the account.

Customers who hold an individual account or joint account without survivorship mandate have an option of giving a nomination on the account. Nomination facility simplifies the procedure for settlement of claims of deceased depositors to the nominee at the time of death of the account holder or at any time thereafter. With the nomination,

the Bank gets a clearance for making the payment of the outstanding balance in the depositors account.

In the event the claim has not settled and a probate / succession certificate is presented, the Bank should discharge its obligation in accordance with the probate / succession certificate after giving due notice to the nominee of the same.

The above policy will be applicable for settlement of claims for lockers as well.

### **Documents required**

A combination of the following documents will be required depending upon the value of the claim to be settled and mode of operation of the account:

- a) Request letter from the surviving account holders / nominee or claimant
- b) Copy of death certificate
- c) A stamped receipt signed by all the claimants/legal heirs
- d) Indemnity letter
- e) Letter of disclaimer
- f) Affidavit
- g) Asset & liability statement of sureties
- h) Succession certificate

### **Settlement of claim in case of missing persons**

Branches may receive requests for settlements of claims in respect of persons reported missing from their nominees / legal heirs. RBI vide its notification RBI/2007-08/308 DBOD.No.Leg. BC.80 /09.07.005/2007-08 dated May 2, 2008 has provided guidelines for settlement of claims in such accounts.

As per the provisions of section 108 of the Indian Evidence Act, presumption of death can be made only after a lapse of seven years from the date of a person being reported missing, i.e. the date when the FIR / non-traceable report was lodged. After the lapse of seven years, the decision to set the threshold beyond which a court order for settlement of claim is required has been left to the discretion of banks by RBI.

ICICI Bank has set the threshold limit as Rs 1.0 million. Below the threshold limit, after a lapse of seven years from the date of a person being reported missing, i.e. the date when the FIR / non-traceable report was lodged, nominee / legal heir has to essentially submit the FIR and the non-traceable report issued by police authorities for settlement of claims, along with the documents similar to those required for deceased claim settlement.

For any settlement beyond the threshold limit, the claimant would be required to submit the court order (presuming the death of the missing account holder) along with other documents as above.