

Reso. 52
BOD - 24/07/202



THE COSMOS
CO-OP. BANK LTD.
(Multistate Scheduled Bank)

Policy for settlement of claim
of deceased depositors.

Resources Department

Classification: Classified –Strictly for Cosmos Internal use only.

Department: Resources Department

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Version Control: Version No. 1.01,1.02,1.03

Date of Issue: 24.07.2020

Policy approval Policy reviewed as per RBI Guidelines

Name	Position	Signature
Hon. Board of Directors		

Procedural Sign Off

Sr. No.	Name	Position	Review / Signature
1	Suhas Gokhale	Managing Director	R & S 
2	Avinash Chavan	General Manager, Operations	R & S 
3	Archana Joshi	Dy. General Manager Resources	R & S 
4.	Ramdas Doiphode	Senior Legal Officer	R & S 

Distribution List

Sr. No.	Name	Position
1	All branches and employees	

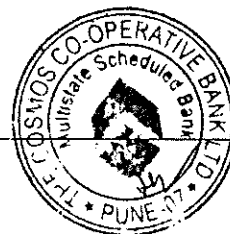
INTRODUCTION

This policy aims at removing hardships faced by customer in settlement of claims of deceased depositors. It is framed and formulated by considering the guidelines issued by RBI from time to time.

Nomination is optional for bank customers. It is therefore necessary that nomination facility is popularized and customers are made aware of its importance & advantages while opening a deposit account. The Bank informs account holder about the availability of nomination as an available option and recommend him/her to avail the same.

PURPOSE

- Evolving a simplified policy / procedures for settlement of claim of deceased depositor
- Removing the hardships faced by customer in settlement of claims of deceased depositors



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1.0 SCOPE-

This policy applies to all business units across the Cosmos Bank in all geographies and covers all categories of branches/offices.

2.0 NOMINATION FACILITY FOR DEPOSIT ACCOUNTS

Nomination Facility is an ideal tool to mitigate hardships of common person in settlement of claims in the event of death of the deposit account holder. Nomination facility simplifies the procedure for settlement of claims of deceased depositor. On availability of nomination, settlement become easy for bank, as bank gets a valid discharge by making payment of the balance outstanding in a depositor's account to the nominee.

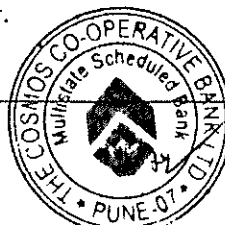
It should also be made clear to the depositor(s) that nomination is introduced solely for the purpose of simplifying the procedure for settlement of claims of deceased depositors and nomination facility does not take away the rights of legal heirs on the estate of the deceased. The nominee would be receiving the balance amount of the deceased depositor from the bank as a trustee on behalf of the legal heirs.

Nomination Rules

The Co-operative Banks (Nomination) Rules, 1985 have been framed in terms of Sections 45-ZA, 45-ZC, 45ZE and 56 of the Banking Regulation Act, 1949.

Deposit Accounts

- Nomination facility is available for deposit which is held in the individual capacity of the depositor. The nomination facility is not available for deposits held in any representative capacity as the holder of an office or otherwise.
- Nomination facility is also available for a sole proprietary concern for his/her proprietary account.
- There cannot be more than one nominee in respect of single/joint deposit account.
- Banks may allow variation/cancellation of an existing nomination by all the surviving depositor(s) acting together. This is also applicable to deposits having operating instructions "Either or Survivor".
- 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. This rule is applicable for all joint deposit accounts, irrespective of 'account operation instruction'.
- Nomination facility is not available for HUF account holder.



- Where nominee is a minor, the depositor / s while making nomination appoint another individual not being a minor to receive the amount of deposit on behalf of the minor in the event of death of depositor/s during minority of nominee.
- Acknowledgment in writing be given to the depositor/s of the nomination/ variation/ cancellation of nomination, as the case may be in respect of a deposit.

KYC non-compliant Deposit Account

Deposit accounts which are KYC non-compliant, death claim procedure cannot be executed till KYC compliance of deceased account holder is completed.

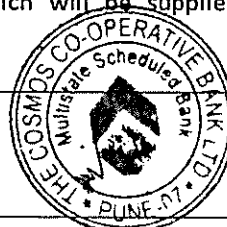
3.0 DOCUMENTS REQUIRED FOR SETTLEMENT OF CLAIM OF DECEASED DEPOSITOR

A. Deposit Account with Nomination

- a. An application in prescribed form.
- b. Original / Certified copy of death certificate of the deceased depositor.
- c. KYC documents of Nominee.
- d. Undertaking in the prescribed format. No stamp duty / registration is required on the Undertaking.
- e. Original deposit receipt / passbook / share certificate / cheque book / ATM Debit Card / member Identity card, etc. In the absence of any of the specified item/document, then specific letter regarding inability to submit be obtained from claimant.

B. Deposit Account without nomination

- a. Death claim application in prescribed form.
- b. Original / Certified copy of death certificate of the deceased depositor.
- c. KYC Documents of legal heirs / claimant.
- d. Notarized Affidavit. Stamp duty will be applicable as per rules of respective State.
- e. Notarized Indemnity Bond. Stamp duty will be applicable as per rules of respective State.
- f. On indemnity bond 2 Sureties and their KYC Documents. Sureties be taken having adequate net worth.
- g. Signature of 2 witnesses is essential and their names be mentioned along with full address. And their KYC documents
- h. Signature attestation on Application form
- i. Original passbook / deposit receipt / cheque book / ATM Debit Card / member Identity card, etc. In the absence of any of the specified item/document, then specific letter regarding inability to submit be obtained from claimant
- j. In case of settlement of claim of deceased depositor above Rs. 25.00 lakhs, or there is any dispute amongst the legal heirs, then the Bank can insist for succession certificate with notarized indemnity Bond.
- k. Probate is required when the Will is in dispute.
- l. In case of Nomination, nomination shall prevail over the Will. If Bank receives claim from beneficiary/legatee under the Will and nominee gives written consent specifically stating that he/she has no objection to submit such claim by Beneficiary /Legatee then Bank shall process the claim on the basis of Will along with Indemnity Bond.
- m. If the deceased depositors appointed Executor or Administrator in his/her will then the claim should be filed by the said Executor or Administrator. For the same he/she has to execute the Indemnity Bond and Undertaking which will be supplied by the Legal Department on case to case basis.



C. Deposit Accounts of Minors

As per Hindu Minority & Guardianship Act 1956: Minor is defined as a person who has not completed 18 years of age.

Under Section 3 of the Indian Majority Act, 1875, it is provided that when a guardian is appointed by a court except under Order 32 of the Civil Procedure Code, or in the case of ward under the Court of Wards, a person is deemed to have attained majority on the completion of 21 years of age.

Documents required:

- a. Death claim application in prescribed form by guardian / legal heir / claimant. (where nomination is not registered)
- b. Original / Certified copy of death certificate of deceased depositor.
- c. KYC Documents of legal heirs / guardian / claimant.
- d. Notarized affidavit. Stamp duty will be applicable as per rules of respective State.
- e. Notarized Indemnity Bond. Stamp duty will be applicable as per rules of respective State.
- f. The signatures on the death claim application should be attested.
- f. Original passbook / deposit receipts / cheque book / ATM Debit Card / member Identity card, etc. In the absence of any of the specified item/document, then specific letter regarding inability to submit be obtained from claimant.
- g. Where deposit is in the name of minor, and nomination is made by a person lawfully entitled to act on behalf of the minor, then upon death of the minor nominee is entitled to claim the deposit amount. For that purpose procedure laid down under head "Deposit with nomination" be followed.

D. Deposit Accounts of missing persons

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

Documents required where claim is above Rs. 50000/-

- a. Death claim application in prescribed form.
- b. The application be submitted by the legal heirs of the missing person after 7 years from the date of person reported missing



- c. Order from competent court declaring civil death of missing person where claim amount is above Rs.50000/-
- d. Notarized Affidavit. Stamp duty will be applicable as per rules of each State.
- e. Notarized Indemnity Bond. Stamp duty will be applicable as per rules of each State.
- f. KYC Documents of legal heirs / applicant
- g. Original passbook / deposit receipts / Cheque-book / ATM Debit Card / member Identity card, etc. In the absence of any of the specified item/document, then specific letter regarding inability to submit be obtained from claimant.

Obtaining court order regarding presumption of death could prove to be costly and time consuming for a common person. Hence RBI has suggested that banks may follow a simplified procedure for settlement of such claims up to a threshold limit to be fixed by individual having regard to the risk involved.

Settlement of claims within threshold limits i.e claim below Rs. 50000/-

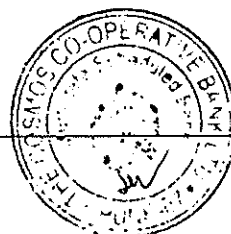
The claim within the above limit should be settled on the basis of following documentation:-

1. FIR for reporting missing of a person.
2. Non-traceable report issued by police authorities.
3. Death claim application by legal heirs of missing person
4. Notarized Affidavit. Stamp duty will be applicable as per rules of each State.
5. Notarized Indemnity Bond. Stamp duty will be applicable as per rules of each State.
6. KYC Documents of legal heirs / applicant
7. Original passbook / deposit receipts / Cheque-book / ATM Debit Card / member Identity card, etc. In the absence of any of the specified item/document, then specific letter regarding inability to submit be obtained from claimant

If the claim is on the basis of nomination in that case procedure laid down under Head "Deposit with nomination clause" be followed.

E. Deposit Accounts of HUF-Karta

- a. Death claim application in prescribed form.
- b. Original / Certified copy of death certificate of the Karta.
- c. If the HUF firm not continued by the coparceners then a letter specifically stating that " the Karta of HUF in the name of _____, is expired and the existing coparceners don't intend to continue the same." This letter should be signed by all the coparceners/members.
- d. Affidavit and indemnity from surviving members/ coparceners with two sureties
- e. Original passbook / deposit receipt / cheque book / ATM Debit Card / member Identity card, etc. In the absence of any of the specified item/document, then specific letter regarding inability to submit be obtained from claimant.



F. Settlement of claim when Deposit amount is upto Rs. 10000 as on date of death of deceased depositor

In view of removing the hardships faced by small depositors, it is decided to settle the claim when Deposit amount is up to Rs. 10000/- as on date of death of deceased depositor with minimum documentation and without stamp duty. List of documents will be as per the case i.e with or without nomination as mentioned above in points A & B respectively. However, in view of that, the customer need not to bear any type of stamp duty & notarization for Affidavit and indemnity.

4.0 SETTLEMENT OF CLAIMS IN VARIOUS TYPES OF DEPOSIT ACCOUNTS

I. Single Account with or without nomination

A. Savings Account/Current Account

With Nomination:

The balance outstanding at the time of settlement of claim will be paid to the nominee subject to the valid & complete documentation to the satisfaction of the Bank as mentioned above.

Without Nomination:

The balance outstanding at the time of settlement of claim will be paid to the claimant / legal heirs or any one of them as mandated by all of the legal heirs subject to the valid & complete documentation to the satisfaction of the Bank as mentioned above.

B. Term Deposit Account

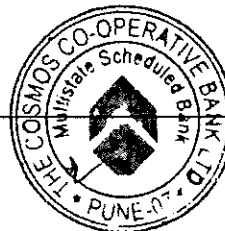
With Nomination:

If the claim is submitted on or after maturity of deposit, the balance outstanding at the time of settlement of claim will be paid to the nominee on maturity of deposit subject to the valid & complete documentation to the satisfaction of the Bank as mentioned above.

If the claim is submitted before maturity date of the deposit, pre mature termination of deposit will be permitted subject to specific features of the Scheme. It will not attract any penal charge. But in schemes like Long Term Deposits Scheme pre-mature termination is not allowed. Premature termination of deposit will be permitted subject to valid & complete documentation to the satisfaction of the Bank as mentioned above.

Without Nomination:

The balance outstanding at the time of settlement of claim will be paid to the claimant / legal heirs or any one of them as mandated by all the legal heirs; on maturity of deposit subject to the valid & complete documentation to the satisfaction of the Bank as mentioned above.



Premature termination will be permitted on joint request by all claimants / legal heirs or any of them as mandated by all the legal heirs as per the terms of the contract, against subject to the valid & complete documentation to the satisfaction of the Bank as mentioned above.

ii. Joint Account without survivorship mandate - operated jointly

A. Savings Account

With Nomination:

- a. In the event of death of both / all joint account holders, the balance outstanding at the time of settlement of claim will be paid to the nominee subject to the valid & complete documentation to the satisfaction of the Bank as mentioned above.

Without Nomination:

- a. In the event of death of both/ all joint account holders, the balance outstanding at the time of settlement of claim will be paid jointly to the legal heir(s) of all the deceased depositors (or any of them as mandated by all the legal heirs) subject to the valid & complete documentation to the satisfaction of the Bank as mentioned above.

B. Term Deposit Account –

In case of death claim settlement, no penal interest / charges are applicable for pre-matured withdrawal.

With Nomination:

- a. In the event of death of both / all the joint account holders, the balance outstanding at the time of settlement of claim will be paid to the nominee on maturity of deposit subject to the valid & complete documentation to the satisfaction of the Bank as mentioned above.

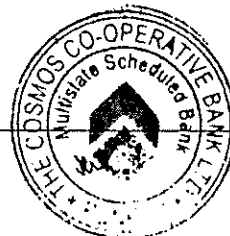
Premature termination of term deposit account as per the terms of contract will be permitted at the request of the nominee subject to the valid & complete documentation to the satisfaction of the Bank as mentioned above.

Without Nomination:

- a. In the event of death of both / all the joint account holders, the balance outstanding at the time of settlement of claim 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 maturity of the deposit subject to the valid & complete documentation to the satisfaction of the Bank as mentioned above.

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 subject to the valid & complete documentation to the satisfaction of the Bank as mentioned above.

iii. Joint account with mandate "Either or Survivor" / "Former or survivor" / Latter or Survivor / Anyone or survivor with or without nomination:



A. Savings Account

In the event of death of both/all joint account holders, the balance outstanding at the time of settlement of claim will be paid to the nominee subject to the valid & complete documentation to the satisfaction of the Bank as mentioned above.

Without Nomination: -

In the event of death of both/all account holders, the balance outstanding at the time of settlement of claim will be paid jointly to the legal heirs (or any of them as mandated by all the legal heirs) subject to the valid & complete documentation to the satisfaction of the Bank as mentioned above.

B. Term Deposit Account

With Nomination:

In absence of joint mandate to that effect, concurrence of the legal heir of the deceased depositor(s) should be considered. (Only consent letter to be obtained from legal heirs without stamp duty).

- a) In the event of death of all joint depositors, the balance outstanding at the time of settlement of claim will be paid to the nominee on maturity of deposit or as agreed at the time of opening of deposit subject to the valid & complete documentation to the satisfaction of the Bank as mentioned above.

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 subject to the valid & complete documentation to the satisfaction of the Bank as mentioned above.

Without Nomination:

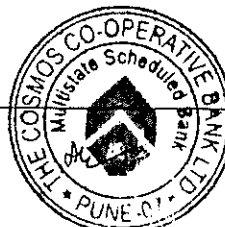
In absence of joint mandate to that effect, concurrence of the legal heir(s) of the deceased depositor(s) should be considered. (Only consent letter to be obtained from legal heirs without stamp duty).

- a) In the event of death of all joint depositors, the balance outstanding at the time of settlement of claim 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 maturity of deposit subject to the valid & complete documentation to the satisfaction of the Bank as mentioned above.

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 subject to the valid & complete documentation to the satisfaction of the Bank as mentioned above.

5.0 Treatment of Saving, Current and Term Deposit Account of deceased depositor

Nominee / Legal heir / surviving depositor as the case may be, can close / continue Savings / current / term deposit accounts of deceased depositor.



A] If account is to be closed-

Interest payment will be made as follows-

Saving Deposit Accounts- At prevailing rate of interest

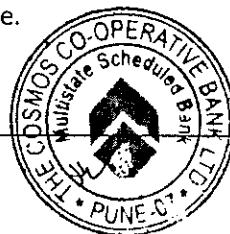
Current Deposit Accounts- No interest is payable.

Term Deposit Accounts-

Particulars	Interest payment on term deposits
If date of intimation of death is before maturity date	@ applicable rate of interest for which the deposit is remained with the bank without charging penalty
If date of intimation of death is maturity date	@contracted rate of interest
If date of intimation of death is after maturity date	Benefit of auto renewal will be given. Hence interest payment will be made at card rate applicable from time to time. If auto renewal facility is not available / opted, @ contracted rate of interest till the date of maturity and thereafter at prevailing Saving interest rate on maturity amount till the date of payment.

C. If account is to be continued-

- Existing account number to be continued.
- No Change will be made in period and original amount of term deposits.
- Nominee/ Legal Heir/ Surviving depositor as the case may be, may add name of another depositor with consent of all depositors subject to no change in the rate of interest, period and original amount of term deposit. KYC compliance of the depositor, proposed to be added should be ensured.
- In case of joint accountholders, surviving depositor's name in chronological order will be considered.
- Nominee/ Legal Heir/ Surviving depositor opt for continuing the deposit account, status of the account in terms of interest payment/ TDS will be applicable as per the status of first holder.
- In case of interest payout term deposit account i.e. monthly / quarterly, interest credit account may be continued / changed as per the request of the depositor/s.
- Name of the deceased depositor to be scratched off and addition of made will be made on the Deposit Receipt / Passbook manually.
- New Cheque book/ Debit Card to be issued as applicable.
- Interest payment should be made as mentioned above.



- On demise of the pensioner, the existing 'Either or Survivor' pension saving account will become a single account in the name of the 'Survivor' and the family pension will automatically be credited to such account subject to permission letter from concerned Treasury Office and declaration in prescribed format is on record. In case of death of pensioner, the existing single pension account will not be treated as Pension Account. Legal heir / nominee will be responsible for communication of demise of pensioner to concerned Treasury Department.

D. Premature Withdrawal of Term Deposit

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 as per the terms of contract. Such premature withdrawal will not attract any penal charge.

Premature termination of deposit will be allowed if the features of the scheme permit so. In case of Long term Deposits or any other schemes where premature termination is restricted, premature termination of deposit will not be allowed.

E. Splitting of Term Deposit

If, on request from the claimant/s (Nominee / Legal heir / Claimant), the bank shall agree 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 following contents do not undergo any change.

1. The Names of the depositors
2. the period and
3. aggregate amount of the deposit

6.0 AUTHORITIES FOR SETTLEMENT OF CLAIM OF DECEASED DEPOSITORS-

Authorities for settlement of claim of deceased depositors will be as per delegation powers applicable from time to time.

7.0 Availability of Claim forms-

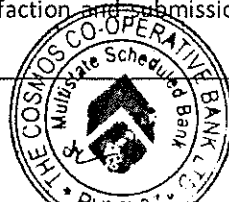
The claim forms are available on the official website of the Bank.

8.0 Reporting of Pending Claims-

Bank will report to executive committee of Board the details of the number of claims received pertaining to deceased depositor/ locker hirers and those pending beyond the stipulated period giving reasons therefore on Quarterly basis.

9.0 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 bank's satisfaction and submission of requisite



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.

10.0 ADMINISTRATION

This policy will continue to be in force till the reviewed policy comes into place.

