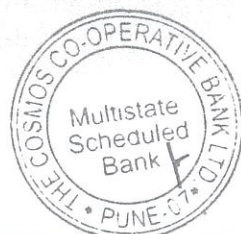




**THE COSMOS
CO-OP. BANK LTD.**
(Multistate Scheduled Bank)

**Policy for settlement
of claims in respect of
deceased depositors 2024-25.**

**Resources
Department**



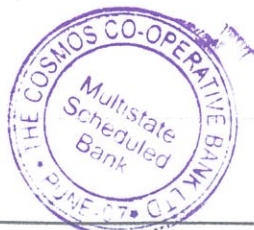
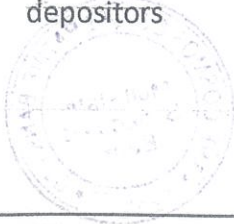
INTRODUCTION

This policy aims at framework for settlement of claims of deceased depositors in a hassle free manner. It is framed and formulated by considering the spirit of guidelines issued by RBI from time to time.

Nomination facility is available though, 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



REFERENCE –

- IBA circular Ref No- No. RB&SB/C/2023/0048 dated 25.04.2023, IBA legal circular No. 3/2023, dated 28.04.23 and IBA legal circular No. 4/2023, dated 24.07.2023.
- Master Circular on Maintenance of Deposit Accounts – Primary (Urban) Co-operative Banks (DCBR.BPD.(PCB). MC.No:6/13.01.000/2015-16 dated 01 July, 2015)
- Master Circular Interest Rates on Rupee Deposit - Primary (Urban) Co-operative Banks (DCBR.BPD.(PCB). MC.No:7/13.01.000/2015-16 dated 01 July, 2015)

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1. SCOPE-

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

2. 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. The rules regarding nomination are mentioned in our Comprehensive Deposit Policy, which may please be referred to.



3. 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.
In case of deceased claim where death certificate in respect of deceased customer is issued outside of India, such certificate can be authenticated by anyone or more of the following modes, done in the country of its issuance-
 - i. Verified by the branch / office of the bank (wherever feasible)
 - ii. Notarized by Notary public; or
 - iii. Apostilled (Method of certifying document for use in another country) or
 - iv. Consularised (Act of authenticating any legal document by the consul office)
- c. KYC documents of Nominee.
- d. Undertaking in the prescribed format. No stamp duty / registration is required on the Undertaking.
- e. Passbook / cheque book / ATM Debit Card / member Identity card, etc. to be submitted. In the absence of any of the specified item/document, specific letter regarding inability to submit be obtained from claimant.
- f. In absence of original share certificate/ Term Deposit Receipt, Indemnity Bond to be executed.

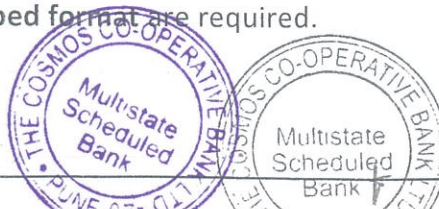
B. Deposit Account without nomination

- a. Death claim application in prescribed form.
- b. Original / Certified copy of death certificate of the deceased depositor.
In case of deceased claim where death certificate in respect of deceased customer is issued outside of India, such certificate can be authenticated by anyone or more of the following modes, done in the country of its issuance-
 - i. Verified by the branch / office of the bank (wherever feasible)
 - ii. Notarized by Notary public; or
 - iii. Apostilled (Method of certifying document for use in another country) or
 - iv. Consularised (Act of authenticating any legal document by the consul office)
- 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. **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; Bank will not insist on production of any document other than letter of indemnity. However, in view of that, the customer need not to bear any type of stamp duty & notarization for Affidavit and indemnity.

- g. **Settlement of claim when Deposit amount is above Rs. 10000 as on date of death of deceased depositor**

Indemnity bond 2 Sureties, (acceptable to bank having adequate net worth) and their KYC Documents alongwith **Banks prescribed format** are required.



- h. Signature of 2 witnesses is essential and their names be mentioned along with full address.
- i. If the claimant is not willing to provide third party indemnity / surety then he should be asked to produce legal representation such as probate / succession certificate/ letter of administration, etc.
- j. Signature attestation on Application form
- k. Original passbook / cheque book / ATM Debit Card / member Identity card, etc. In the absence of any of the specified item/document, then specific letter to be submitted regarding inability to submit be obtained from claimant.
- l. In absence of original share certificate/ Term Deposit Receipt, Indemnity Bond to be executed.
- m. 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.
- n. Probate is required when the Will is in dispute.
- o. If Bank receives claim from both Nominee and beneficiary/Legatee under the Will simultaneously, then claim will be settled in favour of the Legatee. Bank shall process the claim on the basis of Will along with Indemnity Bond.
- p. 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.

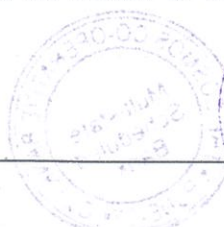
C. Deposit Accounts of Minors

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.
- 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.
- h. 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.

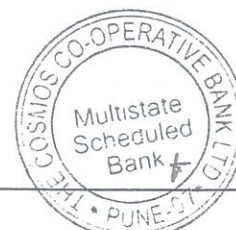
As such, nominee/legal heirs have to raise an express presumption of death of the subscriber under Section 107/108 of the Indian Evidence Act before a competent court. If the court presumes that person is dead, then the claim in respect of a missing person can be settled as is done for any other deceased accounts.

Documents required where death claim is to be settled in respect of missing person.

- a. Death claim application in prescribed form.
- b. The application be submitted by the legal heirs of the missing person along with after 7 years from the date of person reported missing Order from competent court declaring civil death of missing person where claim amount is above Rs.50000/-
- c. Notarized Affidavit. Stamp duty will be applicable as per rules of each State.
- d. Notarized Indemnity Bond. Stamp duty will be applicable as per rules of each State.
- e. KYC Documents of legal heirs / applicant
- f. Court order declaring the death of the civil person.
- g. Original passbook / deposit receipts / Chequebook / 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.

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; Bank will not insist on production of any document other than letter of indemnity.

However, in view of that, the customer need not to bear any type of stamp duty & notarization for Affidavit and indemnity.

4. SETTLEMENT OF CLAIMS IN VARIOUS TYPES OF DEPOSIT ACCOUNTS

Immediately informing to us / coming to our knowledge the branch is required to debit freeze the account and note the fact of the death of the accountholder in the system.

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 (3. A).

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 (3. B).

B. Term Deposit Account

With Nomination

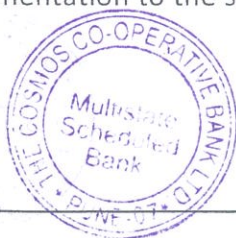
If the claim is submitted on or after maturity of deposit, the balance outstanding at the time of settlement of claim will be paid to the nominee on maturity of deposit subject to the valid & complete documentation to the satisfaction of the Bank as mentioned above. (3. A).

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/Bonds 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. (3. A).

In case of death of the depositor, claim will be settled by way of closure of existing FD and remitting/transferring the proceeds to the account of claimant.

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/consented by all the legal heirs; on maturity of deposit subject to the valid & complete documentation to the satisfaction of the Bank as mentioned above (3. B).



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 (3. B).

In case of death of the depositor, claim will be settled by way of closure of existing FD and remitting/transferring the proceeds to the account of claimant.

ii. Joint Account without survivorship mandate - operated jointly

A. Savings Account

In the case of joint account in the names of two or more persons, the terms relating to which do not provide for payment of the amount due under the account to the Survivor(s) in the event of death of one of them, for the banks to obtain a valid discharge payment should be made jointly to Survivor(s) and the legal heirs of the deceased joint account holder.

With Nomination

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 (3. A).

Without Nomination

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 (3. B).

B. Term Deposit Account –

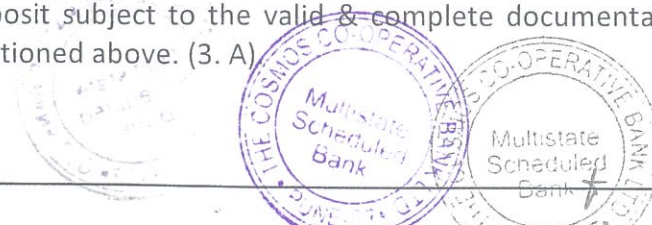
If the operating instruction is 'joint' and one of the depositors expires before the maturity, no pre-payment of the fixed /term deposit may be allowed without the concurrence of the legal heirs of the deceased joint holder. This, however, would not stand in the way of making payment to the survivor on maturity.

In case the mandate is 'Former or Survivor' the 'Former' alone can operate/ withdraw the matured amount of the fixed term deposit, when both the depositors are alive. However, the signature of both the depositors may have to be obtained, in case the deposit is to be paid before maturity. If the former expires before the maturity of the fixed / term deposit, the 'Survivor' can withdraw the deposit on maturity. Premature withdrawal would however require the consent of both the parties, when both of them are alive, and that of the surviving depositor and the legal heirs of the deceased in case of the death of one of the depositors.

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

With Nomination

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 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. (3. A)



In the event of the death of all joint depositors, the nominee will have right to seek premature termination of term deposit account subject to the valid & complete documentation to the satisfaction of the Bank as mentioned above. (3. A).

Without Nomination

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. (3. 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 subject to the valid & complete documentation to the satisfaction of the Bank as mentioned above. (3. B).

iii. Joint accounts with survivorship/nominee clause

If the operating instruction is 'Either or Survivor' and one of the depositors expires before the maturity, no pre-payment of the fixed /term deposit may be allowed without the concurrence of the legal heirs of the deceased joint holder. This, however, would not stand in the way of making payment to the survivor on maturity.

In case the mandate is 'Former or Survivor', 'any one or survivor' If the former/any one holder expires before the maturity of the fixed /term deposit, the 'Survivor' can withdraw the deposit on maturity **only if there is a joint mandate from the joint depositors to this effect.**

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

A. Savings Account

With Nomination

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 (3. A).

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 (3. B).

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).



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 (3. A).

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 (3. A).

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).

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 (3. 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 subject to the valid & complete documentation to the satisfaction of the Bank as mentioned above (3. B).

5. Treatment of Saving, Current and Term Deposit Account of deceased depositor

In case of single accounts, Nominee / Legal heir to close savings/current/term deposit accounts of deceased depositor and in case of joint accounts, the 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

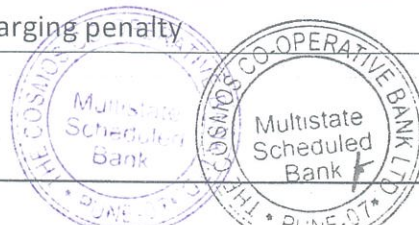
Interest payment will be made as follows-

1. Saving Deposit Accounts- At prevailing rate of interest
2. Current Deposit Accounts- Provided that balances lying in current account standing in the name of a deceased individual depositor or sole proprietorship concern shall attract interest from the date of death of the depositor till the date of repayment to the claimant/s at the rate of interest applicable to savings deposit as on the date of payment.

3. Term Deposit Accounts-

Interest payment to Term Deposit Accounts

Sr. No	Particulars	Interest payment on term deposits
1.	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



2.	If date of intimation of death is maturity date	@contracted rate of interest
3.	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.

General Terms to be followed

- In case of joint Saving Account and Current account, existing account number and joint holders can be continued depending on case to case basis.
- In case of Term Deposit where the account operation is Either or Survivor the Surviving depositor and in case of Former or Survivor / Joint may add name of another depositor with consent of all depositors subject to no change in the period and original amount of term deposit. KYC compliance of the depositor, proposed to be added should be ensured. If the 1st holder who is senior citizen is deceased and joint holder is general depositor, the term deposit account is to be closed and proceeds of the Term Deposit to be transferred to joint holder. Also refer the rules regarding before and after maturity.
- In case of joint accountholders, surviving depositor's name in chronological order will be considered.
- In case of Term Deposit, Interest payment should be made as mentioned above (5.A.3).
- In case of Long term Deposits Schemes/Bonds premature termination is restricted.
- In case of deposit under Tax Saver Scheme, premature withdrawal is allowed to nominee.

Pension Accounts:

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.



B. 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/Bonds or any other schemes where premature termination is restricted, premature termination of deposit will not be allowed.

C. 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. 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. Availability of Claim forms

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

8. 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. Time Norms For Settlement Of Claims

Banks are advised to settle the claims in respect of deceased depositors and release payments to survivor(s) / nominee(s) within a period not exceeding 15 days from the date of receipt of the claim along with complete documents required for settlement of claim and subject to the production of proof of death of the depositor and suitable identification of the claimant(s), to the bank's satisfaction. Banks should report to the Customer Service Committee of the Board, at appropriate intervals, on an ongoing basis, the details of the number of claims received pertaining to deceased depositors / locker-hirers / depositors



of safe custody article accounts and those pending beyond the stipulated period, giving reasons therefore.

In respect of the interest payable on various of types of deposits in the name of the deceased person, the guidelines contained in the Master Direction – Reserve Bank of India (Co-operative Banks – Interest Rate of Deposits) Directions, 2016 as amended on 1st January 2024 or thereafter will be applicable.

10. ADMINISTRATION

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

