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## **Settlement of Cases for Deceased Depositors Policy**

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## 1.0 OVERVIEW AND PURPOSE

The purpose of this policy is to ensure that process of settlement of claims for deceased cardholder in American Express Banking Corp., India (the “Bank”) is addressed through a set of predetermined and structured procedures to ensure comprehensive treatment and transparency.

## 2.0 SCOPE

This policy is applicable to prepaid cards as issued by the bank as well as any credit balances in the credit card accounts of the customers.

## 3.0 BACKGROUND

As per recommendations of the Committee on Procedure and Performance Audit on Public Services (CPPAPS), Reserve Bank of India (RBI) has issued a circular No.DBOD.No.Leg.BC.95/09.07.005/2004-05 dated June 09, 2005 and further followed by a circular no. RBI/2013-14/214 DBOD.No.Leg.BC.48/09.07.005/2013-14 dated September 03, 2013 directing all the banks to:

1. Simplify the process for a Deceased Depositor’s account would be settled to the Legal Heirs on production of simple documents without insisting upon a Succession Certificate.
2. To issue policy guidelines detailing the documentation required to be obtained.

*\* The policy would not apply to Institutional Deposits, as ‘the Bank’ does not accept deposits from individuals or Hindu Undivided Families (HUF).*

## 4.0 POLICY GUIDELINES

Provided below are the guidelines formulated in line with RBI circular for India branch to comply with when handling claims in respect of deceased cardholder’s accounts.

### 4.1 Documentation to be obtained

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/card:

- 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 and liability statement of sureties
- h) Succession certificate

Customers who hold an individual account or joint card without survivorship mandate have an option of giving a nomination on the account. Nomination facility simplifies the procedure for settlement of

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claims of deceased depositors to the nominee at the time of death of the card holder or at any time thereafter. With the nomination, the Bank gets a clearance for making the payment of the outstanding balance in the cardholder's 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.

## **4.2 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 cases.

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 First Information Report (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.

According to AEBC policy, 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.

## **4.3 Time Limit for Settlement of Claims**

Claims would be settled in respect of deceased depositors and payments would be released to survivor(s) / nominee(s) 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 claim(s), to the bank's satisfaction.

## **4.4 Reporting Requirements**

Bank should report to the Customer Service Committee (Voice of Customers Committee – VOC) of the Board, at appropriate intervals, on an ongoing basis, the details of the number of claims received pertaining to deceased depositors / prepaid card account holders and those pending beyond the stipulated period, giving reasons there for.

## **5.0 EXCEPTION / CONFLICT / INTERPRETATION RESOLUTION**

Any questions regarding interpretation of this policy should be directed to the Bank's India General Counsel or the AEBC Chief Compliance Officer.

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## **6.0 ENFORCEMENT OF ISSUED POLICIES AND PROCEDURES**

All employees and agents of AEBC are responsible for complying with applicable official policy, procedure or a standard/program. AEBC Senior Management and Officers are ultimately responsible for ensuring adherence to policy within AEBC. Internal auditors and control groups, as applicable, will review compliance with policy and procedure. **Noncompliance with issued policies or procedures is a breach of the terms of employment and may lead to disciplinary actions which may include termination of employment, or third-party agreement.**

AEBC Policies do not take precedence over local law, yet still must be aligned to management policy requirements.

## **7.0 RELATED POLICIES, REGULATORY GUIDELINES AND SUPPORTING DOCUMENTS**

RBI Circulars:

- RBI Circular No.DBOD.No.Leg.BC.95/09.07.005/2004-05 dated June 09, 2005
- RBI Circular no. RBI/2013-14/214 DBOD.No.Leg.BC.48/09.07.005/2013-14 dated September 03, 2013
- RBI/2007-08/308 DBOD.No.Leg. BC.80 /09.07.005/2007-08 dated May 2, 2008

## **8.0 POLICY REVISION HISTORY**

Previous Approval Dates: September 25, 2014  
Current Approval Date: February 23, 2017