

# HOLOCAUST ERA INSURANCE: The Investors

Before World War II insurance was viewed as a sound investment for European Jews. Known in some circles as “the poor man’s Swiss Bank”, life insurance policies provided for the family if the wage-earner died, and sheltered the family assets so they would be available for future generations.

Representatives from major insurance companies – including a fair number of Jewish agents – traveled all over Eastern Europe, selling policies in even the smallest villages and shtetls. For many families, the purchase of life insurance, dowry insurance, and education insurance was considered a priority. One of the largest insurers, Generali, was founded in 1831 by a group of Jewish merchants attracted to this fertile market. It used the Lion of Judah as its corporate logo.



There is no way to identify the exact number of policies, but economists estimate that in 1938 there were 870,000 life insurance policies held by Jewish families living in areas that were later occupied by Germany, believed to be worth over \$2 billion in today’s dollars. Others estimate the values even higher, perhaps as much as \$18 billion.

Because of the economic and political climate in prewar Europe, many policyholders sought guarantees that payment could be in gold or in U.S. dollars, payable anywhere in the world.



During the war, of course, the safety and security of insurance investments changed radically. As Nazis closed down shops, forced families into ghettos, and deported people to camps, some policyholders were unable to continue paying premiums. Others cashed in policies to pay onerous Flight Taxes, converted them to paid-up policies, or simply abandoned them in their rush to emigrate.

The Nazi government was able to take away insurance rights directly. Many Jews were arbitrarily deprived of their citizenship, resulting in their assets being seized. In April 1938, Jews in Germany and Austria were legally required to list all property they owned, including real estate, bank accounts and insurance policies. In July of that year, they were mandated to carry identity cards, and by October the passports held by Jews were marked with a red letter “J.”



Banks, insurance companies and other institutions holding Jewish assets were required to report these accounts to German financial authorities. This seizure of Jewish assets extended to companies outside of Germany, although these companies were under no legal obligation to comply with Nazi demands. Many companies in Switzerland, Austria and The Netherlands complied with demands to transfer assets based on Nazi assurances that, in the event of repayment claims in the future, the German state would indemnify the companies.

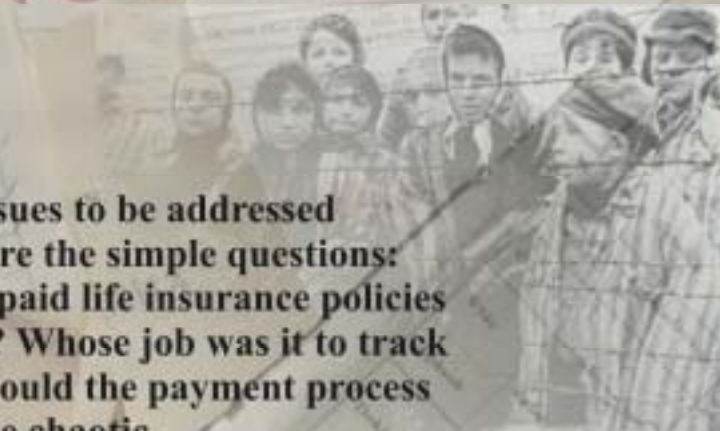
Ironically, the assets from insurance companies, deposited in banks and invested in factories, provided a substantial amount of the capital that Hitler needed to support his quest for domination.



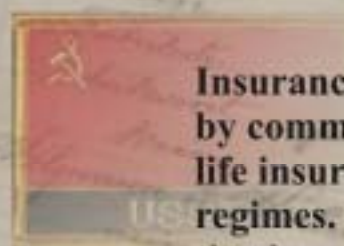
# HOLOCAUST ERA INSURANCE: After the War



Among the myriad of issues to be addressed at the end of the war were the simple questions: what to do about the unpaid life insurance policies held by European Jews? Whose job was it to track beneficiaries, and how could the payment process be made to work in those chaotic early years?



For the rare cases where complete documentation existed – a physical copy of a valid insurance policy, and a policyholder still living – it would seem easy enough for the owner of the policy to contact the insurance company to cash it in, convert it, or at least to confirm the policy was still in effect. Unfortunately, even under those ideal circumstances the benefits had often disappeared.



Insurance companies in the Eastern Bloc were taken over by communist governments, and therefore claimed that life insurance policies were nullified by the new Socialist regimes. Furthermore, insurance companies claimed that the devastation of war destroyed many of their records, so even if the policyholder by some miracle had managed to survive and keep their insurance paperwork intact, the company would not pay unless their own records confirmed that the policy was still valid.



In most cases, however, collecting on a life insurance policy was hampered by the horrors of the Holocaust itself. People fleeing for their lives, or grabbed off the streets, did not have the luxury of time to collect policies and place them for safekeeping. Insurance policies and other important papers, hastily buried in jars and suitcases, seldom reappeared after the war.



Tales have been told, over and over, of individuals and families being ordered to report to railway stations for deportation “and bring your important papers with you.” The suitcases and their contents were then confiscated by the Nazis and the policies cashed in.

Most troubling and inhumane was the insistence of insurance companies that they would not pay on life insurance if no death certificate existed. Six million Jews died. There were no death certificates for them or any official paperwork available to surviving family members.

Immediately after the war, and decades thereafter, the efforts to redeem policies were met by an almost universal failure to honor legitimate claims.

By the mid-1950's, insurance companies confronted with Holocaust-era claims began asserting that the policies that they may have written – no matter the value of the policy, the circumstances of its purchase, or the fate of the insured – were no longer a matter to be addressed. Insurance company payments made through German restitution efforts, they claimed, substituted for payments on any and all policies, relieving them of responsibility for further action. Insurance companies thus absolved themselves of responsibility, and governments failed to take even small steps to protect the rights of policyholders and their heirs. It appeared, at least for a time, that the issue would never be addressed in a fair and compassionate way.

# HOLOCAUST ERA INSURANCE: Justice Denied

Very little progress was made in settling Holocaust-era insurance claims for several decades after the War. Survivors and beneficiaries of policyholders were met with obstacles and resistance at every level. "Statute of Limitations" arguments began to be applied, often quite arbitrarily.

There were thousands of Jews who had concrete knowledge of policies, but fewer than 20% of potential claimants had the name of the insurance company and enough information to press a suit in court. Many of them, however, could provide at least a starting point: the location of the building where Papa went to pay his premiums, the name of the agent who sold all the policies in the community, or the logo on small gifts the agent left behind.

But even the most straight forward claims were summarily dismissed. Appeals to insurance companies, embassies, and state departments went unanswered.



The fall of the Berlin Wall in 1989, followed by the collapse of the Soviet Union in 1991, and a rash of individual and class-action lawsuits filed in the 1990s against Swiss, German, Austrian, French and Italian companies by victim families, brought to light more information about stolen assets. "Reparations" and "Justice" initiatives were beginning to turn the tide.



Just as significantly, by the mid 1990s, the very youngest Survivors were in their 50s, and those with clear memories of family assets before the war were approaching 70. As health and memory failed, this appeared to be the last opportunity for them to regain their assets.

Finally, a breakthrough came in December 1996. The family of a policyholder named Mor Stern was able to locate a copy of his annuity policy, fully paid until 1944 and worth the equivalent of \$15,000 at the time of his death. Unlike previous, unsuccessful lawsuits, this case was not filed as a class-action suit but as an individual claim. It was also different because it was not filed in federal courts, but in California state courts since the company, Generali, did business in California. Two months later, three other individual lawsuits were filed in the state.

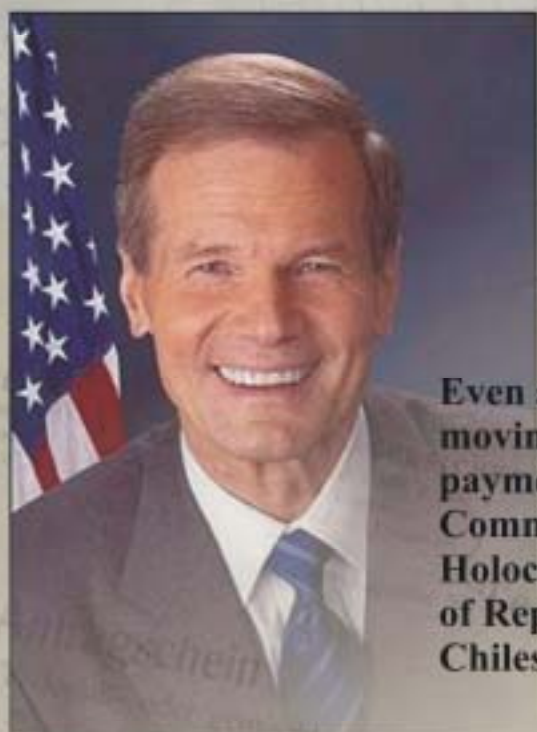


In support of these claims, the California legislature enacted their Holocaust Victim Insurance Act, specifically giving the state jurisdiction over the claim and extending the time in which to file a claim to 2010. After many legal proceedings, the case was settled in favor of the family in November 1999.

With the increased legal and public attention to the issue, in 1997, the U.S. National Association of Insurance Commissioners (the NAIC) created a working group to determine the scope of the problem and to persuade insurers to initiate a dialogue to develop a mechanism to settle claims equitably. By late 1998, there was a Memorandum of Understanding signed between six European insurers, the NAIC, and representatives of Jewish organizations.

From this initiative, the International Commission on Holocaust Era Insurance Claims ("the ICHEIC") was created. The goal was to create a process that relaxed the standards of proof necessary to successfully file a claim, and to assure that funding was available from insurers to pay off on these long-held policies.

# HOLOCAUST ERA INSURANCE: The Florida Experience



Even as the International Commission on Holocaust Era Insurance was moving forward, Florida initiated an effort to assist Survivors in obtaining payment of their insurance policies. At the urging of then State Insurance Commissioner (now U.S. Senator) Bill Nelson, legislation creating the Florida Holocaust Victims Insurance Act passed unanimously in both the State House of Representatives and the Senate. It was signed into law by Governor Lawton Chiles on May 22, 1998.

Florida assumed regulatory authority over these European insurance companies because, as multinational corporations, they sold policies in the state through their various subsidiaries. Insurers with familiar names like Colonial Penn, Fireman's Fund and Mid-Century – all offsprings of major European companies – were licensed and actively selling in United States markets.



It was a critical issue for the State because Florida has one of the largest Survivor populations in the nation, third after New York and California. There were over 15 million Jewish residents of Florida in 1998, and an estimated 8% of their households included a Survivor or a child of a Survivor.

Unfortunately, the Survivor population of Florida, as elsewhere, is at risk of being destitute in their later years. In the year 1995, 76% of them were age 65 or older. One fourth of them lived alone, and half of them had an annual household income of under \$25,000, including 20% who lived below the official federal poverty line. The availability of payments from long-held insurance policies could make a life-changing difference to Florida's Survivors and their families. In response to this need, Florida made available, free of charge, information and advocacy for every Florida Holocaust Survivor or beneficiary who believed he or she had a claim.



With the support of the program operated by the Florida Department of Financial Services and the efforts of the ICHEIC, by mid-2008, there were 5,177 claims filed with European insurance companies from a total of 2,136 Florida claimants. This claims process resulted in offers totaling over 9 million dollars to Florida Holocaust Survivors.

Settlement amounts range from \$2,000 to almost a quarter million dollars. Additionally, humanitarian payments of \$1,000 have been received by 1,400 Florida residents, for a total of \$1,400,000. In addition, ICHEIC has offered Florida residents over \$180,000 for payment on policies for companies that are no longer in existence.



**Anyone with a Holocaust-era life insurance policy, policy number, correspondence or other credible evidence of coverage is urged to contact the Florida Department of Financial Services toll free at 1-800-388-4069. Assistance in filing a claim is available until July.**

# HOLOCAUST ERA INSURANCE: Making Claims

The Holocaust Era Claims process established by the International Commission on Holocaust Era Claims (ICHEIC) owed its success to four unique mechanisms built into the claims agreement.

First, the participating insurance companies agreed to release available lists of policyholders who held life insurance policies between 1920 and 1945. This process included research of insurance company records, census records, and national archives, often listing alternative spellings for many family names. The disruption of war and the severing of family ties made the lists one of the most critical components of the project. (The ability to get settlements was somewhat narrowed by a U.S. Supreme Court decision, *American Insurance Association v Garamendi*, which limited the power of individual states to demand that of foreign companies release names of policyholders whose beneficiaries have not been located.)



Second, outreach was required to reach potential claimants, including information on where to find policyholder lists in order to determine whether a valid policy existed. ICHEIC provided a number of print ads, with a toll-free number, aimed at survivor families. Multilingual announcements were distributed to Survivor associations and Jewish organizations.

Third, insurance companies had to accept relaxed standards of proof for Holocaust-era policy claims. This would include eliminating the need for death certificates and for the beneficiary to produce the original policy. Simplified forms were created so that beneficiaries would understand exactly what kinds of documentation were required to perfect a claim.

Fourth, advocates were put in place to help claimants deal with the process, with government offices able to provide incentives and penalties in order to gain the fullest cooperation from insurers. In addition to the larger issues of listing names and policy research, states such as Florida have been on the forefront of smaller forms of relief, such as encouraging banks to waive transfer fees and bank commissions of monies from Holocaust-era policies.

Since the end of ICHEIC's efforts, beneficiaries have fewer options for making claims. In the state of Florida, however, the state efforts remain in place, offering some consumer support. At the very least, policyholders and heirs may be entitled to modest "Humanitarian" payments made through the Conference on Material Claims Against Germany (also known as the Claims Conference) which administers compensation programs for slave labor, hardship funds, victims of medical experiments, refugee compensation, victim pensions, and Survivor Help Centers.

The payment of long overdue claims are a financial benefit to heirs and an acknowledgment of wrong-doing that spans over half a century. But honoring Holocaust-era claims is more than simply fulfilling a contract. It is acknowledging the existence and value of people who perished, and is sometimes the only link that remains to a world, a people, and a time that has since been lost.

## Claims Conference

CONFERENCE ON  
JEWISH MATERIAL CLAIMS  
AGAINST GERMANY

# HOLOCAUST ERA INSURANCE: Unfinished Business

In general, even optimistic reports on Holocaust era insurance claims view it as a limited success. ICHEIC supporters point out that thousands of payments were made before the program ended in 2007, and many – perhaps most – of these claims would have had no success if there had not been specific rules and a functional structure in place to support beneficiaries' claims.

In spite of significant outreach efforts, it is likely that many potential claimants were not aware of the efforts to support cashing in policies. Language barriers, isolation, infirmity and even an unwillingness to confront wartime memories presented very real obstacles.

Because of a widespread feeling that the claims process did not achieve enough during its limited time, there have been efforts, supported by the National Association of Insurance Commissioners, Survivor groups, and legislators, to continue the task. While individuals can still make claims on Holocaust era insurance using the relaxed standards set up a decade ago, the information they provide must be more complete and more compelling.

Proposals to reopen an international process have been met with resistance. As previous success grew from cooperation rather than litigation, some fear that litigation of previously settled claims would be counterproductive. In addition, insurance companies that have been at least somewhat cooperative were promised immunity from further legal action, a process called 'legal peace.'

There is a continuing need to ensure that the most comprehensive list of policyholder names is published and available. Some 500,000 names of policyholders were provided to ICHEIC and are now available on the Yad Vashem website. Unfortunately, some of the names were made public only a few months before ICHEIC's filing deadline. Even so, it can be argued that Germany largely met its obligation to provide policyholder names under current rules.

For Eastern European countries, the number of Jewish policyholders published is minimal. The most notable shortcomings are in Hungary, Poland and Rumania, all of which had large pre-Holocaust Jewish populations. Even in most Western European countries, the number of published names has been somewhat limited. To address this issue, Eastern European insurance archives need to be further examined and, most importantly, these Eastern European insurance companies should publish the names of their Holocaust era policyholders.

Keeping an effective application process ongoing is essential. We must ensure that Holocaust Survivors and their families can continue to pursue their claims.

