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Shoah insurance funds are slow to come, but is there an alternative?

WASHINGTON, Sept. 30 (JTA) — Survivors are suing the commission on Nazi-era insurance claims, a commissioner has called for the resignation of its chief and Jewish officials handling the claims acknowledge serious problems.

But they also say there probably isn't a better way to dole out the claims.

The anger and frustration some lawmakers and survivors feel toward the International Commission on Holocaust Era Insurance Claims peaked last week when several survivors filed suit, claiming the organization was delaying payments.

California's insurance commissioner, John Garamendi, a member of the commission, later joined the suit and called for the resignation of the commission's chairman, former Secretary of State Lawrence Eagleburger.

Survivors Jack Brauns, Manny Steinberg and Si Frumkin, all Los Angeles area residents, charged that the ICHEIC improperly delayed or denied payments totaling more than \$1 billion on policies held by the survivors or heirs of those who perished under Nazi rule.

"This is a commission that is supposed to help survivors," said William Shernoff, the plaintiffs' lawyer. "But from what we see, they are helping the insurance companies more than survivors."

They also are seeking Eagleburger's resignation, saying his salary — which they estimate at over \$300,000 — is paid for by the insurance companies. The plaintiffs believe Eagleburger is working in the insurance companies' interests.

"This is blood money stolen from survivors," said Frumkin, chair of the Southern California Council for Soviet Jewry.

For his part, Eagleburger says he has no intention of resigning. His aide, Anais Haase, told JTA that time and resources planned for investigating claims would be diverted to defending against the lawsuit if the survivors persist in fighting them.

"We don't believe we are mistreating survivors or their heirs," Haase said. "We offer the only option available at no cost to survivors and their heirs."

The plaintiffs are asking the ICHEIC to place more pressure on Italian insurance company Assicurazioni Generali to divulge more unpaid life insurance policies. The ICHEIC has published 9,000 names of Generali policyholders, but the claimants suggest the list could exceed 100,000 policies.

Shernoff said Holocaust survivors and their heirs should also maintain the right to use litigation to gain money owed them, rather than working through the ICHEIC.

The suit was filed under California's Unfair Business Practices statute, but it's unclear whether the ICHEIC can legally be defined as a business.

A Generali official in New York called the lawsuit baseless and misleading, saying that thousands of claimants "have and will continue to be paid and offered generous amounts through ICHEIC, which is supported by leading Jewish Holocaust restitution organizations and the State of Israel."

Stuart Eizenstat, a special representative for Holocaust issues in the Clinton administration, said the lawsuits could wreck the ICHEIC system if the suit nullifies the agreements the commission has reached with the insurance agencies.

"It continues to cast a cloud of debate over the exercise," he said. "It diverts energy and attention from filling claims."

Eizenstat said he appreciates that the suit is an expression of frustration over the slow process of paying claims. But he and others contend that the insurance companies, not the ICHEIC, have made the process more difficult by withholding names.

Israel Singer, chairman of the World Jewish Congress, agreed.

"There is no bad faith here," he said of the ICHEIC. "There is bad information after 50 years."

Singer acknowledged that the organization has had trouble completing its mission.

"ICHEIC has a mammoth task, and it's bigger than we ever thought it was going to be," Singer said. "We couldn't have known it at the time."

He suggested an ombudsman might be able to bridge the gap between the ICHEIC and the Holocaust survivors.

The ICHEIC, founded in 1998 by the National Association of Insurance Commissioners, has had some problems in the past two years. Eagleburger threatened to resign last year after difficulty securing cooperation from German insurance companies.

Congressional representatives and others also have chastised Eagleburger and the commission for its slow progress, especially considering the dwindling number of Holocaust survivors.

The ICHEIC also has been criticized for spending \$56 million in five years, and Eizenstat agreed that the organization cannot be considered a model of efficiency.

But both Eizenstat and Singer defended Eagleburger.

"Larry has earned every nickel and then some," Eizenstat said. "He's had to undergo hell to bring the parties together."

California Gov. Gray Davis issued a statement Saturday accusing the ICHEIC of "not meeting its mission."

"The system does not work, claims are not being investigated and survivors are not being paid," Davis said in the statement.

Edwin Black and Tom Tugend contributed to this report from Los Angeles.