

Survivors File Lawsuit Blasting Holocaust Claims Commission

A pair of aging Southern California survivors filed a lawsuit last week accusing the International Commission on Holocaust Era Insurance Claims of acting as a puppet to serve the whims of Italian insurance giant Generali.

The suit, filed Sept. 24 by Manny Steinberg and Jack Brauns under the state's unfair business practices statute, claims the commission has "aided, assisted and conspired" with Generali to reduce the company's liability from \$1 billion to \$100 million, of which it has paid out only a pittance.

Generali officials called the lawsuit baseless and misleading.

California Insurance Commissioner John Garamendi, however, said it was a long time coming. At a Los Angeles press conference last week, he stated that ICHEIC "seems more interested in protecting [European insurance] companies than in providing quick and appropriate payments to survivors."

The suit also accuses ICHEIC of:

- Failing to publish the names of roughly 100,000 policyholders Generali has admitted existed;
- Approving Generali mailings to California claimants offering settlements based on ICHEIC's "unreasonably low" valuations;
- Accepting a large portion of its operating budget from Generali and, therefore, being inherently biased.

Following the suit's filing, Gov. Gray Davis issued a statement accusing ICHEIC of "not meeting its mission ... the system does not work, claims are not being investigated and survivors are not being paid."

ICHEIC was formed in 1998 with funding provided by several European insurance giants. The organization also comprises survivor organizations, several state insurance commissioners, Jewish groups and Israeli government representatives.

ICHEIC's efforts have been lambasted for years by survivors and survivor advocates who cite a record of low payments meted out slowly.

In testimony before the House Committee on Government Reform, ICHEIC Chairman Lawrence Eagleburger admitted that his organization has spent \$56 million on administrative expenses over the past five years — millions more than it has allocated to survivors.

He also admitted that ICHEIC has made offers on payment on less than 5 percent of the roughly 54,000 claims it has received.