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2 Holocaust Survivors to Sue Group Set Up to Collect Insurance

ABSTRACT

Five years after the creation of an international commission to help Holocaust survivors collect on claims from European insurers, two survivors plan to file a lawsuit today asserting that the commission has sided with the insurers and made it more difficult to receive fair payment on decades-old policies.

In the lawsuit, to be filed in a state court in Los Angeles, Manny Steinberg, 78, and Dr. Jack Brauns, 79, who survived Nazi concentration camps, assert that the commission has been used by insurers to diminish and deny claims and that it has permitted the insurers to withhold critical information on Holocaust-era policies and legal remedies.

The lawsuit is the most serious challenge yet to the widely criticized organization, the International Commission on Holocaust Era Insurance Claims. It was founded by American insurance regulators and Jewish groups on the premise that survivors were likely to receive more money faster through negotiations with insurers than through litigation. But many survivors say the commission, which includes five European insurance companies, has failed to live up to its promises.

The two survivors who are filing the lawsuit are California residents. The suit is based on California's unfair business practices statutes and focuses on the commission's relationship with one of its five member-companies, Assicurazioni Generali, a big Italian insurer that dominated sales to Jews in Eastern Europe.

Lead lawyer, William M. Shernoff, estimated that Generali owed "well in excess of \$1 billion" on Holocaust-era policies.

Legal experts opined that the commission will probably argue that it had not been engaged in business in California, but had simply been a forum for negotiations.

Shernoff argues however, that the commission acts as a claims adjuster for the insurance companies. Shernoff said, "The commission gets all its money from the insurance companies, its just another division of the company."

Mr. Steinberg, of West Hills, Calif., said his family lost their insurance policy when the Nazis took them to concentration camps.

When interviewed Mr. Steinberg recalled what his father said to him as they were loaded on to the cattle car, "Manny, if we ever survive this terrible life, we have a little Generali policy and maybe we can start out life all over again."