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Holocaust Survivors Struggle to Claim Life Insurance

ABSTRACT:

Holocaust survivor Roman Rakover, 86, knows he's running out of time.

But he's still struggling to claim two life insurance policies that his family arranged with the Italian insurance company Generali in 1930.

Like dozens of other Holocaust survivors who have filed lawsuits over their relatives' insurance, Rakover is wrestling with the International Commission on Holocaust Era Insurance Claims to get satisfaction.

The suits stem from survivors and the heirs of victims who died in the Holocaust, which claimed the lives of millions of Jews and other populations oppressed by Nazi Germany and Fascist Italy.

Rakover says he began corresponding with Generali about his family's policies in 1995, though some claimants have struggled even longer.

William Shernoff, the lead attorney in Rakover's case and several others, representing 32 families in all, says the lawsuits he has filed represent the first stage of litigation against the commission. Shernoff hopes to expand the suits into a class action representing 3,000 families,

Shernoff, a co-founder of Shernoff Bidart Darras in Claremont, asserts that the commission has tried to establish itself as the sole remedy for Holocaust claimants.

Judge William Highberger bolstered the commission's position on Aug. 26, when he decided his court could not claim jurisdiction over lawsuits against the commission. The commission has asserted that it doesn't conduct enough business in the state for the state's courts to hear cases, but Shernoff says he will try to overturn Highberger's ruling through the state Court of Appeal.

Shernoff says the commission continues to insist on written documentation of the policies before paying insurance claims - documentation that, in many cases, was destroyed during World War II.

Shernoff asserts that Rakover's and his other clients' anecdotal evidence about their policies should be enough to convince the commission or Generali officials to pay their claims.

He has filed an unfair business practices suit against the commission under Section 17200 of the state Business and Professions Code. *Manny Steinberg v. ICHEIC*, BC303004 (L.A. Super. Ct., filed July 8, 2004).

"We think ICHEIC is a front for the insurance companies, and we hold that they have conflicts of interest because they were formed by the insurers and funded by them," Shernoff says. "Mr. Rakover has very strong anecdotal evidence that he saw his policies, but ICHEIC said it can't find his records in Generali files. It's a horrible situation that has been allowed to exist."

Mara Rudman, the commission's chief operational officer, says that she cannot comment about specific claims, both because of the pending litigation and out of respect for policyholders' privacy. But she did speak

about general commission procedures that may apply to Rakover's case.

Rudman adds that Generali has relied on a 1936 registry of policyholders to determine who can claim benefits and in what amounts. She suggested that, if Generali has denied a Holocaust-era insurance claim, it might be because the company could not match the claimant to any policyholder names on its registry.

"I am a survivor of the Holocaust. I have no documents or the policy numbers - we had nothing and no pockets to hold anything. All I have is my memory," Rakover says.

He says his father, Esiel Rakover, took out two \$20,000 Generali insurance policies on his life, one benefiting his mother and one benefiting himself and his brother, Gustav Rakover.

Shernoff says that one of the bones of contention in Rakover's case stems from the currency issue.

"Under the rules set by ICHEIC Chairman Lawrence Eagleburger, each policy would be paid in Czech kroners, which were devalued after World War II," Shernoff says. "They claim both policies might only be worth \$500 or \$1,000 today."

Rakover has testified to the commission that his brother died of typhoid fever in Siberia by 1943, while his mother died in Los Angeles in 1959, which leaves him as the sole heir to his father's life insurance.

Rakover's suit does not seek specific dollar amounts, although Shernoff says that, with compound interest, the insurance proceeds could be worth at least \$2 million today.

Instead, the suit seeks injunctions preventing the commission from intervening and allowing the plaintiffs to sue the insurance companies directly.

Rakover says that, when he was an adolescent, his father would send him to a Generali insurance office in Krakow four times per year with money to pay the insurance policy premiums. At first, Rakover didn't know what the money was for, but that changed in 1939.

That was when Rakover's father informed the family about the insurance and other assets he had secreted away. The family sensed that Germany would soon invade and that they might not all survive the ensuing panic and military occupation.

Rakover did not relate how he survived the next three years, but he counts himself fortunate that his youth and energy enabled him to work during that time.

After regaining his health, Rakover returned to Krakow, where he encountered a Generali office secretary who recognized him from his premium-payment deliveries.

Rakover says she told him that German officers had ordered her to destroy his family's insurance records and the records of other families with "Jewish-sounding" names.

He spent the next several years trying to learn what became of his family. The most he found about his brother were reports of his being buried under an unmarked grave in Siberia.

Rudman, the officer with the commission on Holocaust claims, says that while the organization's way of processing Holocaust claims may not please everyone, it has generated impressive results.

She says a recent biweekly report from the commission shows it has helped get \$96 million in payments to claimants "who would otherwise have no recourse."

She says the commission hopes to complete its work to pay all remaining claims by the end of 2005.

Rudman adds that, in addition to paying full-fledged insurance claims, the commission also has made \$16 million in "humanitarian" payments of \$1,000 each.

She said these payments are meant as a good-faith gesture to Holocaust survivors backed by limited anecdotal evidence of their claims.

Shernoff says that Rakover would not be eligible for the \$1,000 humanitarian payment because of lodging a claim with a specific insurance company.