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Insurer Settles Armenian Genocide Suit

New York Life will pay \$20 Million to victims' heirs and to nine civic organizations.

New York Life Insurance Co. has agreed to pay \$20 million to settle a lawsuit filed in Los Angeles by heirs of Armenian genocide victims who accused the company of failing to honor valid claims.

The company and lawyers for the heirs said the pact would resolve claims on more than 2,000 policies issued to Armenians in the Ottoman Empire before 1915.

From 1915 to 1923, about 1.5 million Armenians died at the hands of the Turks, and tens of thousands were deported in what some historians have described as the first genocide of the 20th century.

As part of the settlement, New York Life will contribute \$3 million to nine Armenian civic organizations, including the Armenian Educational Foundation in Glendale, the Armenian Church of North America Western Diocese in Burbank and the Western Prelacy of the Armenian Apostolic Church in Los Angeles.

California Insurance Commissioner John Garamendi, who played an active role in the negotiations, said many of the potential beneficiaries are California residents. Others live across the U.S. and abroad, according to attorney Brian Kabateck, who, like two of the other lawyers who worked on the case, has Armenian roots.

Individual claims will be evaluated by a board appointed by Garamendi. The typical award is expected to be in the range of \$10,000 to \$15,000, Kabateck said.

The suit was filed in November 1999 by Martin Marootian of La Cañada Flintridge, who is now 88, and 12 other plaintiffs, including one from the Republic of Armenia.

"I am pleased that after all these years the heirs of New York Life Insurance policyholders who perished in the genocide will finally be compensated," said Marootian.

In an earlier interview with The Times, Marootian said his mother originally tried in 1923 to collect on a 3,000-franc policy purchased by his uncle, Setrak Cheytanian, in 1910. "My uncle, his wife and two kids, they were all massacred," Marootian said.

U.S. District Judge Christina A. Snyder in Los Angeles has supervised the settlement talks and is expected to approve the agreement at a Feb. 15 hearing.

"This settlement is important, because it symbolizes our resolve to achieve justice for our ancestors who were massacred in the Armenian genocide," said lawyer Vartkes Yeghiayan of Glendale. The killings are commemorated every year on April 24, which has come to be known as Armenian Martyrs Day.

"We hope other companies will follow New York Life's lead, step forward and assist in restoring some of the losses incurred by the families of victims of this horrific crime against humanity," said co-counsel Mark Geragos.

He and attorney William Shernoff of Claremont, who also represented the plaintiffs, both said the settlement

was a significant milestone, particularly because the U.S. Supreme Court recently struck down a California statute that sought to make it easier for Holocaust survivors to recover on insurance policies written between 1929 and 1945.

The fact that claims based on insurance policies written thousands of miles away decades ago could be resolved in a U.S. court "is a marvelous display of how far the American judicial system can reach in pursuit of justice," Shernoff said.

New York Life first sought to have the suit dismissed. The company contended that the case should be moved to France, because a number of the policies contained language stating that any disputes had to be resolved in French courts.

But Snyder ruled in 2001 that with hundreds of thousands of ethnic Armenians living in California, enforcing such a requirement "would be fundamentally unfair." In the process, Snyder upheld a California law that allows heirs of Armenian genocide victims to use California courts to try to collect on the policies. The legislation extended the statute of limitations on such claims to 2010.

On Wednesday, Sy Sternberg, New York Life's chief executive, said the company paid a number of heirs years ago, after waiving normal claims procedures, "when it became clear that many of our Armenian policyholders perished in the tragic events of 1915."

He said the company's "willingness today to resolve policies that may remain unpaid from that era shows that New York Life adheres to the same values of integrity and humanity that guided us then."

Sternberg said the nine organizations that will share the \$3 million have been "instrumental in providing humanitarian aid to those displaced from Armenia and to other associations active in the community today."