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STATEMENT OF HENRY A. WAXMAN COMMITTEE ON GOVERNMENT REFORM HOLOCAUST ERA RESTITUTION September 16, 2003

Mr. Chairman, I would like to thank you for calling this hearing to examine the ongoing challenges in Holocaust insurance restitution. I also want to acknowledge your leadership role in ensuring restitution for Holocaust survivors and their relatives.

This Committee held the first congressional hearing on the International Commission on Holocaust Era Insurance Claims (ICHEIC) in November 2001. That hearing examined a number of serious problems with the ICHEIC process, including the extraordinary backlog in unresolved claims.

It is nearly two years since that hearing and nearly five years since ICHEIC was established to facilitate and accelerate the payment of policies purchased by the victims of Nazi terror. Yet even today, approximately 80% of ICHEIC claims are still in limbo.

There are two primary problems that prevent survivors from redeeming their insurance policies. One problem we can't do anything about: the Nazis often destroyed the records held by persons imprisoned in the concentration camps.

The other problem we can address: many of the insurance companies who issued these policies won't disclose complete lists of their policyholders.

The result is a Catch-22. Survivors and their relatives can't collect on their insurance policies because they can't prove who issued the policies.

California tried to address this problem by passing the Holocaust Victims Insurance Relief Act. This law required insurance companies doing business in California to disclose the list of Holocaust-era policyholders. The Chairman joined me in filing an amicus brief in support of the California law before the Supreme Court.

Unfortunately, the Bush Administration opposed this law, and the Supreme Court agreed, striking down the law this summer in *AIA v. Garamendi*. This decision removed critical leverage that state insurance regulators tried to use to pressure the insurance companies to fulfill their obligation to publish information about Holocaust-era policies.

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The Supreme Court's opinion, written by Justice Souter, concluded that California's "iron hand" approach would undercut the President's diplomatic discretion to use "kid gloves" to resolve Holocaust-era insurance cases.

Well, it's time to take the gloves off.

Look at a chart of Jewish population distribution in Europe before the Holocaust and look at the chart of the names that have been published through ICHEIC for each country. Germany makes up most of the names released on ICHEIC's website: nearly 400,000 policies identified in a country that had 585,000 Jews. But look at Poland, where 3 million Jews lived but a mere 11,225 policyholders have been listed, or Hungary, where barely 9,155 policyholder names have been identified out of a pre-war Jewish population exceeding 400,000. In Romania where close to 1 million Jews lived, only 79 policyholders have been identified. These countries were the cradle of Jewish civilization in Europe. Clearly, these numbers demonstrate that claimants are far from having a complete list.

Congress must act to fix this terrible injustice. That's why I have introduced H.R. 1210, the Holocaust Victims Insurance Relief Act, which would require all insurance companies operating in the United States to publish basic information about Holocaust-era policies for public dissemination through the National Archives.

At this hearing, we also need to address accountability at ICHEIC, the insurance companies, and the State Department.

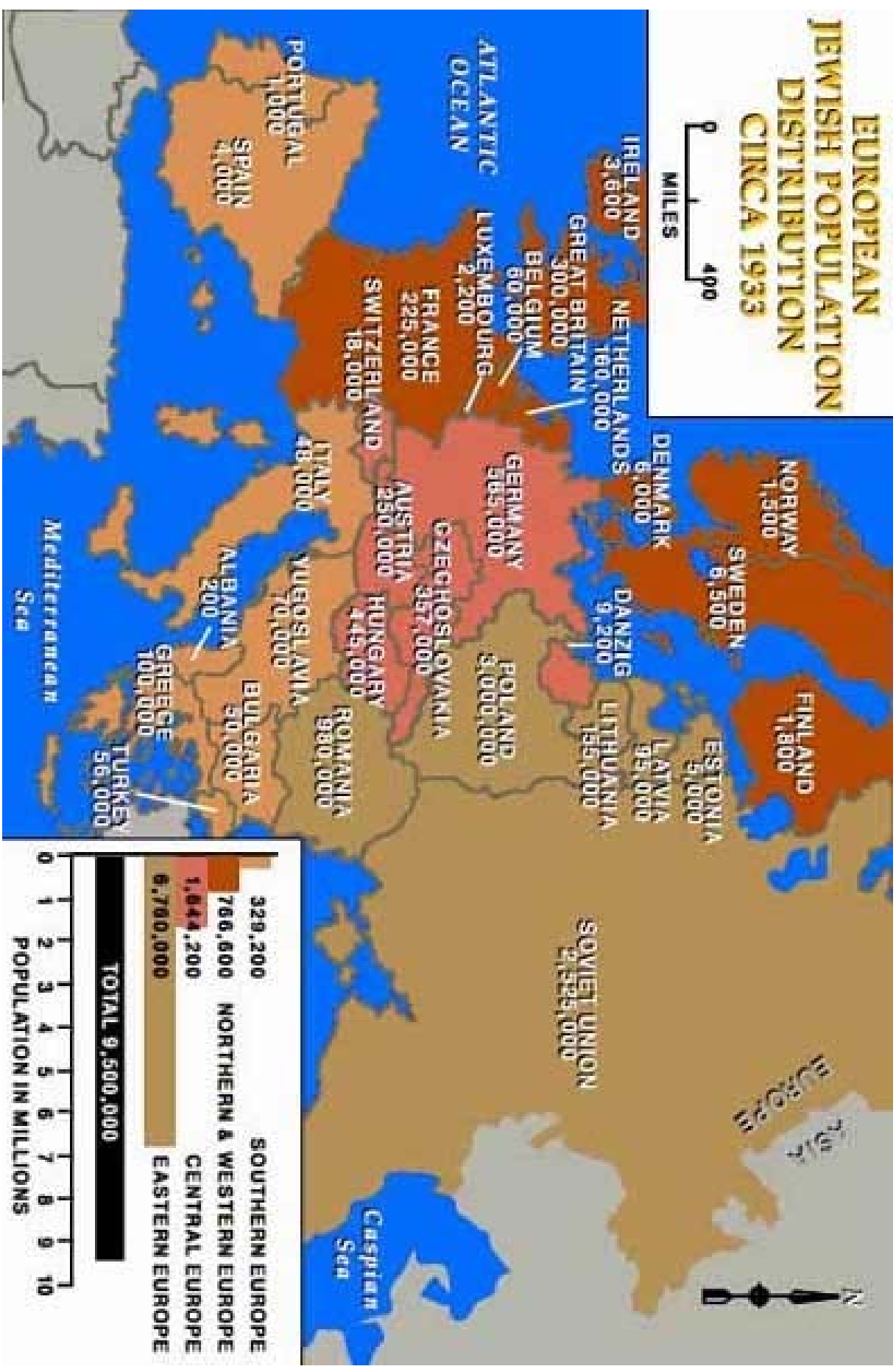
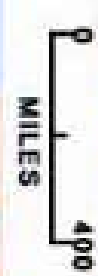
ICHEIC is supposed to be a public institution performing a public service, yet it has operated largely under a veil of secrecy without any accountability to its claimants or to the public. Even basic ICHEIC statistics have not been made available on a regular basis and information about ICHEIC's administrative and operational expenses have been kept under lock and key. There is no evidence of systematic changes that will guarantee that claims are being handled by ICHEIC in a timely way, with adequate followup.

Even worse, many of the insurance companies remain recalcitrant and unaccountable. ICHEIC statistics show that that claims are being rejected at rate of 5:1. German claims have idled because of the slow pace of research into whether the claims are eligible for payment. The Generali Trust Fund, an Italian company, has frequently denied claims generated from the ICHEIC website, or matched by ICHEIC internally, without even providing an explanation that would help claimants determine whether it would be appropriate to appeal.

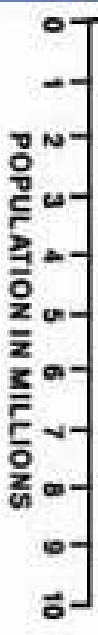
Likewise, the State Department should be doing more. As an observer to ICHEIC, and the guarantor of the President's policy to rely upon a voluntary system of compliance, the Administration must make clear to the companies that there are consequences if they fail to comply. The State Department should also play an activist role in resolving other obstacles like the inaccessibility of state archives in Poland, Hungary, and Romania that could help identify policyholders in those countries. Similarly, intervention with the French government could help with privacy laws that have blocked the publication of French policyholder names.

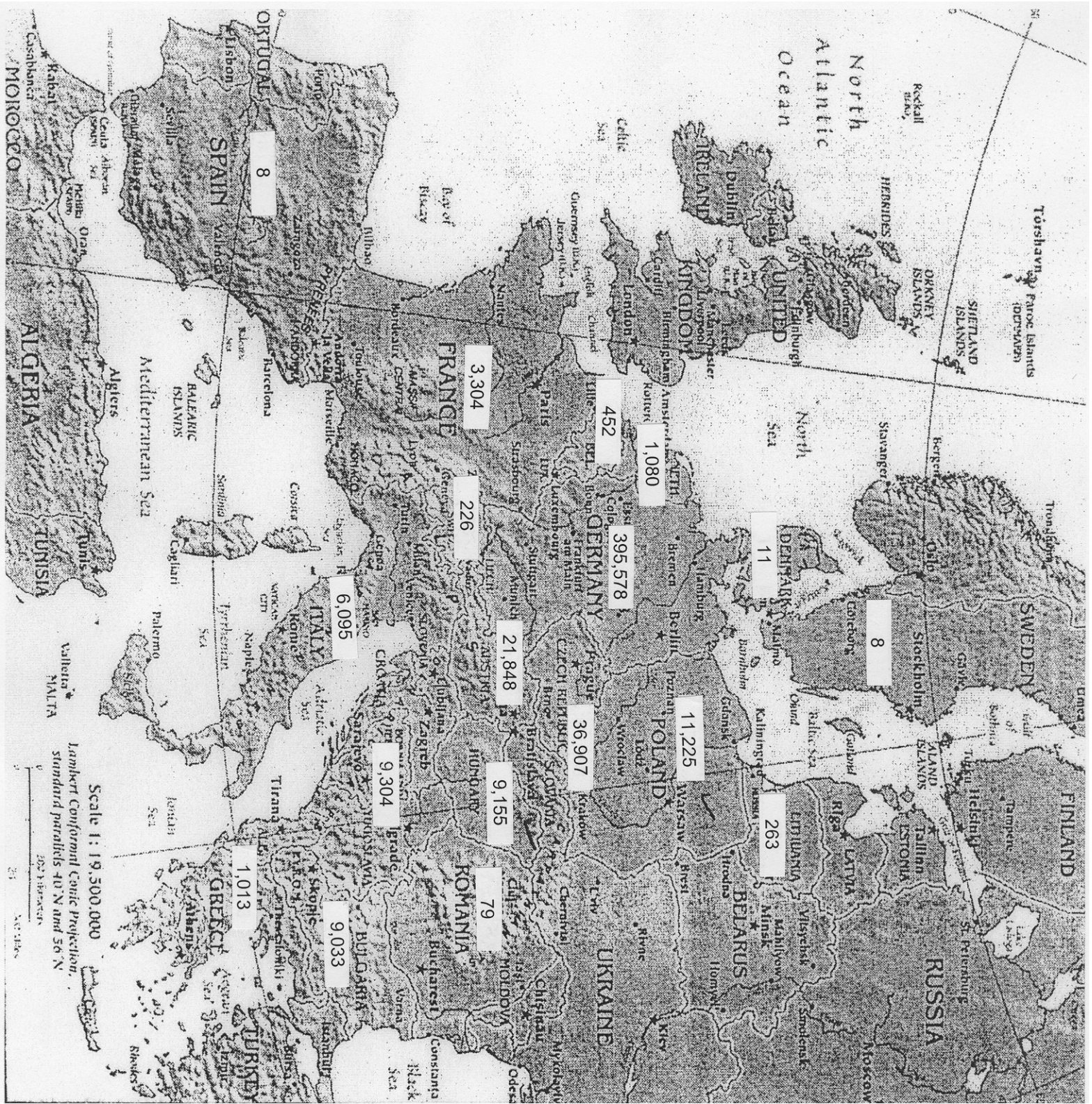
Mr. Chairman, whether through legislation, oversight, diplomatic efforts, or a combination of all three, I hope this hearing will help us identify steps that can be taken by ICHEIC, its members, the State Department, and Congress to make sure that this chapter of history will not close without 100% effort and 100% accountability. Time is running out for survivors still living today

EUROPEAN JEWISH POPULATION DISTRIBUTION CIRCA 1933



329,200	Southern Europe
766,600	Northern & Western Europe
1,844,200	Central Europe
6,760,000	Eastern Europe
TOTAL 9,500,000	





Scale 1: 19,500,000
 Lambert Conformal Conic Projection,
 standard parallels 40° N and 56° N

