

**STATEMENT OF ISRAEL ARBEITER
BEFORE HOUSE GOVERNMENT REFORM COMMITTEE**

**HEARING ON STATUS OF INSURANCE RESTITUTION FOR HOLOCAUST
VICTIMS AND HEIRS**

September 16, 2003

Mr. Chairman, Congressman Waxman, distinguished Members of the Committee, good afternoon. I am Israel Arbeiter. I am a survivor of the Holocaust and President of the American Association of Jewish Holocaust Survivors of Greater Boston. I serve as Chairman of the Advisory Committee of the *Hakala* program of the Jewish Family & Children's Service in Boston, which provides emergency assistance to needy Survivors. I am also a founding Board member of the Holocaust Survivors' Foundation-USA, a national coalition of survivor organizations. In these roles I am in frequent contact with survivors who have filed claims for unpaid insurance policies.

I appreciate the opportunity to once again address the Committee both as a leader in my community and as an individual claimant -- to express my alarm over the slow pace of justice as practiced by the ICHEIC. Today I feel like we have reached the end of the line.

22 months ago I sat in this spot and appealed to you for help in resolving this matter of great concern to so many survivors. Time, we all agreed, was of the utmost importance. I listened to the testimony that day of Chairman Eagleburger, government officials and other members of ICHEIC. They all promised quick action, a fair process where rules are enforced, where everyone gets a fair shake. We were told to be patient, that improvements would be made, that the process would soon succeed.

The frustration I felt that day has become deeper with each passing month that my fellow survivors and I are left waiting for a resolution.

There are several issues I want to touch on today. Each of them is an important part of why survivors have little or no confidence in the ICHEIC.

Publication of Names

It was certainly an achievement to see hundreds of thousands of names from German insurance companies published by ICHEIC a few months ago. It was unfortunately a few years late but welcome all the same. For many survivors and families originally from Germany, it was important to see the names of loved ones come into the light. Among the discoveries on the list were the parents of one of my colleagues in Seattle, Fred Taucher, which was reported in the *New York Times* in May. Fred, like myself, had no documentation but had very clear

memories of insurance coverage purchased by his father. His efforts to file a claim with ICHEIC originally resulted in quick denials by Allianz and other insurers. Now the list has revealed that both his parents, who died in the Holocaust, actually had life insurance. We will now see if the list translates into real payments for Fred and others.

While the list is important for many German Jewish families, it is not really of any use to the vast majority of us who came from Poland and Eastern Europe. You see, the German companies didn't do business there.

We are still waiting for the light to fully shine on the files of Generali, RAS and other companies that operated in the East. I know that for every name Generali has agreed to release, there are many more kept hidden. Why? Because they get to make the rules about which names get published. Unfortunately, when it comes to the Eastern Europe names, French names, and many other lists, the agreement which led to German names being published does not apply.

Chairman Eagleburger says he thinks the current lists are, in his words, "virtually all the names that the companies have." How can he say this when so many of the Generali names remain purposely hidden from us?

We believe that the only way to make the process work, the only way to prove to skeptical survivors that the process is honest, is to allow the publication of comprehensive lists.

The Claims Process

I submitted my claim in late 2000 -- almost three years ago. In December of that year, I was informed by ICHEIC that they received my claim and that I would hopefully receive a response in 90 days. That was exactly 1,011 days ago, and in that whole period, I have not heard one more word from ICHEIC about my claim.

My repeated calls to their "Help Line" have provided no new information about the status of my claim. I decided to try again just last week. I was told that nothing could be determined about my claim until the completion of company "audits." When I asked when these audits were to be completed, I was told the date was "indefinite." For someone who is 78 years old, this was not a comforting answer.

What has ICHEIC been doing with my claim since they received it? Are they still "negotiating" with the companies over how to handle claims like mine? Are they still waiting for Generali and the other companies that once did business in my native Poland to complete their investigations? Are they waiting me out? Have they lost my claim? Do they care? I have the impression that ICHEIC is still struggling to establish basic ground rules for its claims process, and this is holding up my claim and probably thousands of others. How can this honestly be called a "claims process?"

Claims with No Company Named

I read recently in the *Economist* magazine that ICHEIC was still trying to figure out what to do with the thousands of claims it has received that do not have documentation naming a specific company. Because the lists of names from Eastern Europe are so meager, most of us have only our sharp and painful memories to go on. I am in this category.

I will repeat what I told this committee in Nov 2001: My father Itzchak Arbeiter had life insurance. I remember distinctly the insurance agent coming to my home regularly and collecting premiums from my father. I remember how my father kept a record of his payments using the booklet provided by the company. I remember how my father explained that he was thinking about our future. But after the war, I had no papers. Nothing was left.

ICHEIC has been accepting claims like mine for over three years. And here we are in September 2003 and they haven't been able to decide on how to deal with them. This is shameful. After three years, they should have been able to make some kind of decision one way or another. At the very least, they could have provided an honest explanation of what is causing the holdup.

I have even read that the companies and other ICHEIC members feel they need to create a special system for considering claims like mine that do not name a company in order to prevent fraud. I want to ask Chairman Eagleburger: because I have no documentation, is my story not believable? Am I considered a potential risk for fraud?

I will tell you what the fraud is...it is the ICHEIC process itself that is carrying out a deception on people like me.

What good does it do to create an elaborate claims system and proclaim there are "relaxed standards of proof" when everyone knows from the beginning that most of us survivors have no documentation? What good does it do to have rules about completing claims investigations in 90 days when they don't honor them? What good does it do to have a claims "process" when claimants receive no word about their status for almost three years? I feel like I have no voice in the process, and am at the mercy of the companies which control the process.

ICHEIC Humanitarian Fund

While we wait for the claims process to somehow begin working for us, we are also reading about the efforts by Chairman Eagleburger and the ICHEIC members to distribute funds specially designed for "humanitarian" purposes. So far as I understand it, ICHEIC has \$162 million at its disposal. This amount may grow depending on how many claims are paid or denied.

Ladies and Gentlemen, I must report to you that thousands of aging survivors in this country are today facing a crisis - the lack of adequate social services to meet their needs. Thousands of survivors alone and in poor health depend on special services. I see this problem personally in my community in my capacity as chair of the Advisory Committee reviewing emergency assistance in Greater Boston. Jewish Family Service agencies everywhere are straining to meet even the minimal needs of survivors who need home care, transport and other special services to maintain a decent quality of life.

The strong consensus in my community is that, until the needs of aging survivors are met – all available funds from the insurance settlements and other Holocaust settlements must be devoted to these needs.

The ICHEIC has been debating how to use its humanitarian funds. The debate has taken place behind closed doors. My voice and my community's voice is not heard. This is no way to run a humanitarian program.

ICHEIC has taken on a major responsibility in this humanitarian area with the approval and support of our government. I ask you to do everything you can to require an open and transparent process for the distribution of these desperately needed resources. \$162 million is a lot of money that can make a huge difference in people's lives. Let's make sure it is distributed fairly.

Let me share with you from a letter written jointly by 48 Executives of Jewish Federations and Community Relations Councils in the United States to Chairman Eagleburger last March urging that all ICHEIC Humanitarian Funds be directed to the care of needy survivors. I have attached the complete text of the letter to my written testimony.

The letter concludes this way:

The story of the Holocaust is not yet complete --there is at least one important chapter remaining. ... which will tell the story of how the survivors of mankind's darkest hour lived out the balance of their lives while under our care---after being extricated from the death grip of the Nazis.

When you consider the distribution of the funds under your control, we beg you to be guided by ... the very name you have chosen for the fund--- "humanitarian." Please help ensure that Holocaust survivors are not abandoned in their final years.

I am proud to tell you that the leadership in my community, under the Jewish Federation of Greater Boston, helped initiate this letter.

In conclusion, I believe you in Congress can do much to address these problems, either through legislation calling for the publication of comprehensive lists of Holocaust-era policyholders, by exposing the problems fully & honestly, by

demanding real oversight of ICHEIC, by conducting hearings on the plight of needy survivors in our country, and through moral persuasion.

Hopefully this hearing will help ICHEIC turn a new page, and that fundamental changes can be implemented. My community still has a glimmer of hope that something good and decent can come out of the insurance settlement process while we are still alive to see justice done.

Thank you.