



## Holocaust Heirs Sue Insurers For Failing to Honor Policies

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For months Swiss banks have been on the hot seat. Now it's Europe's leading insurers.

Lawyers representing a dozen Holocaust survivors and heirs filed suit Monday in U.S. District Court for the Southern District of New York alleging that seven European life insurers owe billions of dollars to Jews and other victims of Nazi persecution. The suit, which seeks class-action status, alleges that the insurers refused after World War II to honor many life-insurance policies purchased in the years before the war. The suit maintains that more than 10,000 individuals are potential class members, with average claims exceeding \$75,000, which would include accrued interest.

The lawyers for the plaintiffs maintain that the insurers' "excuses for refusal" to honor these policies include that the companies cannot locate the policies to prove their existence; that the policies contain "act of war" exclusions; that the policies lapsed after policyholders quit paying premiums, and that the companies' operations in Eastern European countries were nationalized so that responsibility for the death benefits long ago passed on to governmental entities. The lawyers for the plaintiffs say that none of these excuses are strong enough to justify nonpayment.

Monday was a holiday in Europe, and representatives of the insurers, including giants Assicurazioni Generali, Assurances Generales de France Vie and Allianz Group of Germany, couldn't be reached to comment. Industry experts believe the insurers have some legal defenses to justify at least some refusals, but note that the litigation puts them in a delicate public-relations position.

"The insurance companies are going to be mindful of the bad publicity that the Swiss banks went through," said Harold Skipper, who heads the international-insurance department at

Georgia State University. "These companies have sterling reputations, and this is an incredibly sensitive issue."

One of the plaintiffs is Marta Drucker Cornell, 69 years old, who was born in Czechoslovakia and deported to Nazi concentration camps with her entire family in 1942. Citing policy numbers neatly penned on a small scrap of paper by her father before his death, Mrs. Cornell said she at least twice sought payment of the death benefits. Her complaint is against Italian insurers Assicurazioni Generali and Riunione Adriatica Di Sicurta.

In a telephone interview, she haltingly recalled how one insurer initially told her that "there were unusual circumstances, that my father perished in the camp, and they couldn't pay anything," an apparent reference to the act-of-war exclusion that some policies contain. That was in 1945 while she was still in Czechoslovakia. In 1964, after she moved to the U.S., she tried again. This time, she said, one of the insurers used the nationalization argument, in addition to contending that her father's policies had lapsed for nonpayment after he was sent to Auschwitz.

Mrs. Cornell said the claim rejection was "another disappointment" in her family's sad experience with the war, and she let the matter drop until reading recent accounts of Swiss banks' handling of some Jewish assets. She contacted Edward D. Fagan, an attorney involved in litigation against the Swiss banks. She said she came forward because "this is the right thing to do. The money doesn't belong to the insurance companies."

Experts believe there are many families like Mrs. Cornell's, whose father was a medical doctor. Middle-class European Jews often bought insurance to save for weddings or retirement. Indeed, Mr. Fagan, who filed the insurance suit

Monday along with attorneys from Kohn, Swift & Graf and Anderson, Kill & Olick, said insurance policies may have been "more prevalent" than bank accounts. Legal experts say the policyholders face many obstacles in obtaining compensation and punitive damages. To start with, the insurers are likely to protest litigating the matter in U.S. courts, where class actions are fairly easily certified. Many heirs of Holocaust victims now live in the U.S.

While Mrs. Cornell has poignant proof of the existence of policies, many other potential claimants are likely to face difficulty simply proving they had policies. Many families' personal records were destroyed or lost during the war, while insurers generally are allowed by law to destroy certain old records.