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ENVIRONMENTAL QUALITY
JUDICIARY
HEALTH
SELECT COMMITTEE
HIGH SCHOOL GRADUATION

June 12, 2008

The Honorable Nancy Pelosi
United States House of Representatives
H-232, United States Capitol
Washington, DC 20515

Dear Speaker Pelosi:

An estimated 80,000 Holocaust survivors in the United States live below the poverty line or are so poor they cannot afford adequate food, shelter, medical care, and other basic necessities. Of these indigent survivors, approximately 6,000 alone reside in California. It is with these Holocaust survivors in mind, that I write you in full support of House Resolution 1746, pending federal legislation that would require insurers to disclose the names of policyholders from the Holocaust era and allow survivors to bring civil actions for unpaid insurance policies. HR 1746 would restore California Holocaust survivors' rights to seek restitution, a right which was deprived of them by the courts and that Congress retains the ability to restore.

California legislation established similar provisions to those in HR 1746. In 1999, along with my colleagues in the California State Legislature, I supported the Holocaust Victim Insurance Relief Act. Under this law (Assembly Bill 600, Knox, Chapter 827, Statutes of 1999), all insurers doing business in California were required to disclose information on policies sold between 1920 and 1945 in Europe to the State Insurance Commissioner for the creation of a registry. This legislation also created a cause of action in California for Holocaust survivors to seek restitution.

Unfortunately, Holocaust survivors have not yet been able to have their day in a court, in California or elsewhere. In 2003, the United States Supreme Court in *American Insurance Association et. al v. Garamendi, Insurance Commissioner, State of California* pre-empted California's law. The Court held that this state legislation interfered with the President's negotiation in the German-U.S. Executive Agreement, which made the International Commission on Holocaust Era Insurance Claims (ICHEIC) the exclusive arbiter of unpaid insurance policies. Consequently, the State of California was never able to create the registry to inform survivors of potential claims. And, in light of the *Garamendi* ruling, subsequent court decisions held that Holocaust survivors could not pursue claims against insurers. Notably, these cases also cited the absence of Congressional action on this issue.



The Honorable Nancy Pelosi, Speaker of the House of Representatives

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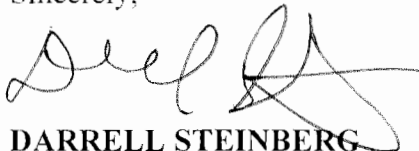
As ICHEIC's deadline to file a claim loomed in 2003, I carried legislation, enacted by the Legislature, that called on ICHEIC to promptly disburse funds to the poorest Holocaust survivors (Assembly Concurrent Resolution 74, Steinberg, Chapter 97, Statutes of 2003). As you may know, ICHEIC provided great cause for concern. Operating costs initially far exceeded what the Commission had paid out, and totaled \$100 million. And, ICHEIC refused to provide Congressionally required reports.

Ultimately, ICHEIC only paid out \$450 million to survivors worldwide, a small fraction of the estimated \$18 billion owed to Holocaust survivors for unpaid insurance claims, before it closed its doors in March 2007. Survivors whose claims were denied by ICHEIC or were unable to file ICHEIC claims within the relatively short window provided ought to be able to seek recourse through our courts. Congressional action in the form of HR 1746 can make this possible by restoring Holocaust survivors' rights to seek restitution. For Holocaust survivors in need and at the end of their lives, such an opportunity may be quite literally priceless.

I understand the House Committee on Foreign Affairs approved the bill by unanimous consent, and hope that this bill will receive full consideration by the House Committee on Oversight and Government Reform and House Committee on Financial Services where the bill has also been referred.

Thank you for this opportunity to share my thoughts on this critical legislation. If you have any questions, please do not hesitate to contact me. You can reach my staff, Kiyomi Burchill, at (916) 651-4006 or at kiyomi.burchill@sen.ca.gov.

Sincerely,



DARRELL STEINBERG
California State Senator, 6th District

DS:kb

Cc: Honorable Howard L. Berman, Chair, House Committee on Foreign Affairs
Honorable Henry A. Waxman, Chair, House Committee on Oversight and Government Reform
Honorable Barney Frank, Chair, House Committee on Financial Services