

Holocaust survivor carries on insurance fight

By PATTY REINERT

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WASHINGTON, D.C. -- Ivan Solti's grandmother desperately cut open her arteries as the Nazis poured into Hungary, but lived long enough to be gassed at Auschwitz. His father, a lawyer, was made to dig his own grave in the Apafa Forest before he was executed. His great-uncle disappeared altogether.

Solti was 14 in the summer of 1944. He remembers all of it -- being deported with his mother to Austria, where they were forced into labor, and then on to the Theresienstadt camp in Czechoslovakia, where they narrowly escaped starvation and typhoid and the soldiers who shot Jews nearly every day.

They were liberated by the Russians in May of '45, but when Solti and his mother returned to Hungary, everyone they loved and everything they had was gone. And when his mother tried to collect on her relatives' life insurance through the Italian insurance company, Assicurazioni Generali, the company wouldn't pay. She had no proof of the policies, the company said, and no death certificates.

Now Solti, a 72-year-old Houston retiree, has taken up the fight to force the insurers, many now affiliated with U.S. firms, to make good on their claims. One issue in the case now is before the U.S. Supreme Court.

Last week, lawyers for the insurance industry urged the court to strike down California's 1999 Holocaust Victims Insurance Relief Act, which requires insurers to provide information on all policyholders who purchased insurance in Europe between 1920 and 1945. The insurers assert Holocaust victims make up fewer than 1 percent of the 10 million policies sold during that period, and they say they must protect the private information of their other policyholders.

Fifty-two members of Congress have filed a brief supporting the California law. But the Bush administration has weighed in on the side of insurers, arguing that California is unconstitutionally usurping the federal government's role in establishing foreign policy. The administration and the insurance companies warn that individual lawsuits by heirs threaten to interfere with an international commission's efforts to settle the claims.

"The commission has been endorsed by the United States government, the state of Israel and Holocaust survivor groups as the very best way to get money into their hands," said Kenneth Geller, a Washington lawyer representing the American Insurance Association in the case. "The alternative is years and years of litigation where the companies have pretty good defenses that they can't be sued in the United States."

Geller complained that California is trying to hold his American clients hostage when it was not them, but the foreign owners or related companies, who sold the insurance policies.

But critics said the International Commission on Holocaust Era Insurance Claims, set up during the Clinton administration, isn't processing claims fast enough. They accuse some of the foreign insurance companies of colluding with Hitler's Third Reich to pocket some of the insurance money and turn over the rest of the payouts to the Nazis. Other companies, they say, have simply stalled for the past 60 years, demanding proof they know is virtually impossible for the heirs to document.

California's law and others like it are aimed at addressing "the despicable practice by insurance companies ... of stonewalling for decades," California attorney Fred Kaplan told the Supreme Court justices.

Texas and several other states filed a friend-of-the-court brief supporting the California law, arguing that they have the right to regulate insurance companies seeking to do business in their states. To properly evaluate the companies, the states argue, they need to know whether the insurers are actually paying their claims as promised.

Today, if insurance policies are lost or destroyed in a fire or other disaster, they can easily be replaced because they are backed up on computers, and responsible insurance companies will readily reconstruct them. But many World War II-era policies issued in Europe were handwritten.

When those documents were confiscated by the Nazis or lost in the turmoil of the Holocaust, they were harder to track down. In many cases, the children or grandchildren of Holocaust victims have no idea whether their loved ones had insurance at all, and if they did, which company it was purchased from.

"The California law had to do with a very direct request by regulators to produce data," said Texas Insurance Commissioner Jose Montemayor. "It was well within their authority."

Hoping to avoid some of the legal challenges California has had to address, Texas adopted a simpler law in 2001. It does not require insurers to scour their old files for the policy information, but extends the time period in which heirs of Holocaust victims can sue to collect unpaid claims.

Montemayor estimates that there are about 500 Holocaust survivors or heirs living in Texas, most in Houston. Of those, it's unclear how many could collect on their relatives' insurance, or how many have given up trying, he said.

His office has spent years helping those interested in filing claims through the international commission, but Montemayor said the process has taken so long that many of the people have died without collecting. "Time is not on our side," he said. "This is a people who have suffered long and arduously and they need to be able to collect on their policies."

Terrell E. Hunt, the Houston-based president of Living Heirs Foundation, an organization that researches insurance policy information for Holocaust heirs, agrees.

Hunt, a lawyer and "insurance archeologist" who used to research old insurance policies for people suing polluters over environmental damage that showed up decades later, has unearthed several documents from Nazi archives in Europe. He believes some of them provide the "smoking gun" evidence of insurers collaborating with Hitler's Third Reich to take advantage of Jewish policyholders.

"It was a horrible conspiracy between the insurance industry and the Nazis," Hunt said.

Insurance regulators in California and Texas and other states have a right to take that into consideration, he said, when they decide whether the companies or their offshoots should be allowed to do business in their states.

"The insurance companies say they were victims, too," he said. "Everybody was victimized by the Nazis, but they found a way to improve their position, to benefit from their relationship with the Nazis."

After decades of negotiations, Ivan Solti said, he was able to collect on one of his father's insurance policies. He has no way of knowing whether the payout was fair, he said.

Two other policies remain unpaid.

"I've tried everything and nothing seems to work right now," he said. "Let's put it this way: It's frustrating."

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