

# International Commission on Holocaust Era Insurance Claims

## GUIDE TO VALUATION PROCEDURES: EDITION DATED 22-10-02

### 1 INTRODUCTION

- 1.1 The valuation of claims includes two phases. The first is the assignment of base values to a policy, depending on the terms of the contract, the history of the payment of premiums etc and the circumstances of the insured event (death of the insured or maturity of the policy).
- 1.2 The base value of a policy is the value it would have had at the date of the insured event (on death of the insured person or on maturity at the end of the policy). The second is the application of appropriate multipliers to the base value to produce the current value.
- 1.3 Policies shall be valued as unpaid if a claim on a policy is proved to be valid according to the standards of proof and there is no evidence that the policy was paid
- 1.4 Rules for determining the treatment of policies paid during the Holocaust but where the proceeds were either confiscated or paid into a blocked account or where it is deemed likely that they were confiscated or paid into a blocked account are set out in Sections 4 and 5 below.

### 2 POLICIES ISSUED IN GERMANY

- 2.1 For policies issued in Germany (within the boundaries of 1937 and denominated in Reichsmarks), for which the Federal Republic of Germany established programmes of compensation after the war under the Bundesentschaedigungsgesetz (the BEG) or other programmes of compensation or restitution, the company shall assess the claim (both the base value and the valuation up to 1969) as if it had been submitted to the BEG, using the same methods of valuation, and apply a multiplier to this value of 8X.
- 2.2 For offers made from January 2001 the value will be updated by reference to the appropriate multiplier (see schedule 2).
- 2.3 Each claimant shall receive in respect of any valid claim on a policy issued in Germany by a German company at least a minimum payment of \$4000 per policy, if he/she is himself/herself a survivor of the Holocaust or \$3000 per policy for other valid claims. The company will determine the value of the policy according to Sections 2.1 and 2.2 of these guidelines. No maximum limit should be applied.\*
- 2.4 If a claim is on a policy where the German Compensation or Restitution Authorities had rendered a decision on that specific policy then such a decision cannot be considered further in the ICHEIC process, subject to the exceptions in §2 (1) (c) of the Agreement between ICHEIC and the German Foundation.

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\* For payments on policies issued in Germany the provision for humanitarian funds from the German Foundation will cover the difference between the value of the policy according to section 2.1 and 2.2 of these guidelines and the minimum payment shown in section 2.3. The total payment to the claimant shall be made by the company after the corresponding amounts have been provided by the Foundation.

### 3 DETERMINING BASE VALUES (NOT GERMANY)

#### Policies relating to those who Died During The Holocaust Era

**3.1 Date of death:** If the company or the claimant has evidence of the date of death or deportation of the policyholder or the insured, this shall be used as relevant in assessing the base value. If there is no evidence, the dates for deemed death shown in schedule 1, shall be used.

**3.2 Base value at death:** If the insured person or the policyholder died during the Holocaust era (see Schedule 1), the base value at the date of the insured event is the full sum insured minus any specific deduction (unless the company can demonstrate that the policy had been voluntarily converted to "paid up" status by the policyholder). (Paid up value is defined as a new sum insured at a lower value according to the terms of the policy, or as assessed by the company).

**3.3 The specific deductions are for**

**3.3.1** Loans taken out during the life of the policy but before the beginning of the Holocaust era and not repaid

**3.3.2** Premiums not paid, subject to the following conditions:

- If premiums stopped after the date of deportation (from the evidence) or the start of the Holocaust era (using schedule 1), the company shall deduct those unpaid premiums from the full sum insured, up to a maximum of two years.
- If premiums ceased before start of the Holocaust era given in schedule 1, the offer shall be based on the "paid up" value.
- Only if the company has evidence of unpaid premiums shall it make a deduction. If the company has no records it shall make no deduction.

**3.3.3**

Compensation related to the specific policy and paid under post war arrangement (other than in Germany) by governments or any other state entities.

**3.4 Policies converted to paid up status:** In cases where there is evidence that the policy was formally converted to paid up status (the following rules apply:

- If conversion was before the start of the Holocaust era, base value equals paid up value
- If conversion was in or after the year of the start of the Holocaust era, and the company can show that this was made voluntarily by the policyholder in writing, then the base value equals the paid up value
- If conversion was made in or after the year of the start of the Holocaust era, but the company cannot show that this was made voluntarily by the policyholder in writing, then the base value equals the full sum insured, less any deductions for unpaid premiums in accordance with paragraph 3.3.2)
- From all base values any further adjustments required by paragraph 3.3.1 & 3.3.3) should be applied.

#### Policies of Survivors

**3.5** If the insured person and the policy holder survived after 1945 (and premiums had not been paid), the base value is the "paid up" value of the policy as assessed by the company (which will deem premium payments to have stopped in 1945) and subject to any further adjustments required by paragraphs 3.3.1. and 3.3.3.

## 4 CONFISCATED POLICIES (ALL COUNTRIES)

### Confiscated Policies

- 4.1 Policies that were paid, as required by local law, to a government authority that was not the named beneficiary of the policy shall be given the same valuation as applied to unpaid claims.
- 4.2 In the absence of evidence to the contrary (produced either by the claimant or the company, a payment should be treated as confiscated if it was in or after the year given for the respective country in the table in schedule 1 Column iii.
- 4.3 . Conversely, where a company can demonstrate that the proceeds of the policy were paid before the deemed date, it should be assumed, in the absence of evidence to the contrary, that the payment was made to the rightful beneficiary.
- 4.4 For France, any claim that a policy was confiscated will be considered under the procedures in paragraph 5.3 below for blocked accounts in France.

## 5 BLOCKED ACCOUNTS (ALL COUNTRIES)

- 5.1 Where there is evidence that policies were paid, but the payment was into a blocked account, these policies shall be given the same valuation as applied to unpaid claims.\*\*
- 5.2 A payment on a policy will be deemed paid into a blocked account if it was during the years given for the respective country in the table in schedule 1 column (ii), unless there is evidence that it was not paid into a blocked account.
- 5.3 For policies issued in France, where there is a scheme for the compensation of bank accounts that were blocked, the claim will be referred to the relevant authority.
- 5.4 For policies issued in Austria the payment is deemed to be made into a blocked account if it was made to the policyholder from March 1938 through the end of 1939 unless there is evidence that the payment was not made into a blocked account.
- 5.5 For policies issued in Germany the following rules shall apply:
  - 5.5.1 During the period from the start of 1933 through to the end of 1937
    - 5.5.1.1 The payment is deemed to be made into a blocked account, if there is evidence according to the Relaxed Standards of Proof that:
      - the policyholder emigrated or was deported or was otherwise deprived in that period of his/her freedom as a Holocaust victim
      - or
      - That a policyholder attempted to emigrate or was arrested or detained.unless there is evidence that the payment was not made into a blocked account.
    - 5.5.1.2 Conversely, if there is no evidence that the policyholder emigrated, attempted to emigrate, was arrested or detained or was deprived of his or her freedom as a Holocaust victim, then it can be assumed that payment was not made into a blocked account.
  - 5.5.2 During the period from the start of 1938 through the end of 1939, the payment is deemed to be made into a blocked account if it was made to the policyholder unless there is evidence that the payment was not made into a blocked account

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\*\* For payments on policies issued by German companies the source of finance will be the amounts made available for humanitarian purposes

## **6 DETERMINING CURRENT VALUES**

The current value of a policy is in the base value increased by agreed factors to allow for changes in currency, economic circumstances and interest during the years from the insured event to the present day. The factors for each country are designed to give a present day value to the base values, while taking account of the many economic and monetary events which disturbed the purchasing power of currencies in wartime and post-war Europe. For policies issued in Eastern Europe account has also been taken of the fact that insurance companies were nationalised or liquidated under the instructions of the post war governments.

### **6.1 Western European Countries**

The current value of offers on policies issued in these countries is calculated in accordance with the steps outlined in Schedule 2.

### **6.2 Eastern European Countries**

Offers on policies issued in these countries are in US dollars. The current value is determined in accordance with the steps outlined in Schedule 2. For policies issued in dollars and not converted into the local currency, the base value remains in dollars.

## **7 OTHER ISSUES**

### **7.1 Unknown Values**

If a claimant satisfies the Relaxed Standards of Proof that a policy existed which was unpaid and names the company that issued the policy, but the amount of the policy cannot be determined, [the offer shall be based on a multiple of three times (3X) the average value\_for policies in the respective country (shown in schedule 3) The appropriate multipliers should then be applied but the payment offered should not exceed \$6,000 per policy

### **7.2 Minimum Payments for policies issued in Eastern Europe**

If the valuation of a claim on a policy issued in Eastern Europe is below \$100, the minimum payment is \$500; if the valuation is above \$100, the minimum payment is \$2,000 for survivors and \$1,000 for other proven claimants.

### **7.3 Policies denominated in currencies other than the country of issue**

If a policy was issued in a currency of another country (e.g. Swiss Francs) and subsequently converted into the local currency, in accordance with a law of general application, the current value is determined according to the rules for that country. For Western European countries, if the policy was not converted (e.g. a cross-border sale) the valuation is according to the multipliers in Schedule 4. For policies issued in Eastern Europe and not converted, the procedure in Schedule 2 from Step 2 (for East European claims) should be followed. Policies issued with a link to the price of gold should be treated as if they had been issued in the nominal currency.

## **Prior settlement by companies**

**7.4** Any claim settled between a claimant and an insurance company after the war will not be reopened, even if the claimant would be entitled to a larger amount under the ICHEIC valuation guide

## **7.5 Cancelled policies**

**7.5.1** [For policies that were cancelled or suspended for non-payment of the initial premiums (after the payment of the first premium), if any unpaid premiums were due in years on or after the start of the Holocaust era in the country of issue and if the insured or the policyholder died during the Holocaust era, then the policy shall be deemed to be valid for the full sum insured (less any specific deductions under paragraphs 3.3.1 & 3.3.3) at the date of the insured event

**7.5.2** If the policyholder and the insured survived the Holocaust era and did not reinstate the policy, the policy shall be valued as a paid up policy on the assumption that premiums had been paid until 1945].

## **8 FINAL PROVISION**

All offers shall include a schedule showing how the calculation of the offer has been made.

**SCHEDULE 1**

**Dates for determining the deemed dates of events, if not otherwise known, for**  
**(i) the start of the Holocaust or Nazi persecution in each country,**  
**(ii) payments into blocked accounts**  
**(iii) the start of confiscation of the proceeds of insurance policies and**  
**(iv) year of death,**

	(i) Start of Holocaust Era/NS persecution	(ii) Dates of deemed payment to blocked account	(iii) <u>Dates for start of deemed confiscation</u>	(iv) Deemed death
Austria	1938	1938-1939	1940	1941
Belgium	1940	1941- 1944		1942
Bulgaria	1941		1942	1942
Czechoslovakia - Sudetenland	1938		1938	1941
Czechoslovakia - Bohemia Moravia and Slovakia	1939		1939	1941
Croatia	1940		1940	1941
France	1940	1941-1944		1942
Germany	1933	1933-1939	1940	1945
Greece	1941		1943	1943
Hungary	1939		1942	1944
Italy	1939		1943	1943
Netherlands	Sjoa		Sjoa	Sjoa
Poland	1939		1939	1941
Romania	1940		1941	1941
Yugoslavia	1941		1941	1941

**TABLE OF VALUATION FACTORS  
Western European Claims**

**Step 1**

Multipliers to be used in step 1 as described in the valuation guide from the date of the insured event.

All multipliers to 2000

Year of insured event	Austria	Belgium	France*	Italy
1938	69.1	61.1		1335.2
1939	68.5	58.2	1.696	1271.4
1940	65.8	55.5	1.547	1144.4
1941	63.4	53.3	1.408	1035.1
1942	61.6	51.3	1.280	936.8
1943	60.2	49.3	1.163	679.9
1944	58.6	47.5	1.058	247.1
1945	54.3	45.7	0.961	163.6
1946	42.4	43.9	0.874	146.4
1947	28.4	42.0	0.795	109.2
1948	16.2	40.1	0.722	102.5
1949	12.8	38.3	0.657	97.0
1950	10.7	36.7	0.597	91.7
1951	8.2	35.1	0.543	86.4
1952	7.1	33.4	0.493	81.6
1953	7.1	31.8	0.464	77.0
1954	6.7	30.4	0.436	72.6
1955	6.3	29.0	0.411	68.3
1956	5.9	27.7	0.388	64.0
1957	5.5	26.2	0.362	59.9
1958	5.2	24.8	0.337	56.1
1959	4.8	23.6	0.316	53.1
1960	4.5	22.4	0.299	50.6

\*The multipliers for France incorporate the currency reform of 1960 when 100 Old Francs were replaced by 1 New Franc.

**Step 2**

For offers made after 2000, an addition will be made to reflect interest at the following rates

- 5.4% for the full year 2001,
- 5% for the full year 2002,
- 4.75% for 2003
- for 2004 onwards an addition will be made at the rate of so many twelfths of 5% for each month, including the month in which the offer is made, plus two twelfths, (for example, an offer in June 2004 will add a further 8/12ths of 5%).

1. **Netherlands** The arrangements for valuing and paying claims on policies issued in the Netherlands will be a matter for the Sjoa Foundation following the agreement with them.
2. For **Greece**, the policy sum insured should be converted to Italian lire at the average rate of exchange for the year of issue of the policy, any deductions would be made at the exchange rate for the appropriate year. The net sum due from the insured event has the multipliers for

Italy applied to it. The exchange rates between the drachma and the lira are shown in Schedule 5.

3. For **Germany**, companies should use the method employed by the BEG to value claims up to the end of 1969 (the closure date for West German compensation claims). The values are then multiplied by 8, to bring the end 1969 value up to year 2000 values. For the year 2001 and later years the same multiplier is used as for Western Europe. The minimum payment on valid claim on a German policy will be \$4,000 for claimants who are survivors and \$3000 for other valid claimants. No maximum limit should be applied.

## **East European Claims**

### **Step 1 - Exchange Rates**

Convert the claims expressed in local currency to US dollars at the discounted exchange rates shown below.

Country	Currency	1 unit = US\$
Bulgaria	Lev	US\$ 0.00863
Czechoslovakia:	Koruna	US\$ 0.024
Czechoslovakia: Sudetenland	Reichsmark	US\$ 0.2807
Hungary	Pengo	US\$ 0.1376
Poland	Zloty	US\$ 0.1323
Romania	Lei	US\$ 0.00509
Yugoslavia	Dinar	US\$ 0.01594

### **Step 2**

Multiply the dollar value by 11.286. This gives a value up to the end of the year 2000.

### **Step 3**

For offers made after 2000, an addition will be made to reflect interest at the following rates

- 5.4% for the full year 2001,
- 5% for the full year 2002,
- 4.75% for the full year 2003
- for 2004 onwards an addition will be made at the rate of so many twelfths of 5% for each month, including the month in which the offer is made, plus two twelfths, (for example, an offer in June 2004 will add a further 8/12ths of 5%).



**SCHEDULE 3**

**Average life insurance policy sums insured**

The table below shows the average sums insured for each market in 1938 (1937 for Czechoslovakia), in local currency.

	Average insured 1938 currency)	sum (local
Austria	Sch. 1246	
Belgium	BFr. 5730	
France	FFs. 20,744	
Germany	RM. 841	
Italy	L. 9355	
Neth'Inds	G 309	
Bulgaria	L. 26,559	
Czech	Kcs. 12,070	
Hungary	P. 827	
Poland	Z. 2425	
Romania	L. 60,638	
Yugoslavia	D. 24,080	

The base value for qualifying claims (see paragraph 7.1 of the guide) would be a multiple of three times (3X) the averages shown above. The appropriate multipliers should then be applied but the payment offered should not exceed \$6,000 per policy

## Schedule 4

Indices of bond yields and multipliers for UK, Switzerland & USA									
United Kingdom: Pound Sterling				Switzerland Swiss Francs			US dollars		
	bond yields	index	multipliers	bond yields		multipliers	bond yields	index	multipliers
<b>1937</b>	3.28			3.41			2.41		
<b>1938</b>	3.38	100.0	78.8	3.24	100	11.2	2.26	100.00	29.3
<b>1939</b>	3.72	103.7	76.0	3.76	103.8	10.8	2.05	102.05	28.7
<b>1940</b>	3.4	107.2	73.5	4.06	108.0	10.3	2.26	104.36	28.1
<b>1941</b>	3.13	110.6	71.2	3.39	111.6	10.0	2.05	106.50	27.5
<b>1942</b>	3.03	114.0	69.1	3.15	115.1	9.7	2.46	109.12	26.8
<b>1943</b>	3.1	117.5	67.1	3.32	119.0	9.4	2.47	111.81	26.2
<b>1944</b>	3.14	121.2	65.0	3.27	122.9	9.1	2.48	114.58	25.6
<b>1945</b>	2.92	124.7	63.2	3.29	126.9	8.8	2.37	117.30	25.0
<b>1946</b>	2.6	128.0	61.6	3.1	130.8	8.5	2.19	119.87	24.4
<b>1947</b>	2.76	131.5	59.9	3.17	135.0	8.3	2.25	122.56	23.9
<b>1948</b>	3.21	135.7	58.1	3.42	139.6	8.0	2.44	125.56	23.3
<b>1949</b>	3.3	140.2	56.2	2.94	143.7	7.8	2.31	128.46	22.8
<b>1950</b>	3.55	145.2	54.3	2.67	147.5	7.6	2.32	131.44	22.3
<b>1951</b>	3.64	150.4	52.4	2.95	151.9	7.4	2.57	134.81	21.7
<b>1952</b>	4.26	156.9	50.2	2.84	156.2	7.2	2.68	138.43	21.2
<b>1953</b>	3.94	163.0	48.3	2.55	160.2	7.0	2.92	142.47	20.6
<b>1954</b>	3.55	168.8	46.7	2.62	164.4	6.8	2.52	146.06	20.1
<b>1955</b>	4.32	176.1	44.7	2.97	169.3	6.6	2.8	150.15	19.5
<b>1956</b>	5.16	185.2	42.5	3.12	174.6	6.4	3.06	154.74	18.9
<b>1957</b>	5.49	195.4	40.3	3.65	180.9	6.2	3.54	160.22	18.3
<b>1958</b>	5.48	206.1	38.2	3.19	186.7	6.0	3.48	165.80	17.7
<b>1959</b>	5.19	216.8	36.3	3.08	192.4	5.8	4.13	172.64	17.0
<b>1960</b>	5.77	229.3	34.4	3.09	198.4	5.6	4.06	179.65	16.3
<b>1989</b>	9.58	3656.5	2.2	5.2	729.5	1.5	8.5	1534.41	1.9
<b>1990</b>	11.08	4061.6	1.9	6.68	778.2	1.4	8.55	1665.60	1.8
<b>1991</b>	9.92	4464.5	1.8	6.35	827.6	1.3	7.86	1796.51	1.6
<b>1992</b>	9.12	4871.7	1.6	5.48	873.0	1.3	7.01	1922.45	1.5
<b>1993</b>	7.87	5255.1	1.5	4.05	908.3	1.2	5.82	2034.34	1.4
<b>1994</b>	8.05	5678.1	1.4	5.23	955.8	1.2	7.11	2178.98	1.3
<b>1995</b>	8.26	6147.1	1.3	3.73	991.5	1.1	6.58	2322.35	1.3
<b>1996</b>	8.1	6645.0	1.2	3.63	1027.5	1.1	6.44	2471.91	1.2
<b>1997</b>	7.09	7116.2	1.1	3.08	1059.1	1.1	6.35	2628.88	1.1
<b>1998</b>	5.45	7504.0	1.1	2.39	1084.5	1.0	5.26	2767.16	1.1
<b>1999</b>	5	7879.2	1.0	3.02	1117.2	1.0	5.87	2929.59	1.0

For the valuation of offers made after 1999, use the multiplier of 1.0564 for 2000, then 1.054 for 2001, then the multipliers for 2002 and later years shown in Schedule 2.

## Schedule 5

## Greece: Drachma to Lira rates

Following decision memo of 6 July 2000

1	2	3	4	5
US cents per drachma	US cents per lira	value of 1 drachma in lire	value of 1 lira in drachma	
1915	19.0862	15.5287	1.229	0.814
1916	19.5296	15.2674	1.279	0.782
1917	19.7837	13.3181	1.485	0.673
1918	19.4195	12.7195	1.527	0.655
1919	12.223	11.26	1.086	0.921
1920	12.223	4.97	2.459	0.407
1921	5.0261	4.2936	1.171	0.854
1922	3.3059	4.7559	0.695	1.439
1923	1.7141	4.6016	0.373	2.685
1924	1.79	4.358	0.411	2.435
1925	1.5614	3.9776	0.393	2.547
1926	1.2579	3.8894	0.323	3.092
1927	1.3173	5.156	0.255	3.914
1928	1.3044	5.2571	0.248	4.030
1929	1.2934	5.2334	0.247	4.046
1930	1.2959	5.2374	0.247	4.042
1931	1.2926	5.2063	0.248	4.028
1932	0.832	5.1253	0.162	6.160
1933	0.7233	6.7094	0.108	9.276
1934	0.9402	8.5617	0.110	9.106
1935	0.9385	8.2471	0.114	8.788
1936	0.9289	7.2916	0.127	7.850
1937	0.9055	5.2607	0.172	5.810
1938	0.8958	5.2605	0.170	5.872
1939	0.8153	5.1959	0.157	6.373

Source: "Banking and Monetary Statistics" Board of Governors of the Federal Reserve System November 1943

The valuation of drachma policies would convert the policy value to lire, using the above exchange rates, for the year in which the policy was taken out. (multiply drachma value by figure from col.4)  
No rates exist for Drachma - \$ for the years 1919 and 1920. The rates shown are the average of 1918 and 1921.