

THE APPEALS PANEL

Established under an Agreement dated 16th October, 2002 made by and among the Foundation “Remembrance, Responsibility, and Future”, the International Commission on Holocaust Era Insurance Claims, and the [REDACTED]

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Chairman: Timothy J Sullivan— Panel Members: Rainer Faupel and Abraham J Gafni

PRIVILEGED AND CONFIDENTIAL

APPEAL NUMBER: [REDACTED]
CLAIM NUMBER: [REDACTED]

BETWEEN

[REDACTED]

APPELLANT

AND

[REDACTED]

RESPONDENT

DECISION

[REDACTED] makes the following FINDINGS OF FACT and CONCLUSIONS OF LAW and enters the following Decision pursuant to section 10 of the Appeal Guidelines:

BACKGROUND

1. The Appellant is [REDACTED]. She was born on [REDACTED] 1928 in Wiesbaden, Germany. She is the daughter of [REDACTED], born in Wiesbaden on [REDACTED] or [REDACTED] 1890 and of [REDACTED], nee [REDACTED], born on [REDACTED] 1895 in Fulda, Germany. [REDACTED] passed away in the years 1971/72 in Haifa, Israel. [REDACTED] passed away approximately in 1982 in Israel. Fearing discrimination and persecution the Appellant’s father in 1934 fled Germany overnight. The Appellant and her mother left months later in November 1934 for Denmark from where they fled to Sweden in 1942 in danger of being deported.

2. The Respondent is [REDACTED] (“[REDACTED]”).
3. The Appellant submitted two claim forms dated 15 April 2000 and 27 June 2000 to the International Commission on Holocaust Era Insurance Claims (ICHEIC) in which she states that her father had taken out insurance in the currency of German Marks.
4. ICHEIC handled the claim as an un-named claim and sent it to German insurance companies. By decision letter dated 4 August 2005 [REDACTED] informed that it had searched for a contract in the name of the Appellant’s father and had found an insurance policy no. [REDACTED]. [REDACTED] stated that the policy had been handed out on 10 October 1921. It declined payment arguing that the policy was cancelled or expired without any value. After the hyperinflation in Germany a currency reform had taken place in Germany in 1924. As a result, only those insurance policies with a redemption value at the time were set non-contributory, while all other policies expired by law in February 1924. Because it usually takes three to four years for insurance policies to accumulate any value, [REDACTED] therefore assumed that the policy in issue expired without redemption value.
5. With her Appeal dated 6 August 2005, the Appellant argues that the policy should have had a value even after three years. Her father had been an insurance agent and would not have let the policy lapse. Instead, he would have upgraded the policy or changed it otherwise.

In response to the appeal, [REDACTED] confirmed its previous findings by letter of 9 September 2005 reiterating its previous findings. It provided copies of the relevant ledger showing that the policy was taken out in October 1921 and of the name card for policy number [REDACTED].

6. Upon request of the Appeals Panel dated 22 November 2005, [REDACTED] explained further and provided, as an example for its argument, a decision of a German post-war compensation and restitution authority applying the relevant law (“Aufwertungsgesetz”) in 1924. This decision covered an insurance policy with the insured sum of 15,000 Reichsmark taken out in 1920; the decision declined payment because either the policy had no redemption value in February 1924 or its redemption value was so little that it was not eligible for compensation. The reasoning of the decision referred to the creeping inflation that had already commenced in the year 1920.
7. In conformity with section 3.9 of the Appeal Guidelines (Annex E of the Agreement) and based upon the Appeals Panel’s general decision in July 2004, this appeal was assigned to [REDACTED].

The appeal is governed by the Agreement concerning Holocaust Era Insurance Claims dated 16th October 2002 made by and among the Foundation “Remembrance, Responsibility and the Future”, the ICHEIC and the [REDACTED], and its Annexes, including, but not limited to, Annex E, the Appeal Guidelines.

The seat of the Appeals Panel is Geneva, Switzerland, and the Decision is made there.

CONCLUSIONS OF LAW

8. [REDACTED]'s decision of 4 August 2005 must be confirmed. While it has been established, that the Appellant's father has had a policy with [REDACTED], the company's submission, that the insurance policy in issue expired without any value in the year 1924, is plausible. .
9. According to established actuarial practices, insurance policies do not gain any value in the first years after commencement of the insurance contract, the reason being that premium payments in the first years of the existence of an insurance contract serve to cover the initial costs of the insurance contract. Those administrative costs for setting up the insurance contract have to be borne by the insurance company and they are deducted from the premiums paid.
10. Next to taking into account that premium payments in the first years of the duration of insurance contracts do not add value to insurance policies in general, the particular circumstances in the years leading up to 1924 make it plausible that [REDACTED]'s insurance contract with [REDACTED] was of no relevant value in the year 1924. Any hypothetically accumulated value of the policy was devaluated by the heavy inflation taking place at the time. The law ("Aufwertungsgesetz") ordered either conversion to a non-contributory status or, in cases of too low a value, the cancellation in 1924. It is plausible that insurance policy [REDACTED] taken out in 1921 was of no or very low value in 1924 and was therefore cancelled according to the relevant law at the time. The decision submitted by [REDACTED] exemplifies that even an insurance policy that was taken out one year earlier with a higher value compared to the Appellant's father's policy had no relevant value in the year 1924.

Therefore, [REDACTED] has a valid defence in accordance with Section 17.3.1 of the Appeal Guidelines, because the policy in issue was cancelled by law before the insured event and before the beginning of the Holocaust took place in Germany. [REDACTED]'s decision, therefore, is correct, and the appeal has to be dismissed.

IT IS THEREFORE HELD AND DECIDED:

The appeal is dismissed.

Dated this 25th day of January 2006

[REDACTED]