

## STATEMENT OF HERBERT KARLINER

### U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON FOREIGN AFFAIRS

#### Righting the Enduring Wrongs of the Holocaust: Insurance Accountability and Rail Justice

November 16, 2011

My name is Herbert Karliner. I was a child in 1939 when my family, and hundreds of other Jews on the SS St. Louis trying to escape Hitler were turned away by this great country. When we returned to Europe, my mother, my father, and my two sister and hundreds of others were killed. Needless to say, this tragedy has affected my entire life.

Last month, I participated in a Georgetown University symposium held to honor the memory of the St. Louis victims, and to examine in depth the perfidy of American officials who allowed hundreds of Jews to be rejected by the greatest democracy in world history and sent back to Hitler's maniacal Europe as a symbol of the world's indifference toward Jewish lives. During that seminar, I believed it was imperative, as I do now on the anniversary of Kristallnacht, to speak about today's terrible hypocrisy in official Washington and in some Jewish organizational circles toward the rights and interests of Holocaust survivors. Despite all of the talk about honoring the memory of the Holocaust, we survivors are second class citizens under American law, and thousands of impoverished survivors here and the world over have been allowed to suffer in pain and loneliness in the midst of such abundance, and within earshot of speech after speech and ceremony after ceremony intoning "Never Again."

During those tumultuous days, my father Joseph Karliner told my brother and me about an Allianz life insurance policy that he bought to provide for us if something happened, and even gave us the number. When we approached Allianz after the war, they said his policy had been paid out to an "unknown person."

When the International Commission for Holocaust Era Insurance Claims (ICHEIC) was created in 1998, my brother and I applied. Like many survivors and family members, we wanted to believe the process was worth trying. However, like most survivors and family members, we were bitterly disappointed by a process that seemed rigged against us. Allianz admitted it sold insurance to my father, but it refused to pay saying the funds had been "paid out to the policy holder." We doubted this was true, but neither Allianz nor ICHEIC provided us with any documents, so there was no way for us to challenge this decision under ICHEIC rules.

I recently obtained papers from the German consulate showing that the "repurchase" document was supposedly signed by my father on November 9, 1938 – Kristallnacht. If Allianz or ICHEIC gave me this document at the time I applied, I would have pointed out that on that day, my father's store was burned down and he was taken from our home to Buchenwald. Though I was a small child, this is something you never forget.

I seriously doubt that my father stopped by the Allianz office on his way to Buchenwald to cash in his life insurance policy. But since I am not allowed to go to the American courts to recover my property, Allianz will have "inherited" the proceeds of my father's insurance policy – worth more than \$180,000 today.

There was another ridiculous ICHEIC practice that caused great harm to claimants. The ICHEIC web site posted the names of several men and women whom I knew to be my relatives, because I was familiar with their names and their hometowns, and I inquired about their policies as well. Allianz admitted that several of the named individuals had indeed purchased Allianz policies, but it refused to give me any information *unless I could provide their dates of birth*. This was impossible, because I was a 9 years old when WWII began, and I had no conceivable way of knowing the birthdates of adult relatives

who died in the Holocaust. But Allianz was fully within its rights under ICHEIC rules to simply deny us this information about insured relatives for whom my brother and I were the likely heirs.

So, even when companies followed ICHEIC's "rules," the system was stacked against the survivors, their family members, the legal heirs.

It is tragic that even in the year 2011, these deceptions have been accepted and perpetuated by our very own government. Shockingly, the United States government has taken the position that we survivors cannot go to court to sue Allianz and Generali and other insurance companies who cheated us and our families. Yet in recent years our Government has fought against Holocaust survivors in the name of foreign policy and executive power, even misrepresenting past agreements, and giving the insurance companies like Allianz and Generali victories worth billions of dollars (over \$20 billion in 2011 dollars).

After I survived the war in hiding in France, I moved to the United States in 1949. I served in the U.S. Army in the Korean War. Although this great country turned me and my family away in 1939, and caused incredible life-long grief, in 1951 Uncle Sam "wanted me" and I was honored to serve. However, it is truly outrageous that today, *because I am a Holocaust survivor*, I am singled out among all American citizens in that I cannot take Allianz to court to demand the truth about my family legacy, and I cannot recover the value of my father's policy.

It is equally appalling that non-survivor Jewish groups like the American Jewish Committee, the Claims Conference, the Anti Defamation League, B'nai B'rith, and the World Jewish Congress are also supporting the insurance companies against us. ADL and AJC have even taken their money too. We are outraged by any Jewish groups arrogantly interfering with our rights, especially those who failed to help us in our extreme time of need. By what tortured logic or moral principle do such organizations – who are not authorized by survivors, do not represent survivors, have never even spoken with survivors, and certainly are not accountable to survivors – presume to interfere with our individual constitutional rights as American citizens? Their arrogance is criminal, and the results have been devastating.

As we commemorate the 73<sup>rd</sup> anniversary of Kristallnacht, the observance was again riddled with tragic irony. Half of the survivors in this country live near or below the poverty level, and tens of thousands died in misery, many before their time, without adequate health care, dental care, nutrition, shelter, eyeglasses, medicines, and home care. As a volunteer for the Jewish Community Services in Miami, I can certify that far too many survivors are not getting the help they need to live in dignity. Meanwhile, these non-survivor groups and our own government have been protecting the global insurers hoarding billions they owe survivors.

Our colleagues have suffered incalculable tragedies and unspeakable crimes, most losing all or most of their loved ones. To have no understanding or willingness to help in regard to Nazi stolen assets like paid up insurance contracts which are not given back is intolerable. Instead of holding Allianz and other companies truly accountable, if you look down the street in this City, no one seems to care. To the contrary, the companies are spending millions lobbying Congress to keep survivors from getting what is owed to us.

Let me remind the Committee just who Allianz was, and what it is today. It has never denied its intimate relationship to the Nazi regime. In 1933, Allianz chairman Kurt Schmitt, who was an early Nazi party member, became Hitler's Minister of Economics. Allianz provided the Reich with insurance coverage for Auschwitz and other death camps. During this same period of time, Allianz and its affiliates were selling policies to European Jews and handing over Jewish customers' files to the Nazis. Allianz escaped serious prosecution after the war, and its former employees who served in the SS or the Nazi party went right back to their old jobs. Between the end of the war and today, according to economist Sidney Zabudoff, Allianz failed to honor over \$2 billion in policies it had sold to Jewish customers.

When Allianz tried to cynically sweep this past under the carpet and pay \$300 million to name the new pro football stadium in the Meadowlands in 2008, thanks to some outstanding reporting the public

learned about Allianz and demanded the deal be scratched. Unfortunately, others have not been so principled. Today, National Public Radio, CNBC, and American Public Media are taking Allianz's money, shamelessly using their respected positions to launder the company's past.

You will also be shocked to learn that Garrison Keillor, and A Prairie Home Companion, are also taking Allianz's sponsorship money! And, they refuse to even respond to letters of inquiry from Holocaust survivors and our supporters. When one listener inquired through the program web site, the response was even more startling – with the official response insisting they are not responsible for such program sponsorship and do not take any responsibilities for broadcasts sponsored by Allianz.

We pray that this hearing, convened by the Honorable Ileana Ros-Lehtinen, a great champion of Holocaust survivors' rights, will bring change at long last. We pray that Congress will make a commitment to ensuring that we survivors obtain the truth about our families' legacies, including a full accounting from all corporate profiteers, passing HR 890 and its Senate counterpart S. 466. . And, maybe at long last, all survivors will be afforded the dignity they deserve in their last years. This will happen only if Congress acts now to restore our rights and insist that the Holocaust profiteers disgorge everything they stole. This is what remembrance -- and justice -- demand.

I would like to add a word about the French Railroad bill. We support all survivors' rights to full compensation for Holocaust era wrongs, no matter how many years have passed, no matter how powerful the culprit is today. This certainly includes the French Rail legislation. However, for the record, I would like the committee to know that when the St. Louis was returned to Europe, we were taken to France. My parents and sisters were deported by the French Railroad to their deaths in the camps. Due to my young age, I managed to survive in hiding in France until the end of World War II. However, I believe that I and others should be entitled to pursue justice against the French Railroad and others who participated in similar atrocities, and all who profited from the Holocaust like the insurance companies.

Thank you and please allow me to include several exhibits into the record with my statement.

Posted on Wed, Nov. 26, 2008

## Justice for Holocaust survivors

BY HERBERT KARLINER

Earlier this month, the world observed the anniversary of Kristallnacht, the infamous night of broken glass, symbolically marking the beginning of the Holocaust. I was a small child that day, when we awoke to the news that my father's store and most other Jewish-owned businesses had been set on fire. Within hours, the Gestapo arrived and took my father, Joseph Karliner, to Buchenwald.

My father returned after a few weeks, and soon our family looked helplessly on the lights of Miami Beach from the deck of the SS St. Louis. But we were turned away by this great country, dooming my father, my mother, my two sisters and hundreds of others to death at the hands of the Nazis. I was lucky to survive with my brother and to make a home in the United States.

Our father had told us about a life insurance policy that he bought from Allianz, in case something happened to him. He was killed in 1942. When we approached Allianz after the war, they said his policy had been paid out to an "unknown person."

For decades, insurers like Allianz grew fat on Holocaust profits. Conservative estimates show that the current value of unpaid life policies sold to Holocaust victims by Allianz, Generali and other insurers is more than \$18 billion.

- **In the late 1990s**, Florida and other states passed laws to help survivors recover their policies. To dodge that bullet, the industry set up the International Commission for Holocaust Era Insurance Claims, a Swiss-chartered, industry-funded body. Despite skepticism, many survivors applied hoping to get the truth about family policies.
- **My brother and I** were among the hopeful and applied. Allianz again refused payment, saying the funds had been "paid out to the policy holder in 1938."

Years later, I managed to obtain the "repurchase" document. It was dated Nov. 9, 1938 -- Kristallnacht. Neither Allianz nor ICHEIC gave me this document at the time I applied. If they had, I would have told them that I doubted my father stopped by the Allianz office on his way to Buchenwald to cash in his life insurance policy that day.

Congress had the chance to fix this problem with legislation sponsored by the late Tom Lantos, Reps. Ileana Ros-Lehtinen and Robert Wexler and others. It would have required insurers doing business in the United States to publish policyholder names and guaranteed court access to survivors and heirs. Unfortunately, prominent members of the House and Senate broke promises to help.

The Claims Conference, a nonsurvivor organization -- joined by the Anti-Defamation League, American Jewish Committee, the Religious Action Center of Reform Judaism, B'nai B'rith, the World Jewish Congress and Agudas Israel -- took the insurers' side against survivors. They falsely argued that Germany would reduce the meager financial assistance currently provided for poor survivors if the bill passed -- a claim even the German Embassy denied. In the words of David Mermelstein, president of the Florida Survivors Coalition, survivors are appalled that these groups -- which do not represent survivors, have not consulted with survivors and have done nothing to help survivors in need -- would today oppose our rights to recover what was stolen from our families.

Despite rhetoric about remembering the Holocaust, cruel indifference remains the rule. Recently, Allianz had the audacity to bid millions to name the new Jets-Giants football stadium. Insurers and banks that plundered billions from the Holocaust are now asking that their affiliates get U.S. taxpayer money in the federal bailout. Last month, the U.S. Justice Department sided with Generali in an important court case, saying survivors' access to courts conflicts with "U.S. foreign policy." For shame. So this year's commemoration of Kristallnacht, is riddled with tragic irony. Tens of thousands of Holocaust survivors in the United States and the world, including thousands in Florida, are too poor to enjoy a decent quality of life. They lack adequate nutrition, housing, home care, medical care, prescriptions, dental care and eyeglasses, and other basic services. As a volunteer for the Jewish Community Services in Miami, I can certify that far too many survivors are not getting the help they need to live in dignity.

Meanwhile, public officials and community leaders, who gather and intone about the need to confront evil, have coalesced to dishonor the actual victims of the Holocaust.

Maybe this 70th Kristallnacht observance will bring, at long last, a commitment to ensuring that we survivors obtain the truth about our families' legacies, including a full accounting from all corporate profiteers. And, maybe at long last, all survivors will be afforded the dignity they deserve in their last years. This will happen only if the public speaks out and demands justice and decency for victims of the Holocaust. This is what remembrance -- and justice -- demand.

**Herbert Karliner, a Holocaust survivor from Peiskrescham, Germany, has lived in Miami since 1950.**