

Testimony of Israel Arbeiter
Before the U.S. House of Representatives
Committee on Financial Services
February 7, 2008

My name is Israel Arbeiter. I have lived in Newton Massachusetts since 1970. I retired from business in 1995, but have remained extremely active, especially in the affairs of Holocaust survivors, including as a speaker in public schools, a representative of survivors to several community organizations in the Boston area, and as the President of the Jewish Holocaust Survivors of Greater Boston, a position I was first elected to in 1950, and I have been president for all but 8 of the intervening years. I want to extend my utmost gratitude to Chairman Barney Frank, our own elected member of Congress and a real champion of the rights of everyone. Mr. Chairman, the survivors of our community regard you as a great friend for your consistent advocacy on our behalf.

I appear here today with very mixed feelings. On the one hand, I appreciate the opportunity to address this committee to urge the immediate passage of HR 1746, the Holocaust Insurance Accountability Act of 2007. On the other hand, I am very distressed and even angered that 10 years after this committee first held a hearing in 1998 under Jim Leach on Holocaust survivors' insurance claims, and 7 years after I first testified in Congress in 2001, the insurance industry has managed to escape having to fully account for its handling of our family policies, and has retained so many billions that we survivors should have received decades ago. Today, in 2008, there is no more time for talk. If Congress wants to do the right thing, passage of this measure is imperative with no more delays.

This legislation would restore the basic rights of survivors. It isn't asking for very much, really. Is it too much for Holocaust survivors to have the right of access to American courts to sue insurance companies who cheated our families out of our insurance proceeds? Is it too much for Holocaust survivors to make decisions for themselves about their property rights? Is it too much to require insurance companies who want to do business in the United States to disgorge information about its customers and give a complete accounting of its conduct during and after the Holocaust? I don't think it is asking for too much to have the same rights as any other American citizen to hold insurers accountable. The survivors I represent and those I am in contact with every day are confused and frustrated that Congress would stand by and allow the status quo to prevail.

I was born in Plock, Poland, one of five sons of Isaac and Hagara Arbeiter. My father was self-employed as a custom tailor, and had two employees and an apprentice. He made a comfortable living. In order to protect his family in case that some were to happen to him, my father purchased life insurance. Every week, an agent of the insurance company would call up on our house and collect the premiums. He wrote the date and amount in a booklet that was given to my father for that very purpose. I remember distinctly when my siblings and I asked my father why this man was coming every week to collect money, we were told that payment was security for your future.

Unfortunately our future was anything but secure. In September 1939, World War II broke out and Nazi Germany occupied Poland. On February 26, 1941, in the middle of the night, following the orders of SS storm troopers, we were ordered out of our homes and required to leave virtually everything behind, including the life insurance policy paperwork and the booklet in which the agents of the insurance company recorded my father's payments

From there we were taken to concentration camps. My parents and my younger brother were later gassed to death in a camp at Treblinka. Two of my brothers and I spent the next 4 years in various concentration camps, including Auschwitz. Then by some miracle the war ended and I was liberated.

After the war, I attempted to pursue my father's insurance policy. I tried to find out whether it could be cashed in since my father had died in the Holocaust. However, my efforts were unsuccessful.

When ICHEIC was created in 1998, Holocaust survivors and family members were promised a decent, thorough, open process to recover a fair value from these insurers for their massive theft.

Instead, we have been victimized again by a "commission" process which has operated without any public accountability, under Swiss laws, far from the prying eyes of the U.S. legal system. Amazingly, it was populated by the companies who had managed to hold onto our money for 5 decades. This idea was an abomination, because the companies were represented but we survivors did not ask federal officials, insurance commissioners, or anyone else to negotiate for us. Why, of all people, should Holocaust survivors be the only ones whose property rights would be negotiated by others?

In early 2007, after nine years, ICHEIC closed its doors and the results are terrible. It paid less than 3% of the amount of insurance owned by European Jews in 1938, now conservatively estimated to be worth \$17 billion. Those of us who personally experienced ICHEIC's inefficient and arrogant behavior were certainly not surprised at this awful result.

My experience is typical, and shows why HR 1746 is so important. In the fall of the year 2000 I learned about the creation of the ICHEIC. I applied for a claim form, filled it out, and sent it in. I soon received a letter with the claim No. 00067890, which stated that all member companies will investigate my claim and report their findings within 90 days. A year after I filed the claim, I had heard nothing.

In 2001 I was asked by Congressman Henry Waxman to testify before the U.S. House of Representatives. I explained about my family history, my ICHEIC application, and the commission's failure to even follow its own rules.

Time, we all agreed, was of the utmost importance. I listened to ICHEIC Chairman Lawrence Eagleburger, government officials, and other members of ICHEIC, who promised quick action, a fair process where rules are enforced, where everyone gets a fair shake. We were told to be patient, that the system was new and would improve. Congress chose not to take any action in 2001, to give ICHEIC a chance to "work."

Unbelievably, in 2003, I found myself testifying before Congress again. I explained that I still had not received any response from ICHEIC. I was joined by others who documented the Commission's failings.

I begged Congress not to allow the insurance companies to retain that which rightfully belongs to us, the survivors. I asked how our Government can allow others to profit from what was one of the greatest atrocities in human existence – especially these multinational giants who also profit from the American insurance market. The frustration I felt on both those days has become deeper with each passing month that my fellow survivors and I have been left waiting for a resolution.

Even with this criticism from those of us who were personally affected by these failures, Congress did nothing in 2003.

After ICHEIC closed down in March 2007, and to this very day, I have still not received a formal response to my claim. All I have received was a letter offering me \$1,000 as a "humanitarian" gesture. But the survivors are not seeking "humanitarian" gestures. We are demanding simple justice. We are demanding that the insurance companies be required to make complete disclosures of their records. We are demanding to be able to speak and act for ourselves if we are not satisfied with the company's conduct. We are demanding discovery under the supervision of an American court, not the protection given by the ICHEIC participants who agreed to allow the companies to keep everything secret. We are demanding that a judge and jury decide whether the companies acted properly toward us in connection with our insurance.

Some say that we should accept what ICHEIC gave us because there was a deal to limit our rights to whatever ICHEIC decided. This is simply not acceptable, ladies and gentlemen. No survivor I know asked anyone else to make any deals about our insurance policies, and no survivor I know was asked if he or she agreed to any such deal.

How dare anyone presume to deny the history I am certain about because I lived it. I know my father had insurance, but whatever "deal" was made for ICHEIC failed to produce the facts as I know they happened. So, it is not to disrespect anyone involved in ICHEIC to say I am entitled to the truth. I am entitled as a Holocaust survivor to any information that these companies have, or that any other company has relevant to our past. Now, there is no more time to deny me my history, nor the histories of the tens of thousands of families whose insurance information remained concealed in spite of ICHEIC.

There is one more thing I would like to say today. I serve on the board of the Jewish Family Services of Greater Boston, which assists survivors with low incomes. Every month when we meet, we never have enough funds available to provide for the needs of Holocaust survivors in our community. I am not talking about luxuries, I am talking about food, medicine, dental care, rent, utility bills, home care, walkers, wheelchairs, eyeglasses, and other basic needs. This is a tragedy and we are not alone in Boston. There are over 40,000 survivors in the U.S. who live below the poverty level, and another 40,000 who are too poor to provide their basic needs.

It is time for Congress and the national leadership to catch up with the realities of survivors today and take decisive action to rectify these awful conditions.

The starting point is enactment of HR 1746, which will at long last provide for the historic and financial reckoning so many survivors deserve and need today.

The insurance companies treated me with silence and bureaucratic letters that made no sense. We were promised a fair and transparent process, promises that were never fulfilled. In the end, most of us recovered little or nothing of our family's stolen assets, but companies and governments feel entitled to "legal peace."

There should be no legal peace for companies without moral peace for the survivors. As I said in Congress in 2001, please, please do not allow the insurance companies retain that which rightfully belongs to us. We cannot allow others to profit from what has been one of the greatest atrocities in human history.

Commissions don't work. Please, just give us back our rights.