

HOUSE BILL ANALYSIS

SSB 5509

Title: *An act relating to the Holocaust victims insurance relief act.*

Brief Description: *Creating the Holocaust victims insurance relief act.*

Sponsors: *Senate Committee on Commerce, Trade, Housing & Financial Institutions (originally sponsored by Senators Kline, Jacobsen, Heavey, Horn, Finkbeiner, Patterson, Franklin, Fairley, Prentice, Hochstatter, Bauer, Gardner, Costa, Eide, McDonald, B. Sheldon, Goings, McAuliffe, Kohl-Welles, Rasmussen and Oke).*

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Meeting Date: *Tuesday, March 23, 1999*

Bill Analysis Prepared by: *Anntonette Z. Alberti (786-7117)*

Background: *The proceeds of many insurance policies issued prior to and during World War II to Holocaust victims have not been paid to victims or their survivors. The burden has generally been on the victims and/or their families to provide paperwork to prove their claims. However, locating old insurance policies may be difficult due to the fact that many Holocaust victims were forced from their homes and divested of their personal property (including their records). In many instances, insurance company records are the only remaining proof insurance policies existed.*

An additional hurdle to recovering valid claims has been that many insurance companies required a claimant to produce a death certificate to prove that life insurance proceeds were owing. Because death certificates were generally not prepared for most Holocaust victims, it was often impossible to meet the insurance companies' documentation requirements.

Some insurance companies assert to have paid Holocaust victim insurance policy benefits to governments during World War II. Other insurance companies assert that the assets to pay policies were seized by military forces during the war. In Eastern Europe, some insurance companies were nationalized by socialist governments and the money from unpaid policies were appropriated by the state in that manner.

Today, most of the European insurance companies that sold Holocaust era policies participate in the American insurance market or have business affiliations with companies in the American insurance market.

The National Association of Insurance Commissioners (NAIC) voted to establish a Working Group on Holocaust & Insurance Issues. An international commission was established to investigate and facilitate the payment of insurance proceeds to Holocaust victims and their survivors. New York, Florida, and California have established Holocaust survivor assistance offices and registries of insurance policies to help Holocaust victims and their survivors. Other states are currently considering similar legislation.

Summary of Bill: *A Holocaust Survivor Assistance Office (the Office) is created to assist Washington state's Holocaust victims, their families, and their heirs recover insurance proceeds and other assets improperly denied. The Office may also assist Holocaust victims, survivors, heirs and beneficiaries who reside in other states. A Holocaust Insurance Company Registry (the Registry) is created to contain information about insurance policies in effect in Europe between 1933 and 1945. The Registry may also contain information on other assets lost by Holocaust victims.*

An insurer is defined as an entity subject to the jurisdiction of this state that directly sold, or indirectly sold through a related company, or is related to a company that sold, Holocaust-era insurance coverage. Any insurer that sold insurance policies in Europe that were in effect between 1933 and 1945 must file information regarding such policies with the Office. The commissioner will fund the Office and the Registry by assessing fees on the reporting companies in a manner proportionate to the number of policies the companies sold. Funding to administer assistance related to the recovery of noninsurance assets will not be borne by the insurance industry and must come solely from private donations.

The commissioner may suspend application of this act to any company that is cooperating with the international commission. The commissioner has authority to cooperate and exchange information with the international commission, NAIC, other states, and foreign countries in order to administer the functions of the Office and the Registry.

The commissioner may suspend the certificate of authority of an insurer who fails to comply with this act until the insurer comes into compliance. Such an insurer would still be required to honor current Washington policies and could not cancel them, except as pursuant to the insurance contract, but could not sell new business in this state. A civil penalty of up to \$10,000 is established for knowingly filing false information.

With regard to private actions to recover insurance benefits, a determination by the commissioner that an insurance company should pay out a benefit to a Holocaust survivor, victim, heir, or beneficiary will highly persuasive evidence that a claim should be paid. Washington Superior Courts are granted jurisdiction over actions

by Holocaust victims, survivors, heirs, or beneficiaries to recover proceeds from Holocaust-era insurance policies. The statute of limitations for Holocaust insurance claims is extended to December 31, 2010.

Appropriation: *None.*

Fiscal Note: *Available.*

Effective Date: *Ninety days after adjournment of the session in which the bill is passed.*

Rulemaking Authority: *The insurance commissioner is granted authority to make rules implementing this act.*