

**THE APPEALS PANEL**

Established under an Agreement dated 16<sup>th</sup> 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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THE APPEALS OFFICE, PO BOX 18230, LONDON EC1N 2XA, UNITED KINGDOM

Fax:

++ 44 (0) 207 269 7303

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

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**PRIVILEGED AND CONFIDENTIAL**

**APPEAL NUMBER:** [REDACTED]

**CLAIM NUMBERS:** [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 [REDACTED] ([REDACTED]) was born on [REDACTED] 1942 in Sofia, Bulgaria and presently resides in Israel. The Appellant is the son of [REDACTED]. [REDACTED] who was born on [REDACTED] 1885 in Sofia, Bulgaria and died on 25<sup>th</sup> May 1956. The Appellant's mother was [REDACTED] ([REDACTED]) who was born on [REDACTED] 1908 in Sofia, Bulgaria and died on 12<sup>th</sup> October 1985 in Israel. The Appellant's parents were married in 1937 and survived the Holocaust.
2. The Respondent is [REDACTED] ([REDACTED]).
3. The Appellant is claiming his father's life insurance policy number [REDACTED] with [REDACTED] that, according to his statements, had an insured value of 100,000 Lev and had a maturity date on 1<sup>st</sup> July 1952. After his father in 1953 had written to the Bulgarian successor insurance the Appellant notified to the Israeli police the loss of this policy in 1984 and claimed it in 1997 when he submitted a claim to the New York Holocaust Claims Processing Office (HCPO) that was later submitted to the International Commission on Holocaust Era Insurance Claims (ICHEIC) and was processed as claim number [REDACTED]. There is another claim being processed by ICHEIC (number [REDACTED]) concerning a [REDACTED] policy number [REDACTED], however, this is not the subject of this appeal.
4. The ICHEIC submitted the claim to [REDACTED]. [REDACTED] states in its decision letter dated 16<sup>th</sup> August 2004 that it had been able to establish evidence of a contractual relationship with the Appellant's father for policy number [REDACTED]. Since [REDACTED] stated not to know any details about the insurance it offered the sum of US\$6,000 as a capped amount according to the Valuation Guidelines.
5. The Appeals Office received the Appellant's appeal form and documentation on 17<sup>th</sup> November 2004. In this documentation there was a letter dated 5<sup>th</sup> October 2004 to the Appellant from the Bulgarian DZI Ltd confirming that policy number [REDACTED] in the amount of 100,000 Lev was entered into the register of [REDACTED] and expired in 1954. A copy of this one page handwritten [REDACTED] register was enclosed. This register has 65 policies recorded. On the eleventh and twelfth lines from the top of the document there are two entries in the same handwriting – [REDACTED] and [REDACTED] which appear to be the column for policy numbers with the figures 100,000 in the final column for each policy, which is presumably the value of each policy. There are no policyholder names on this document, or other forms of identification.
6. The appeal was sent to [REDACTED] on 8<sup>th</sup> December 2004. [REDACTED] responded in its letter dated 20<sup>th</sup> December 2004 and explained it had "*only very reduced information as to the policy at issue*" and it did not have any evidence of the policy amount or evidence showing the sum was 100,000 Lev as alleged by the Appellant. [REDACTED] stated not to be able to comment on the new documents from DZI Ltd and to be unable to amend the previous offer of US\$6,000.
7. At the direction of the deciding Panel Member a request for further information was sent to [REDACTED] on 29<sup>th</sup> April 2005. This request asked whether [REDACTED] questioned the authenticity of the DZI Ltd letter dated 13<sup>th</sup> January 2005 submitted by the Appellant or the correctness of information about the DZI Ltd. A two page historical document was also enclosed explaining the history of Bulgaria's State Insurance Institute (DZI).
8. After this request for information, [REDACTED] on 4<sup>th</sup> May 2005 made a new offer to the Appellant based on an insured sum of 100,000 Lev. On 9<sup>th</sup> May 2005 the sum of US\$12,201.80 was calculated for the 100,000 Lev policy.

9. On the basis of information from the then representative of the Appellant it seemed for a while that the Appellant wanted to accept the offer. However, the Appellant later explained that he wanted to proceed with the appeal (now against the new offer). In addition, it was not clear whether the Appellant requested an oral hearing. Upon a request for clarification dated 21<sup>st</sup> July 2005 the Appellant advised in a fax dated 27<sup>th</sup> July 2005 that he would like the appeal to be decided on a “documents only” basis.
10. The appeal is governed by the Agreement concerning Holocaust Era Insurance Claims dated 16<sup>th</sup> 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 of the Appeal Guidelines.

In conformity with Section 3.9 of the Appeal Guidelines (Annex E of the Agreement) and based upon the Appeals Panel’s general decision dated 6<sup>th</sup> July 2004 this appeal was assigned to [REDACTED].

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

### **THE ISSUES FOR DETERMINATION**

11. There is no doubt that the Appellant’s father, [REDACTED], had insurance policy number [REDACTED] with [REDACTED], or that the Appellant as heir would be entitled to the proceeds of the policy. Therefore, the only issue for determination is whether the offer made on 9<sup>th</sup> May 2005 by [REDACTED] of US\$12,201.80 is correct for the insured sum of 100,000 Lev. This, as shown below is the case.

### **VALUATION**

12. Under the Agreement (see paragraph 10) the valuation of policies has to be based solely on the Valuation Guidelines which form Annex D of the Agreement. Step 1 of Schedule 2 of the Rules is to convert the claim for 100,000 Lev expressed in local currency to US dollars at the discounted exchange rate, which is US\$0.00863. This results in a value of US\$863.00.
13. According to Step 2 of Schedule 2 of the Valuation Guidelines this dollar value has to be multiplied by 11.286 to give the value up to the year 2000. This results in a value of US\$9,739.82 for the end of 2000.
14. According to Step 3 of Schedule 2 additions have to be made to the value in Step 2 from 2000 to the present date. These interest rates have been agreed in the Valuation Guidelines for 2001 and 2002 and have been fixed for 2003, 2004 and 2005 by Memorandum of the ICHEIC which had consulted with the Foundation and the [REDACTED] as the other parties of the Agreement (2001: 5.4%; 2002: 5%; 2003: 4.75%; 2004: 5% and 2005: 5% according to the month in which the offer is made. A calculation on this basis leads to the amount of US \$10,265.77 for 2001; US \$10,779.06 for 2002; US \$11,291.06 for 2003 and US \$11,855.62 for 2004 and US\$12,201.42 for May 2005. [REDACTED]’s offer was 38 cents more than the above calculations as it offered US\$12,201.80. In accordance with Section 19.1 of Annex E, no award shall be for a sum lower than what was already offered.
15. Apart from the decision in this specific appeal the Panel, in light of [REDACTED]’s limited information about its Bulgarian policies (paragraph 6 above), recommends that the one page register provided to the Appellant by the Bulgarian DZI Ltd be inputted in [REDACTED]’s databases.

**IT IS THEREFORE HELD AND DECIDED:**

The appeal is dismissed because the [REDACTED] offer to the Appellant of US\$12,201.80 was correct as at May 2005.

Dated: 9<sup>th</sup> August 2005

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[REDACTED]