

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]

THE APPEALS OFFICE, PO BOX 18230, LONDON EC1N 2XA, UNITED KINGDOM

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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, [REDACTED], was born on [REDACTED] 1952 and presently resides in the United States of America. An affidavit dated 28th February 1947 sworn by the Appellant’s father, [REDACTED] (formerly [REDACTED]), verifies the wealth of his family in Berlin prior to the Holocaust. The family owned a footwear manufacturing company named [REDACTED]. The Appellant’s grandparents [REDACTED] and [REDACTED] were both transported to Auschwitz on 1st March 1943 and killed on unknown dates.
2. The Appellant submitted a claim form to the ICHEIC process on 9th January 2002 and claims his family’s life insurance policies from an unknown German company. This

unnamed company claim (number [REDACTED]) was sent to all participating German insurance companies.

3. [REDACTED] searched the names submitted in the Appellant's claim and found in its archives a name card referring to three policies ([REDACTED], [REDACTED] and [REDACTED]) purchased by the Appellant's grandfather [REDACTED] with [REDACTED]'s predecessor company [REDACTED] ([REDACTED]). No further files or information could be obtained from either internal [REDACTED] archives or external records with the German compensation authorities. Consequently, [REDACTED] offered the Appellant and his co-heir brother, [REDACTED], in its decision letter dated 1st June 2005, the sum of US\$3,000 for each policy on the basis that there was no information about the value of the policies. This unnamed company claim became a named company claim, and as a result, the Appellant has a right of appeal.
4. The Appellant's representative, [REDACTED], submitted an appeal form dated 31st August 2005 to the Appeals Office and confirmed the Appellant's wish to appeal the offer totalling US\$9,000. The representative stated: *"The insured persons were very wealthy and it is very questionable that they were only insured to the amount the [REDACTED] is claiming in the decision. In the archives of the family of our client, proofs of insurance policies are to be searched for. The insured persons were holding a number of insurance policies. Further information will be handed in over the next couple of weeks."* No further information has been submitted by the Appellant or his representative.
5. On 25th October 2005 the Appeals Office informed the Appellant's representative and [REDACTED] that the appeal will be decided on a *"documents only"* basis unless it received notification from either party requesting an oral hearing within 14 days of the date after receipt of this letter. An oral hearing was not requested and this appeal is determined upon the documentation submitted.
6. This Decision is limited to determining, in accordance with the ICHEIC Valuation Guidelines, the value of the three policies which were purchased by [REDACTED].
7. 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 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 6th July 2004 this appeal was assigned to [REDACTED].

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

VALUATION

8. Under the Agreement (see paragraph 7) 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.
9. In cases, in which, as here, the amount of the policy cannot be determined, Section 7.1 of the Valuation Guidelines requires that the offer be based on a multiple of three times (3x) the average value for policies in the respective country as shown in Schedule 3 (Section 7.1 of the Valuation Guidelines).

10. For policies issued in Germany (within the boundaries of 1937) and denominated in German currency, for which the Federal Republic of Germany established programs of compensation after the war under the Bundesentschädigungsgesetz (BEG) or other programmes of compensation or restitution, the company must assess the claim (both the base value and the valuation up to 1969) as if it had been submitted to the BEG, using the same methods of valuation, and apply a multiplier to this value of 8X.
11. According to Schedule 3 of the said Valuation Guidelines the average value of life insurance policies in Germany is Reichsmark 841. Three times RM 841 gives RM 2,523.00. This amount then, following the currency changes prescribed by law in 1948, must be converted from RM into DM by using the converting factor RM 10 = DM 1, which gives the amount of DM 253.30. That is the value to the end of 1969. To update the values for the end of the year 1969 to the end of the year 2000, pursuant to Step 2 No. 3 of Schedule 2, the 1969 value must be multiplied by 8. Eight times DM 253.30 is DM 2,018.40.
12. For offers made from January 2001 the value must be updated by agreed multipliers as shown in Schedule 2 (Section 2.2 of the Valuation Guidelines). According to Step 3 of Schedule 2 of the said Annex, additions must be made to the value up to the end of 2000 for the subsequent years. These interest rates have been agreed in the Valuation Guidelines for 2001 and 2002 and have been fixed for 2003, 2004 and 2005 by a Memorandum of ICHEIC after consultation with the Foundation and the [REDACTED] as the other parties to the Agreement (2001: 5.4%; 2002: 5.0%; 2003: 4.75%; 2004: 5%; and 2005: 5% according to the month, in which the decision is made, plus two months, i.e. 8/12 of 5%), which leads to the amount of DM 2,127.39 for 2001, DM 2,233.76 for 2002, DM 2,339.86 for 2003, DM 2,456.85 for 2004, and DM 2538.73 for 2005 which results in €1,298.03 on the basis of an exchange rate of DM 1.95583 = €1.00. A conversion of €1,298.03 to US dollars is US \$1,566.92 on the basis of an exchange rate of 1 Euro = 1.20216 US dollars.
13. Notwithstanding the above calculation, however, pursuant to Section 2.3 of the Valuation Guidelines each Claimant shall receive in respect of any valid claim on a policy issued in Germany by a German company a minimum payment of at least US\$3,000 for valid Claimants.
14. The offer by [REDACTED] to the Appellant totalling US\$9,000 for three policies is in accordance with the Valuation Guidelines.

IT IS THEREFORE HELD AND DECIDED:

The appeal is dismissed.

Dated: 9th January 2006

[REDACTED]