



STATE OF NEW YORK
INSURANCE DEPARTMENT
25 BEAVER STREET
NEW YORK, NEW YORK 10004

Circular Letter No. 17 (1998)
July 23, 1998

TO: All insurers organized, registered, accredited or licensed to do an insurance business in New York State (including all licensed life insurers, fraternal benefit societies, savings bank life insurance departments, accredited life reinsurers, property/casualty insurers, co-operative property/casualty insurers, financial guaranty insurers, mortgage guaranty insurers, reciprocal insurers, accident and health insurers, Article 43 Corporations, Public Health Law Article 44 health maintenance organizations, title insurers, the State Insurance Fund, and accredited property/casualty reinsurers; all hereinafter referred to as "insurers")

RE: Holocaust Victims Insurance Act of 1998

CHAPTER 259 OF THE LAWS OF 1998 added Article 27 (entitled "Holocaust Victims Insurance Act of 1998") to the New York Insurance Law. The Act provides insurance claims assistance to Holocaust victims (defined as "any person, claimant, or the estate, heir, legatee, descendant, survivor, beneficiary, or other such successor-in-interest of such person") who lost their lives or property as a result of discriminatory laws, policies or actions during the period between January 1, 1929 and December 31, 1945 in areas under Nazi influence. Chapter 259, signed into law on July 8, 1998, became effective immediately. The affected insurance policies include, but are not limited to, any form of life, accident and health, annuities, property, casualty, education or dowry insurance (Section 2701(c)).

In approving Chapter 259, Governor Pataki stated:

New York State has led the Nation in its efforts to ensure a just resolution of Holocaust victims' unresolved legitimate claims. The New York State Holocaust Claims Processing Office has served as an advocate for claimants since it opened in September 1997, assisting them to recover assets deposited in Swiss banks prior to and during World War II and to recover monies never paid in connection with insurance policies issued by European insurance companies during the same period.

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While the bill establishes an important framework by which New York State can assist in the resolution of these claims, it is important to acknowledge the global context of this issue, involving, as it does, Holocaust victims and their heirs, insurers

and regulators in several different countries and jurisdictions. My administration has been actively involved in the efforts to address this issue in a comprehensive fashion through the creation of an international body that would be empowered to evaluate and resolve outstanding claims.

On April 8, 1998 at the offices of the New York State Insurance Department, a Memorandum of Intent was executed by the Superintendent of Insurance, other insurance regulators in the United States, worldwide Jewish organizations and insurance companies. The memorandum contemplates the establishment of such an independent international commission, with its members drawn from the United States and European regulators, European insurance companies and non-governmental Jewish and Holocaust survivor organizations. To date, forty-seven states and the District of Columbia have signed the Memorandum of Intent.

In recognition of the provisions of Chapter 259 and the initiatives described above, your attention is directed to new Section 2705(a) of the Insurance Law, which provides that each insurer shall file or cause its holding company to file with the Superintendent of Insurance, **no later than November 5, 1998**, a report setting forth the insurer's plan ("Plan") for complying with the provisions of Article 27. The Plan must include, but not be limited to, the procedures for obtaining the information that is specifically required by Section 2705(b)(1) through (8) and for the handling by the insurer of Holocaust victims' claims pursuant to the requirements of Section 2703(a). Pursuant to Section 2705(c), the Plan must be certified and affirmed under oath as being true and not misleading and as containing the most accurate information available at the time of such report's submission, by the chief executive officer (or comparable officer) of the responding entity.

In addition to the foregoing, each insurer is required by Section 2705(b) to report or cause its holding company to report to the Superintendent, **no later than January 30, 1999 and annually thereafter for each of the succeeding ten years**, the following information:

- whether the insurer is a member of a holding company system which included any insurer, other member, subsidiary or division in each case whether a licensee or not, that could possibly be expected to have issued an insurance policy to a Holocaust victim between January 1, 1920 and December 31, 1945 and a list of each such entity;
- the approximate number and the total value of all such insurance policies which remain unpaid or were paid to, or expropriated by, a government located in areas under Nazi influence that was not the named beneficiary of such policies;
- the attempts made by the insurer to locate beneficiaries of any insurance policies for which no claim of benefits was made;
- the number of claims filed by persons who allege or have alleged that they are Holocaust victims and whether each such claim has been paid or payment has been denied;
- a summary of the length of time for the processing and disposition of such a claim; and
- any additional information which may be requested by the Superintendent pursuant to Section 2705(b)(4) and (6).

Although a Department regulation will be issued later this year providing filing specifications for the reports to be filed pursuant to Section 2705(b) of the Insurance Law, the report containing the Plan which you are required to file pursuant to Section 2705(a) will be unaffected by the issuance of such regulation and, as stated above, must be filed no later than November 5, 1998. Failure to file reports as required by Section 2705(a) and (b) will subject violators to, *inter alia*, the penalties specified in Section 2707.

For your convenience, the Insurance Department website at www.ins.state.ny.us will provide the [COMPLETE TEXT OF CHAPTER 259](#).

Reports filed pursuant to Article 27 of the New York Insurance Law should be addressed to:

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New York State Insurance Department
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New York, New York 10004
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Very truly yours,

(SIGNED)
BONNIE STEINGART
Deputy Superintendent &
General Counsel