

AMENDED IN ASSEMBLY MAY 25, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

**ASSEMBLY BILL**

**No. 600**

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**Introduced by Assembly Member Knox**

~~(Coauthors: Assembly Members Villaraigosa, Hertzberg,  
Honda, and Thompson)~~

*(Coauthors: Assembly Committee on Appropriations and  
Assembly Members Hertzberg, Honda, Thompson, and  
Villaraigosa)*

(Coauthor: Senator Burton)

February 19, 1999

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An act to amend Section 354.5 of the Code of Civil Procedure, and to add Chapter 4 (commencing with Section 13800) to Division 3 of the Insurance Code, relating to insurance claims of Holocaust victims, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 600, as amended, Knox. Insurance claims of Holocaust victims.

(1) Existing law prescribes certain powers and duties of the Insurance Commissioner and of the Department of Insurance. Existing law requires the department to develop and implement a coordinated approach to gather, review, and analyze the archives of insurers and other archives and records, as specified, to provide for research and investigation into insurance policies, unpaid insurance claims, and related

matters of victims of the Holocaust or the Nazi-controlled German government or its allies, and the beneficiaries and heirs of those victims, and for losses arising from the activities of the Nazi-controlled German government or its allies for insurance policies issued before and during World War II by insurers who have affiliates or subsidiaries authorized to do business in the state.

Existing law also provides that the department has an affirmative duty to play an independent role in representing the interests of Holocaust survivors, and provides that if an insurer or any affiliate of an insurer has failed to pay any valid claim from Holocaust survivors, the certificate of authority of the insurer shall be suspended until the insurer, or its affiliates, pays the claim or claims.

This bill would, in addition, enact the Holocaust Victim Insurance Relief Act of 1999, which would, among other things, require the commissioner to establish and maintain the Holocaust Insurance Registry, which would contain records and information relating to insurance policies issued by insurers in the state, either directly or through a related company, to persons in Europe which were in effect between 1920 and 1945. This bill would require those insurers to file or cause to be filed that information with the commissioner to be entered into the registry. It would also require those insurers to provide certain additional information under penalty of perjury, and would provide for certain civil penalties for knowingly filing false information about a policy, as required by these new provisions. The bill would appropriate these civil penalties from the General Fund to the Department of Insurance to be used to aid in the resolution of Holocaust insurance claims. By expanding the scope of the existing crime of perjury, this bill would impose a state-mandated local program. It would also require the commissioner to suspend the certificate of authority of any insurer that fails to comply with these requirements by the 210th day of the effective date of these provisions, and to adopt emergency rules to implement these provisions.

(2) Existing law authorizes any Holocaust victim, as defined, or heir or beneficiary of a Holocaust victim, who resides in this state and has a claim arising out of an insurance



policy or policies purchased in Europe between 1920 and 1945 from a specified insurer to bring a legal action to recover on that claim in any superior court of the state for the county in which the plaintiff or one of the plaintiffs resides, which shall be vested with jurisdiction over that action until its completion or resolution. Existing law also provides that any claim of this type shall not be dismissed for failure to comply with the applicable statute of limitation if the action is commenced on or before December 31, 2010.

This bill would instead authorize those persons to bring a legal action to recover on a claim arising out of an insurance policy or policies purchased or in effect in Europe before 1945 from a specified insurer, and would change the definition of “Holocaust victim” and “insurer,” as specified.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(4) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: <sup>2</sup>/<sub>3</sub>. Appropriation: yes. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 354.5 of the Code of Civil  
2 Procedure is amended to read:  
3 354.5. (a) The following definitions govern the  
4 construction of this section:  
5 (1) “Holocaust victim” means any person who was  
6 persecuted during the period of 1929 to 1945, inclusive, by  
7 Nazi Germany, its allies, or sympathizers.  
8 (2) “Related company” means any parent, subsidiary,  
9 reinsurer, successor in interest, managing general agent,  
10 or affiliate company of the insurer.  
11 (3) “Insurer” means an insurance provider doing  
12 business in the state, or *an insurance provider* whose  
13 contacts in the state satisfy the constitutional



1 requirements for jurisdiction, that sold life, property,  
2 liability, health, annuities, dowry, educational, casualty,  
3 or any other insurance covering persons or property to  
4 persons in Europe at any time before 1945, directly or  
5 through a related company, whether the sale of the  
6 insurance occurred before or after the insurer and the  
7 related company became related.

8 (b) Notwithstanding any other provision of law, any  
9 Holocaust victim, or heir or beneficiary of a Holocaust  
10 victim, who resides in this state and has a claim arising out  
11 of an insurance policy or policies purchased or in effect  
12 in Europe before 1945 from an insurer described in  
13 paragraph (3) of subdivision (a), may bring a legal action  
14 to recover on that claim in any superior court of the state  
15 for the county in which the plaintiff or one of the plaintiffs  
16 resides, which court shall be vested with jurisdiction over  
17 that action until its completion or resolution.

18 (c) Any action brought by a Holocaust victim or the  
19 heir or beneficiary of a Holocaust victim, whether a  
20 resident or nonresident of this state, seeking proceeds of  
21 the insurance policies issued or in effect before 1945 shall  
22 not be dismissed for failure to comply with the applicable  
23 statute of limitation, provided the action is commenced  
24 on or before December 31, 2010.

25 SEC. 2. Chapter 4 (commencing with Section 13800)  
26 is added to Division 3 of the Insurance Code, to read:

27

28 CHAPTER 4. HOLOCAUST INSURANCE REGISTRY

29

30 13800. This chapter shall be known and may be cited  
31 as the Holocaust Victim Insurance Relief Act of 1999.

32 13801. The Legislature finds and declares the  
33 following:

34 (a) During World War II, untold millions of lives and  
35 property were destroyed.

36 (b) In addition to the many atrocities that befell the  
37 victims of the Nazi regime, insurance claims that  
38 rightfully should have been paid out to the victims and  
39 their families, in many cases, were not.



1 (c) In many instances, insurance company records are  
2 the only proof of insurance policies held. In some cases,  
3 recollection of those policies' very existence may have  
4 perished along with the Holocaust victims.

5 (d) At least 5,600 documented Holocaust survivors are  
6 living in California today. Many of these survivors and  
7 their descendents have been fighting for 50 years to  
8 persuade insurance companies to settle unpaid or  
9 wrongfully paid claims. Survivors are asking that  
10 insurance companies come forth with any information  
11 they possess that could show proof of insurance policies  
12 held by Holocaust victims and survivors, in order to  
13 ensure that closure on this issue is swiftly brought to pass.

14 (e) Insurance companies doing business in the State of  
15 California have a responsibility to ensure that any  
16 involvement they or their related companies may have  
17 had with insurance policies of Holocaust victims are  
18 disclosed to the state and to ensure the rapid resolution  
19 of these questions, eliminating the further victimization  
20 of these policyholders and their families.

21 (f) The international Jewish community is in active  
22 negotiations with responsible insurance companies  
23 through the International Commission on Holocaust Era  
24 Insurance Claims to resolve all outstanding insurance  
25 claims issues. This chapter is necessary to protect the  
26 claims and interests of California residents, as well as to  
27 encourage the development of a resolution to these issues  
28 through the international process or through direct  
29 action by the State of California, as necessary.

30 13802. For purposes of this chapter, the following  
31 definitions shall apply:

32 (a) "Holocaust victim" means any person who was  
33 persecuted during the period of 1929 to 1945, inclusive, by  
34 Nazi Germany, its allies, or sympathizers.

35 (b) "Related company" means any parent, subsidiary,  
36 reinsurer, successor in interest, managing general agent,  
37 or affiliate company of the insurer.

38 (c) "Proceeds" means the face value or other payout  
39 value of insurance policies and annuities plus reasonable



1 interest to date of payment without diminution for  
2 wartime or immediate postwar currency devaluation.

3 13803. The commissioner shall establish and maintain  
4 within the department a central registry containing  
5 records and information relating to insurance policies, as  
6 described in Section 13804, of victims, living and  
7 deceased, of the Holocaust. The registry shall be known  
8 as the Holocaust Insurance Registry. The Attorney  
9 General, in coordination with the department, shall  
10 establish appropriate mechanisms to ensure public access  
11 to the registry.

12 13804. (a) Any insurer currently doing business in  
13 the state that sold life, property, liability, health,  
14 annuities, dowry, educational, or casualty insurance  
15 policies, directly or through a related company, to  
16 persons in Europe, which were in effect between 1920  
17 and 1945, whether the sale occurred before or after the  
18 insurer and the related company became related, shall,  
19 within 180 days following enactment of this act, file or  
20 cause to be filed the following information with the  
21 commissioner to be entered into the registry:

22 (1) The number of those insurance policies.

23 (2) The holder, beneficiary, and current status of those  
24 policies.

25 (3) The city of origin, domicile, or address for each  
26 policyholder listed in the policies.

27 (b) In addition, each insurer subject to subdivision (a)  
28 shall certify under penalty of perjury to any of the  
29 following:

30 (1) That the proceeds of the policies described in  
31 subdivision (a) have been paid to the designated  
32 beneficiaries or their heirs where that person or persons,  
33 after diligent search, could be located and identified.

34 (2) That the proceeds of the policies where the  
35 beneficiaries or heirs could not, after diligent search, be  
36 located or identified, have been distributed to Holocaust  
37 survivors or to qualified charitable nonprofit  
38 organizations for the purpose of assisting Holocaust  
39 survivors.



1 (3) That a court of law has certified in a legal  
2 proceeding resolving the rights of unpaid policyholders,  
3 their heirs, and beneficiaries, a plan for the distribution  
4 of the proceeds.

5 (4) That the proceeds have not been distributed and  
6 the amount of those proceeds.

7 (c) An insurer currently doing business in the state  
8 that did not sell any insurance policies in Europe prior to  
9 1945, shall not be subject to this section if a related  
10 company, whether or not authorized and currently doing  
11 business in the state, has made a filing under this section.

12 13805. Any insurer that knowingly files information  
13 about a policy required by this chapter that is false shall,  
14 with respect to that policy, be liable for a civil penalty not  
15 to exceed five thousand dollars (\$5,000), which penalty is  
16 hereby appropriated to the department to be used by it  
17 to aid in the resolution of Holocaust insurance claims.

18 13806. The commissioner shall suspend the certificate  
19 of authority to conduct insurance business in the state of  
20 any insurer that fails to comply with the requirements of  
21 this chapter by the 210th day after this section becomes  
22 effective, until the time that the insurer complies with  
23 this chapter.

24 13807. The commissioner shall adopt rules to  
25 implement this chapter within 90 days of its effective  
26 date. The rules shall be adopted as emergency regulations  
27 in accordance with Chapter 3.5 (commencing with  
28 Section 11340) of the Government Code, and for the  
29 purposes of that chapter, including Section 11349.6 of the  
30 Government Code, the adoption of the rules shall be  
31 considered by the Office of Administrative Law to be  
32 necessary for the immediate preservation of the public  
33 peace, health and safety, and general welfare.

34 SEC. 3. No reimbursement is required by this act  
35 pursuant to Section 6 of Article XIII B of the California  
36 Constitution because the only costs that may be incurred  
37 by a local agency or school district will be incurred  
38 because this act creates a new crime or infraction,  
39 eliminates a crime or infraction, or changes the penalty  
40 for a crime or infraction, within the meaning of Section



1 17556 of the Government Code, or changes the definition  
2 of a crime within the meaning of Section 6 of Article  
3 XIII B of the California Constitution.

4 SEC. 4. This act is an urgency statute necessary for the  
5 immediate preservation of the public peace, health, or  
6 safety within the meaning of Article IV of the  
7 Constitution and shall go into immediate effect. The facts  
8 constituting the necessity are:

9 In order to establish the Holocaust Insurance Registry  
10 and to ensure the resolution of claims under insurance  
11 policies held by Holocaust victims and survivors at the  
12 earliest possible time, it is necessary that this act take  
13 effect immediately.

