



Allianz during the Nazi era

"Allianz recognizes its moral responsibility and stands up to its history. Our goal has always been to ensure that the best interests of Holocaust survivors, their families and heirs remain at the center of our efforts. This is why we have at all times remained committed to the expeditious and fair settlement of all valid claims."

Henning Schulte-Noelle, in 1997, then CEO of Allianz AG

1. Allianz 1933 – 1945

1.1. Overview: Allianz and the German Economy during the Nazi Period

- 1.1.1. Seizure of power by the National Socialists and establishment of the dictatorship: On 30 January 1933 the National Socialists assumed power in Germany.
- 1.1.2. The economic policy of the National Socialists: The Nazi philosophy used the economy to serve its purposes – economic processes were subordinate to the interests of the totalitarian state.
- 1.1.3. Ideology as part of everyday life at Allianz: Like every company, Allianz figured in the history of this era – as early as 1933 employee representatives were replaced by NSDAP activists. Freely elected works committees were dismantled.
- 1.1.4. The insurance industry during the war: The Second World War shaped the work of insurance companies in many respects – all large companies in the financial sector had to invest financial reserves in government loans, which the state used to finance the war.

1.2. Employees: People in the Company

- 1.2.1. Allianz's management: National Socialism influenced the working climate and ethical standards throughout industry. It also affected the behavior of and relationships among Allianz's more than 10,000 employees.
- 1.2.2. Jewish employees at Allianz: The exclusion of Germany's Jewish population began with laws barring Jews from holding civil-service posts. In the private sector as well it became increasingly difficult for Jews to hold on to their jobs.

1.3. Pogroms: The Night of the Broken Glass and the insurance industry

- 1.3.1. The November pogrom – significance and background: In the night from 9 to 10 November 1938 a pogrom against the Jewish population took place throughout Germany.
- 1.3.2. The meeting at the Ministry of Aviation on November 12, 1938: The pogrom was followed by legal orders that were aimed at stepping up the process of "Aryanization", accelerating the emigration of Jews and isolating them even more strictly from the rest of the population.

1.3.3. Eduard Hilgard and the consequences of the pogrom for the insurance industry: On the morning of 12 November 1938 Eduard Hilgard, head of the Reichsgruppe Versicherung (Reich Association of the Insurance Industry) was ordered to take part in a hurriedly convened meeting at the Reich aviation ministry.

1.4. "Aryanization": The elimination of the Jewish population from economic life

- 1.4.1. The destruction of Jewish Livelihood in Germany: Racist and nationalistic anti-Semitism was an essential component of National Socialist ideology.
- 1.4.2. The "Aryanization" of Jewish property: The term Arisierung, or "Aryanization", was coined by the National Socialists to describe the process whereby Jewish people were ousted from their jobs and from working life in general.
- 1.4.3. The "Aryanization" of a commercial property in Munich's Kaufingerstrasse: Julius and Else Basch were proprietors of a commercial property located on one of Munich's main shopping thoroughfares. After the Pogrom Night of 9 November 1938 Julius Basch, like thousands of other Jewish business people in Germany, was hauled off to a concentration camp, in this case Dachau.
- 1.4.4. The last stage – the Nazi state legalizes wide-scale plundering: In November 1941 the Reich government took a decisive step toward the total dispossession of Jewish assets.

1.5. World War II: Allianz's business activities in World War II

- 1.5.1. War puts its stamp on business – new insurance needs: Since Germany overran Poland in 1939 the business of the insurance sector was characterized by the risks associated with the war.
- 1.5.2. New markets – business activities in occupied Europe: The occupying regimes set up by Germany differed fundamentally in the various occupied countries and regions of Europe - whereas in Western Europe German rule was at least to some extent "civilized", barbaric tyranny was largely the order of the day in the East.
- 1.5.3. The party as customer of the insurance industry: As a result of its power, its many millions of members and considerable wealth the NSDAP and its numerous sections and subdivisions constituted a key economic factor in Germany.
- 1.5.4. Max Beier – Business canvasser and member of the SS: As of 1940 Allianz cultivated business relations with enterprises belonging to the SS. An important role was played in this process by individuals such as Max Beier (1889-1945).

1.6. War legacy: Aftermath of war - destruction and blame

- 1.6.1. Allianz's situation in 1945: The longer the war went on, the more difficult it became for Allianz to maintain business operations – the damage mounted rapidly. There was a shortage of staff.
- 1.6.2. Crime and punishment – the denazification process: After the liberation of Germany in May 1945 the Allied Powers initiated a comprehensive denazification program.
- 1.6.3. Limits of denazification: In the American occupation zone denazification was at first pursued with great effort and commitment.
- 1.6.4. Denazification – Kurt Schmitt as a case in point: In September 1945 the denazification process was extended to include top business executives.

1.7. Compensation: Beginnings of reparation after 1945

- 1.7.1. The history of material reparation after 1945: Even while World War II still raged the Allies established the basis for reparation payments to the victims of National Socialism.
- 1.7.2. Dimensions and limits: The dimension of the crimes that Germany had to answer for and the sheer scale of the suffering inflicted on the survivors of the millions of victims made just compensation impossible.
- 1.7.3. The part played by the corporate sector in reparations: The attempt at providing material reparation for the victims of the Nazi regime was one of the most pressing tasks facing the new German state.

2. Life insurance policies

2.1. Expropriation: The expropriation of Jewish life insurance policies

- 2.1.1. Allianz's Jewish and non-Jewish customers: In the 1930s and 1940s several million people had life insurance policies with Allianz.
- 2.1.2. Registration of Jewish assets by the state: Since early 1937 the Nazi regime had considerably increased the political and economic pressure on the Jewish population.
- 2.1.3. Seizure of Jewish assets by the state: As of 1933 the basis of livelihood of Germany's Jewish population was systematically eroded.
- 2.1.4. The confiscation of life insurance policies: The National Socialist government created the legal basis for the direct sequestration of assets as early as 1933.

2.2. Compensation: Handling of life insurance policies to the Present Day

- 2.2.1. Post-war Compensation for expropriated life insurance policies: Compensation for expropriated life insurance policies was handled according to the principles set down in the German Federal Acts on the Compensation of the Victims of Persecution by the National Socialist Regime of 1949 and 1953.
- 2.2.2. Allianz's Commitment to Expropriation Victims: In the spring of 1997, a lawsuit was filed against several European insurers in New York.
- 2.2.3. From inquiry to claim: Every inquiry to claim: Every inquiry Allianz Leben receives, directly or through the ICHEIC offices, is treated in an individual manner.
- 2.2.4. ICHEIC and the Foundation Initiative of the German Industry: The International Commission on Holocaust-era Insurance Claims (ICHEIC), founded in August 1998, is committed to settling the issue of outstanding life insurance policies during the Nazi era.

3. Frequently asked questions

- 3.1. Frequently asked questions on Allianz's history and on the compensation of unpaid life insurance policies issued to holocaust victims

4. Chronicle

- 4.1. An overview of the events between 1933 and 1953

1. Allianz 1933 – 1945

People at Allianz and the Insurance Business under the Fascist Regime: Key Aspects of Allianz's History during the Era of National Socialism



1.1 Overview: Allianz and the German Economy during the Nazi Period

1.1.1 Seizure of power by the National Socialists and establishment of the dictatorship



Uniforms and flags signify the politicization of everyday life in the company.

On 30 January 1933 the National Socialists assumed power in Germany. Within a very short time they managed to gain control of all important positions in government and society.

The regime imposed this policy of Gleichschaltung by means of intimidation and force. Persona non grata and political opponents were arrested. It was obvious from the deprivation of the Jewish population's rights that racism and antisemitism had become key elements of Nazi policy.

1.1.2 The economic policy of the National Socialists

The Nazi philosophy used the economy to serve its purposes - economic processes were subordinate to the interests of the totalitarian state. Nazi economic policy was characterized by state regulation. The state pursued a patronizing welfare policy, striving for economic autonomy and readying Germany for a new war.



Kurt Schmitt (row 2, first from left), Hermann Göring (row 1, second from left), and prominent party officials celebrating the First of May, 1934, at Tempelhof Field in Berlin (Bayerische Staatsbibliothek – Bildarchiv, Photoarchiv Hoffmann)

1.1.3 Ideology as part of everyday life at Allianz



Allianz work troops marching on the First of May in Berlin

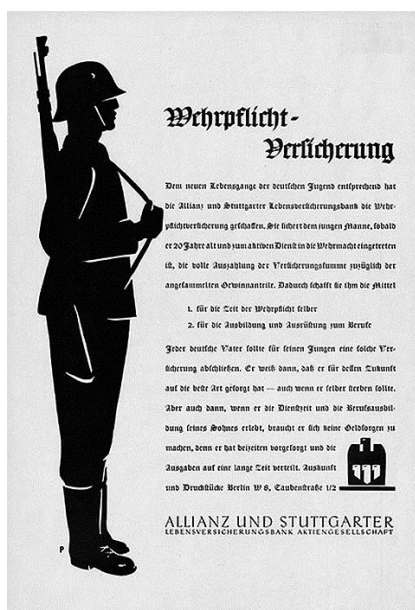
Like every company, Allianz figured in the history of this era - as early as 1933 employee representatives were replaced by NSDAP activists. Freely elected works committees were dismantled.

The functionaries of the Nazi Employees' Organization were charged with mobilizing and indoctrinating employees in line with Nazi ideology. This was accomplished through regularly staged rituals - militaristic company roll-calls, the transmission of Hitler's speeches within the company and swastikas on every

occasion. From 1933 on Jewish employees were dismissed, partly as a result of government pressure, partly as a result of Nazi forces within the company.

Allianz attempted to oppose the regime's nationalization plans through involvement in pressure groups within the private sector. Agents of public-sector insurance companies were the most formidable opponents of the private insurance industry. Many political representatives sat on their boards and sought to use their political connections to boost business volume for themselves.

1.1.4 The insurance industry during the war



The war also changed the company's offerings: advertisement for war duty insurance

The Second World War shaped the work of insurance companies in many respects - all large companies in the financial sector had to invest financial reserves in government loans, which the state used to finance the war. Allianz expanded its activities in parts of occupied Europe in step with German military expansion.

The SS was also a customer of the insurance industry. Thus, Allianz, usually as a member of a consortium of various insurance companies, insured staff and buildings at SS production facilities on the grounds of concentration camps.

1.2 Employees: People in the Company

1.2.1 Allianz's management

National Socialism influenced the working climate and ethical standards throughout industry. It also affected the behavior of and relationships among Allianz's more than 10,000 employees.



Allianz's Management

In 1933 Hans Hess became Kurt Schmitt's successor as General Director of Allianz. Together with board member Eduard Hilgard he exerted a decisive influence on business development and the company's sociopolitical position right up to the end of the Second World War.

Kurt Schmitt's energetic course of expansion in the 1920s had made Allianz the biggest insurance company in Germany. In 1933 Schmitt became Minister of Economic Affairs in Adolf Hitler's government. In 1935 he resigned from this post as he was unable to implement his political ideas and his health was failing. After his recovery he returned to Allianz and in 1938 became General Director of Munich Re.

Schmitt's successor, Hans Hess, maintained a very distant relationship to National Socialism. Unlike many other German company directors, he did not join the NSDAP. Hans Hess concentrated on the internal organization of the company, creating a corporate structure that was both efficient and viable in the long term.

Eduard Hilgard, as a functionary of the insurance association, provided support for the management's actions. He represented the interests of the private insurer vis à vis the state and the party. In 1934 Hilgard became the head of the newly founded Reichsgruppe of insurance companies. The Reichsgruppe, the successor to the former umbrella organization of the insurance industry, was created in line with Nazi ideology.

1.2.2 Jewish employees at Allianz

The exclusion of Germany's Jewish population began with laws barring Jews from holding civilservice posts. In the private sector as well it became increasingly difficult for Jews to hold on to their jobs. Jewish employees in senior positions were the first victims of the prevailing antisemitic atmosphere, and this was also the case at Allianz.



Jewish employees at Allianz

In 1934, for example, James Freudenburg had to step down from his post as Chairman of the Board at a Frankfurt subsidiary of Allianz. He was pensioned off in 1936 at the age of 61. James Freudenburg did not manage to leave Germany - he was deported and murdered in Auschwitz in 1944.

Maximilian Eichbaum was director of Allianz's branch office in Magdeburg. He lost his post in 1935. Plans to assume the management of an Allianz subsidiary in Austria did not come to fruition. In 1937 Eichbaum and his family emigrated to South Africa, where Allianz found him a job with an associated insurance company.

It was in an atmosphere of denunciations, racist assaults launched by party organizations and the population and an ever-growing number of legal restrictions that companies gradually dismissed their Jewish employees. At Allianz this meant that eventually in 1938 contracts with Jewish agents, such as Martin Lachmann from Berlin, were no longer renewed. Although members of his family had already emigrated to Sweden in the mid-1930s, Martin Lachmann was reluctant to leave Germany. When living conditions for the Jewish population became ever more oppressive from 1938 onwards, he finally decided to emigrate. But his efforts were in vain. Martin Lachmann had to stay in Germany and was later deported to Minsk, where he was murdered in November 1941.

1.3 Pogroms: the night of the broken glass and the insurance industry

1.3.1 The November pogrom - significance and background

In the night from 9 to 10 November 1938 a pogrom against the Jewish population took place throughout Germany. The Nazi propaganda machine presented the violence as a spontaneous "outbreak of public fury" following the shooting in Paris of German diplomat Ernst vom Rath by a 17 year-old Pole, Hershel Grynszpan. The pogrom marked a climax of the attacks on Jewish people in Germany and Austria.

In this act of violence the perpetrators destroyed several hundred synagogues and ransacked some 7,500 businesses. At least 400 people lost their life. Around 30,000 Jewish citizens were herded off to concentration camps. The Pogrom Night represented the temporary apogee of anti-Semitic tyranny. It was the first time that rioting against Jews in Germany had been organized on this scale and accompanied by mass arrests.

The events were a turning point. The way was now clear for the total exclusion of Jews from German society.

1.3.2 The meeting at the Ministry of Aviation on November 12, 1938



The session on the pogrom was held in the Reich Aviation Ministry on November 12, with Hermann Göring presiding (Bildarchiv, Preußischer Kulturbesitz, Berlin)

The pogrom was followed by legal orders that were aimed at stepping up the process of "Aryanization", accelerating the emigration of Jews and isolating them even more strictly from the rest of the population. These orders were issued as an outcome of a conference convened by Hermann Göring and held on 12 November, 1938 at the Ministry of Aviation in Berlin.

Since 1936 Hermann Göring had succeeded in establishing himself as de facto "economic dictator" in addition to his many official posts. The goal of his political plans was to mobilize all economic potentials for war and now he intended to appropriate the assets of the Jewish population to that end.

Under Göring's direction about one hundred representatives of the Ministry's bureaucracy and the security services met with experts from the business community to discuss the consequences of the pogrom. The following measures were the concrete outcome of the conference:

- Under the pretext of atonement for the murder of Ernst vom Rath the entire Jewish community was obliged to make a so-called "expiatory payment" - a lump-sum statutory levy of 1 billion Reichsmarks - to the state.
- By means of the Verordnung zur Wiederherstellung des Strassenbildes (ordinance for the restoration of the appearance of streets), also decreed by Göring after 12 November 1938, the Reich confiscated any property insurance claims to which German Jews may have been entitled. That affected policies which included civil disturbance insurance. All shop owners were obliged to repair any damage to their businesses. The compulsory "Aryanization" of all business enterprises was to be pursued as quickly as possible.

These measures were followed by a flood of new discriminatory regulations. Within a few weeks the regime robbed the Jewish population of a plethora of every-day rights and liberties.

1.3.3 Eduard Hilgard and the consequences of the pogrom for the insurance industry



Eduard Hilgard took part in the Aviation Ministry session as head of the Reich Insurance Group.

On the morning of 12 November 1938 Eduard Hilgard, head of the Reichsgruppe Versicherung (Reich Association of the Insurance Industry) was ordered to take part in a hurriedly convened meeting at the Reich aviation ministry. Göring described the pogrom as a "far-reaching economic problem", the various aspects of which had to be discussed. Eduard Hilgard, in his capacity as highest representative of the private-sector insurance industry, was called to that part of the conference that dealt with the issue of insurance liability for the material damage of the pogrom. More exact data, such as reliable loss estimates, were not yet available to Hilgard.

Subsequently Göring laid down guidelines for the settlement of claims, the most important being:

- all claims of non-Jewish claimants and Jewish policyholders with foreign citizenship must be satisfied,
- all claims of Jewish claimants with German citizenship were abolished by ministerial order.

Following protracted negotiations between the insurers and the ministry administration it was only in August 1939 that a final settlement was adopted. Hilgard had succeeded in considerably reducing the government's claims against the insurance sector. To cover the claims of Jewish policyholders for damage incurred in the Pogrom Night the insurance sector ultimately had to pay a single lump sum of 1.3 million Reichsmarks to the Reich. Claims of foreign policyholders were paid out according to the contracts.

1.4 "Aryanization": The elimination of the Jewish population from economic life

1.4.1 The destruction of Jewish Livelihood in Germany

Racist and nationalistic anti-Semitism was an essential component of National Socialist ideology. When the National Socialists took over government power in January 1933 this anti-Semitism became a characteristic feature of the development of the totalitarian state. It became one of the guiding principles of German politics.



Banner urging an anti-semitic boycott in Glowitz, 1933 (Bildarchiv Preußischer Kulturbesitz, Berlin)

The objective of this political system was to expel the Jewish population from German society. Before the National Socialists began to systematically murder European Jewry in the Second World War they had destroyed the economic basis of Jewish people's livelihood by arbitrary acts and ever more radical and discriminatory legislation.

They started with a boycott of Jewish businesses, medical practices and attorneys' offices on 1 April 1933. During the 1930s the authorities, security services and party organizations resorted to increasingly brutal

measures - Jewish employees were dismissed from the civil service, they were stripped of their civic rights, Jewish businesses suffered as a result of peremptory boycotts and the mass media mounted anti-Semitic hate campaigns.

1.4.2 The "Aryanization" of Jewish property

Form for registering the assets of Jewish citizens, 1938 (Berlin, Landesarchiv)

The term Arisierung, or "Aryanization", was coined by the National Socialists to describe the process whereby Jewish people were ousted from their jobs and from working life in general. "Aryanization" encompassed both illegal as well as state-sanctioned measures such as dismissal, debarment from practicing a profession, restrictions in engaging in commercial activities and the transfer of rights and property to non-Jewish Germans, sometimes under duress.

Up to 1937 seemingly unsystematic, isolated anti-Semitic actions took place which already posed a serious threat to the livelihood of the majority of Jews still living in Germany. However, in 1938 there was a radical worsening of the situation. First, all Jewish assets were registered. Then party entities, together with the authorities, used this information to initiate a wide-scale pseudo-legal transfer of Jewish enterprises to non-Jewish owners.

After the Pogrom Night in November 1938 this process was speeded up by means of additional force and a large number of new legal regulations. By New Year 1939 most Jewish enterprises in Germany and Austria had already either been "arianized" or closed down. Whereas in the earlier years Jewish proprietors were at least able to realize part of the value of their property when they "sold" it, as things stood in 1938 "Aryanization" was increasingly taking on the nature of state-organized expropriation.

1.4.3 The "Aryanization" of a commercial property in Munich's Kaufingerstrasse

Julius and Else Basch were proprietors of a commercial property located on one of Munich's main shopping thoroughfares. After the Pogrom Night of 9 November 1938 Julius Basch, like thousands of other Jewish business people in Germany, was hauled off to a concentration camp, in this case Dachau.

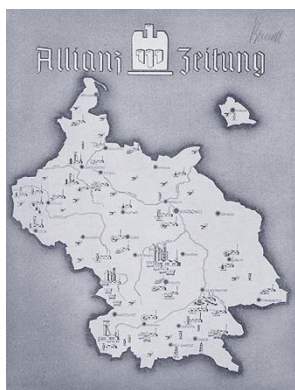
The only people with any hope of being set free were those who could credibly assert that they would emigrate from Germany immediately. This entailed considerable costs for the emigration itself as well as for a large number of discriminatory levies and special taxes. Julius and Else Basch decided to join their son in the USA.

They sold the commercial property to Vermögensverwertung München GmbH, an institution that had been founded by Nazi officials to "arianize" the assets and enterprises of Munich's Jews. Julius Basch was not allowed to represent his interests himself in the sale. He was placed under the care of a "trustee" selected by the party. In January 1940 this "trustee" sold the building to Allianz.

The price fixed for the sale remained controversial even in the restitution proceedings



The Kaufingerstrasse Store in Munich, "arianized" through purchase in 1940. After the war it became the object of a restitution suit (Süddeutscher Bilderdienst)



Title page of Allianz Zeitung at the outbreak of war, 1939 showing occupied Poland

The nature of the occupation policy and the ideological attitude toward the subjugated peoples also influenced the work of the insurance companies operating locally. Whereas in the occupied countries of the West Allianz tended to exercise restraint, in Eastern Europe it was a different matter.

In the Polish territories of Upper Silesia, Poznan and Gdansk that were annexed by Germany Polish and British insurance policies were transferred to German companies (among them also Allianz) for the fiduciary administration.

1.5.3 The party as customer of the insurance industry

As a result of its power, its many millions of members and considerable wealth the NSDAP and its numerous sections and subdivisions constituted a key economic factor in Germany. For industry they were important and lucrative customers. This was also true for Allianz.

Party entities such as the National Socialist Women's Organization, the Federation of German Police and the National Socialist Teachers' Federation took out personal accident, funeral expense or life insurance with Allianz. Most of these policies were group policies between the organizations, who acted as agents for their members or employees, and Allianz. In this way the company gained new customer groups of considerable size.

1.5.4 Max Beier – Business canvasser and member of the SS

As of 1940 Allianz cultivated business relations with enterprises belonging to the SS. An important role was played in this process by individuals such as Max Beier (1889-1945). Beier was a successful sub-director of Allianz's Berlin regional office and had close links with the SS. He acquired considerable business in connection with the insurance of facilities of Deutsche Ausrüstungswerke (DAW), which was part of the SS-Wirtschaftsbetriebe (SS commercial enterprises) conglomerate.



Max Beier (1889-1945), Deputy Director of Allianz's Berlin office

Allianz sold fire and marine insurance policies to SS-Wirtschaftsbetriebe to cover buildings and goods belonging to the various SS manufacturing facilities located in concentration camps. In most cases Allianz transacted this business as a member of a consortium made up of a number of insurance companies.

Representatives of the insurance company were granted access to concentration camps in singular cases. For example, in 1940 Deutsche Ausrüstungswerke granted Max Beier access to the Dachau concentration camp in order to inspect the camp's manufacturing facilities prior to drawing up the terms and conditions of a fire-insurance policy.

1.6 War legacy: Aftermath of war - destruction and blame

1.6.1 Allianz's situation in 1945



Reichsanleihen were government bonds issued by the Reich Debt Administration to finance investments – and to wage war

The longer the war went on, the more difficult it became for Allianz to maintain business operations - the damage mounted rapidly. There was a shortage of staff. Bombing had destroyed the business premises and brought work to a standstill. At the end of the war the majority of Allianz's assets had been destroyed. Its real-estate holdings had been decimated by war damage, confiscation and nationalization. Premium payments had diminished to a trickle.

Up to 1945 the insurance industry had been required to invest ever greater proportions of its available funds in government bonds. In 1942 this quota had been fixed at 75 %. When the war ended this paper became worthless. In May 1945 Allianz was to all intents and purposes technically bankrupt.

Even so, that very same month individual employees went back to work - they cleared up, secured data, carried out the first inventories and prepared the applications required to receive licenses to transact business from the local authorities.

1.6.2 Crime and punishment – the denazification process



After the liberation of Germany in May 1945 the Allied Powers initiated a comprehensive denazification program. Its purpose was to eradicate National Socialist thought from political, economic as well as intellectual and cultural life. As a first step the NSDAP and its subdivisions were prohibited, Nazi laws were abolished and the external signs and symbols of National Socialism removed. The main focus of the program was the systematic screening of all former members of the NSDAP - party membership was defined as the criterion for their dismissal from executive positions in industry and from public office.

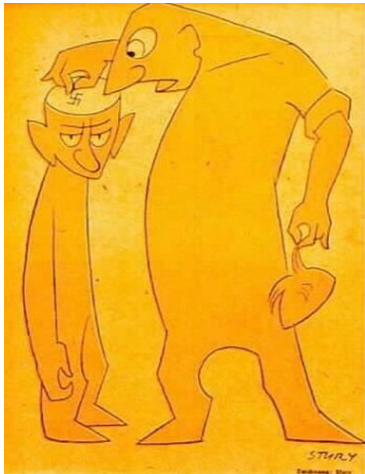
Numerous Allianz executives had to undergo denazification. Of the 240 remaining Allianz employees in Berlin, 31 were sacked as a result of denazification screening.

Report form to obtain information for the denazification procedure

All Germans subjected to denazification had to fill out a lengthy questionnaire. In this way their personal responsibility or blame for the crimes of the Nazi era were to be established. A law enacted by the US military government classified these people in five categories: 1. Major offenders 2. Offenders, 3. Lesser offenders, 4. Followers, 5. Exonerated persons.

By 1949 more than 6 million Germans were scrutinized in this way. The denazification authorities passed judgment in some 1.2 million cases - more than a million persons were classified as followers. This figure compared with just under 2000 major offenders and some 25,000 offenders.

1.6.3 Limits of denazification



In the American occupation zone denazification was at first pursued with great effort and commitment. In 1946 the military government transferred the screening of defendants by law to German examining committees or tribunals. These tribunals sentenced the guilty to imprisonment, restriction of professional activities or fines. However, in the face of the escalating confrontation between East and West, the US military administration discontinued the denazification process in the spring of 1948. At this point in time the investigations against a large number of major offenders had not yet been concluded. The longer the trials dragged on, the greater the defendants' chances of a lenient sentence.

Cartoon on denazification, 1948 (Haus d. Geschichte d. Bundesrepublik Deutschland, Bonn)

Against the background of the cold war and the primacy of reconstruction, the legal and political investigation of the individual guilt of the Germans took on secondary importance. The political and moral effectiveness of the program is disputed - "factory for the mass production of followers" is how critics referred to the project, which, despite its shortcomings and omissions, was up to that time completely unique in history.

1.6.4 Denazification – Kurt Schmitt as a case in point

In September 1945 the denazification process was extended to include top business executives. These included several directors and members of the Board of Management of Allianz, as well as Kurt Schmitt, the former Director General and long-standing member of the Supervisory Board of Allianz.

In the summer of 1945 the American military authorities relieved Kurt Schmitt of all his offices and prohibited him from practicing a profession. The denazification process took up the following four years, during which time Schmitt was not allowed to work. During this time he was twice interned in penal camps and only permitted limited access to his assets. In 1946 he was initially classified in the top war-criminal category as a "major offender". The sentence was subsequently reviewed by several courts and in 1949 Schmitt was eventually acquitted as an "exonerated person". Due to formal errors, however, the court of appeal canceled that sentence again and Kurt Schmitt was finally classified in the lowest criminal category as a "follower". He was sentenced to pay a fine as well as the costs of the proceedings.



Kurt Schmitt with his defense attorney facing the Starnberg Denazification Tribunal, 1947 (Ullstein Bilderdienst)

1.7 Compensation: Beginnings of reparation after 1945

1.7.1 The history of material reparation after 1945

Even while World War II still raged the Allies established the basis for reparation payments to the victims of National Socialism. The future administrative authorities in Germany were to receive the right to confiscate all assets the Nazi state had appropriated

by coercion or force. An American military law enacted in 1947 laid down that these assets must either be restored to their rightful owners or compensation be paid for them.

The law became the guiding principle for the policy of the Federal Republic of Germany. In 1951 Chancellor Konrad Adenauer formulated the standpoint of the newly-founded state thus: "In our name unspeakable crimes have been committed that demand compensation and restitution, both moral and material, for the persons and properties of the Jews who have been so seriously harmed."

In 1952 Germany and Israel signed the Luxembourg Agreement in which the Federal Republic of Germany defined itself as the legal successor of the German Reich and undertook to make payments to the state of Israel and the Conference on Jewish Material Claims against Germany. In 1956 and 1957 respectively the Bundesentschädigungsgesetz (Federal Law for the Compensation of the Victims of National Socialist Persecution) and the Bundesrückerstattungsgesetz (Federal Restitution Law) regulated the categories and principles of reparation payments to the victims of persecution.

1.7.2 Dimensions and limits

The dimension of the crimes that Germany had to answer for and the sheer scale of the suffering inflicted on the survivors of the millions of victims made just compensation impossible. However, it was hoped that, the ethical standards that Nazi society had eliminated through the Shoa, could be reinstated.

Thus the Federal Republic of Germany attempted to face up to its historical responsibility by at least developing offers of material compensation. The underlying idea was to place the claimants in the same position as comparable, unaffected sections of the population by financial, legal and non-material means. However, other foreign-policy interests influenced reparation policy as well. It was, among other things, an instrument for preparing the new German state's path back into the international community of nations as an equal member.

The victims of persecution or their descendants were able to apply for the restitution of lost possessions, financial compensation for the deprivation of liberty and property, damage to health or lost earnings and educational opportunities. This also includes the compensation of levies on the Jews such as the Reich Flight Tax and the atonement tax. A total of approximately four million claims for compensation were filed under those programmes. Until 2012 the Federal Republic made material reparation payment of some 69 billion Euro worldwide. Payments are still going on.

1.7.3 The part played by the corporate sector in reparations

The attempt at providing material reparation for the victims of the Nazi regime was one of the most pressing tasks facing the new German state. It was also a gigantic challenge for German society.

All sectors of industry, and thus also Allianz, had to come to terms with the claims and demands of the victims of political persecution and economic pillage. Specifically, they addressed the interests of former Jewish employees, or treated Jewish former owners of "arianized" property and Jewish owners of life insurance policies.

Only few claims for reparation were filed against Allianz on the basis of unpaid life insurance policies. The main reason was that most policies of Jewish policyholders had been cancelled by their owners in the 1930s. Allianz had paid the surrender value and the policies were thus terminated.

Policyholders that had to cancel their contract because they were persecuted by the Nazis had a right to be compensated by the Federal Republic. Policies that had not been surrendered by 1941 were confiscated by the Nazi state. After confiscation the insurance companies had to pay the surrender values to the financial authorities.

On the other hand there were several claims for compensation against Allianz resulting from "Aryanization". For the most part these claims were clarified in the 1950s and '60s. For example in 1949 the son of Else and Julius Basch, who was living in New York, claimed the restitution of a residential and commercial property, which Allianz had purchased from Vermögensverwertung München. Allianz and Else und Julius Basch's son agreed on a compromise settlement. Supplementary to the price paid in 1940 the insurer paid him the sum of 1.1 million marks.

2. Life insurance policies

The story from confiscation to compensation



2.1 Expropriation: The expropriation of Jewish life insurance policies

2.1.1 Allianz's Jewish and non-Jewish customers

In the 1930s and 1940s several million people had life insurance policies with Allianz. The number of policyholders rose significantly in the years immediately before and after the beginning of the war. It is impossible to place an exact figure on them, as a large number of the policies were also taken out as collective policies with institutions of the state or the Nazi party. These were frame contracts concluded with the same terms and conditions as individual policies for a large number of, say, members of a particular profession, such as teachers.

A customer's religious confession was irrelevant to the insurance company when issuing a policy. Consequently Allianz had no category or special designation for Jewish policyholders. From the documents on which the life insurance policies were based it was not possible to distinguish between Jewish and non-Jewish policy holders. Only if the actual life insurance file still exists it is possible to establish from this paper whether a policyholder was Jewish or not. The number of Jewish customers can only be estimated from the information on hand.

2.1.2 Registration of Jewish assets by the state

Since early 1937 the Nazi regime had considerably increased the political and economic pressure on the Jewish population. The political framework of this process was the four-year plan, the purpose of which was to prepare Germany's economy for war. It was in this connection that the expropriation of Jewish assets took place.

In spring 1938 Hermann Göring issued a decree obliging all Jewish citizens of the German Reich to draw up a detailed overview of their assets. All assets worth more than 5000 RM (Reichsmark) were subject to mandatory registration. Jewish people had to enter details of all land and buildings, cash, securities, life insurance policies, works of art, jewelry and precious metals in their possession on official forms. From then on this information served the authorities as a basis for the "Aryanization" of Jewish businesses and the systematic despoliation of Jewish property after the Night of Broken Glass.

2.1.3 Seizure of Jewish assets by the state

As of 1933 the basis of livelihood of Germany's Jewish population was systematically eroded. Many customers of Allianz also had to draw on their financial reserves. In most cases they first stopped paying premiums and finally cancelled their policies in order to convert them into cash. They needed the money to cover their daily needs, but also to pay special levies or finance their emigration.

In this way a large number of Jewish customers had already surrendered their life insurance policies themselves by 1939. However, if a life insurance policy is cancelled before its maturity date the income of both the insured and the insurance company is reduced. In such cases the surrender value is payable and this was considerably lower than the face amount that would have been payable at the end of the term that had actually been agreed upon. This applied in particular if the policy had only run for a few years so that only few premiums would have been paid.

Statistics show that there was a rapid increase in policies surrendered in 1938 and 1939. After the Pogrom Night of November 1938 both the state and the Nazi party finally went over to the radical plundering of the Jews. Many Jewish customers now instructed their insurers to pay the surrender value of their cancelled policies directly to the tax authorities. In this way they attempted to pay the compulsory state levies and astronomical taxes that were imposed on emigrants.

2.1.4 The confiscation of life insurance policies

The National Socialist government created the legal basis for the direct sequestration of assets as early as 1933. It promulgated the law on the confiscation of assets of enemies of the people and the state (Gesetz über die Einziehung volks- und staatsfeindlichen Vermögens). It defined the conditions under which the state could deprive persons who had been declared enemies of the state of German citizenship. The property of these denaturalized persons was then confiscated by the state. In this way life insurance policies were also expropriated.

The authorities also applied these regulations in order to sequester the assets of Jewish citizens after they had emigrated. After emigration these people were denaturalized and any of their assets that remained in Germany confiscated.

Finally, in 1941, the regime decided to confiscate all Jewish assets once and for all. The 11th Verordnung zum Reichsbürgergesetz (ordinance on the Reich citizenship law) determined that the property of Jewish citizens who left Germany permanently fell to the state.

At this point in time almost all Jews who had not already emigrated were deported to concentration camps in Eastern Europe. According to Nazi logic they had therefore left Germany and forfeited their German citizenship. All their assets were then seized by the state.

Furthermore, the ordinance obliged all individuals, banks and insurance companies to notify the state of any assets of denaturalized persons they had in their custody. These assets then had to be paid over to the tax authorities.

2.2 Compensation: Handling of life insurance policies to the Present Day

2.2.1 Post-war Compensation for expropriated life insurance policies

Compensation for expropriated life insurance policies was handled according to the principles set down in the German Federal Acts on the Compensation of the Victims of Persecution by the National Socialist Regime of 1949 and 1953. The state's restitution payments were intended to help place the injured parties on an equal financial footing with non-persecuted persons. The costs of such compensation are borne by the state because the German Federal Government considered itself the legal successor of Nazi Germany; payments are made by the state restitution offices.

These claims involved not only policies directly confiscated by the state, but also those canceled prior to term owing to persecution. The insurance companies assisted in the compensation process in two ways: by helping claimants to find documents on their policies, and by calculating individual compensation figures on behalf of the state.

In accordance with the Luxembourg Agreement of 1952, the Federal Republic of Germany paid several hundred million marks to the Conference on Jewish Material Claims against Germany. This and the additional payments made to Jewish successor organizations were used to settle unreported and heirless claims.

2.2.2 Allianz's Commitment to Expropriation Victims

In the spring of 1997, a lawsuit was filed against several European insurers in New York. The companies were accused of failing to pay out life insurance policies of Jewish customers dating from before the end of Nazi rule. Allianz attempted to clarify these accusations and to do justice to its historical responsibility.

In April 1997, Allianz set up a "Helpline for Holocaust Inquiries" in order to provide fast and unbureaucratic information. Only a very small number of Allianz Leben policies were discovered that had evidently not been paid out. In each of these cases, the company made an offer of payment. Allianz Leben also commissioned a financial auditing firm to carry out an independent study of its archives.



Allianz 

The Allianz insurance group of Germany invites inquiries about life insurance policies issued by the group companies in the 20s, 30s and 40s to victims of the Nazi regime. Persons affected who did not have claims settled can call toll free:

1-800-411-0118

Telephone calls will be answered in English and Hebrew.

Since 1998, Allianz has been an active founding member of the International Commission for Holocaust Era Insurance Claims (ICHEIC). The company has also been involved in the Stiftungsinitiative der deutschen Wirtschaft (Foundation Initiative of the German Industry) since 1999.

As early as February 1997, Allianz commissioned the economic historian Gerald D. Feldman of the University of California at Berkeley to research the company's history during the Nazi period. His findings appeared in a scholarly study published in German and English in 2001.

2.2.3 From inquiry to claim: Every inquiry to claim



Filing cabinets with records of life insurance policies issued by Allianz Lebensversicherungs AG

A. Every inquiry Allianz Leben receives, directly or through the ICHEIC offices, is treated in an individual manner. It is immediately checked at the central registry of Allianz Leben which lists several million entries of persons who had applied for life insurance policies in those years.

B. If the person's name (or variations of it) appears in the central registry, a search for the actual policy file is then conducted at the central archive of Allianz Leben.

C. At the same time the federal and state restitution offices are contacted by Allianz Leben to establish whether the policy claimant did receive compensation under the German Federal Compensation Act or other German compensation schemes.

D. An offer will be made

- if the policyholder was persecuted under the Nazi-regime and
- if no record of compensation is found but the person's name appears in the central registry and a contract has actually been signed and
- if the policy was confiscated or paid into a blocked account and has not been paid out to the state.

The amount is set according to the procedures set up by the International Commission (ICHEIC).

2.2.4 ICHEIC and the Foundation Initiative of the German Industry

The International Commission on Holocaust-era Insurance Claims (ICHEIC), founded in August 1998, was committed to settling the issue of outstanding life insurance policies during the Nazi era. The Commission was set up after long-term discussions involving the United States Insurance Commissioners, major Jewish organizations, the State of Israel and several European insurers. A number of governments and the United States Department of State have also taken part as official observers in ICHEIC's meetings to date. The Commission's work focused on creating a sustainable, international process for the resolution of outstanding life insurance claims. Allianz was a member of ICHEIC since 1998. In March 2007 the successful completion of ICHEIC's claims and appeals processes was announced.

The German industry accepted historical and moral responsibility for the involvement of German companies in the then state controlled economy that existed during the Nazi regime. Organised in the Foundation Initiative of the German Industry, German firms committed themselves to collect 5 billion German Mark (DM) as their contribution to the Foundation "Remembrance, Responsibility and Future". The Foundation was created with the signature of an Executive Agreement between the Governments of Germany and the United States of America in July 2000. The German Government also contributed 5 billion DM (approx. 2.5 billion Euro) to the foundation. The treaty is to be the exclusive remedy and forum for the resolution of all claims that have been asserted against German companies arising from the National Socialist era and World War II. The foundation started to distribute its funds in June 2001.

The necessary precondition for releasing the money was that an all-embracing and enduring legal peace be created for the companies.



Stuart Eizenstat, Chancellor Gerhard Schröder and Otto Count Lambsdorff after concluding the negotiations on compensation (2000) (Bundesbildstelle, Bonn)

3. Frequently asked questions



3.1 Frequently asked questions on Allianz's history and on the compensation of unpaid life insurance policies issued to holocaust victims

Why were some life insurance policies taken out by Jewish customers not settled?

After the National Socialists came to power in Germany in 1933, more and more Jewish customers canceled their life insurance policies. The cancellations reached a peak in 1938 after the Nazi government drastically stepped up its anti-Semitic actions. Revenues from life insurance policies had to be paid into a blocked account, which the state used to collect tax demands, debts and other special fees (e.g. the so-called Reich Flight Tax) imposed on the Jewish population. The state also confiscated some life insurance policies of Jewish customers directly.

Who profited from it?

After Jewish customers were forced to leave the country or were deported to concentration camps, the National Socialist government confiscated the money locked in the blocked accounts as well as all possessions of Jewish victims and had their assets seized by the Reich's revenue offices.

How were the victims financially compensated?

As early as 1947, the military governments passed laws for the restitution of assets seized from victims of National Socialist persecution. Since 1953, the newly founded Federal Republic of Germany has passed a number of compensation and restitution laws, most notably the Federal Compensation Law and the Federal Restitution Law.

By 1970 more than four million people had filed applications for compensation under the Federal Compensation Law. Payments were made in 2.7 million cases. (Before the rise of the National Socialist dictatorship, about half a million Jewish citizens lived in Germany.)

In addition, Germany and Israel signed the Luxembourg Agreement in 1952, under which the Federal Republic of Germany would pay restitution amounting to three billion German marks and assist the integration of persecuted Jews in Israel. The agreement also called for payments to be made to the Conference on Jewish Material Claims against Germany (Claims Conference) for unsettled and heirless policies.

Since the 1950s, approximately 60 billion euros (several times more at today's prices) has been paid out in this procedure to provide material compensation for the victims of National Socialist persecution. Payments are still ongoing.

The German Industry Foundation Initiative was set up in 1999 in response to a series of law suits in the USA. Together with the German government, hundreds of German companies (including companies that were not established until after the war) provided ten billion German marks (approximately 5.1 billion euros) for the compensation of former forced laborers, but also for the loss of property. Included was compensation for unpaid or confiscated and not otherwise compensated insurance policies. The funds provided by Germany and the German Industry Foundation Initiative were paid into the newly created Foundation "Remembrance, Responsibility and Future" (Foundation). The Foundation made financial compensation available through partner organizations to former forced laborers and to those affected by other injustices from the National Socialist period.

What role does Allianz play in the indemnification process?

In 1997 Allianz, together with 15 other European insurance companies, was sued of not having settled the life insurance policies of victims of Nazi persecution. The company then set up an international telephone hotline to ensure simple and quick access for

those making enquiries. Additionally, the company asked an auditing company to search through its archives for policies from the Nazi era.

1998 saw the creation of the International Commission on Holocaust Era Insurance Claims (ICHEIC). Members were the state of Israel, Jewish representatives, US insurance regulators, Allianz, and four other insurance companies. Several months later, Allianz became one of the founding members of the German Industry Foundation Initiative. The work of ICHEIC and the Foundation were linked in order to ensure payment of all unpaid or confiscated and not otherwise compensated insurance policies, irrespective of whether they were issued by Allianz or by another German insurer.

How many unsettled life insurance policies were found? To what extent were they compensated?

Searches of Allianz's archives by the auditors showed that in the vast majority of cases the proceeds were paid into the policyholders' accounts. Where this was not the case or where the money was confiscated directly by the Nazi regime, the policyholders or their families received compensation under the Federal Compensation Law. In cases where no individual claims were made (known as heirless assets), a lump-sum payment was made to the Claims Conference under the terms of the Luxembourg Agreement. According to German law, the Claims Conference acted as the legal successor for heirless Jewish assets.

Nevertheless, Allianz was interested in clarifying all possible cases and to compensate all customers or their families who have only discovered evidence of life insurance policies in recent years.

In 2002 ICHEIC, the Foundation and the German Insurance Industry Association signed an agreement governing the settlement of individual claims on unpaid or confiscated and not otherwise compensated insurance policies of German insurance companies in connection with National Socialist injustice. ICHEIC received a total of over 280 million euros from the Foundation. Under this agreement, the German insurance companies received more than 19,400 enquiries involving a search for more than 86,000 names. In nearly 3,200 cases (with nearly 16,000 names), a company was specifically named. In more than 16,200 cases (with nearly 70,400 names) no company was specifically mentioned; i.e. all German insurance companies searched through their archives, as far as available, for these cases.

In total 11,399 policies could be settled, 3,861 of which related to blocked account cases where the insurance proceeds were paid before 1945 into an account blocked by the state. The average compensation amount was nearly 9,000 US dollars.

Altogether, more than 48,000 insurance claims with a total value of more than 300 million US dollars were compensated through ICHEIC. In addition, more than 170 million US dollars was made available for humanitarian purposes.

How will Allianz deal with future enquiries?

Allianz will continue to ensure that all its life insurance policies that remained unpaid and were not compensated will be settled.

Who can people contact if they have any questions?

Contact Anja Rechenberg

Phone : +49.89.3800-4511

Mail : anja.rechenberg@allianz.com

4. Chronicle



4.1 An overview of the events between 1933 and 1953

1933

January 30, 1933: Adolf Hitler appointed Chancellor of the German Reich.

February 28, 1933: Hitler issues a decree invalidating the basic rights.

April 1, 1933: Boycott against Jewish businesses organized by the SA.

April 7, 1933: New laws bar Jews from jobs in the civil service, universities and law courts.

May 2, 1933: Banning of parties, trade unions and confiscation of their property (part of the process of "Gleichschaltung").

July 14, 1933: Law on the confiscation of property of "enemies of the people and the State". Legal basis for the seizure of assets of emigrants.

1934

February 27, 1934: Law on the preparation of a corporative structure of the German economy. Establishment of administrations for the different economic sectors among these the insurance group ("Reichsgruppe Versicherungen") is set up.

June 30, 1934: Party purge culminating in the liquidation of the SA leadership ("Röhm-Putsch").

1935

March 16, 1935: compulsory military service introduced.

May-August 1935: boycotts and hate campaign against the Jewish population.

September 15, 1935: Nuremberg Laws enacted: Jews lose their status as German citizens; marriage between Jews and Non-Jews considered illegal; dismissal of all Jewish officials.

1936

March 7, 1936: German army occupies the demilitarized buffer zone along the River Rhine.

August 1936: Nazi-Regime exploits Olympics in Berlin to camouflage the aggressive and racist character of the German Dictatorship.

1937

March 23, 1937: In his encyclical "Mit brennender Sorge" ("With Burning Anxiety") Pope Pius XI. condemns the Nazi's divinization of race, the nation and the state.

April 26, 1937: On behalf of General Franco the Condor Legion bombs the Basque town Guernica.

July 19, 1937: After "purging" Germany's museums of most works of modern art the exhibition "degenerate art" is opened in Munich.

July 1937: Buchenwald Concentration Camp is established near the city of Weimar.

November 16, 1937: Decree of the Ministry of the Interior confining the issue of passports for Jews to exceptional cases.

1938

March 12, 1938: German troops enter Austria: Annexation of Austria.

April 26, 1938: Decree about registration of Jewish assets exceeding a value of 5,000 Reichsmark.

October 1, 1938: Occupation of the "Sudetenland" (part of Czechoslovakia).

November 9/10, 1938: Officially inspired pogrom ("Night of Broken Glass") leads to the arrest or murder of many Jews and the destruction of synagogues and Jewish-owned shops and homes.

November 12, 1938: Collective financial "punishment" of Jews (1 Billion marks) for compensation of damages resulting from the "Night of Broken Glass".

1939

March 14/16, 1939: German troops invade Czechoslovakia. Establishment of Protectorate Bohemia and Moravia.

August 23, 1939: Non-aggression pact between the Soviet Union and Germany ("Hitler-Stalin Pakt").

September 1, 1939: Germany invades Poland and starts World War II.

1940

1940: German forces continue their conquests in Europe: Denmark, Norway, Holland, Belgium, Luxemburg, and France capitulate.

April 30, 1940: Establishment of the first supervised Jewish ghetto in Lodz, Poland.

August 13, 1940: The German air forces start the Battle of Britain.

October 15, 1940: Establishment of the ghetto of Warschau.

1941

June 22, 1941: Invasion of the Soviet Union ("Operation Barbarossa").

September 1, 1941: Introduction of the Star of David as "distinguishing mark" for Jews.

November 25, 1941: Decree of confiscation of Jewish assets in case of deportation ("11.Verordnung zum Reichsbürgergesetz").

December 11, 1941: Germany declares war upon the United States.

1942

January 20, 1942: "Wannsee Conference": meeting of high-ranking civil servants and SS-officers concerned with the organisation and implementation of the genocide of the European Jews.

March, 1942: beginning Liquidation of Polish ghettos and deportation of their inhabitants to the extermination camps Belzec, Sobibor and Treblinka ("Aktion Reinhardt").

September 1, 1942: Decree of the Ministry of the Interior declaring assets of concentration camp victims as state property.

1943

January/February, 1943: Surrender of the German troops at Stalingrad.

April 19, 1943: Revolts at the Warsaw Ghetto.

July 1, 1943: 13. Order of the "Reichsbürgergesetz": determines that a Jew's assets are forfeit to the Reich on his/her death.

July 25, 1943: End of the Fascist regime in Italy.

1944

March 19, 1944: German troops occupy Hungary. Deportation of 440,000 Hungarian Jews to Auschwitz.

June 6, 1944: Landing of Allied troops in Normandy (D-day).

July 20, 1944: Attempted assassination of Hitler by Claus Schenk Graf von Stauffenberg.

July 23, 1944: Liberation of Majdanek concentration camp.

September 11, 1944: American forces reach the border of the German Empire.

1945

January 27, 1945: Soviet troops liberate Auschwitz.

February, 1945: Yalta conference.

April 30, 1945: Hitler commits suicide in Berlin.

May 8, 1945: Unconditional surrender of the German Army in Reims (France) and Berlin.

Post war history

June 5, 1945: Allied military commanders take over government power in Germany.

1945: Partition of Germany. Four zones of occupation are established.

1945: Beginning of the nationalisation of the insurance business in the Soviet zone of occupation.

1945-49: Communist regimes are established in Poland, East Germany, Czechoslovakia, Hungary, Bulgaria, Yugoslavia and Romania.

1945/46: Directive No. 24 of the Allied Control Council (1946) regulates the denazification process.

1946

October 1, 1946: International Military Tribunal at Nuremberg classifies 24 defendants as major war criminals and sentences them to death or imprisonment.

1947

June 5, 1947: European Recovery Program is proclaimed.

November 10, 1947: Law No 59 of the Military Government on restitution and compensation for assets confiscated under the Nazi regime.

1948

June 21, 1948: The Deutschmark is introduced as a core element of the German currency reform.

June 24, 1948: Beginning of Berlin Airlift after the Soviets imposed a blockade on West Berlin.

1949

April 4, 1949: NATO is founded.

May 12, 1949: Berlin blockade is lifted.

May 23, 1949: West German constitution "Basic Law" is proclaimed.

October 7, 1949: East German constitution is proclaimed.

1953

1953: First Federal Compensation Law for Nazi persecutes.