

THE INTERNATIONAL COMMISSION ON
HOLOCAUST ERA INSURANCE CLAIMS (ICHEIC)

LESSONS LEARNED; A REPORT ON BEST PRACTICES

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In 1998, US insurance regulators, with the support of global Jewish survivor organizations, set out to ensure that European insurers would pay previously uncompensated Holocaust era insurance policies. Regulators wanted insurance companies to fulfill what regulators perceived as historical contractual obligations. Regulators and Jewish groups also sought to maximize the availability of settlement funds for claimants rather than having any portion of such funds go to legal fees. Together, they worked to establish an international commission that could become the vehicle for these objectives. Comprised of relevant European insurers, United States insurance regulators, representatives of global survivor groups, and the state of Israel, this diverse group was charged with assisting Holocaust survivors and their heirs in collecting the proceeds of previously uncompensated Holocaust era policies. In the spring of 1998, this constellation of organizations and representatives agreed to call itself the International Commission on Holocaust Era Insurance Claims (ICHEIC).

Although Holocaust era insurance restitution was not a new concept in 1998, creating an independent international commission to deal with the issue was. Following World War II, the German government handled restitution efforts related to policies issued by German insurers to survivors living in Germany prior to the Holocaust. Similarly, in the 1990s, the governments of France, Belgium, Austria, and The Netherlands had established state-specific programs to retribute Holocaust era insurance policies. In addition, the 1998 United States class action settlement between global Holocaust survivors and Swiss banks (supported by the Swiss government) led to the establishment of compensation funds for policies sold in Switzerland. The Swiss settlement however, is just that, a legal settlement, in which these Swiss funds were set aside by the United States federal court system and all decision-making has remained with a court-appointed entity.¹ It is quite unlike ICHEIC, which was developed entirely apart from the judicial system, and engaged in by voluntary agreement of all parties.

In the field of Holocaust claims processing, ICHEIC was, and is, an anomaly. A diverse group of individuals with divergent interests was able to agree upon a mission and designed a process to achieve that mission, namely the payment of previously uncompensated Holocaust era insurance policies at no cost to claimants. And, nearly nine years after its establishment, the ICHEIC anomaly has led to the distribution of awards on insurance policies to more than 48,000 survivors of the Holocaust and their heirs around the world. These awards total over \$306 million.

ICHEIC is not the first, and nor is it the last, organization built to process and resolve claims on previously uncompensated assets. But ICHEIC may provide a model that policy-makers look to in the future as they build restitution processes related to highly politicized and emotional events in history.

ICHEIC is the first Holocaust restitution organization to complete its work and close its doors. The Commission's path to closure has not been rapid, however. Defining a mission, conducting outreach, designing guidelines and claims handling processes, and putting in place oversight

¹ *The court-appointed Claims Resolution Tribunal is based in Zurich, Switzerland and works in cooperation with specific Swiss insurers.*

structures were but some of the challenges facing ICHEIC members as they worked to start the process. As with all unprecedented endeavors, there was no instruction manual. Commission members and ICHEIC staff learned as they went, for better or worse.

Lessons learned are shared in this document. These lessons are intended to be of interest to those seeking to understand what was done, how it was done, and what might be worthy of replication elsewhere. In this context, it should be noted that where and as possible, ICHEIC applied the efficiencies identified herein. When correcting process steps to ensure proper consideration of claims, ICHEIC sacrificed time efficiencies for process effectiveness. Thus, where particular process efficiencies were not applied in real time, the cost to ICHEIC and claimants has been solely in the speed with which outstanding claims might have been processed.

The following pages are structured in a manual-like fashion to highlight what ICHEIC has done right and, as important, in the category of “lessons learned”, which best practices ICHEIC would advise similar efforts to adopt in the future to lead to more efficient outcomes. This should not be read for a history of ICHEIC or the process; for that purpose, please see ICHEIC historical documents on the ICHEIC website (www.icheic.org) to gain an understanding of ICHEIC’s formation and its legacy.

The initial stages of creating a commission can be summarized as: (a) organizing, (b) defining the mission, and (c) designing an oversight and management structure.

ORGANIZING

Ensure that stakeholder groups are clearly defined and each group chooses a single representative to participate in the formation and negotiation phases. In so doing, stakeholder groups should be encouraged to consider the particular skill sets needed for the various (and changing) assignments.

It is imperative from the outset that participants, whether governmental, non-profit, or private sector entities, are clearly defined and that their roles, including any potential limitations, are articulated and agreed in the beginning of the organizing process. All stakeholders should be charged with identifying a single representative to sit at the negotiating table. While the selection process for a representative in each group may require weeks, if not months, the concomitant clarity results in considerable time saved later in the process.

Where possible, the number of representatives should not change during the formation phase. If a given representative no longer participates, his/her group should identify an individual to fill his/her position. Particular attention should be paid to the technical skill sets that these individuals bring to the table; given the desire to streamline the decision-making process, stakeholders should be encouraged to ensure that their respective representatives possess the desired technical expertise to establish an organization.

DEFINING THE MISSION

Build consensus to create a mission statement that covers the life of the organization.

A firm mission statement is critical. Stakeholders in any initiative should view the establishment of such a statement as one of the first priorities. An organization's mission statement defines its purpose and, most importantly, provides a foundation on which appropriate management, administrative, and oversight structures are built.

In ICHEIC's case, representatives from participating insurance companies, US insurance regulators, global Jewish survivor groups, the US government, and the State of Israel defined ICHEIC's mission as the payment of eligible and previously uncompensated Holocaust era insurance policies at no cost to claimants. Although defining the ICHEIC mission took intense negotiations among all parties, it provided the framework in which budget and operations discussions were held throughout the remaining seven years of the Commission's work. This framework, or mission, helped ICHEIC stay the course as companies worked to locate and make payment on thousands of previously uncompensated policies.

ESTABLISHING A BOARD STRUCTURE

Write articles of association that create a board structure for oversight.

Stakeholder groups involved in initial negotiations to form ICHEIC signed a Memorandum of Understanding stating the objectives of the ICHEIC initiative and roughly defining its membership. Thereafter, representatives from stakeholder groups drafted related articles of association in order to define an oversight or decision-making structure.

The following guidelines are recommended for organizations that intend to put in place successful oversight structures through articles of association or similar documents:

- Given the potential for complex operational or technical issues that require specific expertise and/or a commitment of time that exceeds what board members can provide, the process is best served if its board is not involved in the day-to-day operations of the entity or in analysis related to the development of rules and guidelines. For ICHEIC, the types of issues that benefited from outside expertise and/or required a vastly disproportionate amount of time were both technical and operational. On the technical side, historical analysis of pre-war insurance markets and appropriate valuation guidelines presented a complicated analytical exercise that might have been accelerated if it had been handled by outside experts reporting back to the organization's board. Similarly, on an operational level, building a robust claims process and IT infrastructure required experience in claims handling and IT management. Board members should not be expected to devote the amount of time needed to detail and develop the appropriate overarching structure for claims handling; their role should be to react to recommendations presented.
- The board should be responsible for agreeing upon outside experts who can conduct necessary analyses and present findings to the board for decision within designated timelines. Such experts need to be recognized as such by the board, if their experience and recommendations are to be understood and accepted by the board's diverse membership. One means of doing so is via a limited series of committees (see below).
- The board should be responsible for agreeing upon a senior staff structure – for example, a Chief Operations Officer and Chief Financial Officer, that can build and manage all aspects of the organization – with direct hiring/firing authority by the Chairman of the board, and regular reporting to the full board.
- Consensus-driven decision-making is desirable but frequently not realistic. Majority decisions are more easily achieved. Both consensus and majority decisions benefit from the in-built echo chamber board members provide. But there will be occasions, particularly given the historical complexities and the political and emotional context of all restitution issues regardless of asset class or geographic location, where such compromise solutions are not attainable. Therefore it is imperative that, regarding issues the Chairman deems critical to move the process forward, he/she have the authority to order decisions lacking consensus or majority support. As with ICHEIC, the Chairman of the board is thus enabled to discuss policy formation with the board, reach a decision in consultation with but not necessarily relying on consensus having been reached, and have the means to implement that decision.

- Decisions involving costs of approximately 2% of the annual budget, as well as the annual budget, should be brought to the board for approval. As well, certain categories of decisions, such as those related to hiring senior staff or management consultants for key positions, should also be brought to the board. For ICHEIC, the 2% figure captured the most significant decisions the organization made (hiring an outsourced service provider, office leases, scanning and data retention, etc.) but was of sufficient size that it did not bog down the day-to-day operations of the organization.
- Create a limited number of committees, to handle specific and discrete matters, and ensure that committees have well-defined objectives, clear reporting lines back to the board, and necessary technical advisors providing substantive input. Issues or questions concerning technical or historical matters (in ICHEIC's case such as policy valuation, claims procedures, government compensation programs, etc.) are best handled by an expert or small group of experts who are separate and apart from the board and chosen/hired by the board to make recommendations within a designated time frame. If more than one expert is identified, the group should not exceed more than three people. Given the complexities inherent in some of the technical and operational issues of an entity of this kind, it is important that where the board designates committees, it uses technical experts and has the ability among its membership to understand, and assess the experts' recommendations and thus provide guidance to the board.

SELECTING/DESIGNATING BOARD MEMBERSHIP

Have groups choose representatives to serve on a board once the initial formation and negotiation phases are complete; the skills sets of those on the board should be such that the board members can assist the organization in accomplishing its mission.

Choosing the right board members is critical to ensuring that the organization has access to the skills sets necessary to carry out its mission. If, as with ICHEIC, the mission of the organization is to pay eligible claims as quickly as possible, board members should be individuals with experience overseeing large and complex operations or, also of value, some level of historical knowledge related to insurance products from the Holocaust era. In addition, there are other skill sets of equal importance. Given the organization's mission, it is critical that the board also reflects and indeed is representative of the political interests of diverse communities and stakeholders. In such a complex political arena, a board is well served by individuals who are familiar with the inevitable politics and have the ability to bridge often-times highly divergent viewpoints and, depending on the nature of the issue, have some experience doing so in multi-cultural, multi-lingual, or simply international environments. Moreover, it is imperative that board members enjoy the full and unfettered support of those who were the initial financial and political backers of any organization; if they do not, eroding confidence is likely to go hand in hand with eroding support.

As important as the members of the board is the Chairman that the board elects. This individual must maintain a global view of the organization's mission and how best to achieve it, while keeping abreast of the organization's operational issues, and remaining available as needed to the senior

staff responsible for daily operations. All representatives should agree on the selection of this person and he/she should be responsible for policy formation and implementation with support from senior management. In addition to being able to devote a significant amount of time and energy, it is important that the Chairman have the backing and support of all board members. In an environment where differences abound, the Chair must be able to lead clearly and confidently in an effort to broker compromises and solutions acceptable to all. It is also wise to designate from among board members a Vice Chairman who can step in as needed when the Chairman is unavailable, and can provide an additional experienced sounding board for the Chairman and senior staff on critical issues. (In the ICHEIC context, this role was filled in this manner only in the final year of the organization's operation.)

MANAGEMENT & STAFF

Hire senior officers of the organization, reporting to the board chairman, to (1) support the chairman and the board, (2) recruit staff, and (3) build the operation.

The people chosen to fill the Chief Financial Officer (CFO) and Chief Operations Officer (COO) – or comparable senior staff structural roles – should be professionals in their fields and have experience building and overseeing the accounts and operations (respectively) of large and complex organizations. An organization should recruit a CFO and COO with the goal of retaining them throughout the organization's lifetime. In order to both attract top-quality people and retain them throughout a finite process, the organization must be willing to provide appropriate incentives.

The CFO and COO selected should be authorized by the board to build the organization from the ground up, including hiring outside expertise where appropriate, within the bounds of the budgets agreed upon by the members of the board. For an organization with a global claimant population such as ICHEIC, specific desirable skills sets for staff should include multilingual abilities, cross-cultural sensitivities, and requisite related experience. Both the CFO and the COO should maintain a direct line of report to the Chairman of the board with operations and financial reports to board members on a quarterly basis. The COO should be prepared to act in place of the Chairman or Vice Chairman, if they are unavailable, or when they so authorize or are temporarily unable to act.

OUTREACH

Define the audience (see mission); ensure that as much of that audience as possible is both aware of the process AND encouraged to file.

Reaching as much of the intended audience as possible, as publicly and thoroughly as possible, and having as many of them file as possible, should be a primary goal in any restitution claims process. Among other benefits, this will help guard against assertions by potentially eligible claimants who failed to file and continue to view the issue as unresolved, despite the organization's efforts to achieve lasting closure.

The first step for a successful outreach initiative is to clearly define the target audiences and establish their primacy in the process. ICHEIC spent over \$9 million in global multilingual outreach to ensure that as many potential claimants as possible were aware of the ICHEIC process. This cost, while considerable, was consistent with other Holocaust-era asset restitution efforts.

The ICHEIC outreach plan incorporated local community leaders and centers in Eastern and Central Europe. ICHEIC also distributed packets to international survivor communities and Jewish organizations that included press releases, posters, as well as guidance on how to request a claim form (through the 24-hour ICHEIC call center), and how best to complete one.

To supplement its work at the grassroots level, ICHEIC also launched an extensive press and media campaign to publicize the process. ICHEIC ran numerous ads in all major and parochial media markets and capitalized on as much free media as outside institutions were willing to provide. It even ran an international web-based broadcast interview with its Chairman prior to the final extension of its filing deadline to increase attention and focus on final filing efforts. Although ICHEIC originally anticipated that claimants would mail in approximately 20,000 claims for review over ICHEIC's lifetime, thanks to the success of its outreach, ICHEIC took receipt of over 100,000 claim forms.

By ensuring the broadest possible outreach in the very early days, ICHEIC successfully front-loaded the claims volume thus enabling it to minimize the claims filing period and related claims processing costs.

FORECASTING

Manage expectations in the beginning as to what the process is designed to do and what it can realistically deliver.

A significant part of the outreach effort should be devoted to managing claimants' expectations of the process. This can be done both by managing the message and the messengers. The messengers must be disciplined in how and what they convey with respect to the mission of the organization. They are carrying out the all important outreach effort, and this is where first impressions are made. Managing the message is a question of how best to ensure accurate information is disseminated to the appropriate audience effectively. Managing messengers often

requires board members and organization staff to be vigilant and disciplined in their communications with the world at large. By way of example of the dissonance that ought to be avoided: ICHEIC's research demonstrated that the insurance portfolios to be covered through the ICHEIC claims process were smaller than anticipated, given comparatively underdeveloped life insurance markets in locations such as Poland. Poland led to particularly difficult disparities, given that it was the country that suffered the most extensive losses of human life during the Holocaust, but had a rural economy and a much larger proportion of poorer and thus uninsured Jews. Unlike Swiss bank accounts and other assets, life insurance policies were not, as had been promised by the press and first movers in establishing the Commission, going to result in millions of dollars per claimant.

In addition to managing expectations as to the value of the assets on which claimants have filed, an organization must pay close attention to how a process is portrayed in terms of what it can deliver and when. To do this accurately, an organization needs a sound in-house operating structure at the front end. An organization cannot assess realistically what can be delivered when and where, unless it is confident that in-house expertise regarding operational and technical abilities is available from the outset. For example, public promises on time-lines for responses to individuals or length of time of overall process should not be made absent that expertise, and without the homework being done, or the organization, and its constituents or clients, will be forever burdened with the unrealistic expectations that were set unintentionally in its opening days. ICHEIC initially described in the Q&A of the claim form that claimants would hear something regarding their claim/s within 90 days of filing. This obligation was made despite the fact that guidelines had not yet been established and settlement agreements were not yet in place.

Timelines that were publicized were overly optimistic and therefore unhelpful to claimants because any failure to meet them inevitably resulted in disappointment. Claimants would have been better served if ICHEIC could have alerted them to the operational implications of continuing ongoing negotiations and the interim nature of various claims processing guidelines. The internal conflict ICHEIC's early acceptance of claim forms attempted to resolve was that, given the age of the claimant population, time was not on ICHEIC's side. Such situations require a more effective means of managing claimant expectations – another example of where operational expertise in the early stages of building a claims processing system is crucial, as it allows to build in the ability to get responses and clarifications to claimants in a timely fashion.

THE CLAIM FORM

Focus on the creation of a successful claim form.

The ICHEIC claims process has highlighted the following as the most important aspects of developing a successful claim form: (1) identifying the key pieces of information that are required, (2) clarifying how the information will be handled, and (3) describing the consequences of not providing enough information. The claim form is the building block for the process. In creating a claim form

which takes into account these three important aspects, an organization will be able to handle the information from start to finish without needing to go back to the claimant and will help manage claimants' expectations vis-à-vis their individual claims and the information they have supplied. Having the right mix of experience and expertise in this area at the front-end in creating such forms will create considerable cost savings for the organization and claimants down the line given the organization will not need to utilize a call center to repeatedly reach out to claimants for additional information and claimants will not need to mail in supplementary information.

FINANCIAL SETTLEMENTS

Determine the size of the asset class in order to determine the size of the settlement; outsource this analysis to experts.

Stakeholder groups involved in negotiations that relate to an asset class left unclaimed many years prior should devote resources to hiring an expert or group of experts (who is/are separate and apart from the negotiations or operations of the international initiative) to analyze the size of the class. Such analysis (or grouping of analyses) should be the starting point for discussions related to settlement amounts.

In the ICHEIC context, this was achieved by the Pomeroy Ferras Report, a quasi-independent historical analysis of the potential value of unclaimed proceeds on Holocaust era insurance policies. Staffed by historians, economists, actuaries, and company and regulatory experts, this team provided a backdrop of the post war European insurance markets used to confirm the bilateral settlement amounts secured via ICHEIC.

DETERMINING WHO DOES WHAT

Consolidate oversight, administrative, and processing activities in one single location.

The importance of consolidating operations into a single location, or as few locations as possible, cannot be stressed enough. Great efficiencies can be achieved by consolidating administrative processes, communications, and claims handling operations in one location. Aside from enhancing communications with stakeholders, participants, and partner entities, having a consolidated operation in one location allows for better communication – horizontally between partner entities, participants, stakeholders as well as vertically between staff and the board. Improved internal and external communications results in more open, transparent cooperation internally by eliminating the tendency to create information silos, encourages and expands existing coalitions and fosters partnerships, resulting in a more comprehensive approach more likely to achieve the organization's mission.

This allows the organization's staff to handle all administrative and research functions from step A to step Z, thereby saving time and providing greater consistency throughout decision-making.

CONSISTENCY IN INFORMATION TECHNOLOGY

Ensure that IT arrangements are solidified through agreements.

Appropriate use of IT resources can achieve significant economies of scale. In addition to offering an easy and seamless means of transferring high volumes of complex data, IT resources can provide a sound common platform for communicating across and between multiple entities, partner organizations, stakeholders and organization staff. In order to minimize the duplication of effort and misallocation of what can be expensive resources to acquire and set up, such technical arrangements should be defined by appropriately trained staff in consultation with the central claims processing

entity and solidified via agreements among and between all relevant parties. Agreed processes will ensure the proper recording, updating, and transfer of information. These decisions and details can of course be modified based on the results of a pilot program; but arriving at agreement on the fundamentals in negotiated documents, even if subsequently modified in light of practical lessons learned, is a critical building block.

For all the potential savings that IT solutions can provide, they cannot stand in isolation. It is critical that any process accurately assess its timeline from the outset, as any critical delays, not to mention overruns that extend a process' lifetime by four or five times the original estimated time, have the potential to render IT solutions obsolete. Systems adopted on the assumption that they will only be needed for a year or two can quickly become expensive legacy systems requiring additional financial and other resources to maintain when their lifetime must be extended once they have become obsolete in the larger marketplace.

REPORTING ARRANGEMENTS

Ensure that reporting arrangements are solidified through agreements.

Building on the common IT platform, stakeholders should make every effort in the very early stages to agree on the important statistical benchmark values (in the ICHEIC context, whether claims information would be recorded by claim, policyholder, claimant, etc.) and how these are to be reported. Defining these early in the process and then building systems to ensure that these values are tracked and excerpted wherever appropriate will help streamline the collection of important statistical data. It will also permit entities and the board to review and constantly monitor agreed-upon benchmarks, essentially allowing for a common dashboard of important numbers to be readily available in real time to all who need to review them.

Here, too, IT resources offer an easy way of compiling workflow data and identifying trends, which in turn help to define necessary next steps and ensure timely self-correction of data. Any variances from expected results are easy to determine in real time and remedial action can be taken if necessary; ultimately, at the end of the process, reconciliation of claims processing results between the multiple cooperating entities and reporting of aggregate numbers by all parties involved is made much simpler if agreement on reporting can be struck at the outset of the process.

WRITING/DESIGNING/FINALIZING RULES AND GUIDELINES

Avoid negotiating rules and guidelines by board committee; Delegate the task to an expert or group of experts who will receive board's approval.

Clear policies and procedures that encapsulate the purpose of the work are critical. Such procedures, rules and guidelines should be identified at the front end and finalized as quickly as possible so that claims processing can proceed efficiently and effectively, and most importantly consistently across all categories of claims. In some instances, such as complex historical Valuation Guidelines, it may be most efficient and fair to delegate this responsibility to an expert or group of experts and to enforce a deadline by which the draft guidelines would need to be finalized and sent to the board for decision.

Where rules are being constructed for a part of the process – such as appeals or secondary review – that will not have practical application for some time, care should be taken to establish broad-brush parameters rather than rigid detailed instructions. This will allow those developing the operations in real time the flexibility to make adjustments when and as needed, without compromising the original mission or objectives.

PILOT PROGRAM

Ensure that rules and guidelines are final ahead of processing; test by means of a pilot program and, if necessary, tweak with the assistance of an expert to resolve issues as they arise.

Once rules and guidelines have been determined, they should be tested in a pilot program. Inevitably, such real world testing will identify additional issues or potential hurdles best eliminated before full-fledged claims processing is launched. If based on a representative sample of claims pulled from the total universe such a pilot program should be able to identify the major potential pitfalls and/or inconsistencies contained in the guidelines and procedures. Analysis of the results of the pilot program should be done promptly, while the Board still has access to an expert or group of experts to help reassess what parts of the guidelines and/or procedures need to be amended before launching the main claims process.

TRAINING USERS OF THE RULES AND GUIDELINES

Provide staff with intensive front-end training related to rules and guidelines and the structure of the process.

In order to ensure efficient operations, it is critical that staff understands how to apply the rules and guidelines that have been established by the organization. Not only will this ensure more consistent decision-making and therefore a more robust process, building a sound foundation for institutional memory will also enable the organization to rely more fully on its in-house staff when it comes to the inevitable training of new staff in the course of the organization's lifetime. Additionally, a comprehensive understanding of the organization's mission and its rules and guidelines gives staff a greater sense of being part of the whole and inhibits turnover.

Similarly, staff must be aware of the basic outputs of the organization – briefly put, the what, when, where, how many, how well questions. Identification of these benchmarks is important not just for reporting purposes, but also to ensure that focus is placed and resources are allocated to the appropriate parts of the organization’s mission. In order to do this and to maintain constant vigilance regarding performance indicators, a thorough understanding of the structure of the process is necessary and must be encouraged at all levels. Staff who consistently fail to follow the rules and guidelines should be replaced.

BUILDING AN IN-HOUSE OPERATION

Do not outsource process functions; spend time and resources recruiting the right people and provide appropriate incentives for them to remain throughout the process.

An organization should not outsource its core function. By retaining in-house control over its core mission, an organization not only maintains consistency of message, it can ensure that claims are handled quickly, without the distraction of other clients or other demands on the relationship manager. Furthermore, such hands-on control allows an organization to minimize the possibility of duplication of efforts, and the misallocation of resources. It does mean, however, that particular attention must be paid to hiring the right people capable of delivering the custom machine in house, and supervising it there at all times. In order to guarantee institutional memory and ensure a reliable team and minimize staff turnover, an organization will have to provide incentives (financial, otherwise) to its staff to remain throughout the process.

INFORMATION TECHNOLOGY AT THE CORE OF THE PROCESS

Build an IT department in-house and an IT infrastructure that fits the needs of the process.

Given the opportunities provided by information technology (IT), an in-house IT team that understands an organization's mission and needs is a critical component to finding leaner means of working – saving both financial and staff resources. ICHEIC's humanitarian claims process was constructed around a number of IT solutions that made for a nimbler and more efficient process. For example, by scanning documents and providing an electronic interface for the teams in the UK and the US to review and determine eligibility of individual claims without having to wait for (or indeed incur the cost of) the copying and shipping of paper files, ICHEIC's humanitarian claims process was able to review over 70,000 individual files and arrive at determinations on these cases in half the time it took companies to process the hard copy claims provided.

A further extension of this would be the creation of an electronic interface via the internet that would allow claimants to check on the progress of their claims, thereby liberating them from the constraints of local call center staffing and, in turn, saving the organization the significant expense associated with helpline operations.

UPDATING RECORDS

Maintain an internal data center.

By retaining the IT function in-house, an organization is also able to control the accuracy of its data more reliably. Not only is data entry error reduced when the staff responsible for maintaining the data are tied so closely into the core mission and workings of an organization, it is also far easier for the organization to update its data. With a claimant population such as ICHEIC's, this was of critical importance. Given that ICHEIC's claimant population had a significant geriatric element, claimant mortality was a factor that generated practical requirements when it came to updating claimant data.

CLAIMANT COMMUNICATIONS

Maintain a robust call center that has access to claims information and specialists who are informed about the process. Stress, from the outset, the use of the call center rather than correspondence to answer claimant questions.

Since responding to claimants' queries in writing is a labor-intensive and time-consuming task, requiring multiple levels of review, large claims processes resort to form letters to respond to written inquiries. While easier to control, given that they can be reviewed at the outset and then used by all levels of staff, such form letters invariably and inevitably cannot address all claimants' queries, and do not satisfy the recipient.

Establishing and maintaining a well-staffed, effectively trained and informed call center available to claimants in a multitude of languages is a better alternative. If call center staff are effectively trained and provided with access to specific claims information through an online interface, they can use this information in combination with their knowledge of the process as a whole and inform claimants more thoroughly and specifically about their individual claims than would any form letter. If in the course of providing greater transparency call centers also encourage greater claimant participation, they will contribute to building greater confidence in the process, leveraging further results achieved.

ACCURACY IN DECISION-MAKING

Put in place a verification system to crosscheck decision-making in real time.

Regardless of how much time and effort is invested in the initial construction of the process, every system needs appropriate checks and balances. Building a decision verification system is critically important in ensuring accurate and consistent decisions.

Such decision verification processes have an additional benefit that ICHEIC discovered and used to great effect: they can function as an early warning system. A point at which decisions from all areas of the process converge, the verification team was able to spot trends and systemic issues in real time and report these to management, allowing the operations team to liaise with companies and partner entities to resolve challenges surrounding either questionable application of the guidelines or inconsistency in decision-making between and among member companies.

AUDITS

Hire outside auditors to ensure that processes are running smoothly and to submit findings to the board.

To ensure a transparent and robust process that withstands the test of time and the scrutiny of critics, an organization should ensure that outside auditors provide confirmation that all procedures were structured and decisions rendered appropriately. Independent outside auditors will provide an additional layer of credibility. Moreover, in highly politicized or emotional environments such as restitution and claims processes, outside auditors also ensure a neutral “outsider’s” perspective that all participants and stakeholders can agree to.

ICHEIC conducted a series of audits to ensure that decisions rendered by participating companies and partner organizations were above reproach. Such audit reviews were critical for two reasons. At the front end they provided neutral third parties with access to company records to determine which historical records had survived where and how these records had been secured and databased to make them more accessible throughout the claims process. By using outside auditors who reported back to a specific committee ICHEIC found an acceptable means of shining a light into previously inaccessible records; the reports back to the committee resulted in thorough reviews of the auditors’ finding by a representative group of ICHEIC stakeholders.

Having used audits to help in efforts to minimize the historical suspicions and maximize participants’ trust in some of their fellow stakeholders, ICHEIC used audits at the back end to achieve a similar confidence level in the claims process itself. A subsequent audit was conducted to ensure that all entities responsible for aspects of claims processing conducted this process appropriately; results were reported to the same committee, building on their technical expertise and intimate understanding of the claims process. Similarly, audits of ICHEIC’s own operations were also conducted by outside auditors to ensure appropriate governance was in place.

APPEALS PROCESS/SECONDARY REVIEW

ICHEIC members sat on the audit committee and reviewed the reports done by the outside auditors; ICHEIC staff verified the decisions made by each company on every claim. Claimants also had the opportunity to request review of certain decisions by companies, through an appeals process. For the Commission, preserving a right for claimants to gain a secondary review, independent of ICHEIC staff or members, was important for the credibility of the process.

The challenge is to set up an efficient administrative process, responsive to board timetables and budgets, that provides adequately for judicial independence. This means ensuring that (1) judges and legal staff receive the same training in the organization's rules and guidelines as that available to the organization's staff, at least as a baseline; and (2) operational, administrative, and budgetary control over appeals office operations remains with the senior staff of the commission, rather than with the appeals judges or staff. The latter is imperative to ensure that those responsible for concluding overall operations on time, and reporting to board members and other stake-holders on progress in meeting deadlines and budgets, maintain management control on those items, particularly for what is likely to be the last chapter of the claims process.

REPORTING

Communicate issues on a quarterly basis.

Open communication between and among parties, and to the public at large, are critical components to finding efficiencies and timeliest ways of implementing changes where necessary. Moreover, open transparent cooperation encourages new perspectives, expands and enhances coalitions, fosters partnerships, and results in greater effectiveness and a more comprehensive approach, increasing opportunities to achieve the intended outcome. Regular reporting of milestones is a critical component to reinforcing an organization's mission and keeping it on track to successful completion of its tasks. Quarterly reporting to the board should be considered a minimum requirement. As an organization nears its closedown targets, however, reporting should be stepped up (possibly to a monthly level) to ensure timeliness and comprehensiveness of closedown.

Best practices and lessons learned highlighted throughout this document can be summarized as follows:

- Ensure that stakeholder groups are clearly defined and each group chooses a single representative to participate in the formation and negotiation phases. In so doing, stakeholder groups should be encouraged to consider the particular skill sets needed for the various (and changing) assignments.
- Build consensus to create a mission statement that covers the life of the organization.
- Write articles of association that create a board structure for oversight.
- Have groups choose representatives to serve on a board once the initial formation and negotiation phases are complete; ensure that the skills sets of those on the board are such that the board members can assist the organization in reaching its mission.
- Hire senior officers of the organization to (1) support the Chairman, Vice Chairman, and board, (2) recruit staff, and (3) build the operation; officers should report to the board Chairman.
- Define the audience (see mission); ensure that as much of that audience as possible is both aware of the process and encouraged to file.
- Manage expectations in the beginning as to what the process is designed to do and what it can realistically deliver.
- Focus on the creation of a successful claim form.
- Determine the size of the asset class in order to determine the size of the settlement; outsource this analysis to experts.
- Consolidate oversight, administrative, and processing activities in one single location.
- Ensure that IT arrangements are solidified through agreements.
- Ensure that reporting arrangements are solidified through agreements.
- Avoid negotiating rules and guidelines by board committee; delegate the task to an expert or group of experts who will receive the board's approval.
- Ensure that rules and guidelines are final ahead of processing; test by means of a pilot program and, if necessary, tweak with the assistance of an expert to resolve issues as they arise.
- Provide staff with intensive front-end training related to rules and guidelines and the structure of the process.
- Do not outsource process functions; spend time and resources recruiting the right people and provide appropriate incentives for them to remain throughout the process.
- Build an IT department in-house and an IT infrastructure that fits the needs of the process.
- Maintain an internal data center.

- Maintain a robust call center that has access to claims information and specialists who are informed about the process. Stress, from the outset, the use of the call center to answer claimant questions as opposed to correspondence.
- Put in place a verification system to crosscheck decision-making.
- Hire outside auditors to ensure that processes are running smoothly and to submit findings to the board.
- Set up an appeals/review process with an eye toward broad objectives and parameters, and the relationship between the appeals process and main operations on administrative management issues.
- Communicate issues on a quarterly basis.

We hope that in publishing this summary of lessons learned we can provide a way ahead for those at the early stages of an undertaking such as that contemplated in 1998 by the ICHEIC Commissioners, when no such road map was available. While we cannot cover each and every operational permutation that different processes will require, we hope to have shared insights that will allow organizations in the future to reach their missions faster and with greater efficiencies than those of us who learned along the way.