
ICHEIC Meeting Report: December 2005

ICHEIC Commissioners, Alternates, and Observers met in Washington, DC on 14 December 2005. With claims decision-making by companies now largely complete, ICHEIC staff described the work required by ICHEIC and its member companies in 2006 to conclude ICHEIC claims and appeals processes.

This report summarizes the information presented by ICHEIC staff and the main issues discussed by Commissioners at the December meeting. The enclosed PowerPoint document presented at the ICHEIC meeting provides further detail. Since this report and presentation cover the topics usually addressed by the ICHEIC Quarterly Report, they will take the place of a January 2006 quarterly.

- **ICHEIC Offers and Awards:** To date, approximately \$163 million has been offered or awarded as a result of ICHEIC claims processes.
- **Completion of Claims Decision-Making:** ICHEIC companies will largely meet the end of the year claims decision-making deadline. As communicated at the May ICHEIC meeting and reiterated in Chairman Eagleburger's memorandum of 29 September, the end-2005 deadline "will be met if companies have completed all investigations necessary to determine whether a policy exists and whether an offer will be rendered."
- **Distribution of Decision Letters:** Letters communicating the results of company investigations should be distributed to claimants in the first part of 2006. Companies will distribute decision letters on named and matched claims. ICHEIC will distribute decision letters on unnamed and unmatched claims. ICHEIC is working with its call center to ensure that operators are adequately prepared to respond to claimant questions arising from the substantial number of decision letters to be distributed this year. ICHEIC will also continue to ensure that regulator offices receive decision letters related to claimants who have filed through their offices.
- **ICHEIC Closedown Tasks:** ICHEIC is committed to the orderly and timely closedown of its claims processes. In line with this objective, ICHEIC's workplan for the first part of 2006 includes the verification of company decisions, the verification that names added to files after they were originally submitted have been properly researched, and the reconciliation of ICHEIC database entries against company records to ensure that decisions on all ICHEIC claims are properly recorded.
- **Continuation of Closedown Oversight:** The ICHEIC Operations Committee, chaired by the New York Insurance Superintendent and comprised of regulator, Jewish group, and company representatives, has tracked companies' progress leading up to the end-2005 claims decision-making deadline. With companies' decision-making now largely complete, the Operations Committee will focus on tracking companies' progress in distributing decision letters and ICHEIC's work to verify decisions. The Operations Committee also will be working with ICHEIC staff to see that all operational components of the claims process are concluded in the most effective possible manner.

- **Audits:** The ICHEIC audit process is largely complete and is not expected to affect ICHEIC's closedown timeline. The enclosed presentation lists the company audits completed to date and those that remain to be completed in the first part of 2006.
- **Appeals:** ICHEIC expects both the Appeals Panel and Tribunal to receive a large volume of appeals in the first part of 2006, as companies distribute decision letters on claims decided in late 2005. ICHEIC has recently added staff to the appeals office to prepare for expected volumes and is confident that the Panel and Tribunal will keep pace. ICHEIC expects the appeals process to conclude in 2006. ICHEIC reported in the November Quarterly Report the decision to publish redacted appeals decisions. These decisions will be available on the ICHEIC website shortly.
- **8A1 Humanitarian Claims Process:** ICHEIC is preparing to make additional awards through its 8A1 humanitarian claims process for unnamed and unmatched claims and named claims for which the company named has been unable to find a match. Awards in this category are made on a per-claimant basis and total \$26.68 million on 26,683 claims to date. All claims potentially eligible for an 8A1 award have been evaluated. ICHEIC expects to award approximately \$250,000 on 250 claims in December 2005 and to issue a significantly larger tranche of awards in spring 2006. At the December meeting, Chairman Eagleburger also addressed the issue of secondary claimant payments within the 8A1 process. ICHEIC's longstanding position on this issue is described in the enclosed presentation.
- **Eastern European Humanitarian Claims Process:** ICHEIC is preparing to issue new awards through its Eastern European (8A2) humanitarian claims process for nationalized/liquidated/no present-day successor companies. Awards in this category are made on a per-policy basis for documented policies and are calculated in accordance with ICHEIC valuation guidelines. Approximately 700 offers, totaling \$7.8 million, have been distributed to date. ICHEIC expects to issue approximately 800 offers, totaling \$8 million, between December 2005 and February 2006. A fourth tranche of awards on unnamed company research matches is scheduled for spring 2006.
- **Humanitarian Allocations:** ICHEIC currently funds four humanitarian projects: Social welfare allocations for needy Holocaust victims, the ICHEIC Service Corps, the Initiative to Bring Jewish Cultural Literacy to Youth in the Former Soviet Union (FSU Program), and the Yad Vashem Program. The Commission approved funding an additional year of the FSU program in St. Petersburg and Moscow (\$1.5 million) and the ICHEIC Service Corps in Miami and New York City (\$360,000). ICHEIC's November 2005 Quarterly Report and the ICHEIC website provide details on these projects and the funding allocated to each program.
- **Financial Report:** The Investment Committee and the Financial and Administrative Advisory Committee reported to Commissioners at the December meeting. The Commission approved a revised lifetime budget, which is available in the document center section of the ICHEIC website. The Commission also selected an independent financial auditor for 2005. Audited financial statements for 2005 will be available on the website when complete.

ICHEIC



**MEETING OF THE INTERNATIONAL COMMISSION ON HOLOCAUST ERA
INSURANCE CLAIMS**

Washington, DC - 14 December 2005





Offers and Awards to ICHEIC Claimants As of 13 May 2005

There have been 5,584 offers made to ICHEIC claimants totaling \$86.5 million. ICHEIC companies have made a further 762 offers amounting to \$14.9 million on claims submitted directly to them.

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There have been 16,654 offers made to claimants through the ICHEIC Humanitarian Claims Process, totaling \$16.65 million and 159 offers totaling \$2.4 million made to claimants for insurance policies held with companies that were liquidated or nationalized after World War II.

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As of 13 May 2005, \$2.36 million has been awarded through ICHEIC's appeals processes.

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To date, \$122.8 million has been offered or awarded as a result of the ICHEIC process.



Offers and Awards to ICHEIC Claimants As of 14 December 2005

To date, \$162.95 million has been offered or awarded as a result of the ICHEIC process. This figure includes the following:

There have been 7,890 offers made to ICHEIC claimants, totaling \$118.44 million. This figure includes 693 offers, totaling \$7.81 million, made through ICHEIC's humanitarian process for named claims on nationalized/liquidated/no present-day successor companies.

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ICHEIC member companies have made a further 784 offers amounting to \$15.13 million on claims submitted directly to them.

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There have been 26,683 offers made to claimants through the ICHEIC 8A1 humanitarian claims process, totaling \$26.68 million.

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To date, \$2.70 million has been awarded through ICHEIC's appeals processes.



2006 Closedown: Main Claims Process

2006 Closedown: Humanitarian Claims Process

ICHEIC Humanitarian Fund Activities

FAAC Report





Completion of Claims Decision-Making

- Companies will largely meet the end of the year claims decision-making deadline.
 - As communicated at the May ICHEIC meeting and reiterated in Chairman Eagleburger's memorandum of 29 September, the end-2005 deadline "will be met if companies have completed all investigations necessary to determine whether a policy exists, and whether an offer will be rendered."
- Decision letters communicating the results of company investigations should be distributed to claimants in the first part of 2006.



Company Distribution of Decision Letters on Named and Matched Claims

- Named Claims: Approximately 4,000 decision letters remain to be distributed in the first part of 2006.
- Matched Claims: Approximately 9,000 decision letters remain to be distributed in the first part of 2006. Since these claims have already been matched against ICHEIC or company records, preliminary investigations are complete and companies must only write decision letters.



ICHEIC Tasks

ICHEIC's 2006 workplan includes:

- Distribution of decision letters for unnamed/unmatched claims
- Verification of company decisions
- Verification that names added to files after they were originally submitted have been properly researched
- Reconciliation of ICHEIC database against company records to ensure that decisions on all ICHEIC claims are properly recorded



Audits Completed

Stage 1:	All Audits Complete
Stage 2 Phase 2:	AGF
	RAS
	AXA France
	AXA Germany
	Generali Frankfurt
	Aachener und Münchener
	Volksfürsorge
	Winterthur
	Zurich

Stage 1 Audits examine the companies' systems and procedures that are set up to achieve compliance with ICHEIC Audit Standards. Stage 2 examines each company's handling of claims. Phase 1 of Stage 2 can be conducted when at least one third of an insurer's claims has been processed. Phase 2 of Stage 2 follows when 75% of claims have been processed.



Audits Completed (Continued)

Stage 2 Phase 1:	Allianz/Vereinte
	Generali Trieste
	Generali France
Other:	Non-MOU BaFin



Audits Remaining

All audits remaining are Stage 2 Phase 2:

- Allianz Leben and Vereinte
- Generali France
- Generali Trieste
- Generali Austria



Appeals Statistics as of 14 December 2005

	Appeals Panel (German/GDV)	Appeals Tribunal (All other ICHEIC companies)
Appeals Received	481	985
Awards Made	41	154
Value of Awards	\$441,789	\$2,260,383
Appeals Dismissed	262	233



2006 Closedown: Main Claims Process

2006 Closedown: Humanitarian Claims Process

ICHEIC Humanitarian Fund Activities

FAAC Report





Humanitarian Claims Process Awards As of 14 December 2005

There have been 26,683 awards made through the ICHEIC 8A1 humanitarian claims process, totaling approximately \$26.68 million.

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There have been 693 offers to claimants through the 8A2 humanitarian claims process for nationalized/liquidated/no present-day successor companies, totaling \$7.81 million.

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As of 14 December 2005, ICHEIC has distributed approximately \$34.49 million in awards through its humanitarian claims processes.



Estimated Future Awards

ICHEIC is preparing to make additional awards in both of its humanitarian claims processes:

- 8A1 tranche three (December 2005): approximately \$250,000 on 250 claims.
- 8A1 tranche four (Spring 2006).
- 8A2 tranche three (December 2005-February 2006): approximately \$8 million on 800 claims.
- 8A2 tranche four (Spring 2006): payments on unknown company research matches.



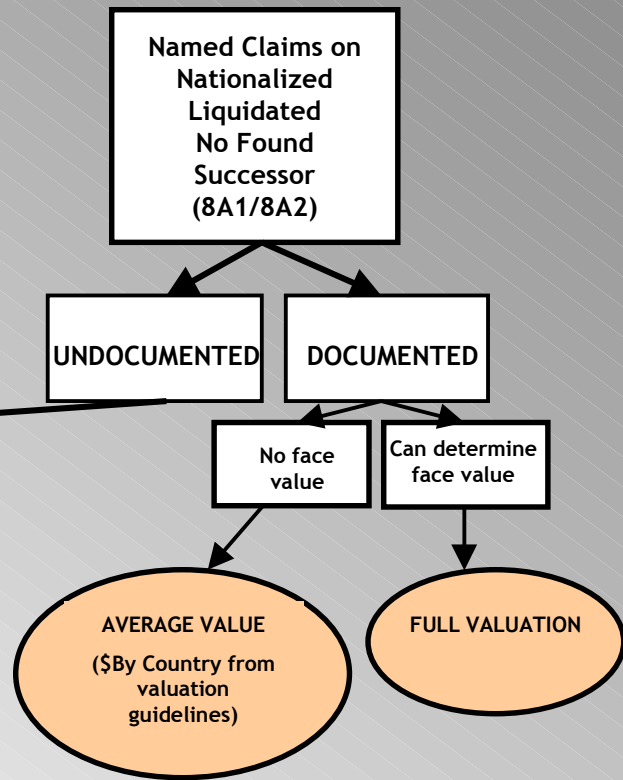
8A1 Claims Process

UNNAMED/UNMATCHED
NAMED NO MATCH
APPEALS SUBMISSIONS
NAMED OUTSTANDING

STANDARD
PAYMENT
(\$1,000)

Awards in the 8A process are made on a PER CLAIMANT basis.

Eastern European Claims Process



Note: Only payments on named Eastern European claims with documentation will be made on a per policy basis. All other payments through the humanitarian claims process will be made on a per claimant basis.



8A1 Claims Process

Factors evaluated in determining eligibility of claims in the 8A1 process:

- Information related to an insurance company
- Information on the place where the insurance policy was likely to have been purchased
- Specific details about the insurance policy
- Knowledge of policy information asserted in the claim
- Status of the claimant as a Holocaust survivor

Evaluation is based on a scoring system which attributes points for each of the factors listed above. Failure to meet one or more of the above factors does not disqualify a claimant from the 8A1 process.



Closedown Tasks

For both the 8A1 and 8A2 processes, ICHEIC will conduct follow-up work to ensure that humanitarian awards reach the appropriate recipients. This work includes:

- Investigation of returned award letters and outreach to claimants to obtain current address information
- Investigation of heirs cases



8A1 Claims Process: Secondary Claimant Payment Issue

- Awards issued through the 8A1 humanitarian claims process are made on a per-claimant basis. Since these humanitarian awards are issued in recognition of the fact that the policyholder named in the claim form possibly held some form of insurance, ICHEIC does not issue additional payments to other heirs listed on the claim form, but encourages that awards be shared.
- In June 2004, Chairman Eagleburger made a narrow exception for cases where “claimants, at the specific instruction of an insurance commissioner’s office, filed together on a single form.” This exception was made because regulators distributed their own claim forms before the standard ICHEIC claim form was developed and routinely encouraged related claimants to file together.
- Following the Chairman’s decision, ICHEIC made one tranche of secondary claimant payments on claims where regulators indicated that they had instructed claimants to file together.



8A1 Claims Process: Secondary Claimant Payment Issue (Continued)

- ICHEIC has evidence that some regulators have made efforts to obtain payments for secondary claimants in cases where the ICHEIC claimant was not originally assisted by a state regulator office, and misrepresented the nature of the Chairman's exception.
- Due to this misconduct, future secondary claimant payments will be made only where regulators are able to demonstrate, with documentation for each claim, that they recommended claimants file together on a single form.



2006 Closedown: Main Claims Process

2006 Closedown: Humanitarian Claims Process

ICHEIC Humanitarian Fund Activities

FAAC Report





2006 Closedown: Main Claims Process

2006 Closedown: Humanitarian Claims Process

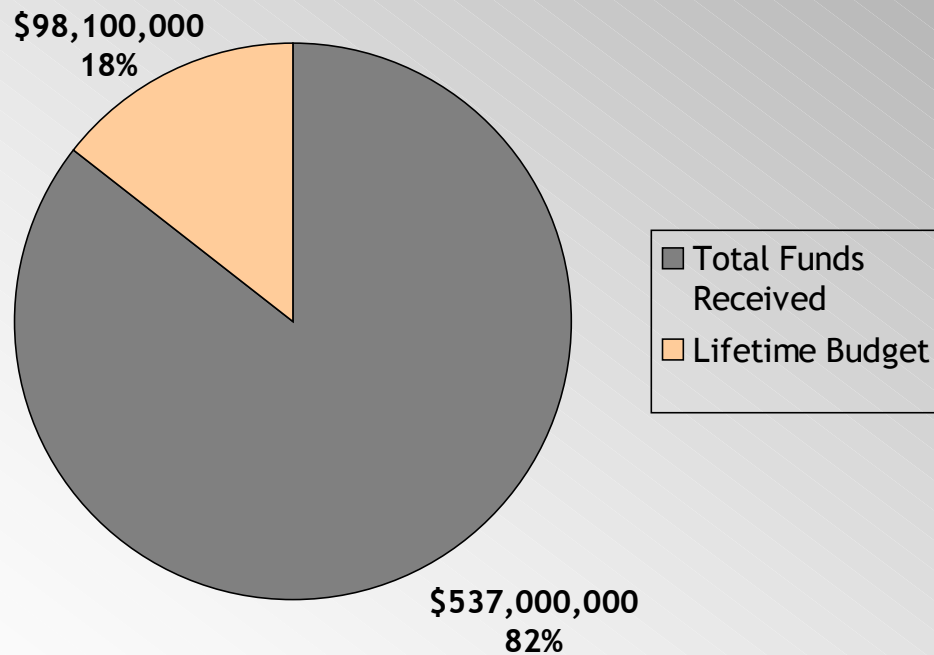
ICHEIC Humanitarian Fund Activities

FAAC Report





Lifetime Budget



- Total funds received by ICHEIC, including funds received from participating insurance companies and the German government, the Bermuda Trust, realized exchange gains, interest earned, and projected interest income through 31 December 2006 amount to \$537 million.
- The total lifetime budget, including contingencies and reserve, amounts to \$98.1 million, or 18% of the total funds received.
- This budget covers the processing of approximately 90,000 individual claims eligible for consideration under the ICHEIC process.

ICHEIC



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