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## ICHEIC Meeting Report: May 2005

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ICHEIC Commissioners, Alternates, and Observers met on 25 May 2005 to discuss ICHEIC's recent progress and the remaining steps necessary to complete decision-making on all claims by the end of 2005. The information presented by Chairman Eagleburger and ICHEIC staff and the major issues discussed by Commissioners are summarized below. This summary, along with the enclosed presentation given at the meeting, covers the topics usually addressed by the ICHEIC Quarterly Report and will take the place of a June quarterly.

- Approximately \$122.8 million has been offered or awarded as a result of the ICHEIC process to date.
- ICHEIC anticipates awarding an additional \$26 million through the humanitarian claims process by the end of July 2005. These awards are in addition to approximately \$19 million already distributed through the humanitarian claims process.
- Foremost among ICHEIC's closedown objectives are the completion of decision-making on all claims by 31 December 2005 and completion of all appeals decisions by mid-2006.
- ICHEIC recently completed three reconciliation projects to ensure that all claims have been sent to, and received by, the appropriate MOU company or claims processing entity. These projects were undertaken after ICHEIC discovered that certain claims it recorded as having been sent to the GDV had not been successfully transmitted. Chairman Eagleburger indicated that ICHEIC bears full responsibility for this error and that, after consultation with Dr. von Fürstenwerth of the GDV and Ambassador Bauch of the German Foundation, he believes it will still be possible to meet ICHEIC's closedown objectives. Claims identified as a result of ICHEIC's recent reconciliation projects have been sent to the relevant MOU companies and/or claims processing entities.
- Matches between the German policyholder database and the ICHEIC claims database were sent to German companies (via the GDV) in May 2005. ICHEIC intends to send matches between the AWZ companies' policyholder lists and the ICHEIC claims database to AWZ companies in July 2005.
- At the request of the Operations Committee, ICHEIC staff met with representatives of the GDV, Allianz, AXA Colonia, and the BZK in January and with representatives of Generali in March. These visits provided the Operations Committee with insight into the challenges jointly faced by ICHEIC and the companies and identified new efficiencies in claims processing.
- ICHEIC expects audits to be complete by late 2005, subject to the timely processing of claims by the companies.
- At the 25 May 2005 meeting, Commissioners raised concerns about the cost and pace of appeals decision-making. Chairman Eagleburger agreed to meet with Dr. von Fürstenwerth of the GDV, representatives of the German Foundation, the Appeals Panel judges, and regulator and Jewish organization representatives to discuss how to ensure a cost-effective and timely completion of decision-making.
- ICHEIC has allocated funds to five humanitarian projects in 2005. In addition to the four projects described in detail in the March 2005 quarterly report, ICHEIC made a one-time contribution of \$500,000 to provide scholarships for youth to attend the March of the Living in May 2005.
- The FAAC has evaluated the impact of recent operational changes on ICHEIC's lifetime budget and estimates that these changes will result in a \$50,000 net increase in internal operating cost. The FAAC reports that ICHEIC's humanitarian claims process and appeals process could potentially impact the budget in the future.

**ICHEIC**



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

**Washington, DC - May 25, 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.



## Upcoming Summer 2005 Humanitarian Awards

ICHEIC anticipates awarding approximately \$16 million through the 8A1 humanitarian claims process in July 2005.

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ICHEIC anticipates extending approximately 1,000 awards totaling \$10 million through the Eastern European (8A2) humanitarian claims process in July 2005.

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ICHEIC anticipates awarding an additional \$26 million through the ICHEIC humanitarian claims process by August 2005 for a total of \$45 million in humanitarian awards as of that date.

# ICHEIC



## ICHEIC Timeline

May 2005

### Main Claims Process

- Matches between ICHEIC research database and ICHEIC claims database sent to companies
- Matches between German policyholder list and ICHEIC claims database sent to companies
- Matches between AWZ companies' policyholder lists and ICHEIC claims database sent to companies
- Companies complete decision-making on ICHEIC claims

### Audits

- Stage 1 MOU Companies
- Stage 2, Phase 1 MOU Companies
- Stage 2, Phase 2 MOU Companies\*
- BaFin audits of selected GDV companies

### Appeals

- All appeal decisions made

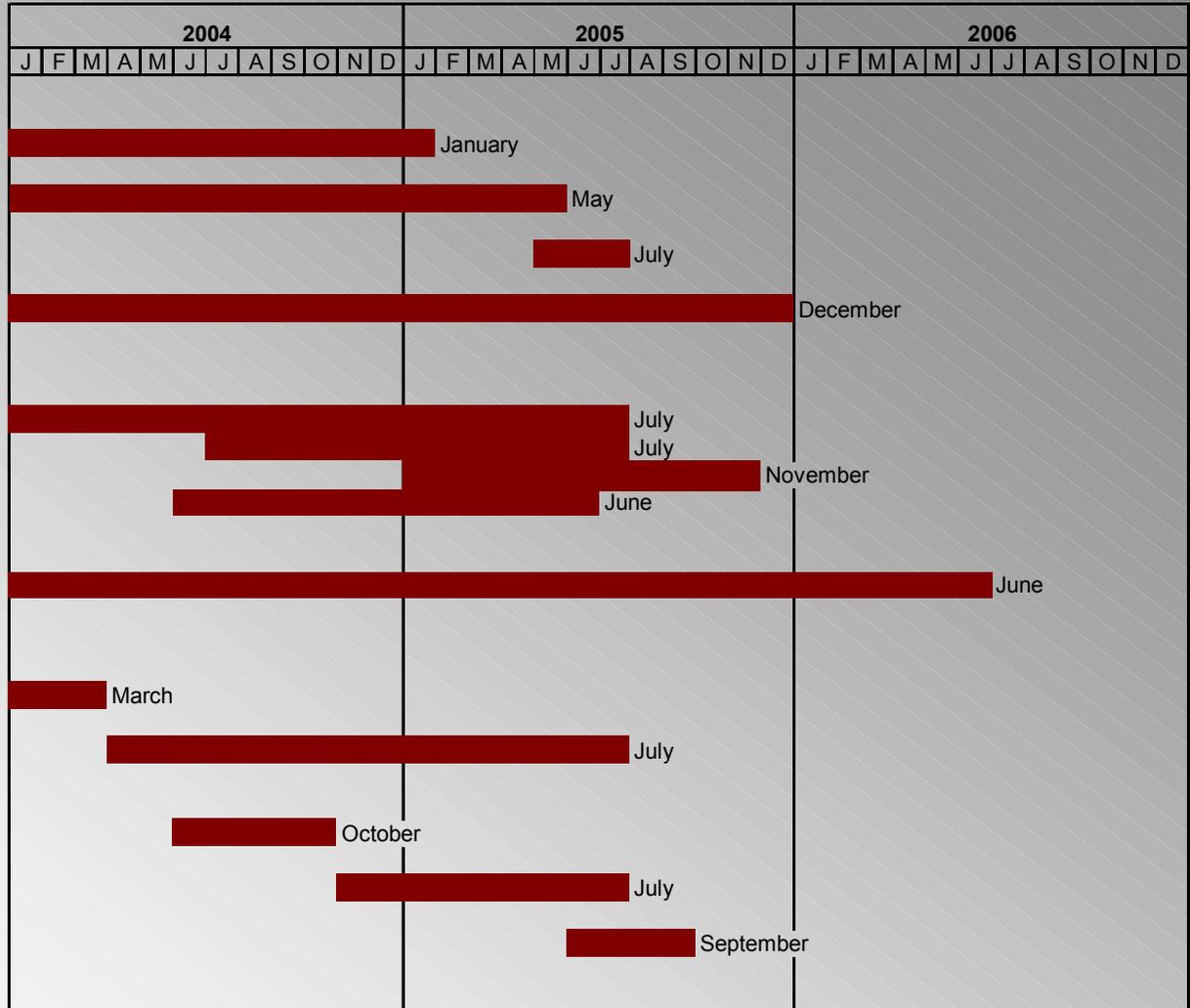
### Humanitarian Claims Process

#### Unnamed/unmatched claims (8A1)

- Claims Conference reviews 39,000 claims, first tranche of payments sent on March 30, 2004
- Claims Conference reviews 38,000 claims, second tranche of payments sent in July 2005

#### Eastern European named claims

- Pilot review by committee, first offers distributed in October 2004
- Evaluation of 6,000 remaining claims, offers distributed in July 2005
- Evaluation of final unknown company research matches, offers distributed in September 2005



\*Dependent upon companies' processing of remaining claims



## Closedown Planning Objectives

- December 31, 2005: Completion of claims decision-making by all companies on all ICHEIC claims sent to them.
- December 31, 2005: Decisions on all claims in the ICHEIC humanitarian claims process (8A1/8A2).
- Mid 2006 (6 months after completion of claims decision making): Completion of Appeals Process.



**Main Claims Process: Closedown Progress**

**Humanitarian Claims Process**

**Humanitarian Fund Projects**

**FAAC Financial Report**





## Main Claims Process: Closedown Progress

- **Reconciliation**
  - Reconciliation Against Company Lists
  - Reconciliation Against Finalized Company/Country Matrix
  - ICHEIC Database Cleanup (Stage/Status Review)
- **Matching**
- **Report from visits to companies**
- **Audits**
- **Appeals**



## Reconciliation Against Company Lists

- **Objective:** Ensure that every ICHEIC claim destined for an ICHEIC company or entity has been received by the appropriate company or entity for processing.
- ICHEIC has completed a full scale reconciliation exercise with each MOU company and claims processing entity by comparing the company's/entity's records with those in the ICHEIC database. Discrepancies were investigated on a claim-by-claim basis.
- The results of this reconciliation exercise were distributed to companies in bilateral meetings on 24 May 2005.
- Additional claims to be distributed as a result of reconciliation will be sent electronically 27 May 2005.
- Final step will be for ICHEIC to ensure that companies have received all claims resulting from reconciliation.



## Reconciliation Against Finalized Company/Country Matrix

- **Objective:** Ensure that all ICHEIC claims have been treated consistently and distributed to the appropriate ICHEIC company or claims processing entity based on company ownership history.
- ICHEIC consolidated all company-country matrix information and finalized company ownership history and 8A2 (Eastern European humanitarian claims process) eligibility.
- ICHEIC reviewed approximately 30,000 claims database entries to ensure that all claims have been treated consistently.



## ICHEIC Database Cleanup (Stage/Status Review)

- **Objective:** Ensure that all ICHEIC-eligible claims in the ICHEIC database have been sent to the appropriate company/entity or finalized.
- ICHEIC reviewed the full ICHEIC database to:
  - Examine stage/status of every claim
  - Confirm stage/status are correct
  - Action claims with uncertain stage/status to ensure all claims are either with a company or claims processing entity for processing, or have been finalized
- Claim-by-claim analysis to examine and confirm stage and status, and action where appropriate.



## Matching

- Matching between the German policyholder list and the ICHEIC claims database:
  - Matches transmitted to German companies via the GDV in May 2005
- AWZ Matching between the companies' policyholder lists and the ICHEIC claims database:
  - Matches transmitted to AWZ companies in July 2005
- In the coming weeks, ICHEIC will perform a full reconciliation of research matches in the ICHEIC research database to confirm that all matches have been received by relevant companies.



## Report From Visits to Companies

- **Generali**
- **GDV (Allianz, AXA Colonia)**
- **BZK**



## Audits

- Complete remaining Generali Stage 1 audits
- Conduct Stage 2 audits to assess company claims handling in accordance with ICHEIC standards and guidelines
- Establish and adhere to schedule of Stage 2 audits to allow adequate opportunity for:
  - Companies to correct any errors detected (if required, dependent upon Stage 2 audit results)
  - Completion of second phase of Stage 2 audit as necessary (further sample of claims processing)
- Monitor progress and address issues arising as a result of Stage 2 work through monthly Audit Mandate Support Group (AMSG) conference calls

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.



## Stage 1 Audit Completion Schedule

### Generali Group

-Generali Lebensversicherung - Frankfurt	May 2005
-Austria	May 2005
-Italy	June 2005
-France	May 2005
-Belgium	TBD

The schedule above is for debrief meetings only.



## Stage 2 Phase 1 Audit Completion Schedule

### Allianz Group

-Leben & Vereinte

August 2005

AXA Germany, France

June 2005

Zurich

June 2005

Winterthur

June 2005

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 all claims have been processed.



## Stage 2 Phase 1 Audit Completion Schedule (continued)

### Generali Group

-Austria	August 2005
-Generali Lebensversicherung AG Frankfurt	August 2005
-Aachener und Münchener	August 2005
-Volksfürsorge	August 2005
-France	August 2005

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 all claims have been processed.



## Audit Completion Schedule (continued)

### Stage 2 Phase 2

-AGF

Completed

-Other companies

Fall 2005

**Non-MOU German company audits**

June 2005

\*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 all claims have been processed.



## Appeals

- The Appeals Panel considers appeals on GDV insurance company decisions, including those of Allianz issued after October 16, 2002.
- The Appeals Tribunal considers appeals on decisions by AXA, Winterthur, and Zurich, as well as appeals on Allianz decisions dated prior to October 16, 2002. Generali appeals are also now being heard by the Appeals Tribunal.
- To date, 102 appeals have been recommended to date by the arbitrators from both the Appeals Panel and Tribunal into the 8A1 humanitarian claims process.



## Appeals Statistics as of May 13, 2005

	Appeals Panel (German/GDV)	Appeals Tribunal (All other ICHEIC companies)
Appeals Received	349	432
Awards Made	28	143
Value of Awards	\$249,515	\$2,111,474
Appeals Dismissed	185	192



**Main Claims Process: Closedown Progress**

**Humanitarian Claims Process**

**Humanitarian Fund Projects**

**FAAC Financial Report**





## Humanitarian Claims Process Awards

To date, there have been 16,654 offers made to claimants through the ICHEIC 8A1 Humanitarian Claims Process, totaling approximately \$16.65 million.

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There have been 159 offers made to claimants through the Eastern European (8A2) Humanitarian Claims Process, totaling approximately \$2.4 million.

=

As of 25 May 2005, ICHEIC has distributed approximately \$19 million in awards through the ICHEIC Humanitarian Claims Process.

+

ICHEIC anticipates awarding approximately \$16 million through the 8A1 humanitarian claims process and 1,000 awards totaling \$10 million through the Eastern European (8A2) humanitarian claims process in July 2005.

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ICHEIC anticipates that it will have awarded approximately \$45 million through the ICHEIC Humanitarian Claims Process as of August 2005.



## Humanitarian Claims Process

### 8A1 Claims Process

**Phase 2:**  
July 2005  
Approximately 36,000 reviewed

UNNAMED/UNMATCHED  
NAMED NO MATCH  
APPEALS SUBMISSIONS  
NAMED OUTSTANDING

**Ongoing:**  
Payments on Appeals cases

STANDARD PAYMENT  
(\$1,000)

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

### Eastern European Claims Process

Named Claims on Nationalized Liquidated No Found Successor (8A1/8A2)

**Phase 2:**  
July 2005  
An estimated 6,000 claims reviewed

UNDOCUMENTED

DOCUMENTED

No face value

Can determine face value

AVERAGE VALUE  
(\$By Country from valuation guidelines)

FULL VALUATION

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



## 8A Claims Process

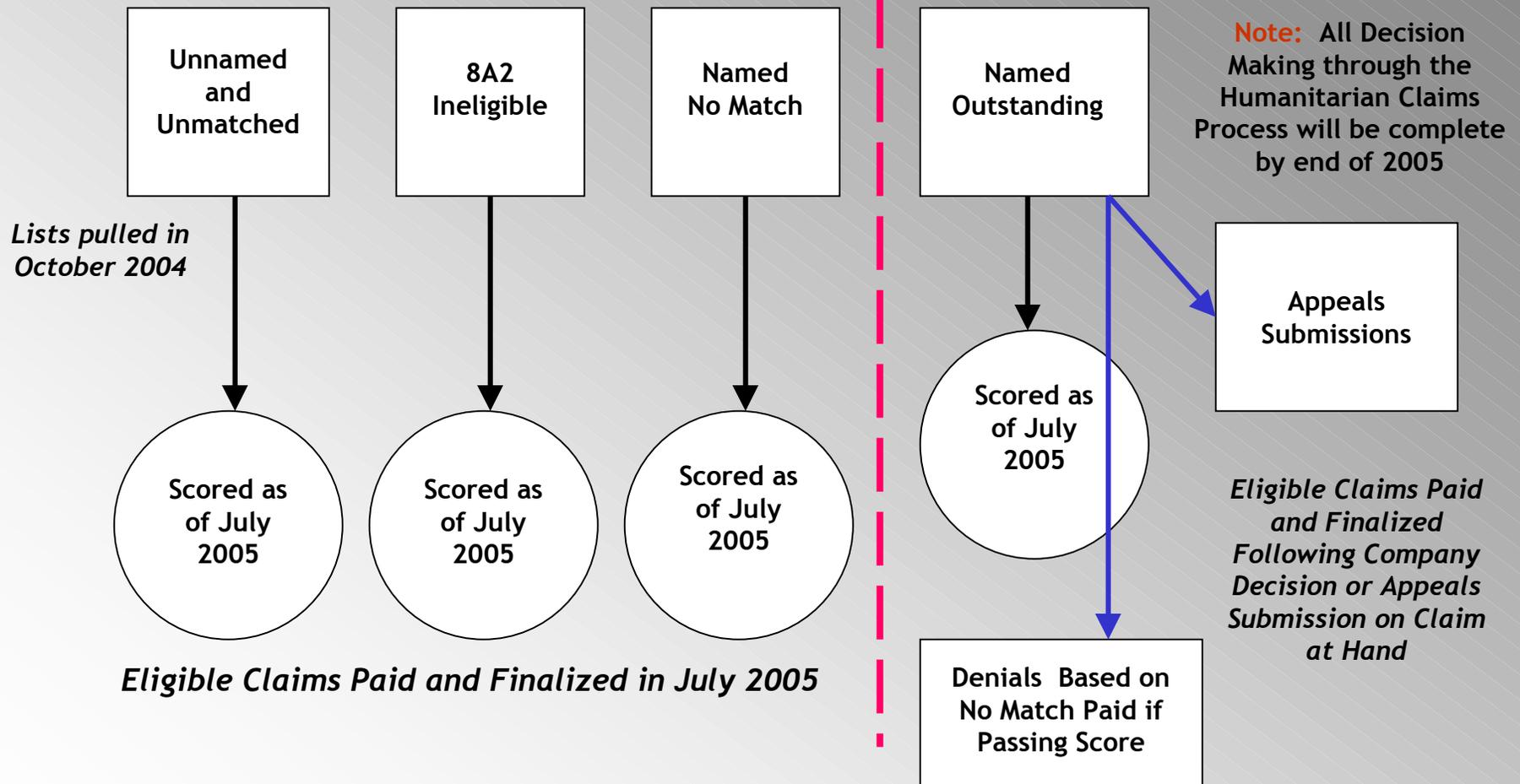
Factors evaluated in determining eligibility of claims in the 8A process:

- 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 8A process.



### 8A Claims Process

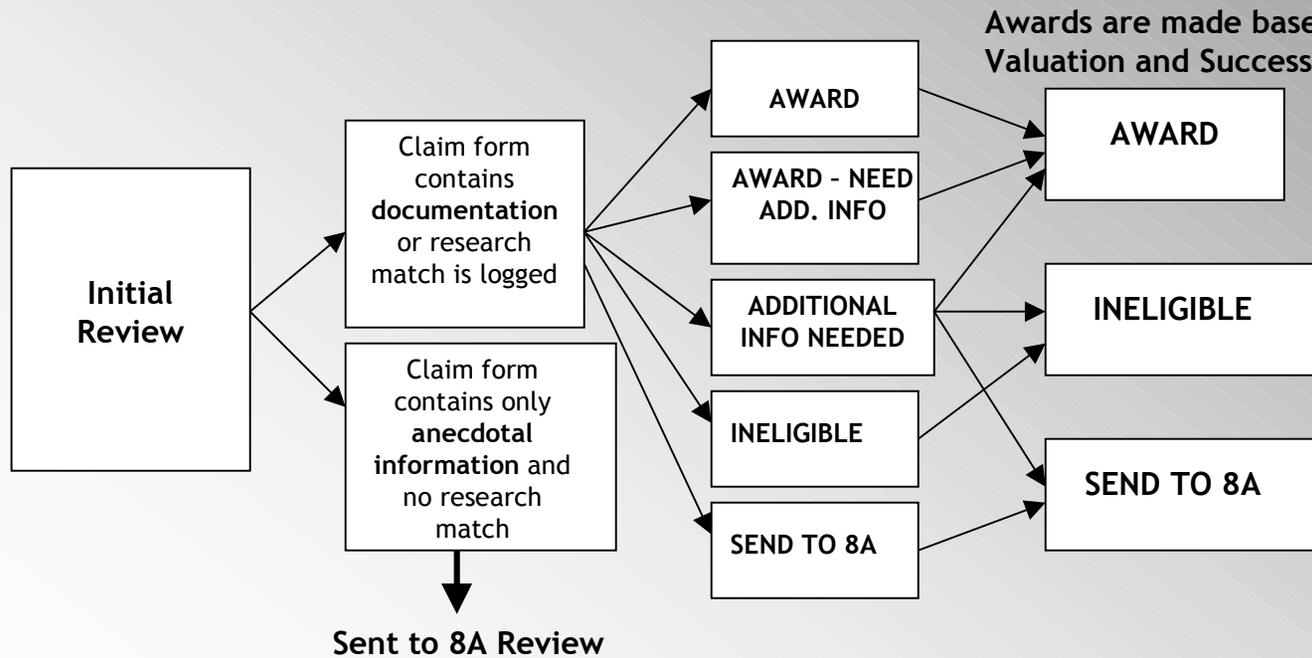




## Eastern European Claims Process

Information taken into account:

- Information provided by the claimant
- Research documentation from ICHEIC’s archival database



Awards are made based on ICHEIC Valuation and Succession Guidelines.

Note: All decisions are verified by the ICHEIC Verification Team.

There is no right of appeal within the Humanitarian Claims Process.



**Main Claims Process: Closedown Progress**

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**Main Claims Process: Closedown Progress**

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