
ICHEIC Quarterly Report: April 2006

ICHEIC, working together with its member companies, continues to implement the closedown plan discussed at the December 2005 full ICHEIC meeting. This report describes recent closedown progress and summarizes the remaining steps necessary to conclude ICHEIC claims and appeals processes in 2006.

ICHEIC Offers and Awards: Consistent with ICHEIC's closedown plan timeline, companies have distributed a substantial volume of decision letters to claimants in the first quarter of 2006. Offers and awards made as a result of the ICHEIC process now total approximately \$214 million on more than 40,000 claims, an increase of \$51 million since December 2005.

A substantial number of these offers were extended to claimants who would not have had recourse to this remuneration but for ICHEIC research, matching, and humanitarian processes.

- ICHEIC member companies have made 11,627 offers, totaling \$153.09 million, on ICHEIC claims. Over half of these offers (5,867), totaling \$67.16 million, were made on claims that did not name a company when originally submitted to ICHEIC. These claims were matched against company records.
- ICHEIC has extended an additional \$14.79 million in offers on 1,393 claims through its Eastern European humanitarian claims process. This process covers claims on companies that were nationalized or liquidated after World War II and for which no present-day successor can be identified.
- ICHEIC has distributed 26,683 offers, totaling \$26.68 million, through its humanitarian claims process for unnamed and unmatched claims and named claims that could not be matched against company records.
- In addition, ICHEIC member companies have made another 785 offers, totaling \$15.14 million, on claims submitted directly to them, using ICHEIC valuation guidelines.
- ICHEIC's appeals processes have issued an additional \$3.36 million in awards.

Distribution of Decision Letters by June 2006: We expect that these totals will continue to increase as companies continue to communicate the results of their investigations to claimants. ICHEIC's closedown plan calls for distribution of company decision letters to be complete by the end of June. Based on the number of decisions already distributed in 2006 and the number of decision letters outstanding, ICHEIC anticipates that companies will meet this target. The ICHEIC Operations Committee continues to receive regular reports from ICHEIC on companies' progress in distributing decision letters.

ICHEIC is responsible for distributing decision letters on claims that do not name a company and for which no match has been found with any company records ("unnamed" and "unmatched" claims). To date, ICHEIC has mailed approximately 40,000 decision letters. We expect to distribute the remaining decisions by the end of June.

ICHEIC Closedown Tasks: In the first part of 2006, the ICHEIC Claims Team completed all remaining data/statistical reconciliation work. The Claims Team is currently focused on completing verification of all company decisions and ensuring that ICHEIC humanitarian claims processes have the information necessary to complete distribution of decision letters.

Audits: The ICHEIC audit process is largely complete and is not expected to affect ICHEIC's closedown timeline. A draft of the final Stage 2 Phase 2 report on Allianz is at the acceptance stage and work on the remaining Stage 2 Phase 2 audit at Generali Trieste and Austria is scheduled to begin in May.

Appeals: In December 2005, we reported on the addition of new staff to the appeals office in order to keep pace with expected volumes. In addition, both the Appeals Panel and the Appeals Tribunal are utilizing additional arbiters to improve workflow. ICHEIC anticipates that with current work systems in place, and with the effective use of arbiters to handle additional caseload as needed, both the Appeals Panel and the Appeals Tribunal will conclude their work in late 2006.

In order to improve general public understanding of the appeals processes, ICHEIC now publishes redacted appeals decisions. These can be accessed through the ICHEIC website document center, at www.icheic.org/document.html.

8A1 Humanitarian Claims Process: In December 2005, ICHEIC distributed an additional 250 awards, totaling \$250,000, through its humanitarian claims process for unnamed and unmatched claims and named claims with no match found. This brings the overall number of offers made through the 8A1 process to 26,683, totaling \$26.68 million. ICHEIC expects to issue a final tranche of awards on claims in this category in early summer 2006.

Eastern European Humanitarian Claims Process: Since December 2005, ICHEIC has distributed an additional 680 awards, totaling \$7 million, through its Eastern European (8A2) humanitarian claims process. This process covers claims on companies that were nationalized or liquidated after World War II and for which no present-day successor can be identified. To date, ICHEIC has distributed 1,393 awards, totaling \$14.79 million, through this process. ICHEIC expects to make a final tranche of awards on claims in this process in early summer 2006.

Humanitarian Allocations: ICHEIC continues to fund four humanitarian projects: social welfare allocations for needy Holocaust victims (distributed through the Claims Conference), the ICHEIC Service Corps, the Initiative to Bring Jewish Cultural Literacy to Youth in the Former Soviet Union, and the Yad Vashem Program. Detailed descriptions of these projects and the funding allocated to each of them are available via the ICHEIC website, at www.icheic.org/humantiarian.

Financial Report: ICHEIC's audited 2005 financial statements are complete and have been published on the ICHEIC website at www.icheic.org/docs-financial.html.

Additional Items: Please see the attached memorandum from Chairman Eagleburger regarding the departure of Audrey Samers from the New York State Insurance Department.

THE INTERNATIONAL COMMISSION
ON HOLOCAUST ERA INSURANCE CLAIMS

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Memorandum

To: ICHEIC Commissioners, Alternates, and Observers

From: Lawrence S. Eagleburger /S/

Date: 19 April 2006

Re: Departure of Audrey Samers from NY Insurance Department

Audrey Samers recently announced that she is leaving her position as General Counsel and Deputy Superintendent of the New York State Insurance Department, effective April 24, 2006. Audrey has been involved with ICHEIC and a great pillar of strength since our earliest days, in 1998. Her unflagging dedication to claimants and her support for the mission of this organization has been a remarkable and essential element of ICHEIC's success. On behalf of ICHEIC, I want to extend my gratitude to Audrey for her services and best wishes for her future.

On behalf of Superintendent Howard Mills, Audrey has served as New York's representative to the ICHEIC Operations Committee, and has served as chair in that capacity. Given her departure, Mike Olenick of Florida, who currently serves on the Operations Committee, has agreed to take on chairing responsibilities, subject to regular Florida legislative proceedings. Pennsylvania Commissioner Diane Koken will take the seat that had been held by New York on the Operations Committee.

Audrey has also been active in representing Superintendent Howard Mills on the NAIC International Holocaust Commission Task Force, which is co-chaired by New York and Pennsylvania. Commissioner Diane Koken of Pennsylvania will continue as co-chair and is prepared to step in for New York to lead regular NAIC calls or meetings as necessary.