

Memorandum of Understanding

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1. It is agreed by the undersigned European insurance companies, United States insurance regulatory authorities, and Jewish and survivor organizations that a just process shall be established that will expeditiously address the issue of unpaid insurance policies issued to victims of the Holocaust.
2. It is agreed by the undersigned that an International Commission ("IC") will be established. The parties to this Memorandum of Understanding ("MOU") agree to actively and voluntarily pursue the goal of resolving insurance claims of Holocaust victims through the IC. The IC will be composed of twelve persons or their alternates: six persons designated by the United States regulators and the World Jewish Restitution Organization, together with the Conference of Jewish Material Claims Against Germany, and the State of Israel, and six persons designated by the undersigned European insurance companies and European regulators. Each group above that is a member of the IC will designate two alternates to attend in observer status. In addition, there will be three additional observers designated by the World Jewish Restitution Organization, together with the Conference of Jewish Material Claims Against Germany, and the State of Israel, one observer designated by the European Economic Commission and one observer designated by the United States Department of State. The twelve representatives will appoint an additional member who shall serve as the Chairperson. The Chairperson shall be independent and not affiliated with any of the persons, or groups represented on the IC. Members of the IC shall serve on a volunteer basis and without remuneration. The IC shall attempt to resolve all issues within two years from its formation.
3. Following the creation of the IC, insurance companies or their successors that issued policies to persons who were subsequently victims of the Holocaust and were not original signatories to this MOU will be given the opportunity to become signatories to this MOU and participate in the IC process. The IC process, at the discretion of the signatory companies, can be extended to affiliates of the signatories.
4. The IC shall initiate and conduct an investigatory process to determine the current status of those insurance policies issued to Holocaust victims during the period of 1920 to 1945 for which claims are filed with the IC. To assess the remaining unpaid insurance policies of Holocaust victims, a reasonable review will be made of the participating companies' files, in conjunction with information concerning Holocaust victims from Yad Vashem and the United States Holocaust Memorial Museum and other relevant sources of data. The IC or its participating companies shall retain one or more internationally recognized auditing firms that operate in those countries where the above-referenced insurance companies are based and other experts as needed.

- a. The IC shall promulgate an audit mandate implementing the goal of this MOU. This mandate shall outline a work program for the audit firm(s). In addition to establishing a framework for an overall work plan, the mandate shall also establish a mechanism whereby any investigatory or audit work already performed by the various insurance companies in this area is reviewed to determine whether it is consistent with the standards and goals of the mandate and if so, shall be incorporated into the work plan of the IC auditors. The insurance companies and insurance regulators that are parties to this MOU shall ensure that the respective auditing firm(s) and other experts have complete and unfettered access to any and all of their relevant books, records and file archives as is necessary to their audit activities. Such access shall be in cooperation with and in accordance with local insurance authorities and laws. Any documents reviewed or received by the IC will be maintained as strictly confidential.
 - b. As part of the audit mandate, the IC will address the issue of a full accounting by the insurance companies and publication of the names of Holocaust victims who held unpaid insurance policies. In addition, the IC shall establish a toll free mechanism to aid survivors, beneficiaries and heirs of Holocaust victims in the submission of claims and inquiries.
5. The IC shall establish a claims and valuation process to settle and pay individual claims that will be of no cost to claimants. The initial responsibility for resolving claims rests with the individual insurance companies, in accordance with guidelines to be promulgated by the IC. The signatory companies shall submit to the IC all claims received directly by the company within 30 days of receipt. The IC shall endeavor to integrate data already collected by the various U.S. states into the overall process. Such process shall include the establishment of relaxed standards of proof that acknowledge the passage of time and the practical difficulties of the survivors, their beneficiaries and heirs in locating relevant documents, while providing protection to the insurance companies against unfounded claims.
6. Such claims process shall also include the valuation of policies, including, but not limited to the establishment of standards and formulae to account for currency reforms, currency conversions and interest. In the case of insurance claims that were previously submitted for resolution through a post-war governmental restitution program, the IC shall examine the program, payments and payment calculations to determine if they were equitable and adequate. To the extent an insurance policy was subject to a post-war governmental restitution program, the insurance company will receive credit for the amount paid out for the insurance policy against the value of the policy as determined by the IC. The IC process shall constitute an exclusive remedy. Claim awards shall be compensatory only.
7. Each insurance company that has agreed to voluntarily submit to this process shall establish its own dedicated account, sufficiently funded, to be used exclusively for the immediate payment of Holocaust related insurance claims which have been submitted

to the IC and which are determined by the IC to be valid and attributable to each specific insurance company. No signatory insurance company shall be required to pay any claim that the IC determines to be attributable to an existing insurance company that has not signed this MOU.

8. The IC shall establish and administer a Special Fund consisting of two sections. Each signatory company will make an initial contribution to the two Specific Humanitarian Sections.

A. Specific Humanitarian Section:

- (1) This section shall provide relief to claimants who seek relief under policies that cannot be attributed to a particular insurance company as, well as to claimants who seek relief under policies issued by companies no longer in existence. These funds shall be separately maintained.
 - (a) If the audit process develops additional, claims and if additional claims are received that fall into the category of paragraph (8)(A)(1) of this section and there are insufficient funds remaining in the segregated (8)(A)(1) account, each signatory company shall make additional contributions as the IC deems necessary to be assessed on an equitable basis taking into account both historic and current involvement.
- (2) In addition, each signatory company agrees to make an equitable contribution to this section, to be used to satisfy claims on any of its policies that were nationalized or any of its policies that were paid, as required by local law, to a governmental authority that was not the named beneficiary of the policy. The monies contributed by each signatory company shall be used to satisfy claims awards only against that company. These funds shall be separately maintained.
 - (a) In the event the audit process develops additional claims and if additional claims are received that fall into paragraph (8)(A)(2) and there are insufficient funds remaining in the segregated (8)(A)(2) account, each signatory company shall contribute an additional amount to pay any monies awarded by the IC on that signatory company's paragraph (8)(A)(2) policies.

B. General Humanitarian Section:

This section shall be used for the benefit of needy victims of the Holocaust and for other Holocaust-related humanitarian purposes. It is understood that the contributions made under this section give due consideration to the category of "heirless claims," i.e., unpaid policies issued by the signatory companies to Holocaust victims as to which there is no living beneficiary or other living person entitled to receive the proceeds. Each signatory company shall make an initial contribution to this fund, with subsequent contributions to be determined by the IC to be assessed on an equitable basis taking into account both historic and current involvement.

9. Upon execution of this MOU, the insurance companies will establish a fund to cover the expenses of the IC. Each signatory company shall make an initial contribution of

\$250,000.00. Thereafter, as the IC deems necessary, subsequent contributions will be assessed based on an equitable basis. The cost of auditing an individual company's books and records and any expenses relating to the processing or investigation of claims against an individual insurance company shall be borne by that insurance company. There shall be an annual budget for the operation of the IC administered by the Chairperson and an annual audit of the IC's expenses.

10. The IC signatories will work to achieve exemptions from related pending and future legislation and will work to resolve all pending litigation for those insurers that become signatories to this MOU and which fully cooperate with the processes and funding of the IC.
11. Upon agreement to the terms of this MOU, the respective parties shall announce the members of the IC and the Chairperson.