

**Strictly Private and Confidential**

ICHEIC

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For the attention of Ms Jody Manning – Chief of Staff

31 October 2003

Our ref: PC481

Dear Sirs

**Report by PricewaterhouseCoopers to the International Commission on Holocaust Era Insurance Claims**

**Scope**

We refer to the report of Ernst & Young GmbH dated 30 April 2003 (“the Compliance Report”) on Allianz Lebensversicherungs - AG (“the Insurer”) with the five audit standards (“the Audit Standards”), promulgated by the International Commission on Holocaust Era Insurance Claims (“ICHEIC”). A copy of the Compliance Report is attached at Appendix 1.

It is the responsibility of Ernst & Young GmbH to express an opinion on the Insurer’s compliance with the ICHEIC Audit Standards. It is the responsibility of PricewaterhouseCoopers to express an opinion on whether the Compliance Report and the conclusions contained therein are adequately supported by the work performed by Ernst & Young GmbH in connection therewith. In the event that our review identified any deficiencies in the Compliance Report or the work performed by Ernst & Young GmbH, it is our responsibility to recommend such steps or other remedial actions as, in our view, may be appropriate to remedy any such deficiencies, within the framework of the Audit Mandate and Guiding Principles. The Audit Mandate and Guiding Principles are defined in the engagement letter between us dated 10 October 2000 (“The Engagement Letter”).

In accordance with the Engagement Letter, we have reviewed the Compliance report. We have also made site visits to certain of the Insurer's archives and carried out limited sample testing of the Insurer's databases, the Insurer's files and other records. A summary of work performed by us is set out at Appendix 2.

Our opinion is not in any way a guarantee as to the conduct of the Insurer in respect of any particular insurance policy or claim thereon at any time or in any particular circumstances.

Based on the work we have performed as described above, in our opinion the Compliance Report issued by Ernst & Young GmbH and the conclusions contained therein are adequately supported by the work they have performed in connection therewith.

Yours faithfully



PricewaterhouseCoopers LLP

Enclosures

### **Appendix 2 to the ICHEIC Peer Auditors' report to the International Commission on Holocaust Era Insurance claims on Allianz Lebensversicherungs – AG**

#### **Summary of work performed by PricewaterhouseCoopers – Peer Review Auditors**

##### *Planning Process – Peer Review*

Our approach considered Ernst & Young GmbH's planning of the Independent Audit. We considered whether Ernst & Young GmbH were familiar with Holocaust issues and how their audit processes were planned to address the requirements of ICHEIC. We considered if the staff were knowledgeable and briefed about Holocaust matters and whether adequate resources had been applied to the assignment. We also considered independence issues.

##### *Field work – Peer Review*

We reviewed the Ernst & Young GmbH working papers and discussed the results of their work with them. We enquired if the Insurer had placed any limitations on their scope and if the Insurer had provided unfettered access. We noted issues that had arisen to determine whether they had been, if appropriate, considered for their report.

##### *Additional work for the ICHEIC*

We conducted additional testing of the databases and archives to determine that the relevant records in the archives had been identified and correctly incorporated into the search process. The selection of archives for testing was drawn from a list of archive sites included in the Ernst & Young GmbH working papers.

##### *Reporting*

We reviewed the Management Report and Ernst & Young GmbH Compliance Report and considered whether or not the results of the Ernst & Young GmbH Independent Audit were fairly reflected in their Report. We also considered the results of our additional testing in coming to our conclusion.