

**REPORT TO THE ICHEIC ON ERNST & YOUNG LLP'S REVIEW IN
RELATION TO THE COMPLIANCE OF AXA KONZERN AG, KOLN WITH
THE CLAIMS HANDLING PROCESS AGREED WITH ICHEIC IN AUDIT
STANDARD 5.**

In accordance with the engagement letter from the International Commission on Holocaust Era Insurance Claims ("ICHEIC") dated 29 April 2004 we have reviewed the processing of claims by AXA Konzern AG, Koln, engaged in life business (hereafter "AXA Colonia"), under standard 5 of the five Audit Standards promulgated by ICHEIC and taking into account certain additional standards and procedures annexed to the engagement letter which relate to the Germany Foundation agreement and cover claims handling procedures, standards of proof and valuation guidelines.

The work we have performed is summarised on page 2 of this Report.

This report is made solely to ICHEIC in accordance with our engagement letter. Our work has been undertaken so that we might report to the ICHEIC and the management of AXA Colonia those matters we are required to state in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than ICHEIC for our work, this report or for the opinion we have formed.

We reported to ICHEIC on 14 May 2001 as peer review auditors on a compliance report by PriceWaterhouseCoopers ("PwC"), into AXA Colonia's compliance with Standards 1 to 5 and, whilst we have not repeated any of the work carried out at that time, nothing has come our attention to indicate that AXA Colonia is not still in compliance with those standards.

Our opinion, which is set out below, is not in any way a guarantee as to the conduct of AXA Colonia in respect of any particular insurance policy or claims thereon at any time or in any particular circumstances.

Our opinion should also be read in conjunction with the exclusions and limitations on our work summarised on page 2 of this Report.

Based on the work performed by us referred to above and except for non-compliance with ICHEIC protocols for providing status updates to certain claimants during investigation of their claims, in our opinion, AXA Colonia has processed claims sent to it by, or on behalf of, ICHEIC in accordance with ICHEIC Audit Standard 5 and the additional standards and procedures annexed to the engagement letter.

Ernst + Young LLP

Ernst & Young LLP

London

21 December 2005

Summary of Work Carried Out and Limitations of Our Work

Work Carried Out

- 1 Updated our understanding of the claims handling process with particular attention to changes since the peer review completed in May 2001, the control environment relating to claims and security controls relating to archived records.
- 2 Reviewed AXA Colonia's reconciliation of incoming claim data whether from Capita London Market Services Ltd ("CLMS") or the German Insurance Association ("GDV") on behalf of ICHEIC against its computerised claims database.
- 3 Randomly selected a statistical sample of incoming claims to test their processing in accordance with the established procedures. Selectively added further claims for which AXA Colonia had found a match to its database so as to increase the number of such claims for testing.
- 4 Randomly selected a statistical sample of incoming claims, to check that the data in the AXA Colonia claims database is consistent with information processed and received from CLMS or GDV.
- 5 Tested AXA Colonia's adherence to its claims handling procedures and that its decisions as to matches and eligibility for offers (where appropriate) were properly made.
- 6 Tested AXA Colonia's adherence to agreed protocols for handling rejected named claims. In particular in the case of named and converted named claims¹, checked whether AXA Colonia sent status updates within 90 days of receipt of the claims, properly communicated decisions to claimants and included all specified information and documents in the correspondence.
- 7 Where offers were made, checked that the sums had been circulated in accordance with the specified Valuation Guidelines.

Limitations of Our Work

- 1 We were unable, under the terms of our engagement letter, to carry out tests of our sample of claims for accuracy of content with the original claim forms held by CLMS or passed to the GDV.
- 2 The matching process of AXA Colonia includes manual tests for name and date variations. Whilst we reviewed some of these matches given that they were part of the company's process, we offer no assurance as to the completeness of such variation checks. Furthermore, ICHEIC instructed us at the time of our peer review in 2001 that such variation tests were outside our scope.

¹ "Named" claims are those which name an insurer; "unnamed" claims do not name an insurer. Unnamed claims for which a match is found are converted to "named" and processed accordingly.