

Strictly Private and Confidential

PricewaterhouseCoopers LLP  
Plumtree Court  
London EC4A 4HT  
Telephone +44 (0) 20 7583 5000  
Facsimile +44 (0) 20 7822 4652  
Direct phone (020) 7212 4832  
Direct fax (020) 7212 6366

ICHEIC  
Unit R1 - 1 Waterhouse Square  
138 Holborn  
London EC1N 2ST

**For the attention of Mrs Patricia Bowditch**

30 December 2005

Dear Madam,

**Stage Two Audit: Riunione Adriatica Di Sicurta S.p.A.**

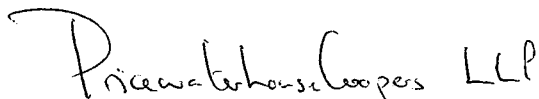
In accordance with the engagement letter dated 24 February 2004, we have reviewed the processing of claims by Riunione Adriatica Di Sicurta S.p.A. ("the Insurer") under Standard Five of the five audit standards promulgated by the International Commission on Holocaust Era Insurance Claims ("ICHEIC") and taking into account the additional internal standards and agreed procedures set out in Annexes A-D and J of the German Foundation Agreement. A summary of our work is set out in Appendix 1.

We reported to you on the Insurer's compliance with ICHEIC Audit Standards 1 – 5 in a report dated 31 October 2002 and, whilst we have not repeated any of the work carried out at that time, nothing has come to our attention to indicate that the Insurer is no longer in compliance with those standards.

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

Based on the work performed by us referred to above, in our opinion the Insurer has processed claims sent to it by or on behalf of ICHEIC and/or the German Foundation in accordance with ICHEIC Audit Standard 5 and the additional internal standards and agreed procedures referred to above.

Yours faithfully



PricewaterhouseCoopers LLP

**Enclosure**

## ICHEIC STAGE TWO AUDIT SUMMARY OF WORK – RAS

Review the latest versions of the Company's claims handling procedures and any related training materials. Test the valuation model provided by ICHEIC by reference to the Valuation Guidelines.

Review the re-processing of all outstanding claims on the claims database against the latest versions of the electronic investigations database, following the final update of the database under Stage One of the ICHEIC audit.

Review the Company's reconciliation of all claims received to date from ICHEIC / Capita London Market Services Limited (CLMS) against the claims included on the Company's own claims database.

Review ICHEIC's fortnightly reports on any material discrepancies identified through its review of decisions on named company claims.

Carry out a statistical sample of claims received by the Company and confirm that the Company followed its claims handling procedures and made appropriate claims decisions in respect of the selected sample. In the case of claims sampled which named the company as the insurer, or where there was a research match notified by ICHEIC, confirm that the company responded to the claimant with all specified documentation.

For all claims where settlement offers have been made, re-perform each offer calculation in accordance with the models provided by ICHEIC.