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Mitglied des Vorstands  
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Congress of the United States  
House of Representatives  
Committee on Government Reform  
2157 Rayburn House Office Building  
Washington, D.C. 20515-6143

Dear Mr. Burton,  
Dear Mr. Waxman,

Thank you for your letter of October 12, 2001 to Dr. Schulte-Noelle and me.

At the outset I would like to emphasize that Allianz is firmly committed to a fast and fair settlement of any unpaid policies of Holocaust victims. It is for this very reason that Allianz supports as a founding member both the International Commission on Holocaust Era Insurance Claims (ICHEIC), chaired by former Secretary of State Lawrence Eagleburger, and the Foundation, "Remembrance, Responsibility and the Future", which was established jointly by the German Federal Government and the German business community. It is a governmental body (Bundesstiftung) established by special law, and has at its disposal DM 10 billion to distribute to various categories of victims of the Nazis. The Foundation Board is chaired by Germany's Ambassador to the United Nations, Dieter Kastrup. The purpose of the Foundation is to resolve any remaining claims from the Holocaust period against Germany and German industry, including insurance.

We are grateful for the active support of the US Government, which worked together with German lawmakers to establish the legal framework under which the Foundation is operating. Allianz also commends the Committee on Government Reform for its support in implementing the US-German Executive Agreement which engendered the establishment of the Foundation and which was necessary to provide the legal peace Germany and German businesses were seeking. That Agreement specifically recognizes the importance of the Foundation in setting not only the final capstone to Germany's long lasting efforts to compensate victims of the Holocaust, but expresses the belief of the US Government that the Foundation should be recognized as the exclusive remedy for Holocaust Era claims against Germany and German businesses.

As a founding member of ICHEIC we appreciate the recognition given to ICHEIC and its claims procedures. Both governments agreed under the Executive Agreement to adopt ICHEIC's then existing claims handling procedures for the resolution of insurance claims under the German Foundation. This provides Valuation Guidelines and Relaxed Standards of Proof for the settlement of eligible claims through the German Association of Insurers (GDV) and German insurance companies (Article 1 (4) of the Agreement).

These rules serve as a uniform threshold for verifying and evaluating:

- Claims, that due to special circumstances, might not have been resolved by the German insurance companies directly or as part of comprehensive individual German restitution laws.
- Claims which potentially remained unsettled – because the Communist government which assumed power in Eastern Europe after World War II expropriated all assets and policy obligations of the insurance companies and frequently barred policyholders from claiming what was rightfully theirs under their policies.

Five international insurance groups are ICHEIC members (originally six). This represents less than 25 percent of the German insurance market. The Foundation Agreement sought to expand this number by encouraging other insurers to abide by the ICHEIC claims guidelines that were promulgated before July 2000.

We are pleased to learn that the other German companies are taking part in the Foundation process in coordination with the GDV as stipulated under the US-German Executive Agreement. As a consequence, ICHEIC can now address inquiries it has received which did not refer to the five current member companies.

For several months, the ICHEIC, the Foundation and the GDV have been actively engaged in establishing the best means for bringing inquiries and claims directed at companies which are not members of ICHEIC into processing. We firmly hope that the ICHEIC administration and the Foundation will conclude the arrangements soon, so that inquiries and claims submitted to ICHEIC can be researched on a market-wide basis and, if eligible, settled promptly.

Here follows my responses to the questions raised in your letter:

1. In 1997, before joining ICHEIC, Allianz had conducted its own research through independent auditors in its German archives to determine how many policies of Holocaust victims may have been issued to Holocaust victims. The results indicate that these policies represented somewhat less than one percent of our policies in force at the time in Germany. Research on a larger scale conducted by the German Supervisory Authority (BAV) later indicated that the number was actually less than half of one percent for total Germany. This BAV-research also estimated that less than ten percent of these policies may have remained unpaid or unsettled by individual restitution proceedings.

Riunione Adriatica di Sicurta, an Italian company in which Allianz acquired a 51 percent interest during 1990, sold insurance in Eastern Europe until its enterprises were expropriated by the then Communist regimes. All assets, such as properties, shareholdings, and other funds were taken

over, together with the liabilities and all documentation. The few original documents still in its possession mainly pertain to inquiries lodged after the war and no reliable estimate can be extrapolated from them.

Insurance density was low and life insurance was not particularly popular in Eastern Europe compared to the rest of the Continent. For example, official statistics for Poland in 1938 show fewer than 200,000 life insurance policies in force for the entire country with its population of 33 million.

For France and Belgium, I am, unfortunately, not in a position to give any other estimate than those contained in the findings of their governmental research bodies (the Mateoli Commission for France, the Beuyse Commission for Belgium). According to the research of the Mateoli Commission, fewer than 400 policies of Holocaust victims remained unpaid in the French market. The Beuyse Commission assessed the amount for potentially unsettled policies of Holocaust victims in Belgium issued through our companies at \$135,000 to \$140,000 in today's money.

2. In the course of our research, we found 308 policyholders and beneficiaries with a total of 323 policies which remained unsettled or were only partially settled. We provided a list of all policies and policyholders and beneficiaries to ICHEIC in 1999 for publication on its Web page.

Based on agreements reached in the ICHEIC with representatives of the State of Israel, we have given Yad Vashem a policyholder list that is to be matched with their lists of Holocaust victims. Unfortunately due to internal software authorization problems at Yad Vashem, the results are still outstanding.

3.&5. Allianz has received a total of 3,126 search requests naming Allianz companies as possible issuers of a policy. In 1,725 cases, our research established that the policies had not been taken out with an Allianz company;

1,112 cases are still under study, either awaiting a response from the restitution authorities or results from public archives;

86 cases were either paid and/or compensated;

203 offers were made.

All other requests received by us were not eligible due to a variety of reasons, e.g., that even under very relaxed standards of proof, the existence of a policy was insufficiently proven, or claimants did not establish themselves as a victim of the Holocaust.

We have attached for your information a typical reply letter in the case of a denial.

Allianz has received roughly 31,000 inquiries that do not name any particular company. Sometimes, those inquiries refer to a specific market, mostly to Eastern Europe. The research is still pending in about 13,000 cases.

4. Our offer range is from \$1,000 to \$87,000. The average being \$8,850.
6. We modify our internal rules and processes constantly to conform with ICHEIC resolutions. The public auditors are constantly monitoring our compliance with the rules.
7. Since internal audits as contemplated in Section 4 of the MoU are still ongoing, no results are available at this time.
8. We began settling Holocaust-era policies before ICHEIC was established, and we will continue to do so irrespective of the ICHEIC or the Foundation deadlines.
9. The report that "a complete review of Allianz's files would take 1,529 person-years" did not come from Allianz nor our auditors, and we cannot comment on it.

In closing, I would like to thank you for your interest in this matter. Please be again assured that Allianz undertakes its obligations seriously and is committed to ensuring that all claims are fairly and expeditiously resolved.

Sincerely,



Herbert Hansmeyer  
Member of the Board of Management

Encl.