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Assicurazioni Generali

United States Branch

October 24, 2001

Congress of the United States
House of Representatives
Committee on Government Reform
2157 Rayburn House Office Building
Washington, DC 20515-6143

Attn: Dan Burton, Chairman

Henry A. Waxman, Ranking Minority Member

Dear Chairman Burton and Representative Waxman:

This letter will respond to your letter dated October 12, 2001 directed to Messrs. Gianfranco Gutty, Chairman and Mr. Ricardo Nicolini and requesting certain information regarding Generali's relationship to the International Commission on Holocaust Era Insurance Claims ("ICHEIC"). Neither Mr. Gutty nor Mr. Nicolini is located in Generali's New York office. I am the manager of that office and on Generali's behalf I am pleased to respond to you voluntarily based on information I have received from our head office, reserving however all Generali's rights, including whether it is obliged to respond to your inquiries regarding these matters.

As you know, Generali is one of the original signatories to the August 1998 Memorandum of Understanding (the "MOU") pursuant to which ICHEIC was established. We are very proud of our record in providing extensive information to ICHEIC and also in making payments to claimants both directly and under the auspices of ICHEIC in respect of claims of Holocaust victims.

Regarding the questions in your letter, we respond as follows:

1. The estimated number of policies that Generali or its subsidiaries issued to Holocaust victims.

It is not possible to determine from information available to us whether any particular policy was issued to a person who, based on events after the policy was sold, might have become a "Holocaust victim". Generali did not compile and has not had information about its policyholders' religion or ethnicity. See the answer to question 2, however.

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2. The number of Holocaust victim policyholder names that Generali has provided to ICHEIC and the dates the lists were provided.

As explained above, Generali could not provide precise information on former policyholders who became a "Holocaust victim." However, Generali's efforts to identify who among its former policyholders/assureds might possibly have been victimized by the Holocaust goes back to 1997, before ICHEIC was established. Generali concentrated its investigation on policies issued by its former branches¹ in countries of Eastern and Central Europe. The reason for such focus was that whereas claims on policies issued in Western Europe had generally been paid following the war, the post-war nationalizations or expropriations by Communist-controlled governments in Eastern and Central Europe meant that this region would likely have the most policies belonging to former assureds of Generali which had not been honored by the local state-owned companies who took over Generali's assets, liabilities, and legal responsibility for those policies.

Accordingly, Generali undertook a massive effort to compile, to the extent allowed by its remaining archives, a list of policies issued by Generali's former branch offices in Eastern and Central Europe and to identify those policies issued as far back as World War I which were still in force at the end of 1937. This effort yielded the names of 89,879 former Generali assureds associated with policies possibly in force as of the end of 1937 (well before the onset of World War II) which comprise the largest reasonable "universe" from which Holocaust-related claims could be identified.²

As Generali lacked any means to identify actual or possible "Holocaust victims" among those 89,879 names, Generali provided to ICHEIC under cover letter dated May 4, 1999 an electronic record containing data in respect of those policyholder names with the understanding that ICHEIC would forward such record to Yad Vashem for further analysis. Yad Vashem has the most extensive Holocaust-related data base available anywhere and a complex matching effort against its data base identified names of possible "Holocaust victims" (with Generali policies in force as of 1937) among the 89,879 names identified by Generali.

Yad Vashem's analysis initially yielded 8,740 names with a probability of having been "Holocaust victims". All these names were published, with Generali's consent, on ICHEIC's website (www.icheic.org) at the beginning of last year. Generali volunteered additional information to Yad Vashem to allow it to conduct a further matching process under ICHEIC's direction. Generali understands that the results of that additional research are expected to be published shortly.

In the May 4, 1999 letter to ICHEIC transmitting the aforementioned electronic record, Generali also authorized ICHEIC in advance to make broad publication

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of the results of Yad Vashem's effort to identify possible Holocaust victims from among the names in that record. Indeed, the bulk of ICHEIC's current published list of Holocaust-era policyholders represents the fruits of Yad Vashem's analysis of the Generali information described above.

3. The number of claims filed through ICHEIC that Generali has approved.

As of September 30, 2001, Generali has received 28,200 "applications" from ICHEIC. Of these, 24,077 (85.4 %) did not name any company.³ Applications specifically naming Generali amounted to 3,249, but the bulk are, like those not naming any company, really in the nature of inquiries about the possible existence of a policy.⁴ The ICHEIC applications processed by Generali have thus far yielded 640 offers of payment. Additionally, Generali has made offers pursuant to ICHEIC valuation and eligibility standards to 489 additional individuals who made claims directly to Generali (not through ICHEIC). Accordingly, the total number of offers through that date amounts to 1,129 involving 1,269 policies in the aggregate.⁵

4. The total amount of compensation awarded to victims and the range of the award amounts, from the lowest to the highest.

As of September 30, 2001, the aggregate dollar amount of offers made as noted above was \$ 12,449,036.44, of which \$ 10,618,696.33 (or 85.3 %) have been accepted and have been paid or are in the process of being paid. The resulting average offer per policy amounts to \$ 9,810.11. The minimum payment pursuant to ICHEIC guidelines for documented claims is \$ 500.00 and the largest offer (and payment) to date has been \$387,077.44.

5. The number of claims filed through ICHEIC that Generali has denied. Provide a copy of all denials issued to applicants in the United States in the previous six months.

Of the applications Generali has thus far processed, there have been 10,213 negative responses since no match was found. Of that total, 9,153 refer to inquiries where no company was named in the ICHEIC application.

6. The steps Generali has taken to implement the rulings of the ICHEIC Chairman regarding the approval of claims.

On November 16, 2000, Generali concluded an agreement with ICHEIC and the World Jewish Restitution Organization (and its allied organizations representing Jewish interests at ICHEIC) pursuant to which Generali has already transferred to ICHEIC an additional \$ 100 million to pay documented Generali-related claims and for other humanitarian purposes.⁶ This amount is in addition to the \$ 12 million which Generali has already committed to an independent Trust Fund established in Israel in 1997 to pay similar claims, to Generali's contribution to

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a number of Holocaust-related foundations in Europe, and to all claims paid by Generali in the ICHEIC process prior to July 1, 2000. All offers and payments made by Generali have been in compliance with ICHEIC's valuation and eligibility standards.

Pursuant to the aforementioned agreement, in April of this year ICHEIC appointed the independent Trust Fund mentioned above as the entity charged with the implementation of that agreement and specifically with "the processing of and reaching a decision on all Generali Claims received from ICHEIC" in accordance with ICHEIC valuation and eligibility standards.⁷

7. Copies of any internal audits required of Generali in accordance with item 4 of the ICHEIC Memorandum of Understanding.

Independent auditors for Generali have been appointed. These auditors have completed their investigation on all the data available at Generali's head office in Trieste in connection with Generali's former Eastern and Central European portfolios. The finds of the auditors are being reviewed by the Peer Review Auditors appointed by ICHEIC. Independent audits and peer review audits are already scheduled in respect of Western European portfolios.

8. An explanation of Generali's position on extending the ICHEIC deadline until all member companies have published and disseminated an exhaustive list of policies held by victims to insure that no viable claims are foreclosed.

Generali has not established a position on this issue. However, since Generali has made available for public use all relevant list of names and has authorized ICHEIC to make public any names reasonably identified as "Holocaust victims" from among the names provided by Generali, it sees no reason to extend the agreed upon ICHEIC deadline with respect to Generali.

We trust you agree that this information goes a long way to show Generali's strong commitment to the resolution of Holocaust-era insurance claims.

Respectfully submitted,

ASSICURAZIONI GENERALI-U.S. BRANCH

By 

Christopher J. Carnicelli

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¹ Regrettably, Generali's head office in Trieste never had any information about subsidiary companies from which such effort at identification of potential "Holocaust victims" could be made. Any information about such companies, which were of course also nationalized or expropriated, to the extent it still exists must by necessity reside with the various current East and Central European governments whose predecessors were responsible for these nationalizations and expropriations.

² This "snapshot" as of the end of 1937 represented all assureds associated with policies issued by Generali branches in Eastern and Central Europe as to which Generali's remaining archives showed no record of payment or termination. The vast bulk of these were not Jewish, or "Holocaust victims", and some of the underlying policies could well have continued to be paid in the ordinary course until the ravages of the war and/or the Communist nationalizations obliterated the ordinary conduct of the insurance business.

³ It is ICHEIC's practice to forward to all ICHEIC company members for further analysis any inquiries which do not mention (or have any indication that they relate to) a particular insurance company or a particular country.

⁴ As the data shows, the vast bulk of so-called "claims" forwarded to Generali simply involve inquiries by persons wishing to establish whether Generali (or some other ICHEIC member) ever issued a policy in the name of the claimant or a relative. A finding by Generali that its records do not reflect a policy issued to such person does not constitute a "denial" of a claim but merely a conclusion that Generali never issued a policy to the inquiring individual or his/her ancestors.

⁵ An offer to a specific claimant may relate to more than one policy or more than one insured.

⁶ Under that agreement Generali has no further obligation in respect of claims or in respect of any other amounts which might otherwise be payable by Generali under the MOU.

⁷ Simply put, Generali has irrevocably placed in ICHEIC's control \$ 100 million and the evaluation of claims is not under Generali's control, but is being made by independent persons bound to follow ICHEIC's standards.