



ZURICH

FINANCIAL SERVICES

Congressional Request dated October 12, 2001 – Zurich's answers

1. *Estimated numbers of policies issued to Holocaust victims*

The total number of known policies issued by Zurich and Zurich-related companies during the period 1920 to 1945 in Holocaust-relevant countries (as defined by ICHEIC) amounted to a total of some 115'000.

Zurich is not in a position to estimate the number of policies issued to Holocaust victims as no information is available in our files that would allow us to identify Holocaust victims. However, it should be noted in this context that the percentage of Jews in the relevant countries was quite small. For instance, in Germany the Jewish population was only 0.8% of the total population. It is reasonable to assume that the number of Jewish policyholders would represent a small percentage of the 115'000 total known policies issued.

2. *Number of Holocaust victim policyholder names that have been provided to ICHEIC and the date the lists were provided*

Zurich provided ICHEIC with a list of 22 unpaid policies presumably related to the Holocaust in September 1999. That list was the product of a two-year long investigation and represents a group-wide total. Subsequently, in June 2000, Zurich provided ICHEIC with a list of 8 names (with a total of 10 policies) that had been confiscated during World War II.

All names provided have been published on ICHEIC's web-site except for 2 French policies publication of which is prohibited under French law.

Based upon the extensive research done to date it is not anticipated that these two lists will grow.

3. *Number of policies filed through ICHEIC that have been approved*

To date Zurich has approved 10 claims submitted to it by ICHEIC, 6 of which have been paid to claimants.

4. *Total amount of compensation awarded to victims and the range of the awards*

The total amount paid so far under the 6 policies – converted where required into US-dollars – amounts to USD 160'000. Individual awards, calculated in accordance with ICHEIC valuation guidelines, ranged from a low of USD 1'700 to a high of USD 59'000.



ZURICH FINANCIAL SERVICES

5. *Number of claims filed through ICHEIC that have been denied*

While ICHEIC has directed a sizeable number of inquiries to Zurich, the actual number of claims specifically or potentially related to Zurich has been small. Of the latter, Zurich has denied 87 claims of which 45 originated from claimants in the US (42 of which having occurred in the last six months).

Enclosed are two typical samples of denial letters.

6. *Steps taken to implement the rulings of the ICHEIC Chairman regarding the approval of claims*

Zurich has taken all requisite steps to implement ICHEIC decisions regarding the approval of claims made in accordance with the procedures established for ICHEIC decision-making. Our Claims Assessment Unit has accordingly adopted the following standards of proof as a result of these ICHEIC decisions:

- There will be relaxed standards of proof on the part of the claimant. These include the following:
 - Company is required to carry out a thorough investigation of its records regardless of details of information (or lack of it) provided. It is understood though that Eastgate has done a quality check on bolded questions before passing on claims to companies.
 - Latitude and flexibility is called for.
 - Claimant to provide evidence of 'existence of contract'. This can be documentary evidence, but circumstantial evidence may well be sufficient.
 - Once contractual relationship has been established, burden of proof shifts to company (e.g. payment made, loan taken out, policy converted to paid-up status, BEG etc.)
 - 'The company will have to demonstrate either from its own records or from external documentary evidence that it has fulfilled its contractual obligation to the policy-holder'
- If the company is unable to demonstrate payment or settlement of policy, the full payment of the sum insured (as calculated under ICHEIC valuation formula) will be offered.

7. *Copies of any internal audits required under item 4 of the ICHEIC Memorandum of Understanding*

In May 2001 Zurich was declared compliant with all five audit standards established by ICHEIC. The compliance report is in its final stages and will be made available to ICHEIC shortly.

In accordance with the engagement letter between ICHEIC and the independent peer review auditors as well as the engagement letters between Zurich and the independent auditors engaged by Zurich, publication of the compliance report will be at the discretion of ICHEIC.



ZURICH
FINANCIAL SERVICES

8. *Zurich's position on the extension of the ICHEIC deadline until all members have published and disseminated exhaustive lists of policies held by a victim to ensure that no viable claims are foreclosed*

This issue has not been raised or deliberated as yet within ICHEIC. Consequently, Zurich has not formulated a position on the issue. Our position will be determined if and when the issue is raised at an ICHEIC meeting and will be decided by weighing the factors and arguments presented at that time.

In the context of the congressional inquiry, it is worth noting, however, that all policies issued in Germany are governed by the provisions of the German Foundation Initiative which we believe has established a December 31, 2001 deadline for filing claims.

Zurich, October 22, 2001

Encl.