



October 19, 2001

Request for Information from
US House of Representatives
Committee on Government Reform (the "Committee")

We have reviewed the letter, dated October 12, 2001, from United States Representatives Burton and Waxman that was forwarded by AXA Financial to our Head Office in Paris earlier this week requesting certain information concerning the AXA Group's participation in the International Commission on Holocaust Era Insurance Claims ("ICHEIC"). Recognizing that the response deadline of October 19 provided us only a few days in which to gather information, the following memorandum is intended to respond as fully as possible to the various requests made by the Committee.

We understand that the Committee is focusing on implementation of the recent Executive Agreements between the US government and the governments of Germany and Austria, respectively, with respect to Holocaust matters. Consequently, we have tried to focus our responses below specifically on the AXA Group's participation in the ICHEIC as it concerns Germany¹.

At the outset we would note that AXA is committed to the fair settlement of all unpaid Holocaust-era insurance policies issued by any of our Group companies. Accordingly, AXA, on a purely voluntary basis, was one of the founding members of the ICHEIC, a private organization incorporated in Switzerland. AXA has played an active and constructive role in the ICHEIC process from the start. While the ICHEIC process certainly has been far from perfect, we continue to believe that it offers the best means of resolving Holocaust-related insurance claims in a fair and equitable manner. The AXA Group has consistently applied the ICHEIC's relaxed standards of proof and valuation guidelines. AXA was the first of the ICHEIC participating insurers to have completed the ICHEIC audit process in Germany and received ICHEIC's declaration of compliance with the ICHEIC Audit Standards.

All the procedures put into place within AXA for researching and settling Holocaust related insurance claims have been in accordance with the ICHEIC requirements since this voluntary

¹ The AXA Group had no significant operations in Austria prior to World War II, which has been confirmed in the ICHEIC audit process. Axa's potential exposure in Austria via its German subsidiary, AXA Colonia, is dealt with through the German Foundation law, which is based on the US-Germany Executive Agreement.

organization started operating in November 1998. We understand that the Committee has requested similar information from ICHEIC; the information set forth in our response below has been furnished to ICHEIC and therefore should be consistent with any ICHEIC information.

We would also like to emphasize that, while we welcome the signing of the Executive Agreement and look forward to a rapid implementation of it, we were not involved in negotiating that agreement and we understand that the German Foundation is in the process of implementing it.

With respect to the specific requests in the letter, we report the following:

1) Number of policies issued to Holocaust victims:

Please see the discussion in § 2 below. The number of policies that AXA's German subsidiary, AXA Colonia, issued to Holocaust victims cannot be determined because available documents generally do not indicate race, religion or other Holocaust relevant criteria.

2) Number of names provided to ICHEIC and date:

Even before ICHEIC was created in 1998, our German subsidiary began to carefully review this critical issue and created databases of all life insurance policies issued during and in some instances over the relevant period where records still exist; in these databases it identified those policies possibly held by Holocaust victims by using criteria mandated by the BAV, the German Insurance Regulatory Authority. This work was overseen by the BAV.

We requested and were granted permission by the relevant German Data Protection Authority to transfer to ICHEIC for publication a list of the potential Holocaust unpaid policies that were identified using the BAV criteria. This list of 191 policyholder names was given to ICHEIC on 10 January 2000.

3) Number of claims approved by AXA

As of end of September 2001 and within the framework of the so-called "Main Process", ICHEIC received 76,888 letters concerning potential unpaid Holocaust era insurance policies. Of those, 14,012 "claim search requests" name an insurance company and 164 name our German subsidiary, AXA Colonia, as the insurer. Consequently, inquiries concerning AXA Colonia represent 0.2% of total letters received by ICHEIC and 1.17% of the total claim search requests that name an insurer. As of 4 October 2001, ICHEIC had sent 160 claim search requests to AXA Colonia out of the 164 naming our German subsidiary

In addition to these 160 claim search requests in the regular ICHEIC "Main Claims Process", AXA Colonia received 25 claims within the framework of the so-called ICHEIC "Fast-Track" process, most of them from US insurance regulators. Of this total of 185 named claims, AXA Colonia has answered 60. The other pending claims are still under active investigation and claimants were promptly notified their claim has been received and is presently under review. This investigation process takes some time, as internal archive searches must be supplemented with the time necessary to obtain a response from the local German "compensation" authorities in order to determine whether the policy in question was already compensated under the German post-war restitution programs.

Of the 60 responses given by AXA Colonia:

- ◆ In 28 cases a policy was found to exist and, in those cases, (i) 9 offers have been made according to ICHEIC valuation guidelines; (ii) 14 policies were determined to have been previously paid by AXA Colonia, and (iii) 5 policies were determined to

have been previously compensated by the German government under post-war restitution programs.

- ◆ in 23 cases there was no matching policy found;
- ◆ in 9 cases there was some indication that a policy may have existed but the evidence was not considered sufficient even under the ICHEIC relaxed standards of proof.

In addition, to the foregoing claims, AXA Colonia has received a total of 8,205 inquiries not identifying any insurance company that were distributed by the ICHEIC to all ICHEIC participating companies operating in the German market. AXA Colonia has completed its archive searches in 5,512 of these cases. Of these 5,512 cases, 4 policies were identified as having been written by a predecessor company of AXA Colonia. Of these 4 policies: (i) 1 offer was made; (ii) 1 policy had already been paid by the company, and (ii) 2 had been compensated by the German government under post-war restitution programs.

Consequently, AXA Colonia has so far made 10 offers within the framework of ICHEIC.

4) Amount of offers:

The total amount for the 10 offers is DM 31,406.10 (approx. \$15,000 based on current exchange rates) and the offers range from DM 264.15 to DM 8,814.04 with an average of DM 3,140.6 (approx. \$1,500).

5) Denials:

Please see the discussion above in §3: among the 32 cases for which the existence of a policy was proven according to the ICHEIC standards, the company denied any new payment in 22 cases because the file indicated the policy had already been paid or compensated in the past. The decision process is subject to an independent audit process as set forth by the ICHEIC (see § 7). Please find attached a copy of a sample denial letter with the name of the claimant and details of policy deleted for confidentiality reasons.

6) Steps taken by AXA:

AXA Colonia as well as the AXA Group are active members of the ICHEIC and have implemented all the ICHEIC's formal decisions and procedures.

7) Audit:

AXA Colonia made a full search of its archives and this search (and subsequent organization of the archives in order to be able to find any valid claim submitted by ICHEIC) was audited according to ICHEIC procedures. AXA Colonia was officially declared by ICHEIC as satisfying all 5 ICHEIC Audit Standards on 8 March 2001.

8) Extending ICHEIC deadline:

As far as we are aware extending the ICHEIC's claim filing deadline has not been proposed by the ICHEIC. It must be noted however, that AXA Colonia (like all the other German companies) is required to follow the requirements of the German Foundation law.

We hope that this is responsive to the Committee's inquiries.

AXA Lebensversicherung AG

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AXA Lebensversicherung AG · 51172 Köln

Hauptverwaltung

Mrs. W.....

USA

Abteilung:

Mitarbeiter(in):

Telefon:

Datum:

**Your query relating to Mr. X and Mrs. Y
Our AXA Colonia No.: 1, 2, 3 and 4
ICHEIC-No.: A, B, C and D**

Dear Mrs.W,

With reference to our letter dated ...2001, we have now received all the results of our diligent search for documentation of life insurance policies for your father, Mr.X, and your mother, Mrs.X, née Y.

We have concluded our research into alphabetical name registers, archives and relevant files, our extensive examination of your application, and various enquiries made of a number of authorities.

What we found was that a name card and two statistics cards exist for your father, Mr.X. The name card relates to life insurance policies taken out for Mr. X with insurance company Z under the insurance number E and F. The two listed policies G and H were only taken out as bridging insurances for the life assurances E and F. Policies G and H are thus pure term life assurances for which it was not possible to accumulate an initial reserve for an investment portion of the premium. A claim based on persecution has not arisen with these insurances.

The two statistics cards relate to the life insurances number E and F. It can be seen from the statistics card for Mr. X under the policy no. E that the inception of the life insurance was on ...1926 and that the policy had a duration of 20 years. Moreover, the card contains the remark "R. 1.9.35". This means that the policy was redeemed by the person entitled on 01.09.1935.

The statistics card for Mr. X under the policy no. F says that the inception of this life insurance was on1928 and had a duration of 18 years. The remark "R. 1.1.36" means that the policy was redeemed by the person entitled on 01.01.36.

The records kept by the compensation authorities in Munich prove that. The excerpt which these authorities gave us from their files and of which a copy is enclosed shows that life insurance policy

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no. E expired as per 01.09.1935. The surrender value of RMwas paid out. Life insurance policy no. F expired as per 01.01.1936. The surrender value of RMwas paid out.

Furthermore, compensation proceedings for Mr. X took place at the compensation authorities in Munich. It can be seen from the excerpt from the files of the compensation authorities that the life insurance policies of Mr. X with the certificate number E and F were the subject matter of these compensation proceedings. For the damage caused to the life insurance of your father, Mr. X, as a result of persecution, you received an indemnification payment to the amount of DM....

It is our wish to deal with all cases where a contract is proven to have been effected and where neither we nor the German compensation authorities have paid out any benefits. However, this does not apply to your father's life insurance policy, since the surrender value was paid out and, moreover, the insurance was taken into account during the compensation proceedings.

Hence, no more claims may be made under this policy. We regret that we could find no further trace of any life insurance policies taken out for your father, Mr. X, and your mother, Mrs. X, née Y, and for you.

Should you not accept our decision, we would like to point out that you can object to our decision. The following rules of procedure for appealing were drawn up by ICHEIC and still need to be approved by the German foundation "Remembrance, Responsibility and the Future". This foundation is covering the decisions and payments made by German insurance companies. As soon as the appeals procedure is agreed you will receive it with supplementary information.

With this letter, we enclose the following:

- copies of all documents relating to this claim;
- the Commission's letter confirming our compliance with the ICHEIC Audit Standards.
- Appeals submission form

Please consider that our result is bound by the regulations set up by the ICHEIC. If nevertheless you decide to appeal, you will need to do the following:

Step 1 – Write and sign an appeals submission and mail it to the Appeals Office

This must be done within 120 days of receiving this letter. The address is:

ICHEIC – Attention Appeals Office
TNT,
LHR/LCY/690547/001
Int Antwoordnummer
C.C.R.I. Numero 5120
3000 VB Rotterdam
Pays-Bas
NEDERLAND

Please also mark your envelope APPEALS OFFICE in the bottom right-hand corner.

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Step 2 – Submit a statement of grounds for appeal

In addition to the signed appeals submission you must provide a statement of grounds for appeal setting out the reasons why you wish to appeal.

Step 3 – Submit any new information or evidence not previously submitted

When you submit the appeals submission and statement of grounds for appeal to the ICHEIC, you should also include any new information or evidence you may have which supports your claim. Please note that you do not need to resubmit any information you have previously provided.

The Appeals Office will acknowledge your appeal within 14 days of receipt, and will write to you again to let you know the arrangements for determining your appeal.

Naturally we are still available should you have any questions. Please do not hesitate to contact us.

A copy of this letter has also been sent to the ICHEIC.

Yours sincerely,

AXA Lebensversicherung AG