

August 8, 2003

The Economist Magazine

Dear Editor:

This letter is in response to Tom Easton's articles "Line to nowhere" and "Too late, too slow, too expensive" concerning the International Commission on Holocaust Era Insurance Claims (ICHEIC).

As Chairman of ICHEIC I have been entrusted to help establish and run an organization capable of resolving unpaid Holocaust era insurance claims. This attempt to bring a measure of justice to Holocaust victims decades after the events -- on the basis of incomplete or nonexistent records and in the face of hostility and resistance -- has no precedent. Given the time I spent explaining ICHEIC and addressing the questions raised by your reporter Tom Easton, and the subsequent time my staff spent preparing and sending him voluminous material on ICHEIC, the claims process it has developed, and our budget, I had hoped at a minimum for his article to accurately reflect the facts we provided.

It did not do so.

I want to address only the most egregious of the factual inaccuracies in the Easton pieces.

- The Commission has established a successful claims process that has to date provided more than \$40 million provided to more than 3,000 claimants who would otherwise have received nothing to date. We have established agreed upon guidelines for valuing claims and relaxed standards of proof for determining the validity of these claims (developed and accepted by all ICHEIC Members: Jewish organizations, state regulators, and insurance companies). The ICHEIC insurance companies do not independently determine validity and value of claims, as Mr. Easton's article would lead the uninitiated reader to believe.
- Mr. Easton implies that these relaxed standards of proof somehow benefit companies rather than claimants. On the contrary: these relaxed standards of proof were developed because Holocaust era claimants could not possibly have the typical proof demanded by insurance companies before these companies would even consider paying a claim. Our relaxed standards recognize this fact and substantially reduce the amount and quality of the evidence required to support a claim. I told Mr. Easton when we spoke that ICHEIC has established a process to identify, settle, and pay individual claims at no cost to the claimants -- unlike the litigation course which is also open to them.

- In “Line to nowhere” Mr. Easton writes that “a special payment of \$12,000 will be offered to people who cannot name a company or who cannot be matched up with a policy but can still make a valid case that there was a policy somewhere.” When Mr. Easton sent us an email with this figure in it, on the eve of his filing deadline, we rushed a response to make clear to him that the figure was incorrect. I find it astonishing that he would go forward with this false statement in his article, misleading all claimants and potential claimants who might read it. I refer you to an email of July 30, 2003 at 17:43 sent to Mr. Easton in which my executive assistant at ICHEIC wrote on my behalf:

“In no case does ICHEIC have a \$12,000 standard payment for ANY of our categories, so again we’re not sure what you are using to make this calculation. As Secretary Eagleburger told you, we have not yet determined what the standard humanitarian payment amount will be for un-named company claims (and undocumented claims on nationalized or liquidated companies in Eastern Europe) submitted to the ICHEIC...humanitarian process.”

- Mr. Easton claims that ICHEIC does not routinely release information related to the number of claims filed or paid or the amounts disbursed. The facts are that ICHEIC distributes figures on a weekly basis to U.S. insurance commissioners around the country as well as to international Jewish groups in an institutionalized outreach effort to keep claimants’ representatives aware of progress on claims processing. In addition, ICHEIC posts a report on the Commission’s progress, which includes statistics, on a quarterly basis on the ICHEIC website. We presented this information to Mr. Easton. It was not included in his article.
- Instead, Mr. Easton chose to quote Frank Kaplan, the attorney on the losing side of the recently decided Supreme Court case, who states that as of April, 77,000 claims had been submitted to ICHEIC but less than 1% of the cases had an offer of payment. As described to Mr. Easton either by me or, in far greater detail, by others on my staff, and through the earlier referenced email, ICHEIC has made approximately 2,600 offers for a total value of \$35 million. An additional (approximate) 650 offers, totaling approximately \$7.5 million, have been made by ICHEIC companies on claims submitted directly to the companies (not through ICHEIC) but using ICHEIC valuation guidelines, resulting in a total offer amount of approximately \$41 million. ICHEIC has received approximately 54,000 claims that fall within ICHEIC’s jurisdictional purview and are now being processed by the companies. ICHEIC has received approximately 32,000 additional inquiries that fall outside its jurisdictional scope. Finally, some 6,000 claims have recently been received and are still in the initial processing stage.
- Mr. Easton makes a false comparison between the number of policyholder names published on the ICHEIC website (440,000-500,000) and the number of claims (3,000) paid. Policyholder names published on the ICHEIC website include all potentially relevant policies in effect during the Holocaust era, from the sources

available, including paid, restituted and unpaid policies. The number of policies (3,000) paid through ICHEIC is a consequence solely of claims made to ICHEIC and bears no resemblance to the number of names (440,000-500,000) on the website. The number of policies paid by ICHEIC pertains only to the number of claims (54,000) received by ICHEIC, many of which are still in the processing phase.

- Mr. Easton's article states that "The London office of ICHEIC, which administers claims, is about to get yet another new boss," implying that bosses there come and go on a regular basis. As explained to Mr. Easton, the founding head of the London office (the only "boss" London has had) decided to retire at the end of July, after having served with distinction since its inception, and having stayed for a period significantly longer than he had planned. As I discussed with Mr. Easton, the new chief of the London office served as the deputy to several U.S. Ambassadors for Holocaust Issues at the U.S. Department of State.

I undertook this job because I believe profoundly in the mission of this organization. I believe I have experience and expertise relevant to help those who have for so long been denied recourse to address their claims and who have for far too long been denied justice. My tenure as Secretary of State (subject of a snide comment by your reporter) capped an over thirty-year career with the U.S. Department of State spent trying to make a positive difference for my country in understanding and dealing with complex and difficult international issues. During the course of many international negotiations, I found that snide and gratuitous comments added nothing to the understanding of or solutions to those problems. Neither do such comments add to your publication's reputation or your readers' understanding of the hard issues we are tackling head on to help those who have waited far too long for help.

Sincerely,

A handwritten signature in black ink, reading "Lawrence S. Eagleburger". The signature is written in a cursive, flowing style with a large initial "L".

Lawrence S. Eagleburger
Chairman, ICHEIC