

# QUARTERLY REPORT

December 2003

International Commission on Holocaust Era Insurance Claims

---

### Third ICHEIC Quarterly Report

---

We welcome you to the third Quarterly Report of the International Commission on Holocaust Era Insurance Claims, and start this edition by highlighting some of the important recent ICHEIC events.

- On September 16, Chairman Eagleburger, along with Commission members Greg Serio, Chair of the Holocaust Task Force for the National Association of Insurance Commissioners and Roman Kent, Chairman of the American Gathering of Jewish Holocaust Survivors, and with Gideon Taylor, Executive Vice President of the Conference on Jewish Material Claims Against Germany, testified before the U.S. House of Representatives Committee on Government Reform.
  - Chairman Eagleburger's testimony and subsequent response to questions for the record can be found on the ICHEIC website, at [www.icheic.org/document.html](http://www.icheic.org/document.html).
  - Mr. Kent's letter to Chairman Davis for the written record of the hearing can also be found on the ICHEIC website.
- On September 15, ICHEIC Officers Mara Rudman and Jody Manning participated in the quarterly meeting of the National Association of Insurance Commissioners' Holocaust Task Force, making a brief presentation and addressing questions. On December 8, Mara met with the next quarterly session of the Task Force.
- On October 9, Jody Manning traveled to Warsaw for the launch of a foundation set up by Prudential PLC. This foundation will distribute funds to 19 Polish charities over the next five years in recognition of former Prudential policyholders who lost contact with the company as a consequence of World War II and have been unable to claim on their life policies. She also held discussions with Polish government and archival officials regarding possible additional research in relevant archives.
- On October 17, ICHEIC released its dramatically reformatted statistical report. This revamped report is the product of extensive effort over previous months (which is ongoing) to reconcile various sources of figures on offers, denials, and amounts paid, in order to ensure that ICHEIC statistical reporting is timely and accurate.
- On October 22, the Commission launched a new website to assist claimants and their representatives in navigating the ICHEIC claims process, and to offer a far broader range of information in a more user-friendly format.
- On October 29, ICHEIC representatives from around the world met in Washington, D.C. for a full ICHEIC meeting to discuss the Commission's operations and steps ahead. These issues are addressed in detail throughout this edition of the Quarterly.

**SPECIAL NOTICE: MARK YOUR CALENDARS.** At the October 29 meeting, ICHEIC representatives decided to hold their next meeting in spring 2004. That meeting will occur on April 21, 2004.

---

## Claims Processing

---

As of December 12, 2003, ICHEIC has received 65,629 claims for processing, an increase of 5,100 claims in this quarter. In addition, a total of 33,234 inquiries that do not relate to insurance within the ICHEIC “mission statement” have been received and directed to other Holocaust restitution organizations as appropriate.

ICHEIC member companies have made 2,958 offers with a total value of \$47.01 million, an increase of 339 offers and \$12.65 million since the last quarter. Of those figures, 2,078 offers totaling \$32.40 million have been paid to claimants. These companies have also reported 681 additional offers valued at \$11.59 million on claims made directly to them. In total, 3,639 offers have been made for a value of \$58.6 million using ICHEIC standards.

Companies have made 8,280 decisions relating to claims that name a specific company, representing 50% of all named company claims received to date; 2,512 of those decisions have been made in the past year.

### New Statistical Report

ICHEIC launched a reformatted statistical report on October 17, 2003. We undertook this effort in part to respond to concerns about how this information had been previously conveyed. The new format incorporates suggestions made by representatives of ICHEIC companies, Jewish groups, and state insurance regulators. The new report presents the progress being made in claims processing and decision making in a readable format. It summarizes the number of claims/inquiries received, whether they name a particular company or not, and the number of offers made and corresponding amounts. Claims naming a specific insurance company (“named claims”) are reported by company. The report details the number of matches found in companies’ records for claims submitted without a specified insurance company (“unnamed claims”), and summarizes the number of unnamed claims currently in circulation and those that have been reviewed but not matched. In addition to being e-mailed to all ICHEIC representatives, the statistical report is available to the general public on the ICHEIC website at [www.icheic.org](http://www.icheic.org).

We recently added information on appeals processes to the statistical report. We will continue to work to improve our statistical reporting format, and future reports will include information on the numbers of offers paid to date.

### Reconciliation

In the autumn of 2003, ICHEIC devoted significant time and energy to reconciling statistical information on the status of inquiries/claims decision-making. We continue to work closely with member companies to ensure that figures reported on offers and denials are kept current. We have also completed significant work with the Generali Trust Fund (GTF), on which they have been most cooperative, to ensure that all offers and payments are reported clearly and consistently to ICHEIC.

In the past six months (June 2003 to November 2003) companies made 20% more decisions compared to the prior 12-month period (July 2002 to July 2003), according to ICHEIC records. In the past 12 months (November 2002 to November 2003), more than 2,000 decisions were recorded.

All companies have increased the number of decisions made on named claims when compared to the number of named claims they have received from ICHEIC. ICHEIC continues to work with the companies and the GTF to do everything possible to further increase the speed of decision-making on outstanding claims.

For instance, we are assessing the status of outstanding claims that remain with companies and other claims processing entities and are working closely with the companies and entities in this effort. Our goal is to better understand where certain named claims are in the process and how ICHEIC can get involved to expedite their evaluation. In completing this stage of the reconciliation effort, we will work to identify claims that require additional information from a claimant, from ICHEIC's claims processor or from ICHEIC itself, and thus construct a better means of expediting progress on these claims.

---

### Verification of Decisions

---

As recommended by the Executive Monitoring Group in its 2002 report and ordered by the Chairman following his evaluation of ICHEIC's January 2002 claims review, ICHEIC has instituted a process by which company decisions are verified to ensure that ICHEIC standards and guidelines are applied appropriately. New members of the ICHEIC Claims Team based in the London office joined us in August 2003 and have significantly enhanced our ability to review all decisions made. Chairman Eagleburger outlined the verification process in his September 2003 testimony before the U.S. Congress. A summary of the verification process follows.

The Claims Team examines company decisions (using the letters and valuation sheets sent by companies to claimants) against the ICHEIC Valuation Guidelines (and/or Annex D of ICHEIC's Agreement with the German Foundation/German Insurance Association). They flag offers and/or denials where the Team Member

- has a general question related to the company's decision;
- requires additional information to fully evaluate the company's decision;
- needs clarification as to the decision's conformity to ICHEIC standards;
- finds that supporting documents related to a decision are missing;
- identifies a question with respect to a company's calculation of an offer (and requires consultation with the company); or
- has questions to clarify the information contained in a decision letter.

Once checked, the details of the decision offer or denial are entered into the ICHEIC claims database. ICHEIC's outsourced claims handler then checks the decision letters and confirms that data is entered correctly, which thereby provides measures of both accuracy and quality control.

Any decisions on which the Claims Team has queries are sent to the relevant company (or the GDV in the case of non-MoU German companies and blocked account cases) once every two weeks. On any claims that were submitted through a U.S. insurance regulator's office, the Claims Team will notify that office of queries that have been raised with the companies.

Since the Claims Team began checking decisions, 2,379 decisions have been verified. As a result of this process, ICHEIC raised 155 queries with the companies so far, of which 62 have been

resolved. New offers or top-up payments resulting from decision verification this quarter total \$50,000.

We are now in the process of ensuring that all decisions made since the beginning of the ICHEIC claims process are verified to be in accordance with ICHEIC procedures. This requires some retrospective analysis to include the following: amalgamation of Fast Track claims into the main claims process; review of the verification work that had already been done on Fast Track claims; closure of all Fast Track claims; follow up to the January 2003 claims review (which covered all offers and well-documented denials made to that time); and ensuring that all queries have been resolved. This work is well underway and should be complete by the end of 2003. The Claims Team will also conduct a separate and ongoing verification exercise that focuses specifically on denials, which will occur in the next quarter.

**Verification of Decisions by German Insurance Companies**

Verification of decisions by German companies under the tripartite agreement among ICHEIC, the German Foundation “Remembrance, Responsibility and the Future,” and the German Insurance Association (GDV) follows the same pattern as the regular verification process, with the following additional steps:

1. Each month the GDV sends a list of the payments they wish to make on each offer that had been accepted in the previous month. The payments are to be split between claims and humanitarian payments, and between payments due in Euros and dollars.
2. The Claims Team verifies that the claimant’s consent and waiver has been received, and that the name and amounts conform to the offer and the monthly schedule.
3. The German Foundation performs similar checks as described above and confirms the appropriate payment splits, consulting with the ICHEIC Claims Team on any variations.
4. The German Foundation then submits a revised schedule to ICHEIC with a request that the appropriate funds be transferred to the GDV for payment.
5. The Claims Team records the amounts for payment in the ICHEIC database.

The last ICHEIC Quarterly Report provided details of the payments made in April, May and June. The results for the four months to the end of October are below.

	# of payments	to # of claimants	covering # claims	Total € 000s	Total \$ 000s
July	37	37	43	56	329
August	32	26	27		150
September	26	24	33		270
October	56	42	54	31	427

While progress in making decisions has been relatively slow to date, we expect the pace to increase significantly in 2004, given that state compensation authorities will have completed their research activities by the end of this year.

---

## **Operational Arrangements with the Austrian General Settlement Fund**

---

On November 26, 2003, ICHEIC signed an operational agreement with the General Settlement Fund of the Republic of Austria (GSF). ICHEIC had been in discussions for more than a year with the GSF to establish a cooperative operational arrangement between our organizations. Although claims made against certain Austrian insurance companies are covered through ICHEIC or through our agreement with the German Foundation and the GDV, claims made against certain other Austrian insurers fall solely within the purview of the GSF. The situation with Austria parallels that in the Netherlands and Belgium, where ICHEIC's operational arrangements with the Sjoa Foundation and Buysse Commission were developed in full accordance with those countries' national compensation frameworks. Details of the arrangements with the GSF are available on the ICHEIC website at [www.icheic.org](http://www.icheic.org).

---

## **Policyholder Names and ICHEIC Matching Processes**

---

In his September 2003 testimony to the U.S. Congress, Chairman Eagleburger provided a detailed description of ICHEIC's efforts to publish 519,009 names of insurance policyholders who were likely to have been victims of Nazi persecution. In one section of the ICHEIC website, potential and current claimants can search lists of hundreds of thousands of potential Holocaust-era policyholders. These lists were compiled from insurance companies, insurance associations, various public archives, and other sources. Names found on the list are those of individuals most likely to have had a life insurance policy of any kind (including education, dowry, endowment and pension/annuity policies) during the relevant period (1920-1945), and who are thought likely to have suffered any form of racial, religious or political persecution during the Holocaust.

The fact that a name appears on the published list is not a guarantee that the individual named or his or her heirs or beneficiaries are entitled to payment. An insurance company's investigation of a claim (where a claimant has found a name on the website) may reveal that the claim was previously completely settled or paid. Additionally, there may be instances where policies were issued to individuals with common names that multiple victims/claimants might mistake as the holder of their particular policy.

Individuals who inquire with ICHEIC regarding names they have seen on the website receive responses according to their particular circumstances. For example, if the individual already has filed a claim and included the same name(s) on the claim form, then he or she receives confirmation that all names referred to in the claim are being researched. If the names were not originally included on their claim form, then the claimant is informed that the additional name(s) will be researched accordingly. For individuals who have not already filed a claim, they are informed that it is not required to find a name on a published list in order to file a claim; therefore, if they believe that they may have a valid Holocaust-era insurance claim and they would like to submit a claim to ICHEIC, they should do so.

To ensure that policyholder names can be properly identified, a thorough process of matching all available records must be conducted on every claim. There are three "matching" processes envisaged within the claims handling process, as described below.

## **Matching by Companies**

Companies use a variety of methods for determining if the names indicated by a claimant match their own records. Claims that do not specify a particular insurance company (“unnamed claims”) are sent to all companies that might have done business in the country identified by the claimant. When the company has checked its records, it may confirm that a match has been found. The claim then becomes a “named” claim, and the company writes to the claimant with a decision. To date, ICHEIC member companies have matched 1,761 unnamed claims, of which they have made offers on 907 and declined 854.

## **Matching with ICHEIC Research Database**

ICHEIC searches its database of research records extracted from public archives to determine if there is a match with its claims database. These searches begin with a “soundex” comparison (using the phonetic sounds of syllables rather than spellings) and close matching of dates of birth. The results are then examined electronically and by reference to the file to select “exact” and “high probability” matches from the “possible” matches (which alone do not contain enough data to confirm an exact match) and the non-matches (which may contain conflicting data or be duplicates). The exact and high probability matches are sent to ICHEIC member companies for further investigation.<sup>1</sup> To date, 1,375 claims have been matched under this process and the details sent to companies for further investigation.

## **Matching between the ICHEIC Claims Database and the German Policyholders Database**

In addition to the procedures described above, there is another process underway to compare the ICHEIC claims database with the database of policyholders that was provided by a number of German insurance companies.<sup>2</sup> This matching process will allow access to more detailed information on some of the 360,000 German policyholder names that are on ICHEIC’s website, and will compare the names in this database with those in ICHEIC’s claims database. An advisory group is currently considering the procedures and protocols to be used in this matching exercise.

---

## **Monitoring Group**

---

The Executive Monitoring Group, which undertook its first exercise in 2002, has been asked by Chairman Eagleburger to assess two areas within the ICHEIC process. The first is the ICHEIC Claims Team’s decision verification process. The second is the effectiveness with which the ICHEIC member companies and the Generali Trust Fund are carrying out matching work.

The Monitoring Group operates under the chairmanship of Lord Peter Archer, a member of the United Kingdom’s House of Lords. Its members are Catherine Lillie, Director of the Holocaust Claims Processing Office, New York State Banking Department (representing the U.S. state insurance regulators), Karen Heilig, Assistant Executive Vice President of the Conference on Jewish Material Claims Against Germany (representing ICHEIC Jewish organizations), and Colin

---

<sup>1</sup> For German member companies, the matches sent relate to claims submitted before October 16, 2002, the date the agreement among ICHEIC, the German Foundation, and the GDV was signed.

<sup>2</sup> See Annex H (and Exhibit 3 of that Annex) of the agreement among ICHEIC, the German Foundation and the GDV.

Smith of ICHEIC as the Commission's staff representative. ICHEIC member companies also have been asked to designate a representative with whom the Monitoring Group can liaise.

To evaluate the verification process, the Monitoring Group has started by reviewing the procedures put in place by the Claims Team. In December, the companies will be asked to submit details of their matching processes to the Group for review. The next steps on matching will be driven by the findings of this review.

---

### Additional Operational Issues

---

**Call Center Transfer:** As described in the last report, we are continuing efforts to shift Call Center responsibilities from D.F. King to the Conference on Jewish Material Claims Against Germany (Claims Conference). Though we had hoped to complete it sooner, we now anticipate the move in mid-January. The delay has resulted from the time involved in carrying out the technical steps necessary to implement an effective link between the new call center and ICHEIC's claims database, to ensure the smoothest possible transition in services for claimants.

**Downloadable Claim Forms:** Recently claimants have called to ask whether a claim form downloaded off the Internet can be mailed to ICHEIC free of charge. The answer is yes. If a claimant downloads a form and addresses it to the address posted on the ICHEIC website, it will be mailed free of charge.

**Mailing to U.S. Claimants:** As requested by the NAIC Task Force, in November Chairman Eagleburger wrote to all U.S. claimants who had not yet contacted their state's insurance department for assistance. His letter suggested that if the claimant desired, he/she could contact his/her state regulator for assistance with the ICHEIC process, and it provided relevant contact information. The NAIC is sending out a follow-up letter that provides guidance on how to check an ICHEIC claim, particularly targeted at those states less familiar with ICHEIC.

---

### Audits

---

The ICHEIC audit process is carried out in two stages by internationally recognized accounting firms. Stage 1 of the audits examines the companies' systems and procedures that are set up to comply with ICHEIC Audit Standards. Stage 2 examines each company's handling of claims. (See the ICHEIC Quarterly Reports of May and August 2003 for further details.) Audits are the responsibility of the Audit Mandate Support Group (AMSG), a sub-committee of ICHEIC.

The ICHEIC companies that have been declared audit compliant at Stage 1 are: Allianz Leben, RAS (Allianz's Italian subsidiary), AGF Belgium (owned by AGF, Allianz's French subsidiary), AXA, Generali for east European branches, and Zurich.



Stage 1 compliance has not yet been declared with respect to: Vereinte<sup>3</sup>, AGF (Allianz's French subsidiary), all of Generali's west European operations, Generali's east European subsidiaries, and Winterthur.

In this quarter, audit focus has again been on the Allianz and Generali groups. Status reports on these two groups and on Winterthur follow. An estimate of timing is set out in the table at the end of this section.

### **Allianz Group**

The previous Quarterly Report referred to two outstanding issues:

1. Allianz's databasing of 150,000 Kleinleben records did not include maiden names which were available in some cases; and
2. Vereinte had not electronically registered 40,000 records of its subsidiary ISAR, on the grounds that the records had been analyzed for likely Holocaust victims in response to the BAV's<sup>4</sup> request in January 1999. That analysis resulted in 4,827 policy details being added to the database.

The peer review auditors, PriceWaterhouseCoopers, duly took statistical samples that were matched against ICHEIC's claims database for the companies concerned. In light of the results, Chairman Eagleburger determined that no further work was necessary on the Kleinleben records, but that approximately 14,000 records of Vereinte should be databased. The databasing by Vereinte was completed in November. We expect compliance in December, following audit of the additional work.

We are awaiting a response from Allianz to our request for an explanation for the denial of claims where there is a match on its central register (ZRG) of insurance applications, but where there is no other supporting evidence.

In France, the two audit firms completed their further analysis on Allianz subsidiary AGF. After negotiations, AGF agreed to carry out additional databasing on its subsidiary Rhin & Moselle, provided that there were no further requests and that it would be declared compliant on completion. That has been agreed in principle, but we are awaiting confirmation at the AMSG level.

### **Generali**

Draft peer review reports on east European subsidiaries and on Italy are complete subject to resolution of final points. Draft management and compliance reports have been completed on the Austrian business and we await a budget proposal from the peer review auditors. The peer audit is currently underway in Germany.

In France, databasing of about one million records is in hand, with target completion in January.

---

<sup>3</sup> Acquired by Allianz in 1998.

<sup>4</sup> BAV was the German state insurance regulator, now known as BAFin (or Bundesanstalt für Finanzdienstleistungsaufsicht).

**Generali Trust Fund**

An audit of the processing of Generali claims by the Fund is planned. It will examine the methods and procedures used by the GTF in processing claims and will effectively combine a Stage 1 and Stage 2 audit. Proposals are being invited from two audit firms.

**Winterthur**

Following a Winterthur debrief meeting in November 2001, the company agreed to do further work to ensure its database is as comprehensive as possible. After prolonged discussions, a program for this work was agreed upon and has now been completed. Audit of this work is expected to be finished by mid-January.

**Stage 2 Audits**

Stage 2 audits will be carried out only by the peer review audit firms which will review the companies' handling of claims in accordance with Standard 5. There have been delays in reaching AMMSG agreement on the draft audit letter of engagement.

**Timetable for Availability of Stage 1 Peer Review Reports**

Company	Peer Review Reports		Comment
	Feasible*	More Likely*	
Vereinte	Received	Received	Compliance likely in December, following audit of additional databasing.
AGF France	Received	Received	Additional databasing to be done, conditional upon the AMMSG confirming that no further demands will be made to achieve compliance.
Generali Germany	Mid January	Early February	Peer review audit started in November.
Generali Austria	Early March	Late March	Draft management and compliance reports translated; currently awaiting peer review budget.
Generali Italy, east European subs.	Mid December	Late December	Draft peer review report being concluded.
Generali France	March	March	No clear timetable yet.
Winterthur	January	January	Extra work finished; audit of it about to start.

\* Dates for peer review reports are the dates when ICHEIC might receive drafts of the reports. The debrief meeting then has to be arranged at a date suitable to the AMMSG members, and reports made available at least three weeks before the meeting. Achievement of compliance therefore takes at the very least another two months. As can be seen from the review above, several months may pass

after audit work has been completed but before companies are deemed compliant. We are exploring ways to speed up this process.

### **Audits of non-MoU German companies**

The German regulator, BaFin, will carry out audits of 10 German non-MoU insurers<sup>5</sup> by its own teams of auditors, to which ICHEIC will be providing observers. These audits will begin as soon as the insurers concerned have completed processing of a sufficient number of claims that name them as the insurer. This process involves previous checks by government archives, and there have been delays in transferring data and documents to the companies. All parties are pursuing a start to the audits as soon as possible, with January as the target month.

---

## **Appeals**

---

As of December 12, 2003, the ICHEIC Appeals Office has received 318 appeals. Seventy-eight decisions have been reached, of which 27 found in favor of the appellant, resulting in awards totaling \$286,641. Formal reporting of appeals statistics has been introduced as a second page to the regular ICHEIC statistical reporting on claims, sent every two weeks via e-mail to Commissioners, Alternates and Observers and published on the ICHEIC website. A further breakdown of appeals statistics follows.

### **Appeals Tribunal<sup>6</sup>**

- 223 appeals have been received, of which 77 are closed.
- The breakdown of appeals by company is as follows:
 

▪ Allianz	2
▪ Allianz RAS	157
▪ AXA	33
▪ Generali <sup>7</sup>	1
▪ Zurich	30

Of the 77 closed appeals, 24 found in favor of the appellant and 44 in favor of the member company. In the remaining 9 appeals, matters were settled before the Arbitrator made a decision. Awards to the value of \$268,641 have been made.

### **Appeals Panel<sup>8</sup>**

- 95 appeals have been received, of which 10 are closed.

---

<sup>5</sup> i.e. companies which have not signed the ICHEIC Memorandum of Understanding and thus are not ICHEIC members.

<sup>6</sup> The Appeals Tribunal considers appeals on decisions from ICHEIC member companies AXA, Winterthur, and Zurich, as well as those against Allianz and Allianz RAS which were dated prior to 16 October 2002.

<sup>7</sup> The ICHEIC Appeals Office received 1 appeal form against a Generali decision which should have gone to Generali Trust Fund (GTF). We subsequently determined that in fact the Generali Trust Fund (GTF) had received and ruled on the appeal. ICHEIC is working with the GTF to include GTF appeals statistics in subsequent ICHEIC statistical reports.

<sup>8</sup> The Appeals Panel considers appeals on decisions from German insurance companies as well as those against Allianz and Allianz RAS which were dated after October 16, 2002.

- The breakdown of appeals by company is as follows:
  - Allianz 30
  - Allianz RAS 39
  - AXA 4
  - GDV blocked account cases 3
  - Non-MOU GDV companies 19

Of the 10 closed appeals, 3 found in favor of the appellant and 7 in favor of the German company. Awards to the value of \$18,000 have been made.

To accelerate the appeals process, the Appeals Tribunal has appointed a number of additional arbitrators to consider appeals, and has a pool of 14 arbitrators at present.

Additionally, the Appeals Office now communicates directly with appellants using the London post office box address rather than the addresses in the Netherlands that were used in the past. This has required the companies to change their letters to claimants about where to send their appeals forms. The change of address for the Appeals Office has resulted in considerable improvement in the speed of communications with appellants and companies.

---

### **Humanitarian Assistance**

---

During 2003, ICHEIC agreed to fund \$132 million, to the extent ultimately available, over a period of 10 years for social welfare benefits to Nazi victims worldwide. The geographic allocation of funds is based on an average of two reports (Spanek and Ukeles) presented to the Commission summarizing survivor populations throughout the world. The initial year's \$15 million allocation of funds is currently being distributed by the Claims Conference.

At the time the \$132 million allocation was being considered by the members of ICHEIC, issues were raised surrounding the accuracy of the data used to determine the geographic allocation. This was due primarily to the fact that the reports were several years old. The Chairman committed that, prior to the allocation of the 2004 funds, he would assemble several experts in the field to review available data on Nazi victim populations worldwide to determine whether the numbers used in determining the geographic allocation of ICHEIC funds should be revised. Due to difficulties encountered in attempting to formulate such a group, the Chairman instead asked Professor Ukeles, a leading sociologist, to update the figures in his 2000 report and asked Professor DellaPergola of The Hebrew University of Jerusalem, a leading demographer, to also prepare an estimate of the worldwide Nazi victim population. These two reports are available on the ICHEIC website.

A meeting of an ad hoc humanitarian advisory committee of ICHEIC is scheduled for December 22, 2003. The demographic data will be evaluated at this meeting, in conjunction with the review of the 2004 allocation of social welfare funds.

At the annual meeting of ICHEIC this October, the Board approved two pilot studies of a volunteer service corps. The concept has been refined to focus on university undergraduates serving as visitors to their local Holocaust victim population. The corps will marry service to the Holocaust victim population and opportunities for the participants to learn about the Holocaust directly from

survivors. It will also serve to strengthen Jewish identity and leadership in the college age population by providing an opportunity to serve, supported by training and educational opportunities. The vision is that the service corps will ultimately operate in various locations throughout the world, focusing on large metropolitan areas with a substantial Jewish survivor population and a willing university. The total budget of these pilot studies is \$596,000.

Another project was presented, "An Initiative to Bring Jewish Cultural Literacy to Youth in the Former Soviet Union." The Jewish Agency would run this project. Jewish culture in the region is in danger of disappearing. Specifically, ICHEIC would fund a series of intensive summer retreats for young people, beginning in St. Petersburg and later adding Moscow and Kiev. The summer camps would serve to establish a connection between today's Jewish youth and the major events of Jewish history before, during, and after the Holocaust. These retreats would meet for three weeks during the summer. A majority of ICHEIC Commissioners were supportive of the project. However, since there was not total agreement, the Chairman asked the Jewish Agency to address the concerns that had been raised, with a focus on reconsidering the proposal when these issues had been adequately addressed.

---

### **Financial Report**

---

The audited financial statements of ICHEIC from inception through 2002 are now available on the ICHEIC website. The format of the financial statements for the year ended 2002 has been changed considerably, partly due to the fact that a substantial amount of the total ICHEIC financial settlements were received in that year. The revised format provides more detailed information on the face of the financial statements and in the footnotes.

The budget for 2004 and the remaining lifetime projection were approved by the Commission at the October 2003 meeting and are also available in the Financial Report section of the website. This budget and projection were reviewed in detail by members of the Financial and Administrative Advisory Committee (FAAC) prior to its presentation to the Board. While the FAAC approved the budgeted/projected expenditures in total, they had some recommendations for the re-allocation of certain expenses that will provide more detail. These changes will enhance the financial information provided to the public and will be made available on the web shortly.

Due to the change in the primary location of the books and records of ICHEIC from Switzerland to Washington, DC beginning in 2003, the independent auditors for 2003 will be U.S.-based. The previous auditors, AWT, are headquartered in Germany and are a partner in the international accounting firm of RSM McGladrey. At the October 2003 ICHEIC meeting, the Commission approved the appointment of AWT's U.S. affiliate, McGladrey & Pullen, for the 2003 independent audit of ICHEIC.

---

## Follow-up Actions from October 29 ICHEIC Meeting

---

### The next full ICHEIC meeting will be April 21, 2004

As noted at the beginning of this Quarterly, we want to highlight that at the October ICHEIC meeting, the Commission decided to hold an additional full ICHEIC meeting in spring 2004. Participants should plan to arrive for meetings starting early in the morning of April 21. Certain committees or subcommittees may meet the day prior to the full ICHEIC meeting.

### Working Group on Committees/Ombudsman Proposals

At the meeting, proposals were made with respect to increasing or altering the ICHEIC committee system/structure, and to creating an ombudsman position. The Commission agreed to appoint a working group to consider these proposals, which were to be submitted in writing. The Working Group would be comprised of two designees from each of the ICHEIC representative groups: the companies, the regulators, and the Jewish organizations. Chairman Eagleburger is awaiting designated representatives from each of the groups, per his memorandum of December 2. We hope to have the membership of the Working Group complete by year's end.

The Chairman will send a memorandum to the Working Group with a time and date for an initial teleconference (to be scheduled for early January). He will also provide them with written material submitted to date with respect to both the role and operations of committees for ICHEIC, along with proposals with respect to an ICHEIC ombudsman.

### Other Follow-up Actions from October 29 Meeting:

- **Monitoring Group:** Initiate work of the Group on matching and verification assessments. (Action completed; discussed in more detail in Monitoring Group section.)
- **Verification:** Publish on ICHEIC website a paper that was distributed describing process; have Claims Team communicate with regulators when/as are querying companies about decisions involving given regulator's claimant. (Action completed; discussed in more detail in Verification section.)
- **Reconciliation/Statistical Reporting:**
  - Continue to work on improvements in reporting format. First focus on Generali/GTF numbers.
  - Add further detail on status of claims sitting with companies/GTF.
  - Add appeals reporting, also include statistics on total offers paid.(Above actions completed and/or ongoing; discussed in more detail in new Statistical Report and Reconciliation sections.)
- **Appeals:** Chairman Eagleburger was to communicate with the Tribunal and Panel judges for their reaction to sharing their quarterly reports with the full ICHEIC and using these reports to highlight systemic issues raised by key cases. After discussion with Chairman Eagleburger, the Tribunal and Panel judges supported the idea of enhancing the quarterly report.

- **Archival Issues:**
  - ICHEIC would work with the Department of State to pursue the national governments of Poland, Hungary, and Romania to see if further information can be released that will assist with matching. The State Department has made requests through diplomatic channels to the governments of these three countries to identify appropriate points of contact and to determine whether additional archival research can be undertaken, and we are currently following up with those requests.
  - ICHEIC would explore with the Claims Conference lessons learned from their hiring of assistants for slave labor research. The exploration with Claims Conference was overtaken by events, in that all research work in German states' archives on whether claims had been previously compensated should be completed by year's end. This result was achieved through a combination of cooperative efforts between ICHEIC, the German Foundation, and the GDV, and some public attention on the issue.
  
- **Acceleration of Claims Decision-Making:** All present agreed that claims/inquiries needed to be evaluated more swiftly, resulting in decisions rendered more promptly. ICHEIC's Jewish representatives committed to "crystallizing" their proposal on this matter and submitting it to the full ICHEIC for comment. Similarly, companies agreed to put forward either individual proposals or a group proposal on the same topic. ICHEIC staff committed to circulating and providing evaluation/assessment on these proposals when they are received. (No written proposals have been received yet from any ICHEIC representatives on this topic. ICHEIC staff, however, has continued to identify issues that may be slowing companies' review of claims/inquiries in order to speed evaluation.) See discussion in section entitled "Reconciliation."

---

### Conclusion

---

This brings to a close our Third Quarterly Report. As always, we welcome all comments and suggestions on improvements or additions we might make in subsequent Reports. And we extend very best wishes for a Happy and Healthy 2004.