

REPORT TO THE INTERNATIONAL COMMISSION ON HOLOCAUST ERA  
INSURANCE CLAIMS ON AXA COLONIA KONZERN AG, AND ITS SUBSIDIARIES  
ENGAGED IN LIFE INSURANCE BUSINESS

14 May 2001

## REPORT TO THE INTERNATIONAL COMMISSION ON HOLOCAUST ERA INSURANCE CLAIMS ON AXA COLONIA KONZERN AG, AND ITS SUBSIDIARIES ENGAGED IN LIFE INSURANCE BUSINESS

### Scope

We refer to the report by PricewaterhouseCoopers ("PwC") dated 8 March 2001 ("the Compliance Report") which is set out in Appendix 2 on the compliance by AXA Colonia Konzern AG, and its subsidiaries engaged in the life insurance business as at 31 December 1999 ("the Insurer") with the five audit standards ("Audit Standards") promulgated by the International Commission on Holocaust Era Insurance Claims ("ICHEIC") set out in Appendix 3. The Compliance Report refers to the report prepared by Axa Colonia management, dated 1 March 2001 ("the Management Report") which is set out in Appendix 4.

In accordance with the Engagement Letter between us dated 2 October 2000, we have reviewed the Compliance Report and the supporting working papers, have made site visits to the Insurer's archives and carried out limited sample testing of the Insurer's databases and archives. A summary of work performed by us is set out in Appendix 1.

Our opinion, which is set out below, is not in any way a guarantee as to the conduct of the Insurer in respect of any particular insurance policy or claim thereon at any time or in any particular circumstances.

### Opinion

Based on the work performed by us referred to above, in our opinion the conclusions in the Compliance Report are adequately supported by the work performed by PricewaterhouseCoopers.



Ernst & Young

London

14 May 2001

**APPENDIX 1 TO THE ERNST & YOUNG REPORT TO THE  
INTERNATIONAL COMMISSION ON HOLOCAUST ERA INSURANCE  
CLAIMS ON AXA COLONIA KONZERN AG, AND ITS SUBSIDIARIES  
ENGAGED IN LIFE INSURANCE BUSINESS**

**Summary of work performed by Ernst & Young - Peer Review Auditors**

*Planning Process- Peer review*

Our approach considered PwC's planning of the Independent Audit. We considered whether PwC were familiar with Holocaust issues and how their audit processes were planned to address the requirements of ICHEIC. We considered if the staff were knowledgeable and briefed about Holocaust matters and whether adequate resources had been applied to the assignment. We also considered independence issues.

*Field work- Peer Review*

We reviewed the PwC working papers and discussed the results of their work with them. We enquired if the Insurer had placed any limitations on their scope and if the Insurer had provided unfettered access. We noted issues that had arisen to determine whether they had been, if appropriate, considered for their report.

*Additional work for the ICHEIC*

We conducted additional testing of the databases and archives to determine, on a statistical sampling basis designed to give a 95% confidence level, if relevant records in the archives had been identified and correctly recorded in the search process. The selection of archives for testing was drawn from a list of archive sites included in the PwC working papers.

*Reporting*

We reviewed the Management Report and PwC Compliance Report and considered whether or not the results of the PwC Independent Audit were fairly reflected in their Report. We also considered the results of our additional testing in coming to our conclusion.

**PRICEWATERHOUSECOOPERS**

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**Report**  
**of Independent Auditors on the Compliance of**  
**the Subsidiaries of AXA Colonia Konzern AG**  
**Engaged in Life Insurance Business**  
**with the ICHEIC Audit Standards**

8 March 2001

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## INTRODUCTION

1. This report provides an evaluation of the compliance of the subsidiaries of the AXA Colonia Konzern AG engaged in life insurance business (together "AXA Colonia" or "the Company") with the requirements of the five Audit Standards issued by the International Commission on Holocaust Era Insurance Claims ("ICHEIC") in March 1999. As a holding company, AXA Colonia Konzern AG was, and is, not permitted nor licensed to issue life insurance policies and therefore not considered a relevant company as defined in ICHEIC Standard One other than in respect of the identification of its subsidiaries engaged in life insurance business.

## BACKGROUND

2. The ICHEIC was established pursuant to a Memorandum of Understanding ("MoU") of August 1998 between certain European insurance companies including the AXA group and all of its subsidiaries world-wide (together the "AXA Group" or "the Group") participating on a voluntary basis, United States and a number of European insurance regulatory authorities, the State of Israel and Jewish and Holocaust survivor organisations. As stated in the Memorandum of Understanding, the objective of the ICHEIC is to ensure that *"...a just process shall be established that will expeditiously address the issue of unpaid insurance policies issued to victims of the Holocaust"*.
3. The MoU envisaged the conduct of *"...an investigatory process to determine the current status of those insurance policies issued to Holocaust victims during the period of 1920 to 1945 for which claims are filed with the International Commission. To assess the remaining unpaid insurance policies of Holocaust victims, a reasonable review will be made of the participating companies' files. ...The International Commission or its participating companies shall retain one or more internationally recognized auditing firms...."* The AXA Group initially engaged PricewaterhouseCoopers GmbH ("PwC") in June 1998, prior to the formation of the ICHEIC, in order to assist the Group with its Holocaust related research efforts.



4. To provide a framework and methodology guidelines for the accomplishment of its objective, the ICHEIC issued an Audit Mandate in March 1999, together with five related Audit Standards for use by the insurance companies and their independent auditors. The Audit Standards are designed to cover all aspects of the investigation, from the identification of predecessor companies that may have issued life insurance policies in the period under review, to the establishment of systems and procedures for dealing with incoming claims.
5. In providing a framework for the assessment of the insurers' own internal investigations, the Audit Mandate established a number of important principles concerning the conduct of the investigation. In particular, the Audit Mandate recognised that *"...an investigation of this nature requires an appropriate approach if a full accounting within a reasonable cost and time framework is to be met."*
6. The Audit Mandate stops short of providing a definition of *"an appropriate approach"* or a means of reconciling the apparently competing requirements of *"...a full accounting within a reasonable cost and time framework"*, and inevitably these matters remain subjective. The Audit Mandate clearly recognises, however, the need for a flexible approach to the investigation tailored to the specific circumstances of the company involved. Similarly, the Audit Mandate acknowledges that the procedures employed may vary both from country to country and from company to company. *"It is recognised that individual circumstances will differ widely not only from insurer to insurer but also between different countries and perhaps regions within countries."*

## RESPONSIBILITIES

7. As a member of the AXA Group that is a signatory to the ICHEIC MoU, AXA Colonia is responsible for achieving compliance with the Audit Standards and for the work carried out in relation thereto.
8. It is the responsibility of PwC to consider whether AXA Colonia has, in our professional judgement, complied with the requirements of each Audit Standard in the context of the ICHEIC Audit Mandate.



**SCOPE OF WORK PERFORMED BY AUDIT STANDARD**

9. The Audit Standards have been formally set by ICHEIC. The summary headings below are used in each Audit Standard to provide an indication of the key requirements of the Standards. These are set out below:

Audit Standard	Summary Heading
One	<i>"Identify all Relevant Companies which exist at 31 December 1999"</i>
Two	<i>"Identify Relevant Archive Sites"</i>
Three	<i>"Identify and secure Relevant Records"</i>
Four	<i>"Develop investigations database"</i>
Five	<i>"Investigate incoming claims"</i>

10. We summarise below the key steps taken by AXA Colonia in order to comply with the Audit Standards together with the principal procedures employed by PwC in order to test and assess compliance.

**Audit Standard One**

11. In summary, this Audit Standard required the identification of all AXA Colonia companies and predecessor companies, including subsidiaries and branches, that issued life insurance policies in the period 1920 to 1945 inclusive.

12. AXA Colonia used both internal and external sources of information in order to compile a list of seventy life insurance companies for the purposes of facilitating the proper disposition of Holocaust era claims. Three of these companies were still in existence at 31 December 1999. The remaining sixty-seven companies have either ceased trading or have been merged over the years into the three surviving companies. The list has been delivered to the ICHEIC.

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13. In order to comply with the requirements of this Audit Standard, the Company commissioned an independent historian to construct corporate genealogy charts for AXA Colonia, reflecting the various mergers, acquisitions, portfolio transfers, liquidations and corporate name changes that had taken place up to 31 December 1999.
14. PwC work performed in order to test the Company's assertion that it had identified all relevant predecessor companies primarily comprised a comparative analysis of the results of the research undertaken by the independent historian with certain additional independent sources of information obtained following enquiries made of the Insurance Law Institute of the University of Cologne. We also compared the results of the research carried out by the independent historian with the references to company names contained in the documentation identified in the AXA Colonia archives as a result of the work carried out for the purposes of Audit Standards Two and Three. This enabled us to ensure that all the life insurance companies for which records had been identified from the period under review were included in the list of AXA Colonia predecessor companies.
15. The geographical area of Germany has altered in shape and size a number of times in the period between 1920 and the present day. For the purposes of our work in respect of Audit Standard One we have used the boundaries of Germany as they existed at the end of 1938. As such, references to Germany in this report include Austria and the Sudetenland, now part of the Czech Republic.

### **Audit Standard Two**

16. In summary Standard Two requires the identification of any insurer location that might potentially contain Relevant Records.
17. In accordance with common practice in German life insurance companies, life insurance business written by AXA Colonia has been administered and managed centrally from its main administrative offices. As such, the Company has followed the practice of transferring life insurance policy documents from operating locations throughout Germany for storage in its archives in the main administrative offices as the policies were written. Policy files relating to businesses that had been acquired or portfolios transferred were centralised



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immediately following the acquisition or transfer. The main administrative offices today were located in Cologne, Berlin and Hamburg.

18. In order to identify the sites considered most likely to contain Relevant Records, AXA Colonia carried out an inspection of the archives at the offices of the Company in Cologne, Hamburg and Berlin and prepared detailed inventories of their contents. In addition, the Company conducted a circularisation of operating locations in order to establish where document storage sites existed and to request information relating to the existence of records that may be of relevance to the investigation. This circularisation was performed by the Company in July 1998.
19. In order to test the completeness of the Company's findings, PwC undertook an additional independent circularisation of all companies based on the AXA Colonia organisational structure as at 31 December 1998. We visited all archives identified as relevant by the Company and tested the inventories compiled by the Company in order to confirm that the archives contained Relevant Records. We also visited a sample of archives that were not considered to be relevant by the Company and carried out systematic searches of these archives to confirm that they did not in fact contain Relevant Records.

### **Audit Standard Three**

20. In summary, this Audit Standard required the identification, organisation and securing of Relevant Records.
21. Except for the subsidiary ALBINGIA Lebensversicherungs-AG ("ALBINGIA"), the Company initially produced archive overviews for the locations identified in Audit Standard Two which included floor plans indicating the layout of the archives and the shelves on which the Relevant Records were stored. AXA Colonia subsequently compiled detailed manual inventories of the policy documents contained in the archives by Relevant Company. These inventories were used as input documents for the electronic investigations database prepared for the purposes of Audit Standard Four.



22. In addition to the policy contracts themselves, the Company compiled inventories of additional records that may provide policy information including correspondence and historical information.
23. AXA Colonia also carried out searches of its computerised portfolio management and accounting systems in order to identify policies with issue dates prior to 1946. The Company subsequently checked to ensure that the underlying documentation in respect of these policies was located in the archives and was included in the detailed inventories.
24. In order to confirm that the Company had appropriately identified the Relevant Records contained in the Relevant Archive Sites, PwC conducted a statistical sampling exercise in order to test the completeness and accuracy of the inventories compiled by AXA Colonia by reference to the records contained in the archives. We also carried out systematic searches of a sample of the areas of the archives identified by the Company as being non-relevant, in order to ensure that these areas did not in fact contain Relevant Records.
25. As a result of the work performed in respect of Audit Standard Three, approximately 2.3 million Relevant Records were identified. Although the MoU states that the investigation will assess the remaining unpaid insurance policies of Holocaust victims, AXA Colonia has in fact sought to identify all available policyholder files of the relevant period for the purpose of the ICHEIC claims driven approach. In this context, "*policyholder files*" are defined as "*Contracts, namecards, policy numbers, related correspondence, information and data for life insurance policies in the period 1920 to 1945 inclusive.*" The Relevant Records identified include policy contracts, manual record cards, policy registers, group insurance files and correspondence.
26. Our review of the security measures put in place by the Company to safeguard these records indicated that all records were stored in segregated, secure locations during non-working hours.



**Audit Standard Four**

27. In summary, this Audit Standard required the compilation of either electronic or manual databases of certain policyholder information contained in the policy records located as a result of the archive searches. The information specified essentially included the first and last name of the policyholder, together with the date of birth of the policyholder.
28. AXA Colonia has established both electronic and manual databases for the purposes of this Audit Standard. The manual databases contain approximately 2.2 million records of which 1.2 million are name cards in alphabetic order covering a period from 1864 to 1983. The manual databases comprise primarily manual record cards containing policyholder names and information relating to the status of the policy together with policy registers. About 600,000 Relevant Records of the manual databases have additionally been entered into the electronic investigations database, which contains approximately 720,000 sets of data in total.
29. Our statistical sample testing of the electronic database was designed to ensure that all of the policies from the period under review identified in the course of the archive searches and listed in the inventories prepared by the Company had been appropriately captured. In addition, we tested the accuracy of the information input to the electronic database by reference to the underlying inventories.
30. We also conducted a review of the organisation of the manual databases in order to ensure that documents had been appropriately classified and sorted.

**Audit Standard Five**

31. This Audit Standard required the Company to develop reasonable and expeditious systems for the research and investigation of incoming claims.
32. The claims investigation procedures developed by the Company envisage the use of both the manual and electronic databases developed for the purposes of Audit Standard Four. On receipt of an incoming claim, AXA Colonia claims researchers are required to search the



manual databases established by the Company in order to identify underlying policy documentation to enable the claim to be further investigated. The Company subsequently interrogates the electronic investigations database. The manual databases are consulted in priority to the electronic investigations database to reflect the fact that errors have occurred in inputting Relevant Records to the electronic database as a result of a number of factors, including the difficulties associated with deciphering hand-written records which were created over fifty years ago.

33. Our review of the claims investigation procedures indicated that the search criteria applied by the Company for both the manual and electronic databases are broad and are designed to mitigate the risk of the underlying policy documentation not being identified by the Company as a result of errors in the spelling of the policyholder name in the electronic database, for example, or the misfiling of records in the manual databases.

## MATTERS ARISING FROM OUR WORK

### The Electronic Investigations Database

34. We noted that the date of birth of the policyholder, in so far as this was available in the underlying policy documentation, was not always input to the electronic investigations database as required by Audit Standard Four. The Company's claims experience to date indicates, however, that while this information is useful in narrowing down the search for a policyholder, it is not the sole or critical means of identification. Claims received to date include the first and last names of the policyholder and the principal research criterion used by the Company is the family name.
35. Additionally, the searches using the manual and electronic databases are designed to consider spelling various and names that sound similar but may be spelled differently.



### The Manual Databases

36. While the electronic database established by the Company can be researched using numeric and alphanumeric information, certain of the manual databases originally compiled by the Company were sorted by policy number only. As such, these databases could not be effectively searched for the purposes of claims handling unless the claimant was able to provide the policy number. The Company therefore decided to input further Relevant Records that had previously existed in the form of manual databases alone, to the electronic investigations database.
37. Our sample testing of the remaining Relevant Records that exist as manual databases alone, indicated that, for the overwhelming majority of the manual records filed by policy number a name card also exists for the same policy that is sorted by name in alphabetic order. This enables these Relevant Records to be searched effectively.

### CONCLUSION ON COMPLIANCE WITH THE AUDIT STANDARDS

38. Based on the work we have performed which is described in this report, nothing has come to our attention which causes us to believe that AXA Colonia has not complied, in all material respects, with the requirements of the Audit Standards.

### COMPLETE AND UNFETTERED ACCESS

39. The Guiding Principles of 29 June 2000 issued by the ICHEIC which govern the Extended Peer Review process require the external auditor to issue a statement confirming that the principle of complete and unfettered access to Relevant Records, established in the MoU, has been complied with.
40. The management of AXA Colonia has represented to us that they are not aware of any books, records or file archives that may be of relevance or potential relevance to the investigation that have not been made fully available to us in the course of our work. We con-



firm that we have been given unfettered access to Company locations in the course of our work.

## THE MANAGEMENT REPORT OF AXA COLONIA

41. The procedures adopted, and the work performed by AXA Colonia in order to comply with the Audit Standards, are described in the Management Report of AXA Colonia which has been issued in English.
42. We have read the Management Report of AXA Colonia. Based on our reading of the Management Report and our work performed as described in this Report, nothing came to our attention that causes us to believe that the Management Report does not fairly describe the procedures adopted by AXA Colonia to comply with the five ICHEIC Audit Standards.

Munich, 8. March 2001

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**ICHEIC AUDIT WORKING GROUP  
AUDIT SCOPE AND STANDARDS**

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- Three                  Identify and Secure Relevant Records**
  
- Four                    Develop Investigations Database**
  
- Five                    Investigate Incoming Claims**

## OBJECTIVES FOR SCOPE AND STANDARDS

During the ICHEIC meeting in Washington on 20-21 January 1999, the overall audit approach of the AWG, as in the Executive Summary, was accepted and notably it was understood that "the existence and content of company archives varies from country to country and from company to company. As the number of claims (and potential exposure) will also vary, the standards as well as the scope of audit may therefore vary from country to country." Based on these principles, the AWG has developed 5 broad standards and benchmarks with the following objectives in mind:

- To establish standards which ensure "the expeditious processing of all inquiries received (i.e. claims driven process) in a just and cost-effective manner in accordance with the claims handling guidelines established by the IC, and allow the assessment by way of a top down analysis of the total unpaid policies issued to Holocaust victims."
- To ensure that consistent investigative standards are applied by all Insurers participating in the ICHEIC process.
- To establish standards which can be subject to independent "audit" in order to satisfy external public scrutiny.
- To satisfy investigative requirements resulting from other ICHEIC decisions.



## STANDARD ONE

### Identify Relevant Companies

"Insurers" will identify all "Relevant Companies" which exist at 31 December 1999.

### Definitions

#### Insurers

Includes all insurers participating in the MOU process (i.e. Allianz, AXA, Generali, Winterthur and Zurich to date)

#### Relevant Company

A company that issued life insurance policies during the period 1920 - 1945 inclusive, in a relevant country, including a subsidiary or branch office, where a control-relationship exists today or, in countries where nationalisation occurred, where control existed before nationalisation.

#### Relevant Country

Nazi Germany and Areas Occupied by Nazi Germany. Specifically, in the context of a reasonable cost and timeframe, these countries are:

Austria, Belgium, Czech Republic, Germany, France, Hungary, Italy, Luxembourg, The Netherlands, Poland, Slovakia and Romania.

## STANDARD TWO

### Insurers will identify their Relevant Archive Sites

Insurers will identify their "Relevant Archive Sites".

#### Definitions

##### Relevant Archive Sites

Those Insurer "Archive Sites" that might potentially contain "Relevant Records".

##### Archive Site

Any Insurer location (i.e. owned, leased or managed by third party sub-contractors) containing policyholder documentation of the company.

##### Relevant Records

Relevant records are:

- available "Policyholder Files" and other available company records to verify coverage for the purposes of the ICHEIC claims handling process; and
- other company data suitable to be used in the "Top Down Analysis".

##### Policyholder Files

Contracts, namecards, policy numbers, related correspondence, information and data for life insurance policies issued in the period 1920 to 1945, inclusive.

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## STANDARD THREE

### Identify and Secure Relevant Records

For all relevant Archive Sites, prepare an overview which describes their content.  
Further, identify, organise and secure Relevant Records within these sites.

## STANDARD FOUR

### Develop Investigations Database

Insurers will identify and make available to the ICHEIC auditors (dependent on local regulations and availability), based on their findings in relevant company archives as defined in Standard 2, and using any other additional information from company records which will materially help their investigation of claims of Holocaust victims, an electronic and/or manual database and/or combination thereof, of the life insurance policies<sup>(1)</sup> issued to "Holocaust victims" (to the extent possible according to the definition agreed by the ICHEIC) during the period 1920-1945 inclusive. The database will include, at a minimum, where available, the "name" (first and last name and maiden name), policy number and the place and date of birth of the policyholder.

(1)

The term "life insurance policies" is used broadly to include all forms of life insurance, such as annuities, endowments, and dowries. The fact that the database(s) described above only consists of life insurance policies does not exclude the consideration of claims on other forms of insurance policies issued to "Holocaust Victims". If a company and the ICHEIC auditor disagree with the audit work plan, then the matter will be brought to the attention of the ICHEIC for a final decision.

## STANDARD FIVE

### Investigate Incoming Claims

Insurers will develop expeditious and reasonable systems and procedures for the investigation<sup>1</sup> of all claims received<sup>2</sup> and will describe their investigation activities by way of a workflow chart<sup>3</sup>. Each claims file will contain a completed audit trail which allows auditors to validate on a sample basis the investigation against the agreed claims handling process in each company.

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<sup>1</sup> Each insurer can have different procedures in place for the investigation and handling of claims tailored to its individual circumstances, i.e. an approach that works for one Insurer may not work for another due to differences in systems, etc.

<sup>2</sup> Either directly or via the ICHEIC as set out in the draft Report of the Claims Working Group to the ICHEIC.

<sup>3</sup> Work flow chart as introduced in the draft Report of the Claims Working Group to the ICHEIC.

**AXA Colonia Lebensversicherungs-Management AG**

**Management Report**

**AXA Colonia Konzern AG**

**Cologne**

**and its subsidiaries**

**engaged in life insurance business**

**for the**

**International Commission**

**on Holocaust Era Insurance Claims**

**Cologne**

**1 March 2001**

Part 1

AXA Colonia is and was<sup>1</sup> at all times highly concerned with, and sensitive to, allegations concerning the involvement of the insurance sector in the injustices committed under the National Socialist regime. In the summer of 1997, the Board of Directors established a project for the full enlightenment of each and every fact about policies of the victims of the Holocaust. Under the supervision of the Board of Directors a team managed by the heads of the departments of life claims handling and of legal affairs worked together with an independent historian and a dedicated staff of professionals. This project group initiated a thorough analysis of the relevant companies internal records to evaluate their activities in the pre 1946 era.

The initial archive work carried out by AXA Colonia was not restricted to a limited portion of its surviving records. Instead, all remaining documentation concerning life insurance policies issued up to and including 1945 by the life insurance companies affiliated with AXA Colonia-Konzern AG group (including their predeceasing companies) were identified, analysed and stored in various databanks.

The examination was initiated in the main office in Cologne in the summer of 1997. In the summer of 1998, it was extended to both German and foreign subsidiaries as well as to the dependent branch offices of group members.

On the basis of these efforts, AXA Colonia was, from an early stage, able to analyse and address all inquiries which were received directly by any of its member companies. Similarly, AXA Colonia was in a position to review inquiries received by the „hotline“ established by Allianz, the largest insurance company in the German market, or through the German Insurance Association (GDV). AXA Colonia was and remains prepared to review all inquiries and claims relating to the pre-1946 era, and to make payments where appropriate.

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<sup>1</sup> As used in this report, the term „AXA Colonia“ refers to the group of insurance companies and related entities engaged in life insurance business (including their legal predecessors in interest) under the holding of AXA Colonia Konzern AG.

### German Federal Insurance Supervisory Authority

a) The German Federal Insurance Supervisory Authority ("BAV") carried out an on-site examination of the life insurance companies in the AXA Colonia group in 1998 in order to ascertain what procedures were in place for the analysis of life insurance policies ("relevant policies") entered into by Holocaust victims up to 1945.

In carrying out this inspection of AXA Colonia and some other life insurance companies, the BAV wanted to develop such knowledge about the general and legal position of the relevant policies as was required in order to subsequently be able to instruct all German insurance companies to carry out similar investigations.

b) By Circular Letter 1/99 dated 28.01.1999, the BAV instructed all German life insurance companies to again review whether payments were outstanding to victims of the Nazi persecution with valid claims on the basis of insurance policies which had been entered into before 1945. BAV requirements were followed by the company; these requirements had no impact on the company's adherence to and compliance with the ICHEIC audit standards.

### The ICHEIC Procedure

A number of European insurance groups, among them AXA, as well as representatives of U.S. and European insurance regulators, Jewish organisations and the State of Israel signed a Memorandum of Understanding ("MoU") in August 1998. This was followed by the set up of the International Commission on Holocaust Era Insurance Claims. ICHEIC was entrusted to establish a binding frame work for the investigation of unpaid insurance claims and their appropriate settlement.

For this purpose, in 1999 ICHEIC formulated an "Audit Mandate" and five "Audit Standards" summarised as follows:

- "to establish standards which ensure the expeditious processing of all inquiries received (i.e. claims driven process) in a just and cost-effective manner and



allow the assessment by way of a top down analysis of the total unpaid policies issued to Holocaust victims".

The Audit Standards corresponded to the aims that AXA Colonia had already set itself. In matters of detail, the organisation and arrangements for the internal investigations undertaken by AXA Colonia were adjusted to conform to ICHEIC regulations.

On September the 19<sup>th</sup> 2000, the CEO of AXA-Colonia, Claus-Michael DILL, greeted a delegation of ICHEIC including the Vice-Chairman , Geoffrey FITCHEW, the Insurance Commissioner for Pennsylvania, Diane KOKEN and the representative of the State of Israel, Bobby BROWN. He emphasised the deep commitment of the AXA Group and more specifically of AXA Colonia to the ICHEIC process. It was a perfect opportunity to present the team AXA Colonia has dedicated to the Holocaust project, to show the kind of archives that have been saved and stored , the type of databanks we have developed for the Holocaust search and the methods that are presently used to have a most likely chance to find any claims related to our company.

The following summarises the steps AXA Colonia has undertaken to comply with the ICHEIC Audit Standards which the management believes it has achieved.

## Part 2

*Standard 1: Insurers will identify all Relevant Companies which exist at 31 December 1998.*

All investigations under Standard 1 were carried out by an independent historian specifically appointed to perform the task. His task was to identify the relevant companies and their areas of business operation.

Procedures used in this historical inquiry can be summarised as follows:

The starting point of this investigation was the *Historical Archive of the AXA Colonia Konzern AG*. This internal company archive was established in 1983 by the Colonia insurance companies and is located in AXA Colonia's Cologne-Holweide offices. In 1993, the historical records of the Nordstern insurance companies were incorporated into this archive.

This archive does not contain any old client files or insurance policies but instead only contains files that appear relevant to the corporate history of AXA Colonia, e.g.:

- commemorative publications,
- old business reports,
- minutes of the proceedings of board meetings, executive meetings and general meetings,
- records of shares and historical investment certificates,
- former advertising material (photographs / films) and
- company journals and publications.

The material preserved from AXA Colonia's preceding companies varies greatly in terms of quantity and quality.

The historian reviewed all the materials in this archive, ascertained the relevant sources and made various additional researches.

The results of the historical research allowed to ascertain:

1. the family tree of the AXA Colonia companies, including all mergers since being founded (including Albingia which has been acquired in 1999).
2. the portfolios transfers since being founded
3. the business areas in which each of the companies appearing in the family tree were active.

Careful studies have been made to verify that all companies of the later AXA Colonia group did business in the relevant time exclusively in Germany, i.e. in the Deutsches Reich within the respective borders.

Difficulties in identification due to identical names could also be clarified.

With the extension of the borders of the Deutsches Reich in 1938/39 small portfolios were transferred to some of the AXA Colonia's predeceasing companies from the Czech Sudetenland after this area had been integrated into the Deutsches Reich. In 1940 further policies from the former Czech Olsa-area were transferred from Czech and Slovakian insurers to an AXA Colonia predecessor company

Standard 2:      *Insurers will identify their "Relevant Archive Sites"*

In all the predeceasing companies of the AXA Colonia life insurance policies were processed only in the headquarter and therefore held in the archive of the headquarter. In the case of mergers, which led to the closure of former main offices, the archives have been transferred to the headquarter of the receiving company.

The remaining records of predeceasing companies were archived at the four locations of former main offices that are still in the possession of the company.

The initial aim was to establish where and what documentation of the life companies was available. According to the regulations of commercial law for keeping business documents, which allow them to be destroyed after 6 or 10 years after the last legally relevant document has been produced, it could not be assumed that there were still many complete documents left from the period before 1946. Nevertheless, the result of the research was that in the above mentioned locations at times extensive records of files were found to be present, despite the legal time limits having expired.

The first measures taken were therefore:

- An immediate, total ban on destroying the documentation of all AXA Colonia companies. This ban was later modified to the effect that the systematic destruction of business papers (following expiry of the legal safekeeping period) was only permissible if the responsible person concerned was convinced that these papers did not originate from the period before 31.12.1945.
- A speedy but intensive inspection of all the archive locations where it was thought possible to find relevant records.
- The assessment of a potential archive site in the main office of AXA Colonia Leben which might be suitable for the central safe storage of the documents found.

We opted for a former computing center which was technically suitable.

At the 8.11.1999 the divisional managers of AXA Colonia Lebensversicherungsgesellschaft were requested in written communication to search their personal filing systems for documents referring to policies signed prior to 1.1.1946. The documents from individual files found in this way were also transferred to the central archive site.

As a result, all relevant documents have been centralized and several rooms have been set up in which incoming claims are processed. For all these rooms, security conditions have been laid down.

*Standard 3:* *For all relevant Archive Sites, prepare an overview that describes their content. Further, identify, organize and secure Relevant Records within these sites.*

An overview detailing the location of relevant records in relevant archive sites has been worked out. While carrying out inspections of our archives we noted which life insurance documents (type and number) of the various predeceasing companies still existed and their location within the respective archive. We carried out systematic searches of all relevant rooms, shelves and cabinets and also made inquiries of elder staff. The findings in the archives were just as varied in the details as the system of archive keeping itself. In a number of cases there are contract files (insurance files), which are mostly bound and archived as a unit for each insurance number, but also

index cards, films, microfiches, record books, electronic storage and lists. In many cases the documents were hand-written, sometimes even in old fashioned German characters ("Sütterlin"). Others were barely legible as a result of water damage.

The classification order of the files are very different. There are sub-groups that are in keeping with former sections of the archives and this partly depended on the date of policy issuing or the end of the legal safekeeping time. Insurance contracts are sometimes stored separately according to the predecesing company; in some cases they have been given a new insurance policy number and are mixed with the policies of the new company following a merger. The register cards and statistical cards found are generally in alphabetical or numerical order.

The relevant documents identified during our systematic searches were then secured in an accessible manner.

***Standard 4:** Insurers will identify and make available to ICHEIC auditors (dependent on local regulations and availability), based on their findings in relevant company archives as defined in Standard 2, and using any other additional information from company records which will materially help their investigation of Holocaust victims an electronic and / or manual database and / or combination of the life insurance policies issued to "Holocaust victims" (to the extent possible according to the definition agreed by the ICHEIC) during the period 1920 to 1945, inclusive. The database will include, at a minimum where available, the "name" (first and last name and maiden name), policy number and the place and date of birth of the policyholder.*

While stocktaking the archives and documents, the following concept was formulated in the summer of 1997:

If there are relevant documents of a certain extent in a readable form and in alphabetical (name of policyholder) or numerical (insurance policy number) order, these original documents themselves constitute a manual database that can be accessed manually for

research purposes. All other documents have been recorded in an electronic database in order to have suitable access to the policyholder names.

After extensive preparatory work, the following manual databases exist, covering varying predecessor companies:

- a) Name cards in alphabetical order to identify the application/policy number, for separate predecessor companies. Forms are either film rolls or index cards or microfiches.
- b) Statistic cards in numerical order, which can be accessed via an insurance policy number, to find information on the identity of the insured person and on the actuarial bases. To every statistic card a name card exists which can be assessed for alphanumeric search. Form: index card.
- c) Insurance policy numbers list that can be used to get information about the existence of the file listed. Form: policy numbers lists binders in A-4-format, entries.
- c) Register Books with chronological evidence of the insurance policy numbers given on entering the contract.
- d) Collection cards in numerical order which can be assessed via an insurance policy number to find information on the identity of the policyholder and on the actuarial bases. Form: microfiches.

The concept of database organization was based on the assumption that in the case of all expected searches for a policy entered into before 1.1.1946, at a minimum the surname, first name and date of birth would be available and could be used to search through the manual databases. If such a search proves successful, then in certain cases search can be carried out using the list of insurance policy numbers to find out whether the corresponding file is still present. This file will then be located immediately in our organized archive.

However, to put this concept into practice it was necessary to put the manual databases into a form which is easily accessible. This included a systematic checking of the correct classification order and the documentation of the contents and systems of the available material. In order to deal promptly with the expected number of claims the

technical preparatory work also included leasing additional equipment to read and copy film rolls and jackets/fiches.

Since for some types of documents it is impossible to have systematic access, we set up an electronic database ("45-DB") by the end of 1997 with the purpose of supporting the research in the manual databases. This database will be used for additional investigation of a person after the search in the manual databases has been completed.

The content of the electronic database was defined in 1997 (i. e. before the agreement upon the ICHEIC-Audit Standards in 1999) as follows:

- All policies for which there is either an original file (which has been administered since the outset of the contract) or a substitute file (which was set up after war when correspondence came in and the original file had been lost).
- All names and policy numbers from the relevant period, if the original documents are not directly accessible in the manual databases

The volume of this database is 719,412 entries as of 01.03.2001.

Just before the start of the research and recording work at the beginning of 1998 independent auditors checked the design of the 45-DB. They stated that the procedure was appropriate to orderly achieve the targets pursued with the work orderly.

*Standard 5: Insurers will develop expeditious and reasonable systems and procedures for the investigation of all claims received, and will describe their investigation activities by way of a workflow chart. Each claims file will contain a completed audit trail that allows auditors to validate on a sample basis the investigation against the agreed claims handling process in each company.*

AXA Colonia has established a procedure for the handling of ICHEIC Claims which is documented in a work flow chart. Each element of the work flow chart is attributed by detailed work instructions for the staff.

When preparing the ICHEIC Claims Handling Process AXA Colonia was able to draw on the experience of processing approx. 3,000 inquiries received through the Allianz Hotline, the GDV, the Fast Track Procedure, or direct at AXA Colonia. During these activities between 1997 and 1999, approx. 4,000 persons were researched in the manual and electronic databases.

The details of the current Claims Handling Process took good account of the ICHEIC process including the role of Eastgate, the service provider appointed by ICHEIC. The procedures at AXA Colonia take account of all ICHEIC proposals and instructions with regard to the structure of the work and communication.

AXA Colonia receives all the claims in which either one of its predecesing companies is explicitly named (named claims) or where a reference (place of residence or signature) to the German market can be identified (unnamed claims). AXA Colonia shall also receive from ICHEIC all unnamed claims on policies issued in such areas of the Deutsches Reich within the respective borders which were after the war not part of today's Federal Republic of Germany.

On the basis of the information obtained about our policies issued in the relevant period a decision is made in accordance with the ICHEIC Valuation Guidelines.

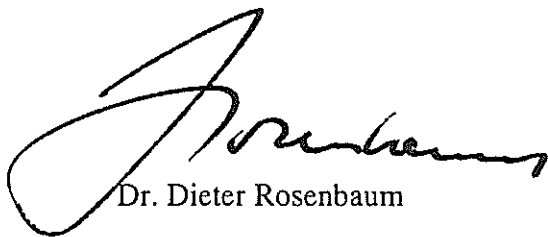
If the claimant accepts our offer and gives the necessary signatures and declarations of intent, the amount offered is transferred as soon as possible to the account specified by the claimant in the currency he has requested.



The cases decided by AXA are regularly reported to Eastgate and recorded there on a database.

Cologne, 1 March 2001

AXA Colonia Lebensversicherungs-Management AG



Dr. Dieter Rosenbaum



Dr. Udo Bertermann