



Accountants &
business advisers

International Commission On Holocaust Era Insurance Claims
1 Waterhouse Square
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London
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Our ref:

30 January 2006

Dear Sirs

Report by PKF to the International Commission on Holocaust Era Insurance Claims ("ICHEIC") on its Peer Review of the Compliance Reports issued by PricewaterhouseCoopers on the compliance by Assicurazioni Generali S.p.A., including certain of its existing and former branches and subsidiaries, (collectively or individually "the Insurer" or "Generali") with the Audit Standards promulgated by ICHEIC.

The Insurer is a large group based in Italy with numerous domestic and foreign businesses. The structure insofar as compliance with the Audit Standards is concerned is explained in Section 5 to this document. We have issued Peer Review reports in respect of the Insurer's other operations for which separate Compliance and Management Reports have been prepared.

This report is made in respect of the reports ("Compliance Reports") listed in Section 4 issued by PricewaterhouseCoopers (the "Independent Auditor") and which are set out in Section 1 to this document on the compliance by the various parts of the business of the Insurer with the five Audit Standards ("Audit Standards") promulgated by ICHEIC set out in Section 3 to this document. The Compliance Reports have been issued in respect of the Management Reports set out in Section 2 prepared by the Insurer and which are listed in Section 4 to this document which describe the Insurer's compliance with each of the Audit Standards.

In accordance with the Engagement Letter between us dated 12 October 2000, we have reviewed the Compliance Reports and the supporting working papers and have made site visits to the Insurer's archives and carried out limited sample testing of the Insurer's databases, files and other records.

Our opinion 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.

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Opinion

In our opinion, the scope of the work performed by the Independent Auditor, the tests they performed and the documentation they have retained in relation to their appointment, support the findings and conclusions drawn by them as set out in their Compliance Reports.

PKF (UK) LLP

PKF (UK) LLP
London

Section 1

Assicurazioni Generali S.p.A. - PKF Peer Review Report

Compliance Reports

Section 2

Assicurazioni Generali S.p.A. - PKF Peer Review Report

Management Reports

Assicurazioni Generali S.p.A. - PKF Peer Review Report

Audit Standards

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 costs and timeframe, these countries are:

Austria, Belgium, Czech Republic, Germany, Greece, 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, name cards, policy numbers, related correspondence, information and data for life insurance policies issued in the period 1920 to 1945, inclusive.

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 policies¹ 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 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 which allows auditors to validate on a sample basis the investigation against the agreed claims handling process in each com

Section 4

Assicurazioni Generali S.p.A. - PKF Peer Review Report

Schedule of Compliance and Management Reports

Compliance Report	Date of Report
Branch Offices in Eastern Europe	28 February 2001
Branch Offices located in Eastern Europe Supplementary Report	30 August 2002
with Addendum	23 January 2003
Branch Offices located in Western Europe	28 October 2003
Subsidiaries located in Eastern Europe	30 August 2002
Italy	1 November 2002
Italy Supplementary Report	27 February 2004
with Appendix to Management Statement	27 January 2004
Italy Second Supplementary Report	30 June 2005

Management Report	Date of Report
Italy	9 May 2001
East Europe, Austria, Belgium, France and Germany	30 May 2001
Appendix No. 1 for East Europe, Austria and Germany	Undated
Appendix No. 2 for France	11 June 2003
Appendix No. 3 for Belgium	22 September 2003
Appendix Italy	27 January 2004
Final Management Report Italy	18 April 2005

Assicurazioni Generali S.p.A. - PKF Peer Review Report

Schedule of Compliance and Management Reports

The Insurer's Compliance Structure

The Insurer has, and had, businesses in the relevant countries in both the former eastern and western parts of Europe, including its domestic businesses in Italy. In most countries, there were, as a result of acquisitions, both branch and subsidiary company operations. Records of both subsidiary companies' and branch offices' operations were maintained locally with only annual financial returns sent to the head office in Trieste by subsidiaries and technical life data from branch offices sent to Trieste for head office to calculate year-end reserves. Copies of policies written by subsidiaries in the former eastern Europe have all been lost, whereas copies of policies written by western European subsidiaries have survived to varying degrees. In the case of branch operations, whether in the eastern or western parts of Europe, watercopies of the first page of all policies were sent to Trieste thereby providing a substantially complete record of policies issued during the relevant period.

Generali established an office in Trieste, where its head office is located, to handle Holocaust Era claims on potentially unpaid life insurance policies. This office handles all claims relating to the domestic Italian businesses and all claims relating to policies issued by its former foreign branches in Eastern Europe and Austria, while claims referring to policies issued during the relevant period in Belgium, France and Germany are processed locally, with Trieste providing them with any supporting information in its possession.

The Compliance and Management reports relating to branches in eastern Europe, Austria, Belgium, France and Germany cover the organisational structure, details of the branch records retained from the relevant period and the claims handling operation under Standard 5. Supplementary reports listed in Section 4 relating to the domestic Italian business, western European foreign branches and former east European subsidiaries cover Standards 1 - 4, thereby reporting on the availability of surviving records of those businesses to the Trieste claims handling office.

Subsidiaries in western Europe, i.e. Austria, France and Germany, are the subject of reports separate to those listed above in Section 4, whereas the handling of claims on the branches in those countries are covered by the reports listed in Section 4.