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International Commission On Holocaust Era Insurance Claims  
1 Waterhouse Square  
138-142 Holborn Bars  
London  
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Our ref: RRW/jf

14 December 2001

Dear Sirs

**Report by PKF to The International Commission On Holocaust Era Insurance Claims on its Peer Review of the Compliance Reports issued by Arthur Andersen AG and PricewaterhouseCoopers AG on the compliance by Zurich Insurance Company with the Audit Standards promulgated ICHEIC**

We refer to the reports issued by Arthur Andersen AG and PricewaterhouseCoopers AG (the "Independent Auditors") dated 22 November 2001 ("the Compliance Reports") set out in sections 1 and 2 of this document on the compliance of Zurich Insurance Company ("the Insurer") with the five audit standards ("Audit Standards") promulgated by the International Commission On Holocaust Era Insurance Claims set out in section 4 to this document. The Compliance Reports refer to the Management Report dated 22 November 2001, set out in section 3 to this document, prepared by the Insurer which describes the Insurer's compliance with each of the Audit Standards.

In accordance with the Engagement Letter between us dated 9 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, the Insurer's 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 Auditors, 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 Report.

A handwritten signature in black ink, appearing to be 'PKF'.

**PKF**

London

14 December 2001

**Zurich Insurance Company - Peer Review Report**

**Section 1**

**Compliance Report Prepared by Arthur Andersen AG**

**Compliance Report Prepared by PricewaterhouseCoopers AG**

**Management Report Prepared by Zurich Insurance Company**

**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.

**Audit Standards**

**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.

## **Audit Standards**

### **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.

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<sup>1</sup> 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 company.