

Herbert Hansmeyer

Member of the Board of Management

Hon. Dan Burton
Chairman

Hon. Henry A. Waxman
Ranking Minority Member

Congress of the United States
Committee on Government Reform
Democratic Staff Office
Fax 001-202-225-4784

December 4th, 2001

Dear Chairman Burton,
Dear Mr. Waxman,

I have received your letter of November 21st, 2001 and appreciate the continued interest of the Committee on Government Reform in the history of insurance during the Nazi period and in the German restitution. I am glad to learn that the testimony of Fireman's Fund representative Peter Lefkin was helpful in providing additional information. As you are probably aware, German based Allianz AG is a founding member of the Foundation „ Remembrance, Responsibility and the Future“, the public and government supervised German Foundation, in which German industry and the German government joined together and provided DM 10 billion in restitution funds for victims of the Nazi Terror. The humanitarian funds available under the Foundation address areas of injustice which were not or could not be completely dealt with under the German restitution laws in the thirty years those were in place. Insurance was comprehensively and conclusively settled under those laws. As a consequence, almost no policies remained unsettled - unless rare and very specific circumstances prevented victims from filing compensation claims. Nevertheless, some DM 550 million of the Foundation funds are allocated to cover insurance.

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At the outset I would like to make two observations.

First, much of the information being sought by the House Government Reform Committee relates to the German restitution and compensation efforts. Therefore, I have attached a small documentation for your perusal and would encourage you to seek additional information from the competent government authorities in Germany.

Second, I note that the general focus of your questions is predicated on the perception that there potentially exists a large number of unclaimed or unsettled policies from German insurance companies. This is not the case and a misperception. Secretary Bodo Hombach from the Chancellors office already corrected that perception in his writings to ICHEIC chairman Eagleburger. As follows from this communication and the subsequent follow-up by the German Finance Ministry, almost every policy issued in Germany was settled either by the company and or the Government to the beneficiary or heir directly for those claiming, or in the form of lump sum agreements with Jewish organizations who received these funds for the original beneficiaries. Indeed, in the negotiations that led to the German Foundation, there was consensus that the aggregate amount allocated to the settlement of individual unclaimed policies including all the related costs, should be substantially less than the 200 million Deutsch Marks allocation under that window.

In the following please find additional information on the questions you were raising:

1. As noted in my reply to your question 2 of your Oct 12th, 2001 letter, in 1999, we have given to ICHEIC a list of names of 308 policyholders pertaining to a total of 323 policies which remained in total or partially unsettled. According to our research, all the policyholders were Holocaust victims.

The policyholder list which Allianz provided to ICHEIC for matching with Yad Vashem, is a separate matter. Pursuant to an agreement with the representatives from the State of Israel, Allianz Lebensversicherungs AG submitted about 140,000 names to ICHEIC for delivery to Yad Vashem during the course of 2000. The purpose is to identify policyholders who became victims of the Nazi regime. This list mostly includes settled policies, but also some unsettled ones. Please also refer to my explanatory remarks under number 1 of my October 22nd, 2001 letter.

2. We have not yet received the results from Yad Vashem, but we have heard informally that we should receive them during the next several weeks.

3. and 4. We are applying the relaxed standards of proof that were promulgated by the International Commission on Holocaust Era Insurance Claims in every case. As Mr. Eagleburger stated in his testimony to you, almost 90 % of the cases ICHEIC receives are inquiries not naming any particular company or sometimes not even a country. In many cases, several companies are named without any further evidence. As a consequence, almost all of the enquiries and many of the named company claims are and have to be researched by all companies which did business in

a particular area. In addition, many search requests contain a multitude of names from relatives and other persons who, theoretically, could have taken out a policy. All of these lead to a multitude of individual researches in the archives of a multitude of companies.

Inquiries that do not involve one of our group companies, are referred back to the ICHEIC administrative office. This office will then determine whether or not it distributes the inquiry to other companies. It should be noted that for Germany, ICHEIC in so far only approaches MoU companies and has not yet involved all other companies into research. The status of cases can only be determined after all companies have completed their research. I would suggest that you direct status questions to ICHEIC, which is best positioned to provide you with a full account of the extended research activity.

5. The Allianz Group companies offered payment in 203 cases at an average of \$ 8.850 resulting in the total amount of compensation offered of \$1.79 million.

6. Mr. Lefkin agreed to submit to the Committee a copy of the report on the Methodology employed in the Arthur Andersen examination. It had been shared previously on a confidential basis with state insurance regulators in California, Washington and Minnesota. We ask also that this be held as a confidential document by your Committee and not be made public (see attachment).

7. The International Commission on Holocaust Era Insurance Claims is a Swiss Verein which was established pursuant to Swiss law and is governed by its statutes and articles of association and Swiss Law. Chairman Eagleburger had proposed these articles and statutes after diligent research of consulting lawyers and to my knowledge they had been unanimously accepted by all members. These statutes govern that all policy decisions have to be made after discussion among the various member interest groups and after a specific form of consensus has been achieved.

8. The Steiner case is currently being reviewed by RAS. We anticipate the review result shortly.

9. For our determinations on compensation proceedings we rely on the legally binding judgments of the compensation courts. For more detailed information you should reach out to governmental authorities in Germany who possess the information about the judicial backgrounds these court proceedings were based on.

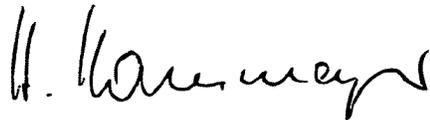
10. ICHEIC has already received well over \$170 million from the companies and the Dutch Insurance Association. Additionally, interest generated by these funds is augmenting ICHEIC's financial resources.

As already discussed, substantial further funds are available from the German Foundation if and once ICHEIC has concluded a contract with the Foundation. I am not familiar whether ICHEIC has taken any initiative to secure additional funds from the Austrian, French, and Belgian Foundations.

Preliminary budget indications communicated by Mr. Eagleburger and the administration do in my opinion not support any fear of ICHEIC not being able to pay its bills or expenses. Apart from administrative salaries, consulting fees and other administrative expenses, outsourced claims handling and helpline functions seem to be the only major future expense blocks ICHEIC has committed to.

I have to disagree with Mr. Eagleburger's notion that the companies are exercising financial control in order to punish him for his actions. The companies as all other members are mindful of their obligations to Holocaust survivors and their heirs to ensure that all expenditures are prudently managed.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "H. Hansmeyer". The signature is written in dark ink and is positioned centrally below the typed text.

Encl.

Enclosures

Restitution and Compensation for NAZI Crimes
Background Papers

Methodological Basis of The Examination of Life Insurance Contracts
of Victims of National Socialist Persecution

Arthur Anderson

Letter to Chairman Lawrence Eagleburger dated May 31st, 1999

Bodo Hombach

Letter to Chairman Lawrence Eagleburger dated Dec 14th, 1999

Federal Ministry
of Finance

Settlement of heirless claims through Luxembourg and global accords

Letter to Chairman Lawrence Eagleburger dated Aug 13th, 1999

Bundesaufsichtsamt
für das
Versicherungswesen

Break-out Session on Holocaust-Era Insurance:
Postwar Government Programs and Nationalization

Rudolph Gerlach

Plenary Session on Holocaust-Era Insurance Claims

Herbert Hansmeyer