

# TECHNICAL ADVISORY

**TA 126**

**August 19, 1998**

**SUBJECT:** LIRC Bulletin 98-04  
Use of Year 2000 Endorsements and Exclusions

**BACKGROUND:** As outlined in IIAL Technical Advisory TA 125, dated August 14, 1998, the Louisiana Insurance Rating Commission (LIRC) has approved a number of ISO Year 2000 limitation endorsements. LIRC has promulgated bulletin LIRC 98-04 through the Louisiana Insurance Rating Commission (LIRC) to provide guidelines on how Year 2000 limitation endorsements should be handled.

**MAIN POINTS:** Attached is the actual Bulletin LIRC 98-04. Main points include:

1. Year 2000 endorsements must be individually underwritten;
2. Year 2000 endorsements may not be used in personal lines coverage, except for business related pursuits;
3. Policies containing Year 2000 endorsements must have a renewal notice informing the policyholder on the coverage impact under the policy;
4. Non-renewals must be handled in compliance with RS 2:636.4 and 636.6;
5. LDI will monitor the claims handling and market conduct of Year 2000 endorsements.

**NECESSARY ACTION:** Please circulate this Technical Advisory to commercial lines agency personnel.

Determine how your insurance companies will underwrite and utilize Year 2000 limitation endorsements. Develop agency procedures to monitor that use of Year 2000 endorsements and how to notify customers of Year 2000 coverage limitations.