

TECHNICAL ADVISORY

TA 130

November 9, 1998

SUBJECT: Notice of Approval of "Y2K" Form Filings

BACKGROUND: IIAL Technical Advisory TA 126 dated August 19, 1998 referenced LIRC Bulletin 98-04 concerning the ISO Year 2000 Filing endorsements. Although the ISO Y2K endorsements have been approved, LIRC Bulletin 98-04 required companies to file an explanatory memorandum with LDI establishing criteria and underwriting procedures which they would use to individually underwrite Y2K exposures. LDI has sent out the attached letter to all companies, to clarify and expedite the approval and use of Y2K endorsements.

MAIN POINTS: Companies must establish guidelines to individually underwrite Y2K exposures. As a result of confusion about the LIRC Bulletin 98-04, and the need for companies to use Y2K endorsements on policies effective 1/1/99, LDI has issued the attached letter to clarify and expedite this process. In order to use Y2K exclusions, companies must:

- 1) Individually underwrite Y2K exposures on each account in compliance with LIRC Bulletin 98-04.
- 2) File an Explanatory Memorandum with LDI outlining Y2K underwriting practices within 60 days.
- 3) Verify in writing to LDI within 60 days that you understand/agree that approval is subject to these conditions.

NECESSARY

ACTION: Review this letter from LDI and make sure that the companies you write business through are complying with LDI procedures.