

TECHNICAL ADVISORY

TA 137

April 1, 1999

SUBJECT: Y2K Exclusions - Notice To Policyholders

BACKGROUND: In IIAL Technical Advisory #134 (March 18, 1999), there was a copy of Louisiana Department of Insurance *Emergency Regulation 69*, outlining the limitations for use of Y2K Exclusions.

MAIN POINTS: In **Section 8719.A.**, there is a requirement that no policy may be issued or renewed with a Y2K Exclusion unless the insured is provided a copy of the Y2K Notice prepared by the LDOI. At the time that *Emergency Regulation 69* was issued, the Y2K Notice had not been completed. However, the Notice has just been released by LDOI, and is reproduced below. The Y2K Notice shall be provided to the insured by the insurance company, according to the Department.

For renewals that have already been sent, the LDOI advises that the Y2K Notice **must still be sent**. The forms approval process requires each company to comply with all rules and regulations of the Department. Therefore, the Department advises that the Y2K Notice must be provided to insureds, even if they have already received renewal policies containing an approved Y2K Exclusion.

In **Section 8719.B.**, there is a requirement that the Y2K Notice on renewals be provided to the insured (and the agent of record) not less than sixty days in advance (not applicable to surplus lines).

For renewals that have already been sent, the Department advises that the sixty day requirement is waived.

NECESSARY ACTION: This Technical Advisory should be reviewed by all commercial lines agency staff, as well as those personal lines staff who handle accounts with a business pursuits exposure. It is also suggested that this advisory be filed with TA134.

Important Notice From (Company) & The Louisiana Department of
Insurance

PLEASE READ IT!

A new endorsement has been attached to your policy. The new endorsement deals with the "Y2K" problem.

Use of this endorsement is governed by Louisiana Department of Insurance regulation 69.

If you have questions about the endorsement or the regulation you may contact the Louisiana Department of Insurance at the address listed below:

Commissioner James H. "Jim" Brown
Louisiana Insurance Building
950 North Fifth Street
Baton Rouge, LA 70802

or by telephone:

342-5900, 342-0895 or 342-0896
1-800-259-5300 or 1-800-259-5301