

FROM: Director, Worldwide Markets
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SUBJECT: LICENSING AGREEMENT BETWEEN LLOYD'S
AND INSURANCE SERVICES OFFICE, INC.
("ISO")
SUBJECT AREA(S): Enhanced Agreement, providing access to a wider range
of services
ATTACHMENTS: Appendix 1 – Available ISO products & services
Appendix 2 – ISOnet instructions
DEADLINE: **New agreement commenced 1 January 2004**

Purpose of bulletin

To inform underwriters of changes to the market-wide agreement between Lloyd's and ISO.

The Lloyd's ISO Agreement

The Agreement commenced on 1 January 2000 and gives Lloyd's and Lloyd's underwriters a non-transferable licence to use specified products and services (the products and services available under the amended Agreement are listed in appendix 1). These are delivered via ISO's internet delivery service, "ISOnet".

The Agreement gives Lloyd's and Lloyd's managing agents a total of 1,000 sign-on ID's for ISOnet. Compliance officers are expected to co-ordinate their agency's use of the ID's. Some managing agents already possess and make use of ID's and we recommend that Compliance officers review the access to ISOnet and the persons to whom they have allocated ID's, to ensure that they are making full use of this service. New ID's under this Agreement may be requested directly from ISO. Instructions for accessing ISOnet are set out in appendix 2.

Changes to the Agreement

From 1 January 2004, following negotiations between ISO, the LMA and Lloyd's, the Agreement will cover the same services as at present, together with two additional services:

- *Advisory Prospective Loss costs*: projections of average future claim costs and loss-adjustment expenses — overall and by coverage, class, territory, and other categories. ISO bases these on its database of insurance premium and loss data, which is the world's largest collection of that information.
- *Public Protection Classification Service*: gauges the capacity of local fire services in the US to respond to fires. ISO collects information on public fire protection and analyzes the data. It then assigns a Public Protection Classification from 1 to 10. Class 1 represents the best public protection, and Class 10 indicates no recognized protection.

The amended Agreement also, for the first time, gives access to ISO's Commercial Umbrella Program. The new services will be available to Lloyd's users as soon as the amended Agreement is formalised, which is expected to be in the very near future.

Further details of these services can be obtained from the ISO's public internet site, www.iso.com. The LMA will shortly issue a bulletin to its members giving further details of these services and how they can be accessed.

The fee payable by Lloyd's for the overall Agreement in 2004 is \$4,250,000, payable in four quarterly instalments. This price has been agreed for one year, and is subject to re-negotiation for subsequent years. Lloyd's collects the money to pay this fee from syndicates on a basis recommended by an NMA working party in 2000: details are set out in Market Bulletin Y2279, issued on 10 April 2000.

Obtaining access to ISO's services

The registration process is set out in appendix 2. Anyone using ISOnet for the first time should contact ISO, as the process requires the input of registration keys which ISO provides (see contact details at the end of appendix 2). ISO offers training information, to help maximise your organisation's use of their products and services, and the subsequent LMA bulletin will contain further details of the training support available from ISO.

This Market Bulletin has been issued to active underwriters and the compliance officers of managing agents and – for information - Lloyd's brokers. If you have any questions please contact either Worldwide Market Services on Lloyd's extension 6677, e-mail market.services@lloyds.com or Richard Oliver of the LMA on Lloyd's extension 8379, e-mail Richard.Oliver@lloyds.com.

Appendix 1**ISO products and services available to underwriters under the Lloyd's ISO Agreement**
This shows the products and services available under the amended Agreement

- a) The products and services provided by ISO under its license for Basic Participation consisting of Chief Executive Circulars, ISO research studies, and the right to license or purchase other ISO products or services under separate agreement at ISO's standard prices,
- b) Circulars, manuals, forms, rating rules, loss costs, and public protection classifications for all ISO lines of insurance (except Businessowners, Capital Assets, Management Protection and Market Segments) both countrywide and for all states in which ISO provides such products, including any updates thereof, and
- c) Products and services offered as of the date of this Agreement by ISO's Property Claim Services unit, including Catastrophe Bulletins, Daily Severe Weather Summaries, Tropical Storm/Hurricane Advisories, current estimated losses, and any updates thereof, and
- d) Licensees may use the PCS property loss estimate as a trigger for Industry Loss Warrants (sometimes known as original loss warranties).

Appendix 2

Welcome to ISONet!!

Welcome to ISO's Internet information service for insurance professionals. We are very pleased to be able to bring ISO's vast wealth of insurance information right to your desktop as a result of the new Corporation of Lloyd's and ISO Agreement.

To help you get the ISONet service up and running smoothly and efficiently, we have prepared a brief guide to help you get started.

Please note that the ISONet web site also contains an extensive online User Guide that can answer many questions that individual users may have about the ISONet service. In addition, ISO help is available by e-mail or phone to respond to any questions that your employees may have.

Get Ready! -- ISONet Technical Requirements

In order to use the ISONet system to its fullest capacity, the following hardware/software configurations are recommended for each workstation:

- Internet browser software is required. ISONet supports both of the major Internet browser software programs:
 - Microsoft Windows 95, 98 or NT operating systems - either Netscape Navigator/Communicator version 4.0 or greater, or Microsoft Internet Explorer 4.0 or greater.
 - **Note: ISONet works only with Netscape Navigator 4.0 or higher and Microsoft Internet Explorer 4.0 or higher**
If you are NOT using one of these required browsers, we strongly suggest that you download a free copy of one of them before trying to register. If one of the required browsers is not used, you may not be able to complete your registration. ISO provides links to these browsers via our web site.
- Modem (minimum of 28.8 kb, though 33.6 kb or ISDN is recommended) or direct connection to the Internet.
- Adobe® Acrobat® Reader plug-in software (version 4.0) is required to view circulars and forms. This software allows for viewing documents across platforms with their original look and feel intact. The software is available free of charge from Adobe. ISONet provides a link to the Adobe web site for the free download. Online Setup instructions within the ISONet system will assist your employees on how to download and install the necessary software.
- Two ISO Microsoft Word version 6.0 and/or version 8.0 template files are required to properly view downloaded Word versions of ISO Forms and are available directly from the ISONet web site. (UK- Check under Tools Menu)
- For best viewing, a screen resolution setting of 800 x 600 pixels is highly recommended

Get Set! -- Registration

The ISONet service provides for fast, efficient online registration for each ISONet user. You can access the ISONet web site at <http://info.iso.com>. Scroll down to register now.

You will be prompted to read and accept the license agreement.

Next you must indicate whether you are registering from outside the US or inside the US. ***(If you don't see this pop up window, you are not using an approved browser).*** Your response will initiate the correct registration screen.

Next you will be prompted to "Tell Us About Yourself". Please enter name, address, and phone etc. ***(Hint – no spaces in the international phone number field.)***

Next "Sign Up For Products" As affiliates under the Lloyd's Agreement you are eligible for the following products and services:

ISONet Service for Circulars, Forms and Commercial Lines Manual Information.

TBA [registration key available from ISO]

The ISONet service for Circulars, Forms and Commercial Lines Manual information is an aid to assist you in using ISO's Circulars, Forms and Commercial Lines Manual products.

ISONet Service for Property Claim Services (PCS).

TBA [registration key available from ISO]

The ISONet service for Property Claim Services is an aid to assist you in using PCS's Severe Weather Summaries, Catastrophe Bulletins and Tropical Storm/Hurricane Advisories products. Enter this registration key in the space next to "Property Claim Service (PCS)".

Next select your own unique ISONet user name and password. This will become your logon ID for ISONet and PCS. ***(Hint – your user ID and Password are case sensitive).***

Select Register Now and you will receive a message indicating the online registration process is successfully completed. The newly registered user will have immediate access to the password-protected ISONet products.

Remember – To access ISONet and PCS in the future you will need to enter:

User Name This is preassigned – first name initial and last name (no spaces) unless you have changed the pre assigned name (ex: yname)

Password This was established by you

User Name and Password are case sensitive

Go! -- Get to the ISONet web site

Registered users at your company will now be able to begin using the ISONet service, putting the source of insurance information at your fingertips!

An **On-Line User Guide** is available to help you understand the ISO services and how to navigate within ISONet. Please review this information.

ISONet eligibility – Under the Agreement, Lloyd's affiliates are eligible for the following information:

Circulars - for all lines of business in all jurisdictions related to rules and forms (Circulars are ISO's method of communication to its customers.)
Personal and Commercial Lines Forms Portfolios

Commercial Lines Manuals for Multi-State Rules and Forms and State Exception Rules and Forms, Loss Costs and PPC.

Personal Lines Manual for Multi-State Rules and Forms and State Exception Rules and Forms, Loss Costs and PPC.

Property Catastrophe Service - Severe Weather Summaries, Catastrophe Bulletins and Tropical Storm/Hurricane Advisories products

Access to some ISO services is restricted under the ISO Lloyd's Agreement. If you receive a message indicating this area is restricted and your company would like more information please contact Marian Jones at ISO or your Compliance Officer.

A few words about the maintenance of registration keys, user names and passwords:

- Please assign an administrator who will be responsible for distributing the ISONet product registration key(s) to appropriate employees and ensuring that only active employees of your organization have access to the key combination.
- If an employee that has a valid ISONet user name and password leaves your company you must notify ISO. Upon notification, the user name and password for that former employee will be deactivated thus making one ID available.
- Your company will be assigned a specific number of user ID's by Lloyd's. If you exceed that number or require more numbers we can discuss activating additional IDs at your option. In the interim period, any employees trying to register will receive a message stating that registration could not be completed because all available IDs have been allotted.
- The Corporation of Lloyd's and ISO will jointly monitor registration key assignments.

Contacts for Lloyd's Market Support

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 Phone – 201 469 2508
 Fax – 201 748 1455
 E-Mail MJones@ISO.com

Michael Wright, ISO Technical Sales Consultant
 Phone – 201 469 2400
 E-Mail MWright@ISO.com

ISO Customer Service Department
 800 888 4476 Select Option 2 - Customer Service select option 1
 Select Option 3 – Help Desk for technical assistance select option 2

Customer Service Hours are 7:30 am to 6:30 pm EST (EDT) M – F
 Please leave a message on our voice mail system during off hours – we will respond to your call as soon as possible or e-mail HELPDESK@iso.com. ISONet is available 24/7 UK and US time – Scheduled maintenance notice will be provided via ISONet and will be scheduled to accommodate London business hours.