



First-ever Open Source Compliance Insurance now available through partnership between London based Lloyd’s underwriter Kiln, Lloyd’s broker Miller and Open Source Risk Management

LONDON and NEW YORK – October 31, 2005 - Kiln plc of London, U.K., a Lloyd’s of London underwriter and Miller Insurance Services Limited (Miller) a Lloyd’s broker, announced today that they will offer a new product called Open Source Compliance Insurance. Open Source Compliance Insurance is the world’s first insurance policy to cover the specialized risks faced by enterprises that include or rely upon elements of Linux and other open source software in their commercial products or internal IT infrastructure.

Open Source Compliance Insurance will initially offer cover of up to \$10 million for direct loss suffered by the insured following a finding of non-compliance with specific license agreements under which open source code is obtainable. The insurance will indemnify the insured for the loss of profits associated with the withdrawal or alteration of a product incorporating non-compliant code or the impaired valuation of an acquisition agreement exchanging open source software. In certain circumstances the policy would pay the costs to mitigate such losses including the expense of repair or replacement of code that is found to infringe upon the General Public License (GPL) or other Open Source licenses. This pioneering product was developed as part of a three way collaboration between Miller (the broker) Kiln (underwriter) and Open Source Risk Management (OSRM) of New York, which will act as the exclusive worldwide risk-assessor and advisor under the facility.

Worldwide, more than thirty legal claims involving infringement of open source licenses have been brought against corporations in the last two years. In each case, plaintiffs have prevailed in enforcing their rights to restrict the use of their code. A common risk scenario includes development of proprietary software, such as trading tools or inventory management applications, using one or more open source software components. Simple actions like making these tools

available on an extranet, or sending them to external partners or suppliers, constitutes “distribution” under a GPL license and requires a company to open source that proprietary application, making it freely available to competitors.

Open Source compliance is excluded from standard Errors and Omissions insurance and is of particular concern for privately-held technology companies seeking to be acquired in merger and acquisition transactions, obtaining equity financing or going public. It is also a potential material risk for public companies under Sarbanes-Oxley.

“The emerging open source model of worldwide collaborative technology development introduces novel business risks that traditional insurance products can but have not addressed. Open Source Compliance insurance will make it safe for large and small corporations to adopt and build upon the important innovations coming from this vibrant global community,” said Matthew Hogg, underwriter for Kiln Risk Solutions.

“We chose to partner with Open Source Risk Management because we believe that they have the most sophisticated understanding of the risks associated with open source and are best equipped to evaluate individual clients’ exposures,” said Matthew Hogg. “By combining OSRM’s specialized technical expertise with Kiln’s reputation and experience in Intellectual Property underwriting and in conjunction with Miller’s unrivalled expertise in placement of intellectual property related risks, we are able to offer a product that is unique. Open source risk is already material to many Global 2,000 companies and will soon be an issue for both large and small enterprises. We anticipate significant worldwide demand for this product and are pleased to be first with a solution in this area.”

“Not every company using open source is exposed to risks associated with license infringement but as adoption rapidly increases it is critical that companies take licenses seriously and fully understand what constitutes violation and therefore exposure,” said Daniel Egger, CEO of OSRM. “We are honored to be selected by Kiln to assist in developing this product, and grateful to Miller for their assistance in brokering the facility. I believe it will help eliminate one of the last reasons for corporate resistance to full acceptance of Linux and other open source software.”

Kiln’s Open Source Compliance Insurance product will be placed into the London market by Miller, an internationally recognized leader in intellectual property risk transfer. Ian Lewis, Director-Science & Technology at Miller with over 17 years experience assisting clients with intellectual property risks said, “We are delighted to have been chosen by OSRM to assist them in developing underwriting support for this highly specialized exposure and to be working with

Kiln, who once again rose to the challenge of pushing the insurance boundaries. Open Source is one of the most important emerging trends in technology and sophisticated clients are already demanding solutions in this area. We have also worked with OSRM on individual projects and are pleased that Kiln has chosen to partner with the recognized experts in open source risk. This is an unbeatable team behind a very exciting offering.”

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About Kiln

Kiln, established in 1962, in an international insurance and reinsurance underwriting group that specializes in complex, unusual risk. Kiln plc is listed on the London Stock Exchange. Its operating subsidiary, R J Kiln & Co Limited has US\$1,300 million of capacity under management for the 2005 year of account, making it one of the largest agencies trading in the Lloyd's of London insurance market.

Kiln Syndicate 510 is a recognized leader in each of the five main business areas in which it operates: reinsurance, accident and health, aviation, marine and special risks, and property, Kiln enjoys a security rating of 'A' (Strong) assigned to Lloyd's by Standard and Poor's.

About OSRM

Supported by top Open Source leaders and intellectual property (IP) legal experts, Open Source Risk Management (OSRM) is the industry's only vendor-neutral provider of risk mitigation, certification, and management services for enterprise open source users. OSRM helps organizations assess potential legal risks around their use of open source software and design risk mitigation solutions based on a set of best practice protocols. For more information, please visit www.osriskmanagement.com.

About Miller

Miller Insurance Services Limited (Miller) is a leading independent specialist insurance and reinsurance broker, operating in the international markets and at Lloyd's. Miller is a leading insurance broker within the science and technology sector and works with companies ranging from bio-technology firms to telecommunications conglomerates. It conducts business in the US via US retail brokers.

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