

**SCHOOLS EXCESS LIABILITY FUND**  
**Excess Liability Program**  
**Claim Management Policy Statement**

**Preamble**

To foster a relationship of trust and to balance Members' interests in the key principle of claim handling/litigation management, SELF has developed the following Claim Management Policy Statement. By doing so, SELF and its Members recognize the need to understand the important role each has in this process.

**Guiding Principles**

SELF's involvement in Members' liability claims is guided by the following principles:

1. SELF has a responsibility to protect the interests of SELF's Members.
2. SELF has a responsibility to meet its obligations to Members as provided by law, by SELF's governing documents, by SELF's Memoranda of Coverage, and by decisions and interpretations made by the SELF Board of Directors.
3. SELF's interactions with its Members, the public, and other stakeholders will be based on the highest standards of professionalism, ethics, respect, and integrity.
4. As a partnership of public entities, SELF is committed to using its resources to provide a vigorous defense of its Members against liability claims and achieving the most favorable result for SELF's membership.
5. As a partnership of public entities, SELF also recognizes its position as a fiduciary of public funds.
6. SELF will engage in collaborative interaction with the intended outcome of mutually acceptable resolution.

## **Key Components**

The following components of the claims management/litigation management process are integral to the overall expectations of SELF and its Members toward a successful resolution of these matters.

### **I. Communication**

Open communication between SELF, the Member, and the Member's defense team is a critical foundation for achieving the best result. It is SELF's policy to work collaboratively with Members regarding the status of a claim and discuss with the Member the defense strategy, evaluation and settlement of a claim.

### **II. Coverage Determination**

Although SELF is not obligated to provide Members with a coverage determination, it is SELF's goal that the Member be aware at all times of SELF's coverage evaluation. Coverage is determined solely by SELF's Memorandum of Coverage (MOC) and if coverage disputes arise, SELF's Board of Directors may be asked to interpret the terms and conditions of the MOC.

SELF is not obligated to issue Reservation of Rights letters. However, upon receipt of a claim, SELF will make an evaluation of the available facts and if SELF identifies potential coverage issues, SELF will notify the Member of the potential coverage issues via a "Coverage Advisement Letter". The purpose of this letter is to help identify issues that should be understood by the Member in defending the claim.

In the event a claim is determined not to have coverage, SELF will notify the Member of that determination as soon as possible. As part of SELF's governance, all coverage denials are presented to the SELF Board of Directors for approval prior to being communicated to the Member. Members have the right to appeal these decisions to the Liability Claims & Coverage Committee and then the Board of Directors.

### **III. Defense Management**

SELF shall have the right, but not the duty, to associate itself into the defense of any matter which in SELF's opinion, is or may be covered by SELF. However, SELF's preference is for the Member to

engage a vigorous defense of the highest quality and for the Member's defense team to keep SELF adequately informed of the defense efforts and strategy. SELF's degree of involvement in a Member's claim is usually greater when the potential value is greater. In some cases, SELF reserves the right to retain counsel to monitor a claim. Counsel will be assigned by SELF; paid by SELF; and report to SELF regarding the claim. The assignment of monitor counsel will be communicated to the Member and monitor counsel will become a part of SELF's contribution to the defense team. SELF specializes in high-damage liability defense and if the Member desires, SELF is willing to add our expertise and perspective to the defense of any claim brought against the Member.

#### **IV. Settlement Authority**

By participating in SELF, Members understand that although SELF's intent is to collaboratively find mutually acceptable settlements, SELF is, along with its reinsurance and excess insurance partners, if applicable, the final decision making authority to settle claims which fall within SELF's coverage. SELF believes that a collaborative involvement with Members throughout the life of the claim will result in a high success rate.

SELF staff has limited settlement authority. It is SELF's practice to take all settlement decisions to the SELF Board of Directors for approval. SELF welcomes Member involvement in presenting the case to the Board for settlement approval requests.