



**CSAC EXCESS INSURANCE AUTHORITY
General Liability 2 Program
Policy Statement Regarding General Liability
Staff Reserve Setting**

The General Liability 2 Program membership determines the reserves established on each of their exposures in accordance with the Addendum B Guidelines. At times, the EIA and the member may disagree regarding the amount of the reserves such that an appropriate reserve is not set for some time. In an effort to ensure adequate reserves are set in a timely manner and to ensure the solvency of the Program, the General Liability 2 Committee has delegated authority to EIA staff to set independent indemnity and expense reserves on liability claims. Staff is permitted to set its own reserves on claims where the discrepancy between the member's reserve and the EIA's proposed reserve is at least 25%, subject to a minimum difference of \$1M. The EIA may set this independent reserve if it has documented communication with the member demonstrating an effort to reach a consensus on the reserve number, but no consensus has been reached. If the EIA sets a reserve that is different than the one set by the member, then the EIA's reserve will be utilized for purposes of program evaluation, as well as evaluation of individual member loss experience.