

Maintaining Insurance Records

Situation

It's Monday morning and lawsuit papers land on your desk, alleging that a child abuse incident occurred at your facility in 1985. Mental anguish, psychological damages and other popular attorney phrases are used. Plaintiff demands are in excess of \$1 million.

You call your insurance company and fax them a copy of the suit papers. The claims manager looks up your account and finds that the insurance company did not insure you in 1985. She advises you to contact the insurance company that carried your policy back then. Even if you can find the name of the insurance company (assuming they're still in business) and a policy number, you wonder if the policy was written as an occurrence policy (the event that resulted in the claim occurred during the policy dates) or as a claims-made policy (the claim must be reported during the policy period).

To make matters worse, you have no idea where staff and camper roles and accident/injury forms from 1985 may be stored. You check your supply of antacids and aspirin. Records management can be a complicated and expensive process for many camps and clubs. Directors can focus on several areas to manage records and save money:

Storage Medium

Storing hard copies of all your records is usually impractical and expensive. In addition to the space requirements, there are issues with fire protection, water damage, rodents, and mold. Many facilities have transferred their records onto CDs. Although CDs are small, easy to store, and hold lots of data, there are some drawbacks. The NFPA *Fire Protection Handbook* states that CDs can be damaged in temperatures as low as 125° F. Also, because technology constantly changes, future generations of computers may not be able to read CDs. For best results, you may want to keep hard copies of extremely important records, and transfer the rest to CDs.

Indexing Information

Storing records is one thing; finding the record you need, when you need it, is another. Indexing records in a logical manner can save valuable time. Many directors index their records according to the following nine categories:

- Facilities
- Transportation
- Emergency response
- Programs
- Technology
- Communications
- Personnel and camper or club member records
- Legal and insurance
- Board of directors

(continued)

What to Store?

Deciding which records to store often depends on the nature of the records. Some records must be stored to comply with state and federal regulations. Many other records, such as insurance policies and accident/injury reports, should be stored, too. What about original building plans, or even the water system schematics? It's highly advisable to set up a committee and bring in experts to discuss which records your facility may need at a later date.

How Long Do You Keep Records

You need to keep some records forever, but you can destroy some records after a certain period of time. Again, forming a committee and seeking legal advice on record disposal is a good practice. Ask your attorney about the legal status of electronically saved documents in your jurisdiction. When destroying records, keep confidentiality in mind—some records will contain personal data about staff or members.

Long-Term Security of Records

As facilities store more of their records on CDs, the ease of destroying, modifying, or inappropriately transferring data is a real concern. Can someone access your records and change them? If so, consider storing CDs in a more secure location. Fire or an electrical surge could destroy your primary records storage facility, so think about storing backup copies of your records in another location.

It's essential to integrate records storage into your risk management plans. The old adage, "if you didn't write it down, it didn't happen" continues to prove true in court. Properly storing and saving your records now can save you a lot of grief later.

If you have a safety or risk management question or a suggestion for a topic, please contact Markel's Risk Management Department at safety1st@markelcorp.com.