



RiskSmart Tips

A regular update on risks
and insurance trends

By Charles T. Wilson

Got Docs?

November 2011

Saving, protecting, sorting, archiving and eventually destroying documents can be a full-time job! Today's email, instant messages, ezines, paper files, contracts, accounting and employee information, insurance policies and general information overload, clog computers and spill off desks and out of file cabinets.

A **document retention plan** can be the answer. It can specify what gets saved, where and for how long. It is another survival tool in our litigious society.

Why is this so important?

- A "lost" document – contract or insurance policy – can be a time-wasting headache or a nightmare.
 - Just what did that agreement say about payments?
 - If you don't have an "old" insurance policy you may not be able to get coverage.
- If your entire email archive gets subpoenaed in a lawsuit, imagine the cost of lawyers checking everything for what's relevant. Imagine an inappropriate ten-year-old email damaging your reputation.
- Legally, if you don't have a plan for destruction, how can you explain documents that you can't produce for a Discovery?

What to do ~

- First, ensure you have a reliable back-up system that includes all records and documents. There are daily and even instantaneous solutions online.
 - Your information must be accessible if your PC hard drives get taken.
 - It must be encrypted regardless of where it is!
- Then create a list of every document that "comes in" – correspondence, email, publications, etc. Don't forget printed documents around the office.
- Draft your guidelines for where different things need to go: client files, vendor files, tax, legal, employee files, other.
- Decide how long things need to be kept. Some guidelines might be –
 - Insurance policies and some contracts "forever"
 - Accounting for 5 years; HR records for 3+ years after termination
 - Email and instant messages are a black hole that needs clear guidelines and regular archiving and purging
 - Remember there can be legal restrictions on destruction in special areas – tax and related documents, employee files, construction plans and designs in certain cases, etc. Always get advice from your attorney and accountant to be sure.
- Schedule regular "clean up" periods and make sure everyone is following the plan. It's important that there are no "rogue" emailers keeping stuff on their own C-drives.
- And, of course, stop all destruction if there's a lawsuit or regulatory investigation.

Resources; www.arma.org has a wealth of detailed information about Records Management; or Google "How to develop a document retention policy" for guidance.

Questions? Call for more information.