



DIVISION OF INSURANCE

RECORDS RETENTION AND DESTRUCTION SCHEDULE

State of South Dakota

Bureau of Administration

Records Management Program

(605) 773-3589



DEPARTMENT OF
EXECUTIVE MANAGEMENT

BUREAU OF
ADMINISTRATION

PBM 01234

RECORDS MANAGEMENT PROGRAM

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MEMORANDUM

TO: State Agencies

FROM: Dana Hoffer
State Records Manager

SUBJECT: **Records Retention and Destruction Schedule Manual**

DATE: December 24, 2014

In 1967, the South Dakota Legislature established the Records Management Program and the Records Destruction Board. In the same act, the Legislature required every State agency to develop a records retention and destruction schedule and declared that “No record shall be destroyed or otherwise disposed of by any agency of the State unless it is determined by majority vote of such board (Records Destruction Board) that the record has no further administrative, legal, fiscal, research or historical value.”

According to Administrative Rule 24:52:11:01, any State government agency planning to destroy agency records shall notify the State Archivist 30 days before the date of the proposed destruction. The request shall include the name or title of the records, inclusive dates, information content of the records, and quantity. This rule applies to all records, including those granted exclusive or continuous disposal authorization by the Records Destruction Board, with the following exceptions: vouchers, original and copies, and supporting documents; warrants, original and copies, multiple copies of State publications stored in bulk; obsolete blank forms; photocopies of computer printouts; and original copies of records that have been legally reproduced under the provisions of SDCL 1-27-4.

The State Archivist has 30 days to certify that the records have no permanent value and may be destroyed, or to make arrangements to transfer the records to the archives. If the Archivist fails to make a recommendation within this time, the records may be destroyed, provided that the agency has received authorization from the Records Destruction Board.

Finally, if you have any questions about implementing this manual or about your records in general, please contact Records Management at 773-3589. We will welcome an opportunity to discuss the proper implementation of sound records management practices.

PETITION FOR AUTHORITY TO DESTROY RECORDS

I, Marcia Hultman (name), acting in my position as Secretary of the Department of Labor and Regulation (title), request that the South Dakota State Records Destruction Board consider the attached "Records Retention and Destruction Schedule" pursuant to SDCL 1-27-13, 1-27-14, 1-27-19 and ARSD 10:03:01-02.

The records petitioned to be destroyed are described in the "Record Retention and Destruction Schedule" Authorization of the Division of Insurance (department) consists of 13 pages and contains record series number(s) INS-1 (consecutively numbered) through INS-17.

The authority requested is to destroy each record described in the attached Schedule at the expiration of the time provided for the retention of each record.

Authority is also requested to delete "Records Retention and Destruction Schedule" Authorization of the Division of Insurance (department) consists of N/A page and contains record series number(s) N/A.

The undersigned certifies that the retention for each and every record petitioned to be destroyed does not violate any minimum retention time required by state statute; will allow for required state and federal audits to be performed or the time within which to make said audits to pass; and will allow for all applicable statutes of limitations to pass for all state contracts and Surety Bonds.

M. Hultman

Marcia Hultman, Secretary of the Department of Labor and Regulation

11-20-14

Date

The above and foregoing Petition is hereby recommended for approval by the State Records Destruction Board.

Dana Hoffer

Dana Hoffer, State Records Manager

12/1/2014

Date

DESTRUCTION AUTHORITY

I hereby certify that the State Records Destruction Board met on the 10th day of December, 2014, and authorized the destruction of the records described in the foregoing Petition at the expiration time provided for their storage.

[Signature]

Signature, Chairman of the Board

12-10-2014

Date

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- Pursuant to Executive Reorganization Order No. 2011-01, the Insurance Fraud Unit under the Division of Insurance was transferred to the Office of the Attorney General effective April 12, 2011. Record series numbers INS-18 thru INS-23 were removed from this manual. 13

STATE OF SOUTH DAKOTA
RECORDS RETENTION &
DESTRUCTION SCHEDULE
AUTHORIZATION FORM
(Std Form RM-1 Rev 1/03)

DEPARTMENT: Labor and Regulation
DIVISION: Insurance
OFFICE: Insurance
PROGRAM: Insurance
RECORDS OFFICER: Dawson Huber
RM CUSTOMER #: 0006

<u>RECORD</u> <u>SERIES NO.</u>	<u>TITLE---DESCRIPTION---RETENTION AND DESTRUCTION SCHEDULE</u>	<u>R.D.B.</u> <u>AUTHORITY</u> <u>NUMBER</u>
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INS-1. ADMINISTRATIVE REFERENCE FILE:

14-009

This series may be arranged by subject matter and contains information used in the daily administration of the program or office. Information may include, but is not limited to: budget, equipment, inventory, legislation, organization/association, and property management information; monthly reports; policies and procedures; reference manuals; logs; rules and regulations; mailing lists; general correspondence and any other related information. This record series is maintained for reference purposes.

RETENTION: Retain current in office. Destroy superseded or obsolete.

(Note: Review files on a yearly basis to avoid build-up of superseded or obsolete materials.)

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INS-2. ADMINISTRATIVE RULES PROMULGATION FILES:

14-009

This series contains documentation of administrative rule promulgation files. Information may include: notice of public hearings, affidavits of publication of notice, written comments from the public, and transcripts of the hearing, and final decisions. The files have little reference activity once the hearing has been held unless someone requests a copy of the transcript. This record series is maintained for documenting the proper promulgation of administrative rules pursuant to SDCL 1-26.

RETENTION: FINAL DECISIONS: Retain permanently in office.

ALL OTHER DOCUMENTATION: Retain in office for as long as rules are in effect, then destroy.

(Note: SDCL 1-26-7 states, in part, that "each agency shall keep the original records, documents, and instruments required by this chapter." There is no time frame included for retention of these records. Since SDCL 1-26-6.8 provides that "No rule is enforceable in the Courts unless properly adopted." The records must be maintained at least until a curative statute has been adopted by the Legislature similar to SDCL 1-26A-2, which cures all defects in the adoption of rules appearing in the 1974 printed ARSD.)

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INS-3. AGENT SURPLUS LINES TAX:

14-009

This series ensures that correct taxes are collected from the surplus lines of insurance. Information may include: reports, the company lines are written for, item or person insured, affidavit of insurance, and the name of the agent. This record series is maintained to record insurance agents who are authorized to sell surplus lines of insurance in South Dakota.

RETENTION: Retain 1 year in office, then scan into an Electronic Document Management System (EDMS) and maintain digital images for 4 years. Destroy digital images after 5 years.

Retain scanned paper until all images have been verified to be accurate and complete, then destroy provided a system-level backup of the records has been completed.

INS-4. ANNUAL STATEMENTS, INSURANCE COMPANIES:

14-009

This oversized book series consists of the company's annual statement of operations as submitted to the Division. Files are domestic companies and may contain, but are not limited to: officer and trustee signatures, statement of assets, statement of liabilities (surplus and other), statement of changes in financial position, underwriting and investment exhibit, reconciliation of ledger assets, schedule of examination and exhibit of premiums written. The books constitute the Division's central file concerning an insurance company's financial status for the year.

RETENTION: Retain company statements 5 years, then destroy.

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INS-5. COMPLAINT FILES:

14-009

This series is arranged alphabetically by agent name and contains complaint files. Information may include: type and nature of complaint, agent's name and address, and name and address of person filing the complaint. Information is used to document the complaint. This record series is used to document the division's response and actions taken to satisfy the complaint. The file is also used as a record of the number and type of complaints against each agent.

RETENTION: Retain 1 year in office, then scan into an Electronic Document Management System (EDMS) and maintain digital images for 8 years. Destroy digital images after 9 years provided all litigation, claims, and audit findings involving the records have been resolved and final action has been taken.

Retain scanned paper until all images have been verified to be accurate and complete, then destroy provided a system-level backup of the records has been completed.

INS-6. ENFORCEMENT FILES:

14-009

This series is arranged alphabetically and documents the enforcement by the division to resolve complaints against insurance agents and companies. Information may include: official transcripts of the hearing, findings of fact, and any related evidence or documentation. This record series is maintained as documentation for possible legal action.

RETENTION: Retain in office until closed. Scan into an Electronic Document Management System (EDMS) and maintain digital images for 15 years. Destroy digital images after 15 years.

Retain scanned paper until all images have been verified to be accurate and complete, then destroy provided a system-level backup of the records has been completed.

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RECORD SERIES NO.	<u>TITLE---DESCRIPTION---RETENTION AND DESTRUCTION SCHEDULE</u>	R.D.B. AUTHORITY NUMBER
INS-7.	<u>EXAM WORKING PAPERS:</u> This series consists of the analysis files, the working papers and computations of insurance examiners. This record series is used for review and study prior to future insurance company examinations. RETENTION: Retain active examinations in office. Scan inactive into an Electronic Document Management System (EDMS) and maintain digital images for 7 years. Destroy digital images after 7 years. Retain scanned paper until all images have been verified to be accurate and complete, then destroy provided a system-level backup of the records has been completed.	14-009
INS-8.	<u>HEARING FILES, DOMESTIC INSURANCE COMPANIES:</u> This series documents the hearings held by the division to resolve mergers between a domestic (South Dakota based) and a foreign (out-of-state based) company. Information may include: official transcripts of the hearings, findings of fact, and any related evidence or documentation. RETENTION: Retain electronically in an Electronic Document Management System (EDMS) for 7 years, then destroy. Retain scanned paper until all images have been verified to be accurate and complete, then destroy provided a system-level backup of the records has been completed.	14-009

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INS-9. INSURANCE PRODUCER RECORDS:

14-009

This mainframe database and microfilm series is arranged chronologically by transaction date, then alphabetically within by last name of insurance producer and documents the licensure of insurance producers in South Dakota. Information may include: producer name, social security number, address, telephone number, type of license, insurance companies authorized to work with or for, and types of insurance tests passed. This record series is used as a record of insurance producers currently licensed to sell insurance in South Dakota.

RETENTION: MAINFRAME RECORDS: Retain current. Purge and destroy superseded or obsolete files 7 years after terminated.

PAPER RECORDS: Retain current in office. Scan into Electronic Document Management System (EDMS) and maintain digital images for 7 years. Destroy digital images 7 years after terminated or 15 years if subject of enforcement file.

Retain scanned paper until all images have been verified to be accurate and complete, then destroy provided a system-level backup of the records has been completed.

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INS-10. MANUAL PAGES, PROPERTY AND CASUALTY:

14-009

This series is used for reference and documentation purposes concerning current rules and rates charged by insurance companies in South Dakota. Information may include: correspondence, any new rules or rule changes, and rates charged. The files are updated as new information is received from the various companies.

RETENTION: Retain 1 year in office, then scan into an Electronic Document Management System (EDMS) and maintain digital images for 4 years. Destroy digital images after 5 years.

Retain scanned paper until all images have been verified to be accurate and complete, then destroy provided a system-level backup of the records has been completed.

INS-11. MEDICAL MALPRACTICE REPORT:

14-009

This series is encoded into a database and is sent monthly to the various medical boards across the state. Information may include: name of insurer, date, name of insured, type and description of injury, nature and/or substance of claim, and amount of settlement awarded. This record series is used to inform the boards of numbers and types of malpractice suits that have occurred. A copy of the report is maintained by this office for one year and then is destroyed by shredding.

RETENTION: Retain 10 years on database, then delete.

PAPER: Destroy after encoding has been verified to be accurate and complete.

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INS-12. POLICY FORMS, HEALTH AND LIFE:

14-009

This file contains life and health insurance policy forms as submitted by the various insurance companies. These forms are submitted for approval or disapproval by this division. Information contained on the policy form may include: type of policy, insurance company, date, and policy terms.

RETENTION: Retain electronically in an Electronic Document Management System (EDMS) for 5 years, then destroy.

Retain scanned paper until all images have been verified to be accurate and complete, then destroy provided a system-level backup of the records has been completed.

INS-13. POLICY FORMS, PROPERTY AND CASUALTY:

14-009

This file contains property and casualty insurance policy forms as submitted by various insurance companies. These forms are submitted for approval or disapproval. Information contained on the policy form may include: type of policy, insurance company, date, and policy terms.

RETENTION: Retain electronically in an Electronic Document Management System (EDMS) for 5 years, then destroy.

Retain scanned paper until all images have been verified to be accurate and complete, then destroy provided a system-level backup of the records has been completed.

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INS-14. PREMIUM TAX RETURNS, INSURANCE COMPANIES:

14-009

This series is arranged alphabetically by company name and contains completed tax statements as submitted by insurance companies doing business or domiciled in South Dakota. Information may include: name and address of insurer, state of incorporation or entry, materials furnished, premium taxes, fire marshal's taxes, fees, summations of taxes payable, authorized signature, and notary public signatures. This record series is used to compile and remit insurance company taxes due. The records are maintained pursuant to SDCL 15-2-13.

RETENTION: Retain electronically in an Electronic Document Management System (EDMS) for 7 years, then destroy provided all litigation, claims, and audit findings involving the records have been resolved and final action has been taken.

Retain scanned paper until all images have been verified to be accurate and complete, then destroy provided a system-level backup of the records has been completed.

(Note: Premium Tax Returns received by the Division of Insurance prior to calendar year 2013 may be scanned as needed or the paper copy will be retained. Starting in 2014, Insurance Companies electronically submit Premium Tax Returns to the Division of Insurance.)

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INS-15. SOUTH DAKOTA DOMESTIC COMPANY FILE:

14-009

This series is arranged alphabetically by company name and documents domestic companies doing business in the State. Information may include: bylaws, correspondence, reinsurance agreements, articles of incorporation, updated examination reports, and initial admission packets. This series is the division's central file of domestic insurance companies operating in the State.

RETENTION: Retain in office for the life of the company, then destroy.

(Note: Considering scanning and maintaining digital images.)

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INS-16. SUBSEQUENT INJURY FUND (SIF) ASSESSMENT FILES:

14-009

This series is arranged chronologically and contains documentation of assessments made to Insurer's licensed by the Division to do business in South Dakota, and to self-insured employers authorized and certified by the South Dakota Department of Labor and Regulation to self-insure for purposes of workman's compensation. The assessment takes place anytime the fund falls below \$200,000.00. Information may include: computer listings from the Division of all Insurer's licensed to sell workman's compensation and what their computed assessment is; listings of all Department of Labor and Regulation authorized self-insurers; assessment and responses; correspondence; completed affidavits; copies of checks; and listing showing who paid how much and when. This record series is maintained for reference purposes and pursuant to SDCL 62-4-35.

RETENTION: Retain in office until all assessments are paid and all problems have been resolved, then scan into an Electronic Document Management System (EDMS) and maintain digital images for 3 years. Destroy digital images after 3 years provided all litigation, claims, and audit findings involving the records have been resolved and final action has been taken.

Retain scanned paper until all images have been verified to be accurate and complete, then destroy provided a system-level backup of the records has been completed.

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INS-17. SUBSEQUENT INJURY FUND (SIF) FILES:

14-009

This series is arranged alphabetically by name of injured employee and contains documentation of claims for reimbursement from the subsequent injury fund. Information may include: findings of fact, conclusions of law and order, notices, correspondence, supporting documentation, whether a claim is approved or denied, and letter of dismissal (only if a claim is dismissed). This record series is maintained for reference purposes.

RETENTION: Retain in office until closed, then scan into an Electronic Document Management System (EDMS) and maintain digital images for 10 years. Destroy digital images after 10 years provided all litigation, claims, and audit findings involving the records have been resolved and final action has been taken.

Retain scanned paper until all images have been verified to be accurate and complete, then destroy provided a system-level backup of the records has been completed.

(Note: Cull out notices, correspondence and supporting documentation establishing eligibility prior to scanning and destroy. Scan the following: finding of fact, conclusions of law, and orders.)

- **Pursuant to Executive Reorganization Order No. 2011-01, the Insurance Fraud Unit under the Division of Insurance was transferred to the Office of the Attorney General effective April 12, 2011. Record series numbers INS-18 thru INS-23 were removed from this manual.**