

**HEALTH CARE SERVICE CORPORATION
CORPORATE POLICY**

Title: Corporate Records & Information Management **Policy No. 9.01**

Owner/Approval by: Blair Todt, SVP & Chief Legal Officer

Date of Last Review: February, 2017

Approval by: Thomas C. Lubben, SVP & Chief Ethics & Compliance Officer

Date of Last Review: February, 2017

New Policy

Revised Policy

Replaces Policy No.: 9.06 – Electronic Records Retention

1 INTRODUCTION

- 1.1 It is the policy of Health Care Service Corporation (HCSC) to preserve, retain and destroy Business Records and Information in a comprehensive and consistent manner in accordance with business needs, legal and regulatory requirements and corporate by-laws.
- 1.2 This Policy provides direction, authority and requirements in a centralized policy for the preservation, retention and destruction of all HCSC Business Records, and Information as defined in the Corporate Records & Information Management Procedures supporting this Policy regardless of media type. It is intended to ensure that only essential records and information of continuing legal or business value are retained.
- 1.3 This Policy supersedes and replaces existing Corporate Policy 9.01, Corporate Records Management, Corporate Policy 9.06, Electronic Records Retention Policy, and the Records Retention Policy & Administrative Services Records Retention Procedures, as those policies are being consolidated herein.
- 1.4 HCSC's *Legal Hold Policy* (9.07), and *Electronic Mail (Email) Management Policy* (8.03), are cross-referenced in this Policy and should be consulted where applicable.

2 PURPOSE and SCOPE

- 2.1 This Policy authorizes the implementation of records management controls and procedures related to the preservation, retention and destruction of HCSC Business Records and Information.
- 2.2 This Policy shall be applicable to all HCSC employees, contractors and any other individual responsible for creating, receiving, preserving, retaining or destroying HCSC Business Records and Information that evidence their business activities with, on behalf of, or relating to HCSC (collectively "Employees").
- 2.3 The objectives of this Policy are to ensure that (1) HCSC Business Records and Information are managed in a manner that reflects best practices, legal, contractual and regulatory requirements and HCSC business needs; and (2) HCSC Business Records and Information that may be required to be maintained because of litigation, government investigation, contractual obligations, tax or other audit or other circumstance necessitating a Legal or Tax Hold are not improperly destroyed, but rather are properly preserved and accessible.

3 AUTHORITY and RESPONSIBILITY

Authority of HCSC's Senior Vice President Chief Legal Officer, and Corporate Secretary

- 3.1 The Corporate Secretary, as set forth in HCSC by-laws, is the custodian of corporate records and the seal of the corporation.
- 3.2 The Corporate Secretary and Chief Legal Officer is responsible for:
 - 3.2.1 Establishing and/or approving all guidelines that relate to HCSC Business Record and Information preservation, retention and destruction, in accordance with business needs, legal and regulatory requirements and corporate by-laws.
 - 3.2.2 Establishing and/or approving, with assistance from business management, appropriate procedures for the interpretation and application of this Policy.
 - 3.2.3 Communicating such guidelines to appropriate management.
 - 3.2.4 Establishing requirements and procedures for HCSC employee compliance with such guidelines.

Records & Information Management

- 3.3 The Records & Information Management ("RIM") Department of HCSC's Legal Division is responsible for reviewing, revising, interpreting and implementing this Policy and any related procedures.
- 3.4 The RIM Department, with assistance from management, shall develop and implement HCSC's Enterprise Records Retention Schedule, which shall be reviewed, revised and updated as necessary, no less than every two (2) years.

- 3.5 The RIM Department shall facilitate training and compliance for Employees subject to this Policy.

Internal Audit

- 3.6 The Internal Audit Department is responsible, upon request by the RIM Department, for verifying compliance with this Policy and any related procedures in accord with compliance standards developed and approved by the RIM Department.

Tax Division

- 3.7 The Tax Division is responsible for advising the RIM Department about the need for any Tax Hold and for timely notifying the RIM Department to release any such Tax Hold.

Information Technology Group (ITG)

- 3.8 The Information Technology Group (“ITG”), in consultation with the Legal Division, is responsible for the development and updating of *HCSC’s Electronic Mail (Email) Management Policy (8.03)*, which should be consistent with the requirements of this Policy, with overall retention best practices and specifically with any related procedures or requirements developed and approved by the RIM Department.

Legal Division

- 3.9 The Legal Division shall be responsible for the management of the RIM Department and its functions, including the approval of the Enterprise Records Retention Schedule and any processes or procedures related thereto, including the issuance and release of Legal Holds.

HCSC Management

- 3.10 Supervisors are responsible for ensuring that Employees in their area of business responsibility and oversight are knowledgeable of and comply with this Policy and any related procedures, the *HCSC Legal Hold Policy (9.07)*, *Electronic Mail (Email) Management Policy (8.03)* and the Enterprise Records Retention Schedule.
- 3.11 Supervisors, at RIM Department request, are responsible for designating a RIM Liaison for their business unit to coordinate with the RIM Department and business unit employees on issues relating to this Policy and the Enterprise Records Retention Schedule, including, but not limited to training and compliance.
- 3.12 Supervisors are responsible for ensuring training designated by the RIM Department is conducted with regard to their Employees.

Employees

- 3.13 Every Employee is responsible for the creation, maintenance and disposal of HCSC Business Records and Information as part of their daily work in accord with this Policy, any related procedures, the Enterprise Records Retention Schedule and any applicable Legal or Tax Holds.

4 POLICY REQUIREMENTS

RETENTION

- 4.1 HCSC recognizes that its Business Records and Information are valuable company resources which require prudent management that aligns with records management best practices and legal, contractual and regulatory requirements.
- 4.2 The Enterprise Records Retention Schedule identifies information that is considered to be HCSC Business Records, along with approved retention periods. All other information is not deemed to be a HCSC Business Record and is not subject to the retention procedures in the Enterprise Records Retention Schedule.
- 4.3 To reduce corporate risk from non-compliance with legal and regulatory retention obligations, HCSC has implemented a Zone Approach to Information Governance to simplify the categorization and management of information with the objective of increasing adherence to corporate policies and procedures.
- 4.4 The Zone Approach is a classification system designed to assist users in differentiating between (1) information that is a HCSC Business Record (Zone 3) and which is subject to specific retention obligations, and (2) Transitory Information (Zone 1) or Work-in-Progress Information (Zone 2) that did not evolve into a HCSC Business Record and therefore is not subject to these obligations. The Zone Approach allows for the retention of information that is required for current business activities, for a prescribed amount of time. Definitions of each Zone are contained in the procedures supporting this Policy.

DESTRUCTION

- 4.5 Except for HCSC Business Records subject to a Legal or Tax Hold, HCSC Business Records that have satisfied the Enterprise Records Retention Schedule retention requirements shall be destroyed in accordance with this Policy and related procedures. All other information shall be destroyed in accordance with the Zone Approach.

5 COMPLIANCE and MONITORING

- 5.1 All HCSC Employees responsible for creating, receiving, preserving, retaining or destroying HCSC Business Records and Information shall do so in accordance with this Policy and any related procedures, the Enterprise Records Retention Schedule, the Zone Approach, and any applicable Legal or Tax Holds.
- 5.2 Employees will be required to complete RIM training documenting their understanding and compliance with this Policy, its procedures and the Enterprise Records Retention Schedule, no less than every two (2) years.
- 5.3 Noncompliance with this Policy and any related procedures, the Enterprise Records Retention Schedule or any applicable Legal or Tax Holds may result in appropriate disciplinary action, up to and including termination.

6 EXCEPTIONS and RESTRICTIONS

- 6.1 A Legal or Tax Hold supersedes any directives of this Policy or any retention periods specified in the Enterprise Records Retention Schedule.
- 6.2 Any requests (other than those directed by Legal or Tax Holds) that relate to exceptions or other deviations from this Policy and any related procedures, the Enterprise Records Retention Schedule require the approval of HCSC's Chief Legal Officer or his or her designee prior to making any decisions or taking any actions relating to such exception or deviation.
- 6.3 Except for Legal or Tax Holds that are, or will be, put into effect, there are no exceptions to the Policy or any related procedures, or the Enterprise Records Retention Schedule, identified at this time.