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HELENA, MONTANA

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IN THE WORKERS' COMPENSATION COURT OF THE STATE OF MONTANA

CATHERINE E. SATTERLEE, et al.

WCC No. 2003-0840

Petitioners,

v.

AFFIDAVIT OF MARVIN KRAFT

LUMBERMAN'S MUTUAL CASUALTY
COMPANY, et al.

Respondents/Insurers.

STATE OF MONTANA)
 : ss.
County of Lewis and Clark)

MARVIN KRAFT, being first duly sworn upon his oath, deposes and says:

1. I am currently a Support Services Leader for the Montana State Fund ("MSF"). I have been employed with MSF since 1984.

DOCKET ITEM NO. 231

2. As a Support Services Leader, I am responsible for and have personal knowledge of MSF's records retention policy and procedure.

3. MSF maintains a records retention protocol and retains records in accordance with State Records Retention Policy.

4. Depending on the date of a claim, records are retained in one of four media types: (1) paper; (2) microfilm, which are rolls of film containing photos of documents; (3) microfiche, which are sheets of film with photos of documents that are much smaller than film; and (4) optical imaging platters, which utilize technology similar to compact disks to store documents as digital images on glass platters that assign a document number and claim number to each image.

5. From inception until 1976, all open files were maintained on paper and closed files were copied to microfilm. Beginning in 1976, open files were still maintained on paper but closed files were copied to microfiche instead of microfilm.

6. In July of 1995, MSF began using optical imaging platters in addition to paper files. Except for active files with the Old Fund unit, the use of paper files on active claims was gradually phased out and all paper files were destroyed by the summer of 2001. As noted, the only paper files remaining are active files with the Old Fund unit, which handles claims arising on or before June 30, 1990.

7. Documents presently received at MSF are imaged to disk and made available via the computer system. Each original document is electronically date-stamped upon receipt and stored in "batches," which are groups of documents imaged at the same time. The batches are placed in boxes which are marked by date and batch number. Approximately once per month, MSF notes which boxes are more than six months old and requests permission to destroy those boxes from the State Records Retention Committee. When permission is received, which usually takes four to six weeks, the boxes are destroyed by MSF.

8. MSF stores the different types of media in various locations. Optical imaging platters are stored on site at MSF and copies are stored in a secure vault offsite. Microfilm and microfiche files are stored with the State Auditor's Office in their records retention center. The Old Fund unit stores paper files on site for active claims arising on or before June 30, 1990. When these files are closed, the original documents are microfiched and the paper files are destroyed.

9. A file's media type is determined by what storage system was in place at the time the file was closed. For files that closed before 1976, the files are stored on microfilm. For files that closed from 1976 through 1994, the files are stored on microfiche. For files with claims that occurred before July 1, 1995 but remained open after that date, the file before July 1, 1995 is microfiched and the remainder after July 1, 1995 is stored on optical imaging platters. For files with claims that occurred on or after July 1, 1995, the files are stored on optical imaging platters.


10. Microfiche may be either copied to other microfiche or may be copied to paper by the State Auditor's Office. With its present staff, the maximum document production by the State Auditor's Office is about 600 pages per day and the average claim file is about 90 to 100 pages. MSF also has two machines that allow it to print paper copies from microfiche. With experienced operators and minimal equipment malfunction, it is reasonable to estimate each machine could produce an average of 100 pages per hour from microfiche to paper.

11. Since July 1, 1995, all incoming fiscal year 1996 claim documents have been imaged. All incoming claim documents have been imaged since February of 1997.

12. In 1999, the State Records Retention Committee approved MSF's optical imaging system as its primary means of records retention. Six months after that approval, MSF destroyed all of its paper files.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

DATED this 8th day of August, 2005.


MARVIN KRAFT

CERTIFICATE OF MAILING

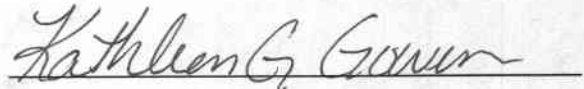
I, Kathleen G. Gowen, the undersigned, of Respondent/Insurer, Montana State Fund, hereby certify that on this 8th day of August, 2005, I mailed a copy of the foregoing *Affidavit of Marvin Kraft*, postage prepaid, to the following persons:

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