Summary Minutes of the
Information Systems Advisory Committee Meeting
Tuesday, September 10, 2019

The Information Systems Advisory Committee (ISAC) of Citizens Property Insurance Corporation (Citizens) convened telephonically on Tuesday, September 10, 2019 at 10:00 a.m. (ET).

The following members of the Information Systems Advisory Committee were present telephonically:

James Holton, Chairman
John Wortman
John Vaughan
Kelly Booten, *staff*

The following Citizens staff members were present telephonically:

Aditya Gavvala
Robert Sellers
Sarah Harrell
Stephen Guth
Wendy Perry

Call Meeting to Order

Roll was called. Chairman Jim Holton, Governor John Wortman, and Technical Advisor John Vaughan, were present. Chairman Holton called the meeting to order.

1. Approval of Prior Meeting's Minutes

Chairman Holton: Thank you, Wendy. I will call the meeting to order then. Welcome everyone to the September ISAC meeting. Our first order of business is approval of the prior Minutes. Any corrections? None being heard, I will accept a motion to approve.

John Wortman made a motion to approve the March 12, 2018, Information Systems Advisory Committee (ISAC) Minutes. John Vaughan seconded the motion. The minutes were unanimously approved.

Chairman Holton turned the floor over to Kelly Booten to provide the Chief Systems and Operations Update.

2. Chief Systems and Operations Update

Kelly Booten: Good morning. Today I would like to brief the Board on a few recent IT accomplishments and the status of IT-related audit findings.

The new modernized Voluntary Premium Reporting System went live the first quarter of this year. The Voluntary Premium Reporting System allows Florida insurance companies to submit their total written

policy premiums for the wind-only eligibility area in exchange for credit against potential future Citizens assessments. Information is reviewed quarterly to validate eligibility and credits. The new system allows insurance companies to submit information via the web, reduces internal manual processes in the Product Development department, allows for broader automated auditing of eligibility, and will allow for the retirement of a Legacy application.

In May, IT completed the first phase of the myService implementation, built upon the ServiceNow platform, for IT Service Management replacing the legacy solution. This is a cloud-based solution based upon industry best practices. The first phrase included the Service Desk and Configuration Management functions, as well as migration of a few of the business workflows. A second phase, which is scheduled to go live in February, will include the implementation of IT Asset Management and additional business workflows.

In June, the 18-month migration of the Guidewire® platform from Version 7 to Version 9 was completed. This was a major initiative.

- Guidewire® software is used to support core insurance business processing at Citizens for policy administration, claims processing and customer billing.
- The previous platform, Version 7, was more than five years old.
- The upgrade was necessary to stay current with the support from Guidewire® and take advantage of improved performance and features.
- The first phase of the V9 upgrade included ClaimCenter® and Contact Manager® and was completed in April of 2018.
- The final phase included PolicyCenter® and BillingCenter® and was completed in June of 2019.
- In addition to the many technical improvements, the upgrade also included business capabilities such as a more user-friendly interface, enhanced document upload functionality, and the ability to personalize user settings.
- This was an enterprisewide initiative that included almost every Division in the company with lots of updates, training materials, webinars, e-briefs, and impact to our agency base.

Also, in June, we were busy working on the program and system related AOB, assignment of benefit, reform activities. As you are aware, during this past Legislative session HB7065 addressing AOB Reform was signed into law effective July 1st. A cross-functional team quickly formed, and a formal program management approach was created to ensure compliance with this new Bill, including modifying our product forms, processes and systems, data collection and reporting.

Some of the system capabilities implemented for the July 1st implementation were the creation of a new Assignment of Benefits Matter Management screen in ClaimCenter®, changes to the correspondence intake to enable the identification and routing of AOB related correspondence, updates to our data warehouse and data entry points to collect the data necessary to report, and updates on intake of forms on our external website. There is additional capability we have scheduled throughout the remainder of the year to improve reporting and efficiency as we manage this process.

Also, in the second quarter, the migration of Office 365 to the commercial cloud was completed. Migration of archived e-mails is scheduled to be completed in early 2020. Additional capability, such as productivity, communication and collaboration tools, are scheduled to roll out soon. The project will allow for tool consolidation that will eventually result in financial savings.

Audit findings that are IT related – there are two high and one medium finding from the Centerpoint audit that have been closed. The remaining items from the Network assessment are due to close by the end of the year. One remaining medium item from the Auditor General audit is due to close at the end of this month. Most of that work has been completed, a lot of improvement has been made, and there is one task that may carry over into fourth quarter. There is one new medium item from the Information Classification & Handling audit that was added at the end of August and is scheduled to be resolved by the end of November.

Chairman, that concludes my report, if there are no questions.

Chairman Holton: Thank you, Kelly. Any questions for Kelly regarding her report? Okay, none being heard, thanks, again Kelly, for that. The Chair now recognizes Robert Sellers for an IAM update.

3. **Identity & Access Management Update**

Robert Sellers: Good morning Governors and Advisers, this is Robert Sellers. Starting on section three, page 2, this is an update briefing on our Identity & Access Management program.

This program, which is being managed through our Program Office under Sarah Harrell, is focused on a critical objective of our IT Security Strategy. The objective is to significantly improve our identity and access management capability through centralization, consolidation and implementation of revised processes and technologies where warranted.

The program commenced in May and is a multi-year program with a phased approach. As part of this program, we engaged Gartner Consulting Services to assist us in reviewing our existing IAM strategy, identifying gaps against their IAM framework and accepted architectures, and to guide us with development of improvement opportunities, which includes providing us with a sequence program road map. This activity is on schedule and a workshop with Gartner's first major deliverable is scheduled for later this afternoon.

While the above IAM program is reaching full speed now, we also have several different projects underway, including the implementation of a Microsoft Azure cloud and Microsoft Office 365 where opportunities exist for us to leverage native capabilities for improved overall security posture.

These projects are already receiving specific IAM security related implementations by a cross functional team of Citizens and Microsoft personnel.

The next page, page 3, has a further overview of the Gartner engagement with more detail on the processes and deliverables. As you can see there in the third bullet, a number of different deliverables by Gartner are expected over the next six weeks.

Page 4 has the specific business objectives for the overall IAM program. We believe by improving the IAM capabilities as listed below each of the objectives, we will reduce overall risks to the organization in cyber security and compliance areas and enhance our capabilities to provide a better environment and experience for our employees, partners and policyholders.

Page 5 is a quick overview of the IT Security & Risk three-year strategic goals. Most of the other goals have projects and activities in flight, as well, and either our Director of IT Security & Risk or I will be briefing more fully on these at a later ISAC meeting.

This concludes the brief on the IAM program. Governors, do you have any questions?

Chairman Holton: Any questions for Robert on this program?

John Vaughan: Yes, this is John Vaughn. I have two questions. You mentioned a road map that would come out of the Gardner engagement. Should we expect to see that in our next quarterly meeting? I was kind of interested in seeing those details. I will let you answer that question.

Robert Sellers: John, yes, the outcome of the Gartner engagement is to review our strategy, opine on the strategy, help us with finalization of the strategy and to assist in developing a road map. That road map we anticipate will cover a number of different projects and is planned to be brought back in front of the ISAC committee at the next meeting later this year.

We do expect that there will be, as I indicated, a number of different projects focused around technology and process that will improve our overall posture in the area of IAM.

John Vaughan: Okay. I am real interested in seeing that road map when it comes out and understanding what is on it and what maybe isn't. I think we are all aware that security is preeminent within information technology and what we are doing.

Kelly Booten: John, if you don't mind, this is Kelly Booten. I just want to inject one caveat to that. Only that we would bring back the roadmap at a high level because there could be security related items in there that we would not want to cover at a detailed level. Plus, we do have to do an internal review, and we also need to make sure that the road map is aligned with our budget, and all of those loose ends need to be tied. So, as long as we get through all that process ahead of the December meeting, then yes, we will bring the road map forward.

John Vaughan: Okay, I got it. It might be next year before you can present it. In particular, if there are budgeting concerns that you have to work through. I got it.

So, the next question was just a tactical one. As you are looking at Office 365 Azure -- you guys are going to roll out MFA with that, you know, out of the gate?

Robert Sellers: That is correct. That is actually one of the projects that it is underway as we speak.

John Vaughan: And you are getting advice from Microsoft, right, as far as how to actually make sure that is all configured properly?

Robert Sellers: That is correct. We have professional services engagements with Microsoft in a number of different areas around the 365 implementation and the Azure implementation, as well. Aditya will be briefing on the cloud itself, and our direction there, following my presentations.

John Vaughan: Yes. I mean, the Office 365, you know, you can get that locked down pretty good. Azure, as you are probably well aware by now, you have to build up all the security yourself, right. So, I mean, there is a whole lot to it, and I will just leave it at that. You know, I would like to see some of those details, as well.

Kelly Booten: John, one other thing that Robert has been tasked with is to get a meeting set up with you and Brian Foley, separately, of course, to talk through some of these things in a lot more detail and to compare notes.

John Vaughan: We are right in the middle of this, as you know, so it would be good, Robert, to compare notes. We sort of built out a framework with Microsoft; spent quite a bit of money with Microsoft doing it to actually define what our security needs to look like. So, I would be happy to have that dialogue and bring the right people to the table to sort of socialize and talk through that with you guys.

Robert Sellers: That would be fantastic, John, thank you. And I will give you a call either later this week or early next week to get that set up.

John Vaughan: Okay, sounds good.

Chairman Holton: And thanks, John, for those comments and keep the committee advised as you guys meet on this, please. Thanks.

Any other questions for Robert? Okay, none being heard, we will turn to item number four, and Robert, you still have the floor for an update on Business Continuity and Disaster Recovery.

4. Business Continuity/Disaster Recovery Update

Robert Sellers: Thank you, sir. Starting on section four, page 2. This is an update briefing on our enterprise resiliency activities, otherwise known here as Business Continuity/Disaster Recovery.

As I am sure everyone is aware the last two weeks have been a challenge for the state of Florida for Citizens. Dorian couldn't make up its mind on whether to come to Florida or not, and Citizens had to prepare as if it would. I think we all know the size of this storm was a bit scary as it got into the Bahamas at a Cat 5 level and stayed there for a while.

The work that has been performed by the organization over the last several years around business continuity showed as we utilized just about everything in our plan. The potential damage to our Jacksonville facility caused us to put our workplace and technology resiliency vendor, which is Agility, on alert and to deploy several IT management and staff to Tallahassee and other recovery locations.

Our executive management team was already meeting regarding our claims response activities and we utilized that process where needed for out executive level BC crisis management needs.

As the storm progressed along its track toward the TIAA Building here in Jacksonville, our headquarters, our HR department used our emergency notification systems to notify our employees of building closures, work from home or other location expectations, and eventually the reopening of the facility.

Our strategic decision to equip staff with mobile technology, including mobile computers, phones and other communication equipment, worked well as we initiated Citizens' departmental business continuity activity to continue critical employee and policyholder facing services.

So, in summary, we had prepared, we had the continuity plans, we had previously tested these plans and we were ready. Some lessons were learned, and we will incorporate those through a formal "lessons learned" process as part of our continuous improvement process.

Barry Gilway: Yes, if I can comment. This is Barry Gilway for the record. I just want to point out that an enormous amount of work has been put in by IT on the resiliency and the disaster recovery plan.

I think what was extraordinary during this event, as the magnitude of this storm changed literally daily. Our estimated policies over the cone, were as high as 230,000 one day and as low as 19,000 another day, depending upon the track of the storm and we had to be ready for all eventualities.

I think the fact that we operated so effectively out of the office on a remote basis, we had to close the office for three business days, is just a real compliment to Robert and the entire IT team that got us ready for this storm.

It could have been a huge event for Florida and a massive event for Citizens given our population in the southeast. But the bottom line is we were ready, and I think the entire IT team did a phenomenal job in getting us ready to respond to an event of this magnitude.

Robert Sellers: Thank you, Barry. As part of our organization in IT, we have a manager, Sandy Allison, who has 30 plus years of enterprise resiliency experience that she has brought to the organization, and she has a strong team of two individuals working with her that helped the organization prepare for this.

Moving on to page 3, this is a quick overview of our last major systems disaster recovery test that was performed in early August. Our primary data center is in Jacksonville at a highly secure and resilient facility owned by CSX.

Situations may occur where it would be required to utilize our disaster recovery center located in Winter Haven. The successful DR test covered the process of moving our primary insurance systems from the Jacksonville facility to the Winter Haven facility, running transactions at that location and then moving the systems back to Jacksonville.

The time frame necessary to move the system has continued to decrease due to progress made and technologies in process, and the graph there at the bottom of page 3 indicates the declining time since 2014 through these exercises. We anticipate seeing even more significant improvements in these capabilities and time frames as we begin to shift workloads to the cloud environments in the near future.

This concludes the brief on the enterprise resiliency activities and my comments. Are there any questions?
Chairman Holton: Robert, Jim Holton. Based on your last comments on recovery time, what is the optimal target time to reach in that best possible world once we are fully clouded?

Robert Sellers: One of the capabilities that comes with the Office 365 environment and the Microsoft Azure environment is the ability to have multiple data centers processing our systems at the same time, and the ability to fail over from one to the other in a very systematic process.

That is offered as one of the services of the Microsoft cloud environment. So, our expectation is that this will move from multiple hours to significantly less than that. And when I talk about significance here, 50 to 60 to 70 percent less.

I can't give you a specific time frame at this point in time until we actually perform the exercises, but the resiliency capabilities and the movement that is available to us, if we implement such, is very, very quick.

Chairman Holton: Great, fantastic. Any other questions for Robert on this briefing that item? Okay, Robert, thank you so much for that.

The Chair now recognizes Aditya Gavvala to provide a Cloud Implementation Update.

5. Cloud Implementation Update

Aditya Gavvala: Good morning Governors and Advisers. This is Aditya Gavvala for the record. The material for this segment of the presentation is under tab five. At the last ISAC committee meeting we provided an update on the cloud strategy. What we want to provide today is an update on the progress that we made since we last spoke.

The first slide, which is on page number two, is a recap of the reasons why we are doing cloud migration from our data center. The key reasons for doing the cloud are, number one, it gives us business agility. If we need to quickly scale up our environments to support a CAT situation, we can do that pretty quickly, and we can scale back the environment during normal business operations. Also, cloud provides us a pay-per-use model. So, we pay for just the services that we use in the cloud. Cloud also gives us the ability for quick time to market. If we need to deploy something quickly, we can do that without going through a procurement cycle. Cloud is managed by the provider, so operation support and infrastructure support are provided by the cloud vendor, itself. Those are some of the reasons why we should be considering cloud.

On the next page, page number 3, we show the current state of our infrastructure on the left-hand side, and on the right-hand side we show the future state of the infrastructure.

On the left-hand side, as you can see, we have our primary data center at CSX today and our disaster recovery data center in Winter Haven. Today, these data centers house our major business systems such as Insurance Suite, our portals and our existing adjuster on-boarding system. Our customers, both internal and external, come from the internet to connect to our business systems that are running in our data center.

We also have some applications that are running in the cloud today as software as a service. These are our back-office applications, e-mail, and Office 365. Some of our internal applications are also running today in the cloud.

Where we want to be in the future is on the right-hand side, which is future state. As you can see, our data center size has shrunk on the right-hand side. We will still have some footprint in our data center. These are

going to be predominantly legacy applications that are not cloud ready, that cannot be deployed in the cloud or are sensitive applications that we must keep on-prem.

On the right-hand side, up top you will see that we will have infrastructure running in the cloud, as well, in addition to software as a service. We anticipate some of our business systems that currently run within our data centers moving up to the cloud, running on the infrastructure as a service, so that in the future our customers, both internal and external, will connect predominantly to the applications running in the cloud and they will also connect back to our data center for the remaining systems.

In order for us to be able to achieve this future state, we recognize that we have to establish four pillars of foundation. We call that the cloud foundation. John alluded to the importance of security in the cloud, and we recognize that; governance will guide us on what needs to run in the cloud, what needs to stay on-prem, what controls need to be put in place so things don't go rogue in the cloud, and monitoring that tells us what things are running in the cloud, what's the health of the system and automation, which will enable us to deploy systems programmatically without manual intervention. So, those are the four key pillars that we are currently working on.

The next slide shows the implementation road map. As you can see, we started our cloud journey late last year and, from January 2019 through May 2019, we worked on strengthening or beefing up our cloud strategy, vetting it with our partners such as Gartner, as well as internally, and we migrated Office 365 from government cloud to commercial cloud. We successfully rolled out Office 365 to the commercial cloud in the month of May.

In the month of April, we started working on the cloud foundation, those four pillars that I spoke of - governance, security, operations and automation. We plan to have our foundations ready by the end of the year. We have partnered with Microsoft and we have also consulted with Gartner to make sure that we have all the necessary elements in place before we begin our infrastructure as a service cloud journey.

Starting in Q4 2019, we are planning to roll out the additional applications that are a part of the Office 365 suite. The roll out will begin in Q4 2019, and we anticipate completion by the third quarter of next year.

We also have identified some technology consolidation opportunities that are a huge cost savings, such as conference call technology that we have today from BlueJeans, end point protection that we have from Symantec, and mobile device management that we have from Blackberry. We see an opportunity for consolidating all of these onto Microsoft subscriptions that we already have, so we will begin the technology consolidation in the second quarter of 2020, and we anticipate completion by Q1 of 2021. That will also pave the road required for infrastructure as a service, including the disaster recovery. Toward the end of next year, we will begin our business system migration to the cloud and that will be done multiple ways and we hope to have most of our business systems migrated by 2022.

That is the implementation road map. This concludes my presentation. I will take any questions that you have.

Chairman Holton: Thank you. Members, any questions for Aditya? Or comments? Okay, thank you so much for that presentation, Aditya. The Chair now recognizing Kelly Booten to introduce the action item.

6. **Action Item**

    a. **Oracle Products and Services**

Kelly Booten: Good morning, again. This action item pertains to the Oracle Fusion middleware product, which is the critical glue that connects all of our systems.

The action item is not requesting an increase to the previously approved contract spend. It is seeking Board approval of the purchase through a substitute alternative contract approved by the Department of Management Services.

DMS had anticipated implementing a successor contract that Citizens could use to timely procure the middleware and support services no later than the contract expiration date of August 30, 2019. However, DMS was unable to do so and the services were not available for purchase through the other DMS contracts approved by the Board in action item 10-A, which was the action item that initially approved this.

On August 9, 2019, DMS approved Citizens' request for authorization to use the Arizona alternative contract source for Oracle products and services for which this action item is seeking Board approval. So, it is really a change in the underlying contract.

If there are no questions, may I read the recommendation?

Chairman Holton: Any questions? Go ahead, Kelly.

Kelly Booten: Staff recommends the Information Systems Advisory Committee ratify this contract for Oracle Products and Services number 180233-001-ACS with BLT Solutions, LLC for a one year term, August 31st, 2019, through August 30th, 2020, using the previously Board approved dollar expenditure for these services and authorize staff to take any appropriate or necessary action consistent with this action item.

Chairman Holton: Thank you, Kelly. Any questions for Kelly? None being heard, I will accept a motion to approve the recommendation.

John Vaughan made a motion to approve the Oracle Products and Services Action Item and John Wortman seconded the motion. All were in favor. Motion carried.

7. **New Business**

Chairman Holton: And our final agenda item is New Business. Is there any new business to come before committee? Okay, none being heard, our next conference will be on December 3rd, 2019, at 10:00 a.m., and I look forward to seeing everyone at the Board meeting. If nothing further, I will accept a motion to adjourn.

John Vaughan made the motion to adjourn. Meeting adjourned.