

INFORMATION SYSTEMS ADVISORY COMMITTEE (ISAC) REPORT

ISAC MEETING MARCH 1, 2016
BOARD OF GOVERNORS MEETING MARCH 16, 2016

EXECUTIVE SUMMARY

The ISAC met via teleconference on March 1, 2016. Primary agenda items are summarized below. (Note – The committee meeting material is available at Citizens' website, www.citizensfla.com, or by hard copy upon request)

Introduction – New Industry Advisor: Chairman Holton introduced new committee member, industry advisor John Vaughan. Mr. Vaughan has over 30 years of experience in information technology, primarily supporting financial services institutions. He has worked at Fidelity National Financial for over nine years and currently leads information technology strategic planning. In February 2016, ISAC Chair Holton and BOG Chair Gardner approved industry advisor Mr. Vaughan's appointment to the ISAC. Mr. Vaughan has accepted the ISAC appointment.

Charter Review and Recommendation: Kelly Booten, Chief Systems & Operations, presented the ISAC committee charter, included in this section of the board book, for annual review and approval. The ISAC accepted the charter with no revisions.

Third Party Security Risk Assessment: Kelly Booten briefed the committee on the implementation of the third party security risk assessment recommendations. Activity since the last Board meeting has predominantly been focused on reaching consensus on the changes to the agency and agent appointment agreements recommended by Buchanan, Ingersoll & Rooney PC. The agreement changes are scheduled for MAAC review and BOG approval in March.

External Website Replacement Project: Kelly Booten briefed the committee on the successful implementation of the external website (www.citizensfla.com) on February 1st 2016. The project team, in partnership with the Communications and IT departments, designed, developed and implemented the new web site with a clean, user-friendly interface and updated technology.

Enterprise Resource Planning (ERP) Update: Doug Sherwood, Enterprise Program Director, briefed the committee on the status of the ERP Solution Program. The initial five (5) vendor demos concluded on 12.18.15. During the negotiating process it was determined that some of the vendors had alternative products or hosting models that could provide Citizens with a better value. An ITN amendment was issued to allow vendors' submission of alternative proposals and responses were received 01.22.16. Based on the alternative proposals received, two (2) additional demos were conducted. With the conclusion of all demonstrations the negotiating team has decided to proceed with focused negotiations with three vendors (two products). Once due diligence has been completed and a single vendor/product has been selected, the business case presentation and recommendation to ISAC and the BOG will take place. This is currently targeted for April or May (telephonically), but could be as late as the quarterly June meeting.

IT Update: Curt Overpeck, Chief Information Officer, briefed the committee on the following topics:

- **Data Center Consolidation Project:** In May we will complete the consolidation of four production data centers to the CSX Co-Lo Data Center (Jacksonville). We will achieve goals of risk-reduction (resident in a highly-protected data center) as well as uncoupling data centers from leased office locations. Later this year we will initiate a disaster recovery (DR) strategic project, with a primary goal of moving our DR data center out of our Tampa office.
- **2016 IT Catastrophe Preparation:** Our 2016 CAT readiness assurance program is underway. Coordinated with Claims, ahead of CAT season, IT validates that all systems and equipment are ready for hurricane response. As a part of preparation, we also participate in adjuster training sessions and field exercises.
- **Everbank Consolidation:** Completed in January, the Everbank Consolidation has been a hugely successful project. Facilities and IT teams are recognized for excellent results in planning and executing the move. We are recognizing many benefits of the consolidation.

Consent Items: The following consent item was presented and approved by the Committee to proceed for BOG approval.

A. Infrastructure Software - Application Performance Management Software

Addendum: The following reference information was provided to the committee but is not included in the board documentation:

- Status – IT Open Audit Items

RECOMMENDATIONS

No recommendations.