Summary Minutes of the
Information Systems Advisory Committee Meeting
Monday, June 1, 2020

The Information Systems Advisory Committee (ISAC) of Citizens Property Insurance Corporation (Citizens) convened telephonically on Monday, June 1, 2020 at 11:00 a.m. (ET).

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

 James Holton, Chair
 John Wortman
 William Kastroll[1]
 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, Governor Will Kastroll and Technical Advisor John Vaughan, were present. Chairman Holton called the meeting to order.

1. Approval of Prior Meeting's Minutes

Chairman Holton: Welcome everyone to the June ISAC teleconference. The first order of business is approval of the prior Minutes. Do I have a motion?

John Wortman made a motion to approve the March 10, 2020, Information Systems Advisory Committee (ISAC) Minutes. John Vaughan seconded the motion. Roll was called. The minutes were unanimously approved.

Chairman Holton: The Chair recognizes Kelly Booten to provide the Chief Operating Officer Update.

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[1] Although we did not hear his roll call response, it was confirmed that Governor Kastroll was in attendance from the beginning of the teleconference.

2. Chief Systems and Operations Update

Kelly Booten: Good morning, ISAC committee members. For the record, Kelly Booten, Chief Operating Officer. Today, I will provide an overview of Audit and IT Security activity, a brief COVID-19 technology summary and an introduction to the IT Strategic Plan, which Robert and Chris will present.

From an audit and security perspective, there is one item from the System and Information Backup Audit that is on target to close by the June 30th due date.

As far as our penetration test goes, Secure Ideas performed a network penetration test for Citizens during December of 2019. Through testing, Secure Ideas was able to assure Citizens' management that our external safeguards are working as designed and it did not provide a foothold into Citizens' infrastructure and systems during the testing. We also gathered a general sense of Citizens' security posture and made several strategic recommendations. Pursuant to Section 627.352 Florida Statutes and other applicable laws, additional confidential information has been provided to the Board committee members regarding the penetration test. In addition, most committee members have been individually briefed on the penetration test results.

The Identity and Access Management Program, an information technology security initiative which we have been regularly reporting on, continues to progress according to the implementation plan that was presented at the March ISAC.

Next, I would like to provide a COVID-19 technology summary. The readiness of Citizens to respond quickly to the challenges of COVID-19 and to continue delivery of insurance services was enabled by our ability to deliver technical services in a fully distributed environment.

As you are aware, Citizens' Enterprise Business Continuity Program worked with our organizational units over the last several years to develop an enterprise Continuity Plan that identified critical business processes in how we would accomplish those in a situation such as a hurricane hitting one of our offices or a pandemic such as we face with COVID-19. Upon the decision of the executive leadership team to declare a continuity event, those plans went into execution with the formation of a COVID-19 workgroup. The workgroup is a cross functional team responsible for all aspects of the response.

This update today is focused on the technology enablers providing the capabilities the organization needed to successfully operate in a remote environment with most employees now working from their homes. Using existing processes, we quickly moved necessary technology from our office setting to individuals' homes, while maintaining appropriate inventory controls and required IT support.

A cross functional team of IT and business staff quickly launched additional capabilities for online and video conferencing collaboration using Microsoft Teams, which has already been widely adopted across the organization. Webinars on how to use technology efficiently and effectively in a remote setting were developed to hundreds of employees and the IT, Human Resources, and Communications teams quickly developed Job Aids and Frequently Asked Questions documents for ongoing use. As a result of these activities employees can successfully work from home, stay connected, collaborate, and serve our customers and stakeholders.

Other activities, such as on boarding new employees, were designed to work in a completely distributed model and have been successful. Large scale video town halls for different divisions have been successfully delivered through creative use of our technology.

Working with our Claims and Customer Experience organizations we have reviewed processes and redesigned how we would deliver CAT response services using our technology in innovative ways, such as drive-up model using our mobile response vehicles. This was presented by Jay Adams and Jeremy Pope at this morning's Consumer Services Committee meeting. Jay talked about how we would use capabilities like Softphone for delivery to our independent adjusters, not having people come into the office as they do today.

Unfortunately, this is an opportune time for bad actors attempting to breach organizations. Cyber security threats are on the rise across the world. As we were moving over 1,000 people to distributed work and enlarging our threat surface, we have also been rolling out additional security processes, technology and education design to further safeguard our data by reducing risks related to malware and other bad actors' efforts to penetrate our networks and systems.

Currently the Information Technology team is partnering with the Business Continuity team, HR, and Facilities, continuing to evaluate and prepare for our employees to return to our regular office space at an undetermined date in the future. We've got surveys out right now that are due in this week that we will be reviewing and making some decisions soon about how we implement things throughout the rest of this year regarding COVID.

I will pause for any questions before I wrap up and give an intro to the IT Strategic Plan.

Chairman Holton: Any questions for Kelly? Okay, go ahead, proceed, Kelly. Thanks.

3. **IT Strategic Plan Update**

Kelly Booten: At the June Board meeting I will be presenting the revised Enterprise Strategic Plan. The IT Strategic Plan is based upon this next new enterprise plan and closely aligned with our biggest objectives.

This plan is forward looking and intended to be adjusted as our business plan adjust. The plan does not call out the many accomplishments made over the last few years to get us to this point. We felt that aspect was provided to the Board through our accomplishments every year. So, this plan takes us forward, and with that I can conclude my report and turn it over to Robert who will introduce the IT Strategic Plan.

Chairman Holton: Thank you, Kelly. And the Chair recognizes Robert Sellers for that presentation.

Robert Sellers: Thank you, Chairman. This is Robert Sellers, Chief Technology Officer for Citizens Property Insurance.

The IT Strategic Plan is a guiding vehicle for our organization, working with both the IT organization, itself, as well as supporting our business in the area of insurance operations. My organization is

structured with a Director of Enterprise Architecture and IT Strategy. That individual is Chris Jobczynski and he will be speaking in a moment.

As part of the preparation of this new version of the IT Strategic Plan, we went back and looked at our history of IT Strategic Plans, we drew upon numerous resources from Gartner, our technical adviser consulting group, and we also consulted with the ISAC technical advisers, John Vaughan and Brian Foley. We developed an IT Strategic Plan, as Kelly mentioned, that is forward looking, targeting strategies that we need for the future and actions that we need to take to position ourselves to handle the rapidly changing technology environment that we exist in today.

This plan has been put together in conjunction with many other members of our staff drawing upon their expertise in areas such as our vendor management area, our enterprise strategic planning groups, our program management areas, all who continually provide information and guidance to both myself and Chris.

Chris Jobczynski has been with Citizens for a number of years, well past ten at this point, and has been through the wars of Citizens, the ups and downs of our policies, the advance of the technology inside Citizens to meet those demands, and our CAT response needs. It is a large portfolio of technology activity that we provide every day and that we have established to be prepared to provide technology guidance and decisions for the future. Chris, with his leadership, has developed this plan that we are going to present to you today. With that, I would like to introduce Chris Jobczynski.

Chairman Holton: Chris, you are recognized.

Chris Jobczynski: Thank you, Robert. Can you hear me?

Robert Sellers: We can.

Chris Jobczynski: Okay, good. Good morning, everyone. I am going to go through the IT Strategic Plan starting with the agenda on slide two. This includes all the areas of the plan that we will go through in a few minutes. On the right-hand side of the slide we are showing a graph that indicates the primary business system strategies and relationships. The top three overlapping areas are our insurance systems, our ERP systems and agency and customer facing systems - they all overlap - so as we plan for changes in any of those categories, we need to consider impacts in the other categories. In addition, we require business intelligence and analytics capabilities across all of those systems categories.

I will talk more about the content of the plan on the next slide, slide three, where we go through in a roadmap type of fashion of all the elements of the IT Strategic Plan. We start with the Macro-level Drivers to set the business context, the environment that Citizens operates under. Section three is Goals, Themes, and Business Value of our IT Strategic Plan. Of course, the Enterprise Goals are the foundation that we need to relate everything to. In section four, we go through the Strategic Principles that guide our decisions and execution. In section five we talk about some of the Strategic Actions or focus areas that are important to us. I will go through some of those as we proceed through the presentation. Section six is our IT Strategies section. We have IT strategies in each of those areas listed, in the security area, in the applications area, etc., and we relate those back to our Enterprise Goals. This is in the structure of what we call our SANDPOD framework. Each letter in SANDPOD references an area of architecture. I bring that up because I use that throughout the presentation later, but this is our

architecture framework with our architecture layers laid out. In section seven, we have considerations around people and culture and the actions needed because of the change that is going in the business, as well as the IT Strategic Plan. Then in section eight, Metrics, how we are going to measure ourselves against the strategic plan over time and make corrections as we need to, and then lastly, Risks and Issues.

We will revisit this plan fairly frequently. We are going to keep it up to date at least a few times a year. I will be continuously monitoring it and making revisions to it and bringing it back up through the appropriate channels for approval as we have changes.

Moving on to slide four, this slide discusses the macro level drivers that shape the operating environment that Citizens operates within. We recognize, in this version of the IT Strategic Plan, seven of those drivers.

- For example, Policy Count Variability - certainly, Citizens' policy counts vary. Sometimes we are at a lower volume, sometimes we are at a higher volume. This definitely impacts our IT environment because we need to be able to deal with all of that, as well as other drivers.
- The Increased Fraud trend – that leads us to need to be able to detect fraud or prevent fraud, so we need technologies and a technology strategy to help align to that driver.
- The Age of Cloud Computing and Rapid Advancement of Technology presents opportunities to leverage new technologies and reduce cost.
- Distributed Workforce - we are certainly seeing that with COVID-19, everybody working remotely. Distributed workforce has an impact on our technology strategies and our strategic plan, as well as the fact that our Information Technology Labor Market is very strong, and it is difficult to find people.

We probably will add some additional drivers to this section over time in future iterations. These are the seven in this initial version of the IT Strategic Plan that we have recognized, and we will talk more about how those tie into our IT strategies later.

On slide five we bring our Enterprise Goals into the mix. These goals are from our Enterprise Strategic Plan and we have related these to our S&O goals. This slide will change in given the recent reorganization and the fact that we are now Enterprise Operations. So, this slide and the content of the corresponding full documented IT Strategic Plan will change relatively soon. The primary message around this slide is that these Enterprise Goals are the foundation, including the objectives that fall under those goals. We do align to those, and I will show you in a few minutes exactly how all of that works.

If there are any questions as we go along, feel free to bring those up, otherwise, I am going to keep rolling.

On slide six we have Principles. Enterprise Architecture Principles are high level statements of the fundamental values that guide business information management and information technology decision-making. They are the foundation of both business and IT architecture and often standards and sometimes policy. I like to refer to the Enterprise Architecture Principles as decision-making principles. The first one is buying software as a service (SAAS) or commercial off the shelf products as opposed to building internally. We prefer to leverage SAAS apps or commercial off the shelf when we can. Similarly, we definitely prefer cloud infrastructure over buying and installing new hardware in our data center. We

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have principles around security and risk management, as well as the last one there on the list - Citizens will select solutions that can be implemented, managed, and supported with minimal resources. Certainly when we don't need complexity, we don't want complexity, so we keep these principles in mind as we go throughout the year as new initiatives come in and we consider new solutions, but certainly as we develop our IT Strategic Plan and IT strategies, as well.

Agile Principles are the principles that we adopt to deliver software by integrating with our business units, taking incremental approaches, learning from what we deliver and reacting very quickly. We have invested quite a bit in Agile. We continue to do so through the Enterprise Rhythm framework, which is the branding for our enterprise Agile methodology. So that's how Principles play.

If we move on to slide seven, this slide shows all of the individual IT strategies that are currently in our catalog. This slide will change a bit over time, as well. We are showing them in our SANDPOD framework. You remember those are just the categories for architecture framework. They are color coded, so the ones that are dark green are completed in the sense that we have a documented strategy for that topic. Under Platform for example, we've got a documented and approved Cloud Strategy. It has been approved through the IT Governance Committee. We have an approved Video Management Strategy. So, the dark green ones are approved, documented, and we have them. That does not mean we have fully implemented the capability yet, but we have the strategy documented.

The light green ones are in progress and the blue one are queued. The ones with the red dots are the ones that we believe are the most important for this current focus period of the IT Strategic Plan of 2020-2022, so we will be paying extra attention to those and ensuring that we have those documented and then initiatives eventually launched to address those areas. These are the individual IT strategies.

We've gone through the external drivers, we've gone through enterprise goals, we talked a bit about principles and now we have the individual IT strategies. On the next slide I will begin to show you how all of those tie together.

On slide eight, we've mapped those external drivers that we started with in the presentation to our IT strategies, because we want to make sure that we are focusing on the IT strategies that hit the mark. We have the seven drivers, and then the IT Strategies that are on the right-hand side in the columns are those with the red dots. It's not the full catalog of IT Strategies. I only mapped the ones with the red dots for now. As an example, let's look at how Policy Count Variability maps to our IT Strategies. We need an Insurance System Strategy that will ensure that we can manage to the peaks and valleys of our policy counts; Cloud Transformation plays a role in that, as well. So, we have mapped each of the drivers to the strategies.

Moving on to slide nine - now that we've mapped the drivers to the strategies, we've also mapped the Enterprise Goals to the strategies. When we did the mapping, we did it to the objective level under each goal. For simplicity in the slide I give the goal that the objective aligns to. As an example, under goal five, Digital Transformation would enable us to help communicate effectively with internal and external stakeholders, as would Self Service capabilities through our Self-Service Strategy. Cloud Transformation maps to this goal because there are a number of technologies available in the cloud that help effective communication. Our Video Management Strategy would assist in that area, as well. Unified Communications and Collaboration, that is the modernization and consolidation of communication and collaboration technologies, that strategy helps in that area, as well.

We have mapped all the strategies to the Enterprise Goals to ensure that we are hitting the mark on those, and we are doing things that will help us meet the Citizens' goals that we have defined.

On slide 10, we look at the strategic focus areas within the IT Strategic Plan. One of the areas is Business Architecture. In order to be able to meet the business needs through IT, we need to understand the business. We are doing that through our definition of business architecture and documentation of the capabilities of the business for common terminology across all the business areas and IT, and how those capabilities assemble to deliver value through value streams. And then our applications map into those capabilities. When initiatives get launched, we can see what capabilities those initiatives help to automate or improve. So, this is a framework we are standing up to assist in all those areas.

At the bottom of the slide we have the people, culture, and ecosystems considerations. Again, we are implementing Agile and investing in Agile. We have architecture and alignment through the capabilities that I mentioned a minute ago. Employee engagement – we have the employee engagement plan and we recently completed a Strategic Workforce Planning study within IT. All of these areas line up and are addressed in the IT Strategic Plan, as well.

Slide 11 is where we get to execution. So far, we've defined the IT strategies and the business goals, but we have not implemented anything. This is where the plan goes into action. This particular slide will change over time as projects get introduced, projects complete, and we shift gears. We have the currently planned projects listed on the slide, again in SANDPOD framework categories. Under Platform, as an example, you can see the Cloud Foundations project. We've got a project that aligns to the cloud strategy, so that is the implementation of that strategy. We have a Unified Communication and Collaboration Strategy project, so the Communication System Strategy is there under Platform, as well. We lay all these out and it helps us to ensure that we have focus and that we are implementing or executing against the strategies that we define.

On slide 12, we go into how we are going to track emerging technologies in the future. What you are seeing here is a sample technology radar. We are in the process of standing up the framework for emerging technology tracking at Citizens and this is what it may look like. We are interested in a collaborative mechanism, a transparent mechanism that we can work through IT, as well as the business units, so that we are all on the same page as to what the relevant technologies are that are on the horizon for us. Through people working together we can ensure that we get people's ideas and we don't miss anything.

We will plot the relevant technologies that are emerging into a radar like this and have criteria for the ones we want to keep an eye on, but aren't critical for us to do anything with yet, versus the ones we need to be doing something on right now. We will have criteria for how they get located in one of the dimensions, and when they become important enough, we would do an IT strategy on them, if necessary and warranted. We would then launch initiatives on those in order to implement when warranted, as well. We are standing this framework up as we speak, and probably over the next quarter, I would think we would have our first rendition of what our radar will look like. This is work in progress, but I think it is important to indicate within the IT Strategic Plan what our plan is for tracking emerging technologies and how that ties into what we would be doing in the future.

On slide 13, we talk about governance and this is the last slide within the IT Strategic Plan deck. Things that are on the IT Strategic Plan are relevant to the Board because we will often come for funding when we are going to invest in something. But we govern the IT Strategic Plan, the strategies and the individual projects through the framework that is listed here. We have the Architecture & Security Governance groups that govern at the lowest level. In the blue circle we have the IT Governance Committee. That is the group that approves the individual IT strategies that we went through, the ones with the red dots. Broader than that, we have the IT Steering Committee, which includes the ELT members and Barry, then of course this ISAC group. From a corporate governance perspective, we have the Board of Governors, the Enterprise Rhythm Steering Committee, and the Internal Controls Framework where we self-test our own internal IT controls to ensure they are effective, that we are implementing quality, and that we have integrity and security in our processes. We also have external and internal audits and risk management. From a financial planning and budgeting perspective, we follow the same framework followed throughout the company according to the finance and accounting office.

Those are all the elements for this particular presentation on the IT Strategic Plan. From a next steps' perspective, I know that Kelly is going to present the Enterprise Strategic Plan at the June Board of Governor's meeting, and that, of course, is the basis for the IT Strategic Plan.

We will be posting the IT Strategic Plan internally as we did the Enterprise Plan. We will be making sure that it is properly cascaded, and that employee goals and objectives are aligned to it, especially in IT.

That is what I have to present today. Are there any questions?

Chairman Holton: Questions for Chris or Robert? Okay, thank you guys, for that great presentation and look forward to the updated progress report as things move along. If there are no other questions for these guys on item three, then I will recognize Aditya Gavvala for the Oracle Products Action Item.

4. **Oracle Fusion Middleware**

    a. **Oracle Products and Services Executive Summary and Action Item**

Aditya Gavvala: Hello. Good morning, ISAC committee members. This is Aditya Gavvala, VP of IT Services and Delivery.

I would like to draw your attention to section 4A of the agenda. Let me begin with some background information first. Citizens uses Oracle middleware software for systems integration. This is a critical piece of software that enables information exchange between our production systems.

The spend for the software is planned and was included in the Board approved 2020 annual budget for the amount of $620,000.

Since 2015, Citizens has utilized alternate government contract sources to purchase licensing and support for Oracle middleware products. Most recently, Citizens used the Florida Department of Management Services, DMS, approved contract between Arizona State and DLT Solutions, LLC. This contract expired in 2019.

Citizens Vendor Management Office discovered an alternate government contract for Oracle middleware products and subsequently got approval from DMS to utilize the contract in 2019. As DMS has not yet finalized the successor contract, Citizens again submitted a request to DMS and got approval as of May 15, 2020.

This action item is not requesting an increase in the previously approved contract spend. This action item is seeking Board approval of the purchase through a substitute alternate contract source approved by Florida DMS.

Are there any questions? May I go for the recommendation?

Chairman Holton: Yes, please.

Aditya Gavvala: Staff recommends the Information Systems Advisory Committee approve the use of Oracle Products and Services contract number 180233-001 in the amount of $627,000 with DLT Solutions, LLC for a one year term, August 31, 2020 through August 30, 2021, using the previously Board approved dollar expenditure for these services, and authorize staff to take any appropriate necessary action consistent with this action item.

Chairman Holton: Thank you. Is there a motion to approve this action item?

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

5. **New Business**

Chairman Holton: The final item is any new business before the committee. Is there any to be heard? If not, staff will notify all the committee members of next teleconferences coming for the remainder of the year. And if there are no other comments, I will accept a motion to adjourn.

John Wortman made the motion to adjourn. Meeting adjourned.