Information Systems Advisory Committee December Minutes

☒ ACTION ITEM	☐ CONSENT ITEM
☐ **New Contract**	☐ **Contract Amendment**
☐ **Contract Amendment**	☐ **Existing Contract Extension**
☒ **Other - <u>Committee Minutes</u>**	☐ **Existing Contract Additional Spend**
	☐ **Previous Board Approval_____**
	☐ **Other_____**

Action Items: Items <u>requiring</u> detailed explanation to the Board.   When a requested action item is a day-to-day operational item or unanimously passed through committee it may be moved forward to the board on the Consent Index.

☐ **Move forward as Consent**: This Action item is a day-to-day operational item, unanimously passed through committee or qualifies to be moved forward on the Consent Index.

Consent Items: Items <u>not requiring</u> detailed explanation to the Board of Governors. Consent items are contract extensions, amendments or additional spending authorities for items previously approved by the Board.

Item Description	Information Systems Advisory Committee Meeting Minutes December 7, 2021
Purpose/Scope	Review of the December 7, 2021 Information Systems Advisory Committee Meeting Minutes to provide opportunity for corrections and historical accuracy.
Contract ID	N/A
Budgeted Item	☐Yes ☒No - Not applicable
Procurement Method	N/A
Contract Amount	N/A
Contract Terms	N/A
Committee Recommendation	Staff recommends the review and approval of the December 7, 2021 Information Systems Advisory Committee Meeting minutes.
Contacts	Kelly Booten, Chief Operating Officer

Summary Minutes of the
Information Systems Advisory Committee Meeting
Tuesday, December 7, 2021

The Information Systems Advisory Committee (ISAC) of Citizens Property Insurance Corporation (Citizens) convened via Zoom webinar on Tuesday, December 7, 2021, at 10:00 a.m. (ET).

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

Nelson Telemaco, Chair
Reynolds Henderson
John Vaughan
Kelly Booten, staff

The following Citizens staff members were present:

Aditya Gavvala
Barbara Walker
Barry Gilway
David Woodruff
Eric Addison
Jennifer Dilmore
Mathew Carter

Ray Norris
Robert Sellers
Sarah Harrell
Stephen Guth
Tim Cerio
Wendy Perry

Call Meeting to Order
Roll was called. Chairman Nelson Telemaco, Governor Reynolds Henderson, and Technical Advisor John Vaughan were present.

1. Approval of Prior Meeting's Minutes

Chairman Telemaco: I'd like to call the meeting to order and seek approval of the prior minutes. Do I have a motion?

Governor Reynolds Henderson made a motion to approve the September 8, 2021, Information Systems Advisory Committee (ISAC) Minutes. The minutes were unanimously approved.

Chairman Telemaco: The next item on the agenda is the Enterprise Operations Update from Kelly Booten. I'd like to pass it on to Kelly for that update.

2. Chief Operating Office Update

Good morning. Thank you, Chairman Telemaco. Today I would like to cover the dashboard, which has four quadrants to it, and I also would like to cover things that have changed since the last meeting.

In the upper left-hand corner, is the IT Finance section. We've updated the projections and the year-to-date numbers as of September. These numbers are also consistent with what we see in

the projections through the end of the year in the budget presentation that will be provided to the Board in the meeting next week. Nothing alarming, we are on task, and nothing really major to point out there.

The upper right-hand quadrant is the Top Technology Strategies & Alignments to Themes. We added a little chevron in black color to denote the things that have changed since the last meeting, so I'm going to cover those things.

The first one is the Application Integration Platform. Since the last meeting the procurement is now complete, so we color coded that section of it complete. The contract is signed, and the scope of work is being finalized with the vendor that was chosen. Implementation kickoff is scheduled for January 10. The project has a ton of deliverables, it is multi-year, and it will conclude in the second quarter of 2023, so it's pretty well mapped out and progressing very nicely.

The next one is the Analytics and Modernization; this one has moved into the solicitation status. A workgroup is currently working on the solicitation to procure modern analytics and data warehousing technologies. The procurement schedule has us releasing the ITN in the first quarter, and our target to get through that process and have it ready to bring to the Board for a decision would be in the September time frame.

The next one is the RPA – Robotics Process Automation. That one we marked as "solicitation complete" because there are no more solicitations or procurements we need to make, and all the desired capabilities of the RPA suite are in place. We're completing automations in critical business processes and have completed three since the last meeting with three more in process. They really helped us with some of the processes in our legacy system retirement and bulk upload of FNOL vendors. We're working with the various departments and are also developing training to help them be self-serving and enable the technology by the business units themselves.

Although the Identity and Access Management one doesn't have a change on it, I did want to mention that last ISAC[1] meeting Sarah Harrell reported on that and our intent was to have that solicitation brought to the Board at this board meeting; however, there were numerous vendor responses that required extensive analysis which warranted additional time to review and make sure that we had really vetted the vendors appropriately. So, that one is now going to come to the Board in March.

The next one is Citizens' Eligibility Reimagined. That one is really getting a lot of coverage at the upcoming Exposure Reduction Committee and the Board meeting where we will be doing another presentation from the perspective of what's different in what we do today - how does our Clearinghouse and FMAP platforms work today and how do we envision that they'll work differently in the future. From an IT perspective, of course, we're attached all together in trying to make this happen. The IT team has been very heavily involved in mapping out the solution, the vision, and the technology roadmap that goes with this. We have been working with the Vendor Management Office on creating the solicitation. Our target to get that is December 15 following the board meeting.

---

[1] Verbatim correction: Stated as Board meeting

I'll move down to the lower left, which is the Resiliency quadrant. At the last meeting, there were two open items in the IT Catastrophe Readiness. Both of those have been closed. One item was closed related to certified readiness for the secondary backup printer for claim check processing volumes because there's a new solicitation that's going to cover that. It will be addressed in the next CAT prep activity, which is starting up now that we're out of CAT season. The other item closed was concerning activities that are related to business continuity planning and exercise coordination. That one is closed out for this CAT season, and we'll start it all over again.

The lower right-hand quadrant is the Risk Status, so to speak. This one we had one medium risk that was closed, and it had to do with lowering the risk of the medium risks. It was in the detection and response area where two medium and two low risk issues related to maintenance monitoring and analysis of audit logs were downgraded. So, we had great progress there.

I also want to mention, from a risk perspective, we conducted a cyber security tabletop workshop with our Executive Leadership Team and our vendor partner on October 29. It went really, really well. It was an all-afternoon event where we walked through a cybersecurity scenario exercise and tested out our incident response with cyber and also documented any improvements in documentation.

We also completed our penetration test on October 8th. We've got the final report and have summarized the findings and are working on any action that needs to be taken as a result of that. Most of what was uncovered are the things that we are already working on.

And that concludes the dashboard update.

Chairman Telemaco: Thank you Kelly. Appreciate the thorough update. Any questions from any of the committee members? I see no questions.

Kelly, just to clarify up on the top right-hand side, we see the word "risk" as part of the theme alignment and some of the categories here highlighted in red, I just want to clarify this isn't that those items are at risk, this is just that these relate to the theme of risk but they're certainly on target. I just wanted to call attention to the fact that it appears to me like this is a phenomenal status. It looks like we're on budget, we're on target, and we're secure. I don't see any alarm bells, nothing here is giving anyone any reason to be concerned or alarmed in anyway, right?

Kelly Booten: No. That's a really good summary. Actually, as far as that risk category goes, we do want to make a change. These themes, Exposure, Scalability, and Employee, really relate back to our key themes for 2022. The Risk one was a little bit odd in that it was part of a risk category, so we're going to change that to be Theme Three and realign this a little bit to go with the 2022 themes, the next time we make the update to the dashboard.

Chairman Telemaco: Okay, looks good. Thank you. Seeing no further questions on this item I'd like to move on to the third item on the agenda, which is the Cloud Strategy Update. I'd like to pass the mic over to Aditya Gavvala for that update.

3. Cloud Strategy Update

Aditya Gavvala: Hello. Good morning, Committee, this is Aditya Gavvala. I would like to provide an update on the Cloud Program today to the Committee starting with some background

on what the Cloud Program is all about. The essence of Cloud Program is migrating our on-prem applications and servers from our current data centers to the cloud, which provides scalability and added security, also popularly known as Infrastructure as a Service. That's the essence of this program.

This program started in 2017 and it was well vetted at different committees. On this slide on the right-hand side top right, you'll see different committees where this was actually presented. At Information Systems Advisory Committee back in 2019, a Cloud Strategy was presented, and an Implementation Update was also provided in 2019. At various IT Steering Committees, we presented various updates on Cloud Strategy, Cloud Business Case and why it makes sense to do it, Cloud Migration Plan, and Cloud Foundations, the starting activity. Also, we continuously provided Cloud Migration Updates periodically to IT Steering Committee. Even at the most recent one, we did provide an update on the cloud migration activity. Cloud Strategy was mentioned at various Information Systems Advisory Committees since 2019, as well.

So why Cloud? Why should we bother with the Cloud? Here are some of the major benefits of the cloud. The first benefit is the elastic compute. What that means is if you want to stand up a new set of servers in the cloud, you don't have to deal with a long procurement cycle, the purchase of hardware, standing up the hardware, wiring hardware, none of that. With a push of a button, you can actually start up new servers in the cloud. As your business needs increase, you can stand up more servers pretty rapidly and tear them down when you return to normal business operations. That elasticity is a key benefit of the Cloud Compute.

Cloud also provides high availability and disaster recovery that's inherent within the cloud. High availability meaning many of the cloud providers have geographically distributed data centers, so they fail over automatically when one data Center goes down. You see a high availability with minimizing business disruptions.

Quicker time to market - if we are rolling out new capabilities to our end users, our policyholders, our adjusters, or our agent community, it's much easier and much quicker to roll out those capabilities in the cloud because you don't have to deal with the procurement cycles, you don't have to deal with all the hardware setup, etc. With quick click-through, you can stand up servers and roll out new capabilities to our end users.

Cloud providers are also certified with the industry standards, so they have a lot of cybersecurity defense that's built in, that's native to the cloud platform, so you don't have to start from scratch; it's already there for us.

It also future proofs our business systems. One trend that we have seen is that more and more software vendors are releasing their newer versions of the software as cloud native, meaning they work only in the cloud. So, going to the cloud will definitely future proof our software. That's another advantage of the cloud.

Some key accomplishments since we started the program - we launched the program in 2017 strategically, and in 2019 is when we started procuring our Microsoft Azure Cloud Tenant; we established a cloud tenant in 2019. We did establish the security controls, etc., configured it properly so we have the proper security controls. We did an assessment, a health check, by the vendor last year. We invited the vendor to perform a health check on our cloud configuration. They gave a green check and a thumbs up for our cloud implementation.

We rolled out Microsoft Teams last year, as well, during COVID time. That provided collaboration capability to our staff.

Cloud File System (OneDrive) has been rolled out this year. That's been a great success, as well. This gives our staff ability to exchange documents seamlessly.

Our non-production applications and workloads have started to go to the cloud this year. I'll share with you on the next slide the roadmap of what is to come, but just to give you a high level, we have plans to move our production workloads to the cloud. We're also planning to roll out Microsoft SharePoint, which enhances the collaboration capability for our staff. That's on the docket for next year and beyond. We're also working on migrating our telephony which runs on physical hardware today. We're looking at migrating that to the cloud. This is what we call UCaaS - Unified Communications as a Service, alternatively called Telephony in the Cloud. That solicitation is already in the market, and we hope to procure a vendor by mid-next year. That will come to the Board for approval, as well. Next slide please.

This gives you a high-level roadmap of all the activity. We show that in 2020, we established the cloud tenant, we performed a health check, and we also rolled out Microsoft Teams. In 2021, which is this year, we migrated some of our non-production workloads to the cloud, we made sure our backup and recovery platform in the cloud works, we moved from on-prem to the cloud, we rolled out OneDrive, which I mentioned already, and we released the [Telephony in the Cloud][2] solicitation this year.

In 2022, our focus is going to be primarily on moving the production workloads to the cloud, completing the solicitation for Telephony in the Cloud, and beginning that implementation in the second part of the next year. We will also plan our SharePoint implementation in 2022, but the implementation will begin in 2023.

In 2023, we will commence our data center retirement of our production data center, which is co-hosted at CSX, and our disaster recovery center, which is in Winter Haven. We will begin the retirement of those two data centers as we ramp up our migration to the cloud. In 2023, we will also implement the UCaaS or Telephony in the Cloud.

In 2024, we will fine tune and look at any opportunities to get better performance in the cloud and roll out more capabilities. By 2025, we will have retired both our physical data centers, our primary data center, and our disaster recovery center. That's a high-level review of our roadmap.

On the next slide is an Appendix to give you some background about why we chose Microsoft Azure as our cloud provider. It's primarily because right from the inception, Citizens has invested heavily in Microsoft technologies. All our operating systems, our server platforms are Microsoft based. Our databases are also Microsoft SQL server based. All our monitoring solutions, management solutions, our primary applications also run on Microsoft. All our Citizens' staff has experience aligned to Microsoft. It fits better with our strategies, as well. Our tighter integration with Office 365 is one of the reasons. Also, the Microsoft environment supports a hybrid deployment, so you can have some on-prem, some in the cloud, and we have tighter synergy between on-prem data centers and our cloud providers. It provides better

---

[2]Verbatim correction: Added solicitation name for clarity.

interoperability with our Citizens business systems and technology products that we use. Those are all the reasons why Microsoft Azure was the chosen provider for us.
That concludes my presentation on the Cloud Program. I will take any questions at this time.

Chairman Telemaco: Thank you, Aditya. I appreciate the update. Very good and very thorough. Any questions from anyone?

Governor Henderson: Just one question. I may have missed this but is this going to save us money?

Aditya Gavvala: We did a Cloud Business Case and there is not much cost savings. It'll probably be cost neutral, but it gives you all the benefits that we don't have today - the scalability, the additional security, the inherent disaster recovery, high availability - all those benefits you don't have today to the extent cloud will provide. You'll get all those benefits, but cost-wise by 2025, we'll be approximately spending about the same amount of money that we spend today. So, we're not seeing huge cost benefits, but the longer you run in the cloud, the lower the costs are going to be. With the decreasing costs of cloud storage and cloud access, we can anticipate some cost savings beyond 2025, but projected out to 2025 it's about the same on what we will be spending based on the numbers today.

Governor Henderson: Great, and as we go through future procurements, we're going to look at other companies. If some companies are less than Microsoft, do we have it where we could use that other company or is it there going to be some hiccup in the way we're all integrated, fully with Microsoft?

Aditya Gavvala: Excellent question. Our implementation and architecture are cloud agnostic, so if we decide to switch to a different provider, we are making sure that our architecture does not have any vendor lock-in where it's impossible for us to move away from Microsoft to a different vendor. There are going to be some migration efforts to move from Microsoft to a new provider, but we're not locking in completely to Microsoft, so to the extent possible where it makes sense, we're trying to stay vendor neutral.

Governor Henderson: Great Thank you.

Chairman Telemaco: Great question. Thank you for that for that answer. Any other questions?

John Vaughan: I had a question and first an observation. It looks like a pretty solid roadmap from what I'm seeing here. It looks like it's pretty well thought out. As you're aware, Aditya, from previous conversations, we're a couple of years ahead of you in this journey, so it would be great if sometime early in the first quarter maybe we sit down and have a tech talk. I wouldn't want to chew up time on this call with that, but sometime early January, February.

Aditya Gavvala: Absolutely.

John Vaughan: You're at a junction where I could probably sort of say, "hey watch out for this, watch out for that, here's some things that we know". It's a nice smooth timeline but it's definitely a journey, from a technology standpoint, and anything but smooth as you work through all the various things.

Aditya Gavvala: Absolutely.

John Vaughan: And then I had one question. You're using SharePoint now, so you're using on-prem SharePoint, and this is talking about moving to the cloud or you're not using SharePoint at all?

Aditya Gavvala: We're not using SharePoint at all, so we're thinking about implementing it straight in the cloud. Office 365.

John Vaughan: Okay. That definitely makes it easier. Thank you.

Aditya Gavvala: John, thank you for that offer. You know your team has been wonderful. Your advice and guidance that you've provided in the past has been very helpful. We'll look forward to setting up a meeting between the two teams sometime early next year so we can match notes and see if there are any lessons learned from your experience that will help us. Absolutely.

John Vaughan: Alright, sounds good.

Chairman Telemaco: Thank you, John. So, Aditya recognized that this isn't something new that's being presented to the Board or to the committee, this has been in conversations several years back to 2017. I'm just curious if, in that timeframe to now, has anything changed significantly? I know technology changes very quickly. Has there been any changes that would force us or really compel us to reconsider, revisit any of the decisions or the pieces of the roadmap that we've already laid out? Are there any reasons to go back and reconsider any of that?

Aditya Gavvala: No, I can't think of any off the top of my head. So far, we've been on track with the program, and we are making sure that we're doing all the necessary due diligence. We might have been aggressive with our planning in the early days, but as we learn more about the program and as we are getting input from John and his team, Gartner, and other leaders, we are continuously fine tuning our program. It took a little bit longer for us to get to where we are, but I believe that the time that we spent was well worth it. As they say that a stitch in time saves nine, right, so I don't see any need for any course corrections at this time. I think that the program is giving us the results that we anticipated. Granted, 2022 and 2023 are major years for us where we will begin to migrate the production workloads. If we run into any situation, of course, we will definitely bring it back to this Committee for advice and guidance.

Chairman Telemaco: Great, and along those lines, what I would suggest is, I know you're going to be meeting with John and there are going to be some great notes taken from that conversation. For the next meeting, I think it would be helpful to somehow point out any of those course corrections or any of those adjustments, whether it be a course correction or a change to the timeline. Maybe certain things can be accelerated instead of waiting 'til 2024 or 2025. Maybe some things can be accomplished sooner than that. Not putting any pressure on it, I'm just thinking that if technology is continuing to move as fast as it is, I'd love to be able to see the update address those changes as opposed to just telling us that we're on track to something that was set in 2019. You know what I mean?

Aditya Gavvala: Yes. Will do.

Chairman Telemaco: Awesome.

Kelly Booten: I want to echo Aditya's comment. Early on, we had very aggressive timelines that we were trying to meet, but I think we've done a very measured approach. We kind of took a couple steps back. Actually, we have met with John on this subject in the past and from that learned and set a course over the last year, year and a half, that's been very solid and has been backed up by Microsoft and Gartner and other resources coming in behind us and checking things out.

Chairman Telemaco: Great. Fantastic. Any other questions on the Cloud Strategy? Any other comments? Great. Terrific. Thank you, Aditya.

Aditya Gavvala: Thank you.

Chairman Telemaco: Next item on the agenda we've got an action item. I'm going to pass it to Kelly so she can speak to the action item on the agenda.

4. **Action Items**

   a. **Technology Infrastructure, Software, and Professional and Staff Augmentation Services – Part II**

Kelly Booten: Okay, we have the Technology Infrastructure, Software, and Professional and Staff Augmentation Services - Part II. At the last Committee meeting I presented Part I, which was for the expenditures that run from predominantly the January through April 2022 timeframe. This is for the expenditures that run from May to December 2022 and includes contracting approval for purchases from a list of contracts that are specified in the Action Item which includes certain existing Citizens procured contracts, as well as other state term contracts and alternative contract sources. These purchases are lined up with the budget and are specified there.

The Action Item requests contracting approval in the amount of $9,182,563 under the three categories. The estimated contract spend for the Infrastructure category is $1,380,474. That has three items over $100,000; the remainder of them are less than $100,000. The second category is Software which is $5,555,086. On that one, there are 15 items greater than $100,000 and it includes things like our integration layer, Oracle, which is being replaced, but for this year, we have to have both of them in place. It includes our website repurchasing, one of our Guidewire components. In that span there's three items that are three-year term items totaling $1.2 million. Then in the Professional and Staff Augmentation category, there's $2,247,003 for Professional and Staff Augmentation Services. The big, heavy lifts there are that we added additional money in this category to cover our Citizens Reimagine project with additional resourcing that we felt like we will need. That will be further vetted when we bring that to the Board later in the year. [The item also includes funds] to expedite Customer Engage, our policyholder portal implementation, the Inspections Program that we're automating, and Identity and Access Management, the other high priority item.

On the top of the second page of the Executive Summary is a table that shows Part I and Part II, and the total broken down by category, Infrastructure, Software, and Professional Services, so that you can compare 2021 to 2022. Hard comparison because things are moving; there are some things that stay the same year over year, but we have different things that come and go, depending upon the three-year terms, at times, or any new projects that we have.

At the last Committee meeting, the estimate I had at the time for Part II was $7.4 million, and now it's up to $9.1. It still keeps us less than last year's total but the reason for the increase is because of those projects I just mentioned, and then we added additional capability in our teleconferencing equipment to make it easier to do our distributed workforce with people in the office, not in the office, and have it all integrated. So, there's some additional expenditures in there that hadn't been yet vetted when I had the amount at the last meeting. All this is in the budget.

I will pause to see if there's any questions before I read the recommendation.

Chairman Telemaco: Any questions or any comments? Kelly, just to clarify, these items are already in the budget, they've been pre-vetted, they go through the normal process of procurement and vendor vetting, so we're not questioning any of that right? This is already assuming that's in place, correct?

Kelly Booten: It will be in place. In some cases, we estimate the budget amount, and we're not sure exactly which contract it will fall on, but once we make the selection, it goes into the rigid purchasing process where we vet everything and make sure that we have the Action Items expenditure to go with it, the budget to go with it, and then we proceed.

Chairman Telemaco: Okay, thank you for clarifying. Seeing no further questions, Kelly if you wouldn't mind reading the recommendation.

Kelly Booten: Staff proposes that the Information Systems Advisory Committee review, and if approved, recommend Board of Governors approval of the Technology Infrastructure, Software, and Professional and Staff Augmentation Services - Part II contracts for an amount not to exceed $9,182,563 as set forth in this Action Item, and authorize staff to take any appropriate or necessary action consistent with this Action Item.

Governor Henderson: Moved to accept the recommendation.

Chairman Telemaco: Excellent. Any objections? Seeing none, it looks like it carries. Thank you, Kelly.

Kelly Booten: You're welcome.

Governor Henderson made a motion to approve the Technology Infrastructure, Software, and Professional and Staff Augmentation Services – Part II Action Item. The Action Item was unanimously approved.

5. New Business

Chairman Telemaco: I'd like to move on to new business. Any other new business? Anyone want to raise anything before we adjourn?

Excellent. Well, thank you very much to everyone who participated; thank you for the very detailed and great updates. Our next meeting will be scheduled, they've got to confirm that date, but notice will be given out appropriately.

Seeing no additional comments or questions, I'd like to thank you all for your time and call the meeting to adjourn.

Governor Henderson: Thank you, Mr. Chair. Have a great day.

Chairman Telemaco: Thank you, thank you, appreciate it. Everyone have a great day and a great holiday.

(Whereupon the meeting was adjourned.)