

Information Systems Advisory Committee March Minutes

ACTION ITEM

New Contract

Contract Amendment

Other - Committee Minutes

CONSENT ITEM

Contract Amendment

Existing Contract Extension

Existing Contract Additional Spend

Previous Board Approval _____

Other _____

Action Items: Items requiring 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 not requiring 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 March 9, 2022
Purpose/Scope	Review of the March 9, 2022 Information Systems Advisory Committee Meeting Minutes to provide opportunity for corrections and historical accuracy.
Contract ID	N/A
Budgeted Item	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 March 9, 2022 Information Systems Advisory Committee Meeting minutes.
Contacts	Kelly Booten, Chief Operating Officer

CITIZENS PROPERTY INSURANCE CORPORATION

**Summary Minutes of the
Information Systems Advisory Committee Meeting
Wednesday, March 9, 2022**

The Information Systems Advisory Committee (ISAC) of Citizens Property Insurance Corporation (Citizens) convened via Zoom webinar on Wednesday, March 9, 2022, at 9:00 a.m. (ET).

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

Lazaro Fields, Acting Chair
John Vaughan
Brian Foley
Kelly Booten, staff

The following Citizens staff members were present:

Aditya Gavvala	Ray Norris
Barbara Walker	Robert Sellers
Bonnie Gilliland	Sarah Harrell
Barry Gilway	Stephen Guth
Eric Addison	Tim Cerio
Jennifer Dilmore	Wendy Perry

Call Meeting to Order

In Chairman Telemaco's absence, Governor Fields acted as Chairman. Roll was called and a quorum was present. Chairman Fields called the meeting to order.

1. Approval of Prior Meeting's Minutes

Chairman Fields: Good morning, everybody, and nice to see you all. We going to take up the first agenda item which is the approval of the December 7th, 2021 meeting Minutes. Is there a motion?

Brian Foley made a motion to approve the December 7, 2021, Information Systems Advisory Committee (ISAC) Minutes. John Vaughan seconded the motion. The minutes were unanimously approved.

Chairman Fields: The next item on the agenda is the Enterprise Operations COO update. Good morning, Ms. Booten.

2. Chief Operating Office Update

Kelly Booten: Good morning. Kelly Booten for the record. Today I would like to brief you on the IT dashboard that is included in the second tab and should be displaying on the screen here momentarily. There we go.

Okay, so on the upper left quadrant is the IT Financials. We have the 2021 actual spend at approximately \$49 million. This document was created prior to the year-end financials being

completed, so there could be a few discrepancies, but they're small. This is approximately \$3.3 million under the 2021 budget of \$52 million. The last column represents the approved 2022 budget of \$58 million. The growth in 2022 is due to the annual merit, projects such as Citizens Reimagined, enhancements to the current FMAP system and customer portal, the enterprise integration platform replacement, implementation of the identity and access management solution, and other projects. Categories of spend impacted include software, contingent and employee resourcing and professional services. Some initiatives such as Identity and Access Management were budgeted in 2021 and deferred into 2022. Telecom had a negative accrual from 2021 that overlapped into 2022, and it also includes spend for the Unified Communications as a Service project. It is too early in 2022 to draw any conclusions on spend thus far, and at the next meeting we will show 2022 actuals year-to-date.

On the top right quadrant is the Strategy section, and for today we have marked three strategies for update. The Identity and Access Management Strategy is on the agenda today, which we will be covering as our next item, and an action item to procure services and software.

Cloud Enabled Insurance Systems - the strategy is marked completed for this one. Strategy work included Guidewire cloud readiness assessment, options document, cloud cost estimation spreadsheets, and a decision, ultimately, to solicit starting in 2022. We anticipate initiating the solicitation in third quarter following the Citizens' Reimagined solicitation.

The third strategy is the Citizens Eligibility Reimagined, which includes the replacement for our Clearinghouse and FMAP platforms. We issued the solicitation in December; responses were due on January 26. Based upon the low volume of responses, we decided to issue a reject all, seek feedback from the market, improve the solicitation, and reissue. The solicitation is anticipated to go out on Friday of this week.

In the bottom right quadrant is the Security quadrant. The data loss category risk level was lowered from medium to low due to risk mitigation and risk acceptance activities.

The bottom left quadrant is the Resiliency quadrant. The annual IT Catastrophe Response readiness activities are on track for completion prior to storm season. The Resiliency Preparedness Checklist is completed. Business units and responsible individuals have validated the checklist against the stated requirements for performance or availability. We added a new row for our policies in force scenario analysis, which is 53 percent complete and on track to finish by the end of second quarter.

So that is an update on the dashboard.

Chairman Fields: Any questions for Ms. Booten?

Brian Foley: Yes, Chairman, this is Brian Foley, I have a question. In seeing the spike in the financials for 2022, brings up the question of staffing strategies. I see that you are hiring more professional services and staff augmentation people, it looks like on the chart, to deal with the short-term spike in projects, but if you believe that you are going to continue to have projects throughout the year, you want to staff up more. Is that the strategy to use temporary help to get through the projects and then bring it back down again, or do you see that level of activity continuing for years?

Kelly Booten: This year we actually did a multi-pronged approach and detected all the areas. We added professional services around the projects that go away after implementation. We've added some contingent resources to fill in the void in staffing and hiring and turnover to help augment, and if you remember in 2021, we did a solicitation to outsource help desk and our operations center. That moved into the services spend and we replaced those resources with AppDev resources that could actually get more project work done.

So, we've gone at it three different ways. We will adjust and have turnover in the staffing area enough, unfortunately, that usually if we need to ramp down the resources, it's pretty easy to do. Did that answer your question?

Brian Foley: Yes, it does, thank you, it makes sense.

Chairman Fields: Any other questions for Ms. Booten? All right, hearing none, let's move to item number three which is Identity Governance and Administration Access Management and Related Products. I have three people listed here. Who will be presenting this?

3. Action Item

a. **Identity Governance and Administration, Access Management, and Related Products**

Robert Sellers: Governor Fields, this is Robert Sellers. I will initiate the presentation. Aditya Gavvala will conclude with the presentation of the action item, itself.

Chairman Fields: Good morning, thanks for being here.

Robert Sellers: Good morning. This is Robert Sellers for the record. I'm going to start off with What is Identity Governance and Administration? IGA is providing the right people with the right access at the right time. Plus predicting their need for access and detecting and responding if their access is inappropriate.

Governors and committee members, it has become apparent that identity is one of the most important parts of the organization's security perimeter. Massive movement to remote work in 2020 by Citizens staff as part of our COVID response really brought this message home to us, with the additional complexity and configurations in the security space that was required to ensure appropriate risk management controls were working as desired for the new remote user types and for business processing needs.

In July of 2019 through October 2019, we completed a strategic review of our existing IGA processes and tooling with Gartner Consulting, and then followed that up with development of a Citizens strategy and program for Citizens' improvement in this space. With COVID hitting in 2020, that brought some implementation delays but now we are completing the process of selecting the appropriate IGA platforms and implementation partner to enable our strategic vision.

Citizens will likely soon have over a million identities across over 250 different applications to manage with these new tools and processes. With continued policy growth it may be double that

within the next several years. We must manage these large sets of numbers of identities quickly, efficiently, accurately, and with a strong set of controls.

Every area of the business will be impacted positively by this program in this set of products, including our employees, our agents, our adjusters, our other business partners, and most importantly our policyholders. We will go ahead to the next slide, please.

Business objectives and values that we believe will be resolved through the acquisition implementation of the solution are the reduction of internal and external cyber security risk which will occur through streamlining and automating the provisions and deprovisioning of individual identities and their access. Additionally, better management of identity access privileges will reduce the risk of unauthorized access. Other significant improvements gain will occur in the areas of assurance of regulatory compliance and enhanced user experience, and user productivity resulting from that, improved operational efficiencies across numerous business areas supporting identity and their systems, as well as systems innovation activities as we go into some of the new development that Kelly was speaking about with Citizens Reimagined and the Cloud Insurance Suite. Let's go ahead and move to slide four, please.

As part of the solicitation and invitation to negotiate, Citizens started with fifteen different vendor submissions, and through an initial evaluation activity by subject matter experts across the organization, five vendors were advanced to the negotiation phase. Demonstrations took place to understand each of the vendor's approach to the delivery methodology of their solution and to understand their specific capabilities of each technology solution proposed. Product areas that were focused on during multiple sessions with the vendors included understanding the product capabilities and underlying architectures, the integration capabilities and their approach, optional products, their immediate and long-term product support, ongoing and future product road maps, their processes around cyber security and identity management and access, and finally, the education opportunities for Citizens' staff on these platforms.

The negotiation teams selected the solution SailPoint. It's a solution that is also recognized by Gartner as extremely strong in its capabilities and SailPoint's ongoing investments in innovation. During the selection of the proposed implementation integration vendor, Wipro, the negotiation team focused on the background and specific experience of the vendor in implementing the SailPoint product, their experience of integrating SailPoint to existing applications, the experience of the references, and our prior experience with Wipro on other projects and initiatives. And finally, we reached an understanding of the proposed product costs, both from the initial submissions and then from the BAFOs, our best and final offers. This was inclusive of components and the implementation cost against the proposed schedules inclusive of rate cards for additional services if required or desired.

During the entire process we continued to identify good and best fit capabilities and determined the right value-based solution for Citizens, which also included the additional negotiations that continue to minimize the cost to Citizens and maximize the overall value to Citizens.

Governors, at this point I will turn this over to Aditya Gavvala to review the selected vendors and to describe specific progress on the IAM program, our implementation, and the action item itself proposed for the IGA solution. Thank you.

Aditya Gavvala: Thank you, Robert. Good morning, this is Aditya Gavvala for the record. I would like to provide some additional context to the action item. As shared with the committee at

prior meetings, Citizens engaged Gartner to perform a security assessment back in 2019. Gartner made five key recommendations as you can see on the left-hand side. Multifactor authentication for improving the security of log ins, privileged access management, identity governance and administration, access management, and optionally, federated services.

Citizens successfully implemented multifactor authentication in 2020/2021 and privileged access management in 2021. The action item that's being discussed today primarily focuses on the green circle which is the identity governance and the administration. The plan for access management is to leverage Citizens' current investment in Microsoft technologies, integrating those technologies with the identity governance administration. Next slide, please.

As I mentioned before, the multifactor authentication solution was successfully rolled out in year 2020/2021. It is currently being used by Citizens' staff, contingent worker, external vendor partners, independent adjusters, VPO vendors and Citizens' virtual private network. It will be implemented for policyholders after the implementation of the governance and access management solution. CyberArk tool was implemented in 2021 for both endpoint management and also for privileged access management. Next slide, please.

We recognize that this slide that was included in the slide deck was flagged the other day. I would like to draw your attention to the action item which reflects the correct cost metrics. If you could flip over to the action item page number three. Page number three, please.

Wendy Perry: Aditya, we didn't actually put the action item up, but we can get it for you in just a minute.

Aditya Gavvala: Yes, if you would, please. Governors, if you would like us to update the PowerPoint presentation document before the Board of Governors' meeting, we will be glad to do so. My understanding is that the presentation deck is not going to be Board of Governors meeting, just the action item is, but if you prefer to have the presentation deck updated, we will happily do so.

Chairman Fields: Thank you Aditya.

Aditya Gavvala: As soon as Wendy pulls up the action item, I can walk through the cost breakup of the components. Thank you, Jennifer. So, this gives you the complete picture of the total cost for the action item. As you can see here, the cost of the Identity Governance and Administration product is about \$430,000 per year. Vendor provides the professional services for the implementation at the cost of \$2 million over a period of 12 months. The project duration is for four months, and this is a fixed price for the implementation. Support services for the implementation begin at the conclusion of the warranty period from the vendor. The cost of the support is estimated at \$500,000 a year. This spend will be as needed. There is a 20 percent contingency fund that we added that is in the third table at the bottom. The contingency funds are just on the additional software licenses that might be needed to support the increased user count as a result of the increased policies in force or to support any potential catastrophe event.

The total 10-year cost of the solution is \$9.459 million. This cost is after a 50 percent reduction from the initial submission from the vendor. This is a significant discount below the standard GSA pricing. I will pause here for any questions.

Chairman Fields: Any questions for Aditya? Aditya, can I ask you perhaps a couple of questions?

Aditya Gavvala: Please do.

Chairman Fields: I know a lot of this is sensitive and I want to speak in generalities if we can. But in terms of what we are doing today, what is it that we are doing or not doing today? This is obviously a significant contract, so my question is, what will the difference be once we enter into this contract with this vendor, just in terms of every day-to-day inner workings of the organization?

Aditya Gavvala: Absolutely. So today we use our internal tools to manage identities and access control within the organization. We use our ticketing system when new employees join the organization and requests access to what systems that they should have access to at what level. It's done through a ticketing process. Once we procure this tool it will always streamline into one tool. So, what that will give us is, if you want to know if any employee, or for any user, what kind of access the user has in what system, you will have a complete visual of that. So, when a person leaves the organization, you know exactly how to deactivate that user across all systems with a push of a button. Today, it takes a lot of discovery for us, and we have some audit findings in that space that we need to remediate. So, this tool procurement will help us take care of those audit issues, plus put us in a better position from a security standpoint.

Chairman Fields: So, if it's going to streamline the whole process, then is there any possibility of cost savings? I mean, there must be some cost to us having all of this kind of interspersed in different areas and this is going to help bring it all together and make it basically easier for us to read, if you will. So, is it just a security tool or is there going to be cost savings? What are we spending now on this that perhaps we won't have to spend in the future? Do you understand where I am coming from?

Aditya Gavvala: I absolutely do. Robert has turned on his video and I am sure he wants to chime in, as well. Instead of seeing this from a cost saving standpoint, Governor, I suggest we look at it from a risk mitigation standpoint. If we have a potential breach, then the cost to the organization is going to be significant, right. So, this would minimize the chance for any potential security breaches, and you know, you can't even put a price tag on the breaches. It could be millions, it could be thousands, it could be whatever. So, Robert, do you want to chime in?

Robert Sellers: Governor Fields, during our review of this activity as part of our strategic plan build for this area, there were four major takeaways on this that helped identify the reasons why we needed to move ahead.

First off, over the last 20 years of Citizens' existence, the combination of organic growth and our homegrown systems has really laid an inadequate foundation for our future growth and the access controls that we need in today's security environment. All the tools that Aditya has spoken to, other than the Microsoft access management component, and even there some things surrounding that have been internally developed, are just that, internally developed tools. We are not what I would consider experts in the development of security, identity, and governance. That is a vertical space in a very dynamic environment right now, where there are experts, and we are basically buying those tool sets. That's really the replacement of the homegrown systems with these commercial, off the shelf solutions that will reduce our risk. It

also allows us to deal with market change that happens in this space, as well. Every day you pick up the paper and you see a new security vulnerability that is being announced that an organization is having to deal with. That's something our teams have to continue to be focused on. Today, Aditya has developers down through his organization. We have analysts down through our organization. We have technicians that do the provisioning and de-provisioning throughout our organization. There are some very real benefits that we'll see over the long term by moving to automated solutions in those areas that we are not maintaining directly, as well.

So, those were the first two, the organic growth and the replacement of the homegrown systems. The third piece was the future state of this implementation which will allow us to do exactly what Aditya indicated, knowing who has access to what system and what capabilities at any time. That's an important part of the security posture of this organization. So, from the onboarding to the offboarding and all things that happen to employee or a contractor or an agent or any other individual that is managed by that system during their career at Citizens. When they change roles from an underwriter to a claims individual, do they need the same access? That will happen automatically, their access will change to be the one that is appropriate for them in their new role.

And then the last piece is that future state capability providing for the incremental improvements needed in information security as identity changes. Five years ago, multifactor was just getting talked about. Today, it's absolutely a requirement. That's in these systems that we are talking about, as well. Unfortunately, security is a very dynamic area, and it has a very high risk when something bad happens. This tool is meant to reduce that risk, as Aditya indicated, but a lot of other things come along with it, as well.

Aditya Gavvala: I would like to also add that since you asked the question, are there going to be any cost savings, there are some intangible cost savings, too. Today, the provisioning and de-provisioning activities are manual. The tools will automate that, so the time it takes to turn around those requests will be drastically reduced, so there's productivity gained, efficiencies that we'll get out of it. Improved user experience with onboarding. As we bring in more people, the onboarding experience for them would be really smooth because they don't have to wait in the queue for their provisioning to happen, it's all going to be automatic. So, there's definitely some intangible gains that we get with these tools, as well, in addition to this production and other key benefits that we already spoke of.

Chairman Fields: I appreciate that. You know, while I have been with Citizens, one of my big things has been -- I am not an IT professional, I am not a cybersecurity professional, so I really rely on both of you, all of you, for your expertise, and from what I am hearing from you is this is necessary and it is very important and crucial to the safety and security of our company, which for me, gives me a lot of comfort.

My last question is, again generally speaking, I know that you said, Aditya, that this contract is 50 percent or so below what the initial, I guess, bid was. Could you help me understand where this \$9.4 million falls as it relates to some of the other potential vendors that we were looking at?

Aditya Gavvala: Yes. I do not have the numbers matrix. I am going to ask for Stephen, who is our VP of Vendor Management Office, if he is on the call, to help me here. How does this number compare with the other vendors? I was not one of the negotiators, so I don't have the numbers memorized. I would like to get assistance from the team if they are on the call. If not,

we will get back to you, Governor, with how these numbers compare to the other vendors that responded.

Stephen Guth: I am on, Aditya. This is Stephen. Good morning, Chairman Fields and committee members, this is Stephen Guth. I'm Vice President of Enterprise Services at Citizens, which includes the procurement function. In response to your question, Governor Fields, there were two products that we were focused on in negotiations. One was Saviynt and the other one was SailPoint. In terms of base product functionality between Saviynt and SailPoint, SailPoint is at a slightly higher price point. So, without revealing the vendor's exact prices, what I can tell you is that the SailPoint product was roughly \$287,000 higher than the Saviynt product.

Chairman Fields: Okay, thank you very much. I don't have any other questions for you all, thank you. Do any other members of the committee have questions?

John Vaughan: Yes, I've got a -- this is John Vaughan. I have a comment and then a few questions. My comment is, when I just take a step back and look at it, it's the right thing to be doing in the right order; it's the same journey that a lot of companies have gone through, great vendor. Wipro I am not as experienced with, but I think the idea of going with a vendor that you have a track record with of good success is probably the right way of going.

So now I got my questions. That's just my comments on that because I am going to ask some questions that seem like I am sort of picking at things, but it's for good reason. So, my first one. I'm curious, you mentioned that you are going to upload potentially over a million active identities. That sounds like that's not only the internal, but the external users that you are thinking that you would load into this, and I'm wondering if that's just, I'm just speaking from experience, is that sort of your initial take on that? Because the key ones are the internal users that you really can review. You are not going to know as much about, for instance, a policyholder, are they legitimately in there or not legitimately. So, you got to use different access controls and things to make sure that you are managing that but go beyond an IAM solution. So, the million active identities, how many of those are internal versus external?

Aditya Gavvala: So, I will take that question, John. Our plan of action for external identities, such as policyholder and agents, is to use Microsoft Azure B2C (business to consumer) for access management. That is going to be the system that we'll be using. That's why you see, right next to the green circle, there is another circle for access management. That is going to be done in coordination with IGA solution. IGA solution is going to be primarily used to manage identities internal and business partners. We are estimating around 50,000 of those identities we will be managed in the governance solution. The policyholders, which could be up to a million, would be managed in the access management system, which is Azure B2C.

John Vaughan: Okay.

Aditya Gavvala: Does that make sense to you?

Mr. Vaughan: That makes sense. Okay, I just wanted to clarify that. Then the second thing, and this sort of plays into your implementation time frames and everything else. You know, on the second slide you reference 250 plus applications that you are going to impact with access control, but in the summary, you write up the implementation is ten pilot apps and sixty remaining apps. Help me understand that. Are the remaining 250 then sort of come into play

along the way, or have you identified that they merely use active directory and they become very easy to get or -- or what's the thought there? And I guess it probably more plays into how did you pick the 10 for the pilot and the 60 remaining?

Robert Sellers: Mr. Vaughan, the activity that went through for the number of applications was to create out of our architecture system the list of applications that are user facing and also inward facing for the organization. As you indicated, many of those are using the basic native capabilities of either the security of the application itself, where identities are maintained with inside the application, or using Microsoft as the primary authentication source. The remaining applications really are what I would consider the larger business facing applications for the organization from our insurance policy systems to our agency systems and on downstream from there.

The anticipation is that the target will be across a number of different types of complexity of applications. We will be entering into the scope of work and contract following approval from the Board, but the idea is to get differing types of applications, different types of onboarding requirements such that not only will Wipro, the vendor, be implementing, but they will also be doing the knowledge transfer to our teams, as well, for any continuing activity downstream that is required for program implementation or integration.

Aditya Gavvala: Yes, the pecking order for the implementation is going to be based on the resiliency classification of the system. We have classified our system as business critical, mission critical, so on and so forth. So that's the sequence that we will be addressing. We have, definitely, critical systems that potentially have a higher security risk because they are externally in facing, et cetera. Those will be addressed first.

John Vaughan: So, it's safe to say the seventy really represent the ones that you identified as the highest priority based on risk type of factors in order to move forward? And then I think, what I picked up from that was, knowledge transfer means that you'll keep plugging away at that 250 plus number based on priorities, but you are looking at a chunk of it that you want to get done fairly quickly within a year, and then the rest of it you view as lower risk, and you will just incrementally go through that. Do I understand that right?

Aditya Gavvala: That's correct.

Robert Sellers: That's accurate. The pilot will help us build, and help Wipro build, the factory needed to do volumes of these as quickly as possible, and then we will move from the pilot into the production groups.

John Vaughan: So, you hope that you have a good pattern by the time you get to the end of the first year and you have the knowledge transfer that this allows you to move on through the rest of them? Okay, got it. That is all the questions I had, thank you.

Chairman Fields: Thanks, John, those are great questions. Anybody else? All right.

Aditya Gavvala: If there are no questions, may I go for the recommendation?

Chairman Fields: Yes, please do Aditya.

Aditya Gavvala: Staff proposes that the Information System Advisory Committee review, and if approved, recommend to the Board of Governors to approve the contracts with Wipro Limited and SailPoint Technologies, Incorporated for a base term of five years with optional renewal terms of an additional five years, with a combined total contract amount not to exceed \$9,459,855 as set forth in this action item, and authorize staff to take any appropriate or necessary action consistent with this action item.

Chairman Fields: All right, let's take a vote. All those in favor of the action item signify by saying "aye".

(Chorus of ayes.)

Chairman Fields: All those opposed say, "nay". All right, the action item is approved without objection.

Aditya Gavvala: Thank you.

4. New Business

Chairman Fields: Is there any new business to come before the committee? Hearing none, I will entertain a motion to adjourn.

John Vaughan: I'll motion to adjourn; this is John Vaughan.

Chairman Fields: All right. I assume there is a second out there somewhere.

John Foley: There is a second, this is Brian Foley.

Chairman Fields: Thank you. We are adjourned without objection. Everyone, have a wonderful day. Thank you all.

(Whereupon the meeting was adjourned.)