Information Systems Advisory Committee March 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 June 8, 2022
Purpose/Scope	Review of the June 8, 2022 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 June 8, 2022 Information Systems Advisory Committee Meeting minutes.
Contacts	Kelly Booten, Chief Operating Officer

Summary Minutes of the
Information Systems Advisory Committee Meeting
Wednesday, June 8, 2022

The Information Systems Advisory Committee (ISAC) of Citizens Property Insurance Corporation (Citizens) convened via Zoom webinar on Wednesday, June 8, 2022, at 9:00 a.m. (ET).

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

Nelson Telemaco, Chair
Lazaro Fields
Brian Foley
John Vaughan
Kelly Booten, *staff*

The following Citizens staff members were present:

Aditya Gavvala
Barbara Walker
Bonnie Gilliland
Barry Gilway
Chris Jobczynski
Christine Ashburn
Mathew Carter

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

Call Meeting to Order

Roll was called and a quorum was present. Chairman Telemaco called the meeting to order.

1. Approval of Prior Meeting's Minutes

Chairman Telemaco: Good morning, everyone. Thank you for your time this morning. I want to get a motion for approval of the prior Minutes.

Brian Foley made a motion to approve the March 9, 2022, Information Systems Advisory Committee (ISAC) Minutes. The minutes were approved. Motion carried.

Chairman Telemaco: Next item on the agenda is the review of the ISAC charter. Kelly Booten, if you wouldn't mind taking us through that.

2. ISAC Charter Review

Kelly Booten: Yes, good morning. Kelly Booten, Chief Operating Officer for the record. Annually, we bring forward the Committee Charter for committee review and approval if there are any changes. Staff does not have any recommendation for change, and we feel that the charter adequately covers the scope of the committee's mission. I will turn it over to the committee for discussion or approval to move forward as is.

Chairman Telemaco: Do we have anyone with any comments, anything that they would like to discuss? Otherwise, it would be a motion to approve them as is. I would welcome that motion.

John Vaughan made a motion to approve the Information Systems Advisory Committee (ISAC) Charter as presented. The Charter was unanimously approved as presented. Motion carried.

Chairman Telemaco: We will move on to the next item on the agenda.

3. <u>**Chief Operating Office Update**</u>

Kelly Booten: The next item is the ISAC dashboard. In the upper left quadrant is the budget to actuals snapshot. Actuals for 2022 are through the first quarter. The only category of note is the Full Time Staffing Costs. This amount is showing above 25% of the budget due to leave accruals that are bestowed at the beginning of the year, which is usual; it just looks a little off at the first quarter. There is nothing else unusual about the IT finances.

In the upper right quadrant, the Top Technology Strategies section, there are four strategies for discussion today. I will cover the easy ones first, Analytics and Data Warehouse Modernization, Cloud Enabled Insurance System, and Citizens' Eligibility Reimagined, then I will turn it over to Aditya to give a more in-depth update on the Application Integration Strategy.

For the Analytics and Data Warehouse Modernization initiative, the architecture and planning phase has completed. Detailed design will occur after the solution is identified. The procurement is currently in the evaluation stage and scheduled to move into the negotiation phase mid-June. The business case and action item are targeted for the December ISAC.

The Cloud Enabled Insurance System has moved into the procurement phase. ITN requirements are being assembled by teams in Underwriting and Product Services, Agency and Consumer Services, Finance and Accounting, Claims, and Technology. We have completed our option analysis, current state architecture documentation, and integration inventory, and a cloud readiness assessment was conducted. This will be a very lengthy solicitation as it includes the scope of all of our core systems. The current estimate for the presentation for Board approval is the middle of next year.

Since the last meeting, we have reissued the solicitation for Citizens' Eligibility Reimagined, the platform intended to replace the current FMAP and Clearinghouse platforms. Eight responses were received, and the top four responses were advanced to negotiations. We are currently reviewing informal POCs, and the first public meeting of the negotiation team will identify vendors that will participate in the formal proof of concept activity. The public award is currently scheduled for the end of August or beginning of September.

If there are no questions on those sections, we can flip to the next slide and go over a little bit more detail on the Application Integration Platform. Aditya.

Aditya Gavvala: Good morning, Committee members and Governors. I would like to provide you with a little bit of background to the Integration Platform as a Service project. If we can move to the next slide, please.

A little bit of background first. Back in September 2021, an invitation to negotiation was awarded to Oracle and AST and the project kicked off in the beginning of this year, January 2022. The vendor came on board, provided training to our resources, established platform blueprints, best practices and migration plans, a cloud tenant was established, a governance structure was established, and the vendor helped our teams migrate 17 integrations from on-prem to the cloud version of the product.

A technical limitation was uncovered in early March of this year, and the team began the dialogue with the product vendor immediately exploring options to work around the limitation. On March 25, 2022, the vendor suspended the work at Citizens' request. The project team uncovered additional potential shortcomings based on the official product documentation from the vendor website.

On May 4, 2022, a Notice of Termination without cause was sent to AST. IT is currently coordinating with Citizens' Vendor Management and Purchasing (VMAP) team, as well as Office of General Counsel, to close out the matter with the vendor. Next slide, please.

So far, AST has delivered platform blueprints, detailed design, platform tenant provisioning, platform administration and best practice guidelines, and they also provided training to our developers and administrators. They migrated 10 integrations and assisted Citizens' team to migrate another seven integrations for a total of 17 integrations to the Oracle Integration Cloud platform. So far, the implementation spend from AST until suspension was $194,500, and the platform tenant cost was $7,000 until suspension. Next slide, please.

The impacts of the termination to the contract are the following. It does have a dependency on our CSX data center contract. Our contract for CSX data center is scheduled to expire July of 2023. We are planning to do a five-year renewal. We could come out of that contract any time. Our original plan was, as soon as we successfully migrated the integration platform to the cloud and migrated the rest of the applications from our data center to the Microsoft Azure cloud, we could terminate sooner. Now, this would delay the termination of the CSX contract.

We are also migrating all of our applications from on-prem to the cloud, and it would be ideal to have the integration platform also running in the cloud for optimal latencies.

We also have another solicitation that's in flight right now that is scheduled to go out later this year, which is Insurance Suite in the Cloud. It would be ideal to know what integration platform this new solution would integrate with. So that delay in the solution will have some impact there.

Our next steps are to continue the current state of the software which is running on-prem in 2022. It is already budgeted and approved. Analyze alternate options in 2022 and bring the proposal to the committee in December of 2022. That is where we stand. I will take any questions at this time.

Chairman Telemaco: I'll welcome any questions; any committee members have any questions for the team?

John Vaughan: This is John Vaughan. I have one question. So, it looked like the vendor integrated or moved 10 integrations and then your team did another seven, I think is what I read on the slide. Those were not moved to production or were they moved to production, and is there a cost to moving them back, or will you have to move them back?

Aditya Gavvala: The total number of integrations that we have currently running on our on-prem solution is close to 300 integrations. The vendor was supposed to help us migrate our existing integrations to the new solution, which is Oracle Integration in the Cloud. What I show on the slide is they migrated 10 of our integrations to the non-production environments, and then they assisted Citizens to migrate seven of our existing integrations to the non-production environment. All those integrations are today running in our production, no issues. All they did was migrate the integrations to non-production.

John Vaughan: Okay. So, you can just drop them because they were non-production --

Aditya Gavvala: Yep.

John Vaughan: -- right?

Aditya Gavvala: Yeah.

Chairman Telemaco: Any other questions? I have a question. I know that there was an implementation cost of $194,500. Is any of that recoverable?

Aditya Gavvala: That invoice has already been paid. Is that recoverable - I think that's something we can look into. Our vendor management and legal teams are looking into the matter right now, and they will discover any of that recoverable or not.

Chairman Telemaco: Okay, thank you. Any other questions?

Kelly Booten: And then Governor Telemaco, we have the bottom two parts of the dashboard to cover. Do you want me to move into that?

Chairman Telemaco: Yes, please continue.

Kelly Booten: On the Risk and Security quadrant in the lower right it shows the risk profile by category. All of our risks are overall well managed and monitored by our leadership team and the Office of Internal Audit. Like the last report, there are no high rated risk categories, and five categories rated as medium risk. Two additional low risk categories, each with one risk, were added to this report and are in the mitigation process.

In the Resiliency quadrant, today we have added a few detailed slides to drill into Catastrophe Readiness given that we have just entered hurricane season. Let's move to the next slide and I will turn it over to Robert to give a brief Catastrophe Readiness update from an IT perspective.

Robert Sellers: Good morning, Governors, this is Robert Sellers. My responsibilities here at Citizens includes our Enterprise Resiliency Organization which handles our CAT readiness from an IT perspective, as well as our enterprise resiliency organizations, business continuity and disaster recovery. Let's go ahead to the next slide, please.

The 2022 IT Catastrophe Readiness activity started back in January, actually even further back at the end of the season in early December of '21. We start preparing by taking the lessons learned from the prior storm season, looking at any future needs of the organization for catastrophe readiness across the organization, looking at the IT technology delivery capabilities that are needed to support those business activities. You can see coming across the top there we have

over 139 items that we are tracking formally throughout the course of the first six months of the year working through to understand, are the business units ready and is the technology ready to support those business units in their activities.

As of the preparation of this particular slide we were at 90 percent on May 24th. I checked this morning, we are now at 93 percent readiness, so we are moving very rapidly through the final stages.

Coming down the list on the left-hand side, you can see all the different areas that are impacted by technology and ensuring those deliveries, whether we are in the field supporting our adjusters with mobile field technology, trailers, satellites, other capabilities, whether we are in call centers, all these things have to work at the right time in tandem to provide the response required for small storms, as well as the larger storms that we always prepare for.

Over on the right-hand side you can see the remaining critical items. The two critical items are really around ensuring that the systems themselves, the policy systems, the claim systems, all the communication systems, the integration as Aditya was talking about earlier, that all of these things as an ecosystem play well and can scale to the levels that are needed for a large 350,000 plus CAT event or a million plus policies in force. At this point in time, we are testing to those levels. We anticipate that those tests will be finished here very shortly by June 10th, and at that point we will have confirmation and assurance that our systems are fully ready for this storm season, and they have been exercised to that level. If we can go to the next slide, please.

This is just a quick visual slide of the types of things that we have inside Citizens. The mobile technology in the upper and bottom left.

The call center activities that we have both inside of Citizens, as well as our full-time employees working from home, are all tied into these systems; our business processors that are handling our First Notice of Loss claims, as well as other types of activities at the adjusting firms, all have their own call center activities. They're all interconnected with our systems and our technology.

And of course, on the bottom right it's all about the policyholder. How can they get ahold of us, how can they get that First Notice of Loss entry, and how can they start to get the response they deserve as a policyholder at Citizens?

So again, we are ready for this coming storm season. We have our technology in place. Of course, our business units and our Claims organization, who has the responsibilities of the overall CAT plan for the organization, have confirmed that they're ready and they're in agreement with IT that we have the readiness that is needed.

If there are many questions, I would be happy to take those today. Okay, Kelly.

Kelly Booten: Well, that concludes the dashboard --

Chairman Telemaco: Actually, I am sorry, I do have a question. We have had lots of discussions at various levels in response to the uptick of policy counts that we have in response to the market conditions in the state of Florida, which is alarming to say the least. In terms of modeling the IT requirements in support for the expected volume of policyholders and what that could do if we do get a storm, have you modeled for that? I just want to make sure that we are looking at that, not

only from a claims handling perspective, but also from an IT perspective. Because it's a pretty dramatic increase in policy counts that we are expecting.

Aditya Gavvala: Yes. Governor Telemaco, this is Aditya. I want to assure you that that has been taken into account. Robert and team led a scenario planning activity, and as part of the scenario planning activity, we looked at multiple scenarios for different volume levels of PIF, what adjustments are needed from people, systems, and process, all three dimensions. The CAT testing that's being performed right now does support the scenario planning. That is scheduled to happen as we speak. That does take the PIF growth and CAT scenarios into account, both of them.

Chairman Telemaco: Excellent. Are there any financial implications in that scenario planning that we need to be considering as well?

Robert Sellers: There are, Governor Telemaco. If we could go back to the dashboard slide, please. The resiliency item that Aditya was speaking to, the PIF increase scenario planning is located in the bottom left in the resiliency section. You can see the number of items that we are tracking at 288. This has been an organizational-wide review looking at everything from our underwriting to our claims processing to our financials. Looking not only at the technology components, as Aditya was talking about and our testing of capabilities for those PIF growths that we anticipate, but also what it's going to take in and around our people from both the internal staff as well as our business processes as well as the process changes, if necessary, to handle that.

We are actually a little bit further along even as of this date today from a readiness standpoint. We are finalizing the report for our own internal review to ensure that we have our scenarios aligned correctly and that we understand what those impact costs are, Governor Telemaco.

As you know, our CEO, Barry Gilway, has been speaking about our rapid growth and anticipated growth with the market. It is having an impact and we are rapidly finishing our evaluations, and up to this point we are seeing very good results because it has been something that we have been dealing with for the last 12 to 18 months operationally and have been mitigating along the way. But this will be a complete review. Kelly.

Kelly Booten: If I might add --

Barry Gilway: Just --

Kelly Booten: -- Barry trumps me. Go ahead, Barry.

Barry Gilway: Just a couple of comments, Governor Telemaco. Number one, you are absolutely right to be concerned relative to the overall CAT reaction. We have done scenario planning that shows basically that if -- during Irma, with the population at the time, it generated 78,000 claims. If that same event were to occur today that's 250,000 claims, so it's an enormous difference.

The second point I want to make is if the Governor issues an Executive Order, then we follow suit with our Board and request that they allow for a Citizens Executive Order which would give us immediate authority to adjust without directly coming to the Board in each case; it gives us immediate authority to respond to any additional financial resources that occurred, and then report to the Board following just so that we have the authority in place to react immediately to any

procurement that is necessary. It doesn't necessarily impact IT as much as it does in the adjusting area and adjusting resources.

So, Kelly, I am sorry to interrupt you. I will turn it back to you.

Kelly Booten: Yes, I was just going to add to the scenario planning. There is a review of the outcome of all of the scenario planning analysis that was done across the organization on Monday with the executive leadership team. So, we will have that quantified on different levels of PIF and what implications there are, but I also want to assure you that nobody is waiting for that analysis to finish. We've been making changes along the way because you have to be three to six months ahead of this, and we adjusted staffing levels, automation in the IT world. Aditya has already done things like adding additional server capacity in PolicyCenter® I call it the policy storm; it really is our current conundrum.

We are ahead of it. There is still more work to be done, no doubt, but I think we have been through this before, a lot of us, and know how to deal with it, so there's assurance there.

Chairman Telemaco: Awesome. Thank you so much for that great, great update and I am glad to hear that. Hopefully, we won't have to worry about any of it. That's wishful thinking, I'm sure. Is that it for the Enterprise Operations Update?

Kelly Booten: Yes.

Chairman Telemaco: Kelly, Aditya, and Robert, thank you so much, as always, for a very thorough and insightful update. We will move on to the next item which is the IT Strategy and Risk Update from Robert and Chris.

4. IT Strategic Plan Update

Robert Sellers: Good morning. Each year at the June ISAC meeting we cover the updates to the IT Strategic Plan. It is an ongoing, adaptive strategic plan for the organization. The insurance industry and the technology industry intersections are a fast and moving environment. We have meetings every two weeks to talk about strategies at a deeper level, and more often than not we are bringing new strategies to light on a constant basis. That is the best way I can put it.

Chris does a fantastic job of leading that activity for our organization, and he is going to present the changes to the plan this morning as it has evolved over the course of the last 12 months.

Chris Jobczynski: Good morning, everyone. The IT strategic plan describes how Citizens' IT will enable the delivery of business value, drive business outcomes, and partner with the enterprise to fulfill Citizens' mission. Last year, I presented the IT Strategic Plan summarized on one page. The overall structure of the plan has remained the same this year; however, we have made several updates in areas of the plan, and I will summarize those updates and discuss some areas of progress over the last year. The IT strategic plan Word document and appendix are also available with additional details, though those were not part of the distributed meeting materials.

At Governor Telemaco's direction we provide quarterly updates for critical strategies within the strategic plan as part of the ISAC dashboard and we saw that earlier.
We will start out with the Drivers section of the plan, and I will primarily highlight the changes from last year. This section describes the macro level drivers that are shaping Citizens' operating

environment. The drivers are not under our control, but we do control how we address those drivers. So, this year we changed driver one from Global Pandemic to Increased Risk of Crisis/Business Disruption. This ensures we consider additional risks such as increasing weather events, technological, cyber security, supply chain, civil disturbances, and geopolitical risks. Citizens must be prepared to not only survive, but also protect our reputation and serve our customers following a major disruption. Drivers two through nine have remained unchanged because they're still relevant drivers for Citizens. The enterprise goals are referenced here in the plan, as well, but the strategic themes most specifically guide initiatives and actions for the near term.

The Themes help us align our investments in people, processes, and technology to the corporate initiatives that return optimal value while ensuring that we minimize negative financial impacts for our customers. We have made a change here this year. In years past we have always focused on loss adjustment expenses, but this year the third theme has changed to specifically home in on litigation. You'll notice the color coding, as well, in the themes. We carry that color coding through the rest of the strategic plan so you can easily see how the pieces tie together.

From the Themes, where we get our strategic direction from the executive team on what to focus on, we move into Business Architecture. Business Architecture serves as a bridge from strategy to execution. It provides a common enterprise-level business language for documenting how the business is structured, what the business does, and how it delivers value. The yellow circle has the key components of the business architecture framework that we follow. We follow an industry framework, the BIZBOK, an insurance referenced model that it includes. We can't define and assess the entire Citizens' enterprise at once, so in order to prioritize work efforts we have identified the top seven value streams that we need to focus on. This year we've added the Resolve Legal Matter value stream as an area of focus because, obviously, litigation is important. The business architecture knowledge base with this information is built based on where we have the largest organizational challenges or opportunities, and we ideally would complete the business capabilities and value streams definition and mapping before we define solutions.

So, you'll notice high priority areas on here. Transferring Policy Agreements would be all about depop. Acquiring Insurance Policy Agreements are all about the new business challenges that we've got, etc. The output of the business architecture should inform our investment portfolio and validate that we are making investments on our projects in the areas where we have our challenges, in the areas where we have gaps in the company.

We've carried the same color coding into the Strategic Business Initiatives and Action section. Many of the items that appear in these lists are associated with action items that have previously floated up for approval. Some examples of business championed initiatives that have recently gone through procurement have been brought up through the Board's subcommittees. One example of that is Fraud Analytics and previously Enterprise Litigation Management System. Some examples of IT championed initiatives that have been discussed in prior meetings are Identity and Access Management and Operational Resiliency Scenario Planning.

Now that we have discussed the business themes and required enterprise initiatives, we will turn our attention to IT's plans for delivering on current initiatives and preparing for business enablement. The strategic plan is structured to discuss how IT will leverage people, process, and technology to enable the business.

So, we'll start with people. People are the most important asset to Citizens' success. Citizens is making progress acting on the recommendations from the IT Strategic Workforce study that was completed a couple of years ago. We are executing a Strategic Workforce Plan IT Pilot that includes redeveloping career paths. This work includes identifying strategic skills, proficiency levels, and updating position descriptions. Remote work has been expanded as needed. We are offering an internship program to address areas of need with the goal of filling open IT positions upon conclusion of the internship. We've got a job shadowing program that was added to the plan this year, and that can be one way to obtain employees and develop their skills and abilities, as well as their understanding of how the organization functions best. We've also increased community outreach and involvement by participating Florida CIO Council, University of North Florida Job Fair, and other organizations and events. The Strategic Plan Appendix document includes the change management aspects that will be addressed given the scope of changes of the IT Strategic Plan.

In the Process area, the three primary process areas that we called out have not changed from last year. They are Enterprise Rhythm Agile Framework, DevOps, and our corporate governance processes. The Strategic Plan document goes into more detail on each of these.

We're an Agile shop, meaning we follow an Agile methodology, and we are continuously maturing our Agile framework. We collaborate closely with the business, align priorities, design, and deliver solutions together and ensure quality in those solutions. Over the last year there have been improvements to Agile quarterly planning using remote and hybrid work arrangements. There's also been optimization activities applied to the structure of the Agile teams, and also a variety of training opportunities.

There are also work efforts in progress to identify opportunities to optimize the flow of work required for solutions delivery. DevOps is a set of practices that automates the processes between software development and IT teams to enable them to build, test, and release software faster and more reliably. There are automation efforts underway in areas of testing and infrastructure provisioning.

The various governance teams help us keep things aligned to our goals, our principles, and our architecture, and we are constantly balancing our ability to move quickly while still adhering to these needed governance practices to ensure alignment, quality, and appropriate risk.

The third area of the plan is technology. Citizens has an emerging technology tracking program in place. The program is led by Enterprise Architecture. The emerging technology radar that you see contains technologies that we believe are important to Citizens or will become important to Citizens down the road. The technologies near the center have been deemed to require near term focus, while the technologies on that outer ring are being monitored for the future.

For the higher priority technologies, we often launch a proof of concept to determine whether a strong business case exists to initiate a procurement. For example, we recently completed a proof of concept for Digital Adoption Solutions, and that's in the center of that radar. That was a successful proof of concept and there's more work being done to determine the business case for that. Third-party Data, Virtual Inspections, Hybrid Workplace Technologies, Master Data Management, and Metaverse were all added to the radar since the last year. The radar is an evolving artifact that is reviewed quarterly with IT leadership and is presented in quarterly Agile planning sessions. The radar has been implemented in our enterprise architecture tool and is

available self-service within IT and select areas of the business. The definition for these emerging technologies is in the IT Strategic Plan Appendix.

We sometimes find it necessary to develop a strategy related to a given emerging technology. For example, our Cloud Data Warehouse Technology was removed from the emerging technology radar since last year because we created a Data Warehouse Modernization strategy and launched activities to procure a solution. You saw that one on our dashboard.

The table of strategies on our left contains the information technology strategies either in progress or being planned. The strategies that are highlighted in red are also included in the ISAC dashboard. We used the ISAC dashboard to communicate progress on a quarterly basis. After a strategy is created and approved, you will often see an initiative launched, a procurement completed, and an action item brought through appropriate governance. The IT Strategic Plan Appendix includes a summary of each of these strategies, including the purpose drivers and outcomes. We are revising the priority of these strategies on a quarterly basis just ahead of our quarterly delivery planning that is part of our Agile process.

We also have principles, Enterprise Architecture Principles and Agile Principles. The principles have not changed since the last year. Enterprise Architecture Principles guide decision-making and ensure information and technology remain aligned with Citizens' strategic intent. Our Agile Principles help ensure the work is delivered with the shortest sustainable lead time and best quality and ensures the highest business value.

Over the last year we have worked on defining Objectives and Key Results (OKRs) and using them to guide our work efforts. We've renamed the section *from* Metrics *to* OKRs and Metrics so that we highlight the emphasis we're putting on OKRs. OKRs and metrics help us determine if we are successful or if we need to improve any areas. Metrics exist in people, process, technology, and cost categories. The target enterprise architecture metrics will help us understand how well our Agile Framework is operating as it relates to delivering solutions to enable the business. We are continuing to mature Agile metrics. We have validated and renamed some of the Agile metrics to align with the latest terminology that is consistent with the SAFe Agile Framework.

So, this was a high-level overview of the overall IT Strategic Plan that was sent to you by e-mail. If there are any questions today, we will be happy to address and discuss them, and as always, we are available to provide further information to you and the committee, either within an ISAC meeting or individually. Are there any questions?

Brian Foley: This is Brian Foley; I have a question. And it goes really more above the IT Strategy itself, but it does impact some processes. You know, I have been on the ISAC for a number of years, and I've seen an ebb and flow in the level of policies that Citizens as a company has. You know, when Citizens was first created, a lot of people, given the circumstances of the storms of 2005, 2006, jumped on to Citizens and the policy count got well over a million. Then at some point in time there was a retrenching where Citizens deemed it important to get back to the state charter of Citizens and get to those that really needed the insurance as opposed to taking on every policyholder.

Now it seems like, because of circumstances in the marketplace, there is another growth anticipated in policies. A large percentage of IT's expense is tied up in multi-year vendor contracts. Such an ebb and flow puts a lot of pressure on your procurement process and your procurement strategies, and I did not see that on the strategy page highlighted. It's probably in there

somewhere, but can you address any changes you're anticipating or putting in place to address making sure that your contracts are more flexible as you go through these changes? Does that make sense?

Chris Jobczynski: It does, yes.

Kelly Booten: Let me jump in here Chris. You know, as part of the scenario planning review we do look also at things like contracts and other necessary changes that we need to make in order to be able to contract and expand. As contracts are coming up for renewal, of course, we are always looking at them. Even in some of the near-term contracts, I'd say in the last year or so, we've had to renegotiate contracts because of the threshold on policy counts. I think our Vendor Management Office has done a great job in negotiating and getting us the best price available and the best terms available.

And also, it's a balance because when you start coming out from underneath on the low side it is to your advantage to have low PIF considerations or to not even use, sorry, it is to your advantage to use direct written premium. When you come out of it, it is not, and in the insurance world, as you know, a lot of contracts are based upon direct written premium, so we try to balance that and have the contract terms go with the type of contract that we need. For example, a lot of our IT contracts that are on state term contract can be a year long, they can be a little bit longer than that, but the big implementations that take years to implement usually have to have a five-year base term, but then we like to have the remaining terms lower amounts, such that we can get out from underneath it if we need to. I think that answers your question. And we have had, in the near term, some renegotiation that we have done. Did I answer your question?

Brian Foley: Yes, thank you. I was highlighting that it's a challenge, especially in the infrastructure area, the ebb and flow like that, and you've really got to be planful and have a good partnership with your vendor management team.

Kelly Booten: We do. And you know, maybe that's a takeaway for the next iteration of the Strategy on a Map to add that component to it. Just to your point, it's not here, and it's definitely a big factor in our success.

Robert Sellers: Kelly, I would think that the VMAP organization or Vendor Management Organization really has deployed that capability as part of their strategy for the entire organization, and IT, as a part of the organization, is utilizing those services as provided by VMAP, but it definitely can go into our plan just to point and reference to that activity.

Kelly Booten: Right. Because IT sourcing is a big deal, the people side of things. With our model, too, we don't ever staff up to one 1.x million. We keep it at a middle of the road approach, so we are always expanding with contractors or outsource partners, and we do have a lot of outsource partners, as well. So, it definitely is a big component of IT. We also, across the whole business unit, have a very similar model in the way that the contract management vendor relationship management works.

Aditya Gavvala: In our 2022 Themes, Ensure Scalability, Flexibility and Resiliency in Our Operations is a key strategic theme for the entire organization. I know each of our business units have strategies that tie to that theme. Chris has done a fantastic job showing IT departments specific themes and also called out other business unit themes that are significant here, but we

know that our Vendor Management Office has strategies aligned with that theme. Maybe we can call out that clearly shows the point that Brian's bringing up.

Chris Jobczynski: Yes, I think it is a good suggestion, yes.

Kelly Booten: And it's definitely mentioned within the larger IT Strategic Plan document, itself. Correct, Chris?

Chris Jobczynski: Yes, I believe we've got something like that.

Chairman Telemaco: I also noticed it was in the Enterprise Architecture Principles as a third point, Implement Elastic Solutions, and I kind of interpreted that to kind of speak to that, as well. I think it's an excellent point that it comes across even clearer because it is such a major issue.

Chris Jobczynski: Good. Any other questions on the strategic plan?

Chairman Telemaco: Well done, I thought that was an excellent, excellent discussion.

Chris Jobczynski: Thank you.

5. New Business

Chairman Telemaco: If there are no further questions on that, I believe that is all we have for scheduled agenda items. If there's any new business, I would like to invite a discussion on any new business. Okay. Seeing none, I will entertain a motion to adjourn.

A motion was made by John Vaughan and seconded by Brian Foley to adjourn. Motion carried.

Chairman Telemaco: Excellent, thank you. Thank you so much for your time.

[Meeting adjourned]