The 2014 Summer National Meeting

Information Systems (EX1) Task Force

Excerpt from the Proceedings of the NAIC

Louisville, KY
August 16 – 19, 2014
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Information about statutory accounting principles and the procedures necessary for filing financial annual statements and conducting risk-based capital calculations.

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& Investment Analysis Office
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New York, NY 10004
212.398.9000
INFORMATION SYSTEMS (EX1) TASK FORCE

Status Reports for Approved IT Projects for 2013 (Attachment One)..........................................................5-4
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Memorandum from NAIC Staff Dated July 21, 2014, Regarding Information Systems Division
  Project Status Report (Attachment Three).................................................................................................5-11

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The Information Systems (EX1) Task Force of the Internal Administration (EX1) Subcommittee met in Louisville, KY, Aug. 16, 2014. The following Task Force members participated: Gordon I. Ito, Chair (HI); Sandy Praeger, Vice Chair, represented by Neil Woerman (KS); Dave Jones represented by David Noronha (CA); Karen Weldin Stewart represented by Carol Jones (DE); Kevin M. McCarty represented by Jack McDermott (FL); Sharon P. Clark represented by Ray Perry (KY); Therese M. Goldsmith represented by Melissa Cain (MD); Mary Taylor represented by Angela Dingus and Michelle Rafeld (OH); and Jacqueline K. Cunningham represented by Vicki Ayers (VA).

1. **Reviewed its March 29 Minutes**

The Task Force reviewed its March 29 minutes. There were no comments or revisions.

2. **Received an Update on 2013 Approved Projects in Process**

Commissioner Ito stated that reports on 2013 approved projects (Attachment One) were provided. He said there are upgrades for SERFF to support the U.S. Department of Health and Human Services (HHS) Exchange Plan Management Data Collection, SBS Software Enhancement and Technology Compliance Initiative – Phase I, and Online Premium Tax for Insurance (OPTins) Enhancements.

3. **Received an Update on 2014 Approved Projects in Process**

Commissioner Ito stated that reports on the following 2014 approved projects (Attachment Two) were provided: SBS Software Enhancement and Technology Compliance Initiative – Phase II, Integrated Securities Information System (ISIS) System Rewrite – Phase I, SERFF Web Public Access and Implementation, and Examination Tracking System Continuum Action Support.

4. **Received Updates on Other Projects**

Julie Fritz (NAIC) provided an update on SBS activity. She reported that there is little activity in regard to the legacy SBS system, as the team is working on the SBS rewrite project. She reported on the SBS Beta 1 release scheduled for the week of Aug. 25 and what is included in that release. She stated that the SBS rewrite project is still expected to release to production in the first quarter of 2016.

Joy Morrison (NAIC) provided an update on the OPTins project and SERFF. She indicated that there have been four releases of enhancements to OPTins in 2014, and two more still planned before year-end. SERFF filings had been trailing behind budget but have now caught up. Ms. Morrison reported that qualified health plan (QHP) filings have exceeded budget for both revenue and transactions. Four releases have been implemented in 2014, with two more planned in late August and early November. Ms. Morrison provided an update on the SERFF Filing Access Interface project, which was released in July and allows consumer and interested parties access to SERFF product filings. She also reported that the SERFF team has been working with the states going through health care exchange model changes.

Denise Matthews (NAIC) gave an update on the State Producer Licensing (SPL) team. She indicated that NAIC staff have been working with NIPR staff on the JBoss infrastructure project. Four of the five containers supporting producer licensing were moved Aug. 12. The team is also working on enhancements to the load process and continues to coordinate with the states on several technology- and business-related changes, in addition to providing production support, state process maintenance and improving the overall efficiencies of the common architecture process.

5. **Received a Presentation on NAIC Regulator User Interface Project**

Ms. Matthews provided a presentation on the NAIC Regulator User Interface (RUI) project, including the objective of the project, some preliminary concepts for design and invited members of the Task Force to participate in the project as a beta tester.
6. Received a Report on Technology Projects Reviewed by the Technical Consulting (EX1) Working Group

Ms. Jones provided a report from the Technical Consulting (EX1) Working Group regarding two projects it reviewed since the last Task Force meeting: 1) the Examination Tracking System Continuum Action Support Project Request; and 2) the Regulator User Interface Redesign Project Request. She reported that the Working Group concurred with the technology approach presented for both projects.

The Technical Consulting (EX1) Working Group met in regulator-to-regulator session July 25 and April 16 pursuant to paragraph 4 (internal or administrative matters of the NAIC or any NAIC member, including budget, personnel and contractual matters, and including consideration of internal administration of the NAIC, including, but not limited to, by the Internal Administration (EX1) Subcommittee or any subgroup appointed thereunder) of the NAIC Policy Statement on Open Meetings.

7. Discussed Progress and Timeline for 2014 State Technology Survey

Ms. Matthews provided an update on the 2014 State Information Technology Survey. She provided some preliminary findings and reported that the full report would be presented to the Task Force at the Fall National Meeting.

8. Discussed its 2015 Proposed Charges

The Task Force discussed its 2015 Proposed Charges. Commissioner Ito informed the Task Force that he and Mr. Woerman have discussed the charges with Ms. Matthews, and there may need to be some changes made to change language related to MyNAIC.org to RUI. However, Mr. Woerman said that, because RUI is not scheduled to be completed until the end of 2015, it may not be appropriate to simply replace MyNAIC.org with RUI in the context of the charges. Ms. Matthews was directed to develop language for the charge that reflects both projects and submit that new language to the Task Force via email for consideration.

9. Discussed Biannual NAIC Information Systems Division Project Status Report

Ms. Matthews briefly reviewed the Biannual NAIC Information Systems Division project status report (Attachment Three). She noted that NAIC staff continue to work with the states on the Complaints Handling Reporting System (CHRS) project implementation and that the Market Conduct Annual Statement (MCAS) continues to be expanded to add lines of business. She also reported that the NAIC Information Systems Division has expanded its use of the Innotas Resource Management reporting system to the entire division.

10. Adopted a Motion to Sponsor the RUI Project

Mr. Woerman indicated that, in keeping with its charges, it would be appropriate for the Task Force to sponsor the RUI project. Mr. Woerman made a motion, seconded by Ms. Ayers, for the Task Force to sponsor the RUI project. The motion was unanimously adopted.

Having no further business, the Information Systems (EX1) Task Force adjourned.
**PROJECT PLAN STATISTICS**

<table>
<thead>
<tr>
<th></th>
<th>As Approved by EX 1</th>
<th>Actual Status for Project (as of 7/1/14)</th>
<th>Estimate at Project Completion work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Budget</td>
<td>$1,518,240</td>
<td>$1,650,713</td>
<td>$1,846,332</td>
</tr>
<tr>
<td>Project Start</td>
<td>9/1/2012</td>
<td>10/1/2012</td>
<td>10/1/2012</td>
</tr>
<tr>
<td>Project Finish</td>
<td>7/31/2013</td>
<td>12/31/2014</td>
<td>12/31/2014</td>
</tr>
<tr>
<td>Total Project Hours</td>
<td>37,075</td>
<td>43,708</td>
<td>47,906</td>
</tr>
</tbody>
</table>

**PROJECT COMMENTS**

Technology Related:

Business Related Having a Technology Impact

Business Alignment*

Describe any Risks, Concerns or Other Issues currently impacting the project

Requirements came very late in the project and may still be undefined for changes to the transfer of financial management data. Additionally, it is anticipated that, based on 2013 experience, development resources will be needed to support the transfer services from July through October. The team also continues to work toward automating as many test cases as possible. The project is still expected to be revenue neutral, despite being nearly 11,000 project hours over the initial budget. The increase in project hours is mainly due to internal resources as the project was extended from its original end date of July 31, 2013 through the end of 2014. Additionally, more states supported the project through their use of federal grant funds than were initially anticipated in the budget.

**SIGNATURES**

Report Completed By: Joy Morrison  Asst Director-SERFF/OPM  7/21/2014

* Categories include: Consumer Protection, Market Regulation, Speed-to-Market for Insurance Products, Producer Licensing, Insurance Company Licensing, Solvency Regulation, or Change In Insurance Company Control
# Project Name: State Based Systems (SBS) Software Enhancement and Technology Compliance Initiative – Phase I

## PROJECT PLAN STATISTICS

<table>
<thead>
<tr>
<th></th>
<th>As Approved by EX1 Subcommittee (through 12/31/2014)</th>
<th>Actual Status for Project (as of 7/29/2014)</th>
<th>Estimate at Project Completion (4/30/2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Budget:</td>
<td>$22,116</td>
<td>$40,054</td>
<td>$40,054</td>
</tr>
<tr>
<td>Project Start:</td>
<td>1/1/2013</td>
<td>1/1/2013</td>
<td>1/1/2013</td>
</tr>
<tr>
<td>Project Finish:</td>
<td>4/30/2014</td>
<td>6/30/2014</td>
<td></td>
</tr>
<tr>
<td>Total Project Hours:</td>
<td>24,342</td>
<td>24,427</td>
<td>24,427</td>
</tr>
</tbody>
</table>

## PROJECT COMMENTS

**Technology Related:**

Phase 1 of the SBS Rewrite project concluded in June 2014, which included finalizing the epic user stories across SBS services, allocating assignments to sub-teams (scrum teams) assigned specific project areas of responsibility and establishing best practices to ensure that all five sub-teams stay synchronized on the project. All consultant costs will be amortized when the system is released in first quarter 2016.

**Business Related Having a Technology Impact:**

None.

**Business Alignment***:

- Consumer Protection
- Market Regulation
- Producer Licensing
- Insurance Company Licensing
- Solvency Regulation

Describe any Risks, Concerns or Other Issues Currently Impacting the Project:

None.

## SIGNATURES

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donna Powers</td>
<td>NAIC Senior Manager II</td>
<td>7/22/2014</td>
</tr>
</tbody>
</table>

* Categories include: Consumer Protection, Market Regulation, Speed-to-Market for Insurance Products, Producer Licensing, Insurance Company Licensing, Solvency Regulation or Change in Insurance Company Control.
Information Systems (EX1) Task Force
Approved IT Project Request - Quarterly Status Report
Project Name: Online Premium Tax for Insurance (OPTins) Enhancements

<table>
<thead>
<tr>
<th>PROJECT PLAN STATISTICS</th>
<th>As Approved by EX 1</th>
<th>Actual Status for Project (as of 07/01/2014)</th>
<th>Estimate at Project Completion work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Budget</td>
<td>$1,235,153</td>
<td>$592,248</td>
<td>$1,098,648</td>
</tr>
<tr>
<td>Project Start</td>
<td>10/1/2013</td>
<td>9/1/2013</td>
<td>9/1/2013</td>
</tr>
<tr>
<td>Project Finish</td>
<td>7/31/2014</td>
<td></td>
<td>3/31/2015</td>
</tr>
<tr>
<td>Total Project Hours</td>
<td>20,219</td>
<td>12,134</td>
<td>21,306</td>
</tr>
</tbody>
</table>

**PROJECT COMMENTS**

- **Technology Related:** Project includes upgrade to new servers as part of an enterprise initiative.
- **Business Related Having a Technology Impact:** Insurance Company Licensing
- **Business Alignment***: The project was initially planned to introduce functionality to allow OPTins to serve as an optional clearinghouse for multi-state tax sharing. Since that time, the members redirected the project, which now focuses on overall improvements in OPTins to benefit existing users, while deferring multi-state tax sharing. The project is expected to have an approximately 5% variance in total hours. As the actual salaries are below budgeted levels, consulting resources have been extended into early 2015, while the project will remain slightly under budgeted dollars.

**SIGNATURES**

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joy Morrison</td>
<td>Assistant Director</td>
<td>7/21/2014</td>
</tr>
</tbody>
</table>

* Categories include: Consumer Protection, Market Regulation, Speed-to-Market for Insurance Products, Producer Licensing, Insurance Company Licensing, Solvency Regulation, or Change In Insurance Company Control
**Information Systems (EX1) Task Force**

**Approved IT Project Request – Quarterly Status Report**

**Project Name:** State Based Systems (SBS) Software Enhancement and Technology Compliance Initiative – Phase II

### PROJECT PLAN STATISTICS

<table>
<thead>
<tr>
<th></th>
<th>As Approved by EX1 Subcommittee (through 12/31/2014)</th>
<th>Actual Status for Project (as of 7/29/2014)</th>
<th>Estimate at Project Completion (12/31/2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Budget:</td>
<td>$186,941</td>
<td>$102,203*</td>
<td>$167,171</td>
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<tr>
<td>Project Start:</td>
<td>1/1/2014</td>
<td>1/1/2014</td>
<td>1/1/2014</td>
</tr>
<tr>
<td>Project Finish:</td>
<td>12/31/2014</td>
<td>12/31/2014</td>
<td></td>
</tr>
<tr>
<td>Total Project Hours:</td>
<td>61,504</td>
<td>33,444</td>
<td>60,350</td>
</tr>
</tbody>
</table>

### PROJECT COMMENTS

**Technology Related:**
The SBS rewrite initiative continues to progress. In mid-August the first beta release will be made available to SBS states' users for evaluation and feedback. Additional beta releases will occur later in 2014 and throughout 2015 as the development effort continues. The production release will be in the first quarter of 2016—on schedule.

**Business Related Having a Technology Impact:**
None.

**Business Alignment**: Consumer Protection, Market Regulation, Producer Licensing, Insurance Company Licensing, Solvency Regulation

**Describe any Risks, Concerns or Other Issues Currently Impacting the Project:**
*NOTE: The March 2014 report inadvertently included depreciation for the UFT software that was scheduled to be purchased in early 2014, but was in fact delayed until later in 2014.*

### SIGNATURES

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report Completed by:</td>
<td>Donna Powers</td>
<td>NAIC Senior Manager II</td>
</tr>
</tbody>
</table>

* Categories include: Consumer Protection, Market Regulation, Speed-to-Market for Insurance Products, Producer Licensing, Insurance Company Licensing, Solvency Regulation or Change in Insurance Company Control.

W:/National Meetings/2014/Summer/TF/Reports/IS TF EX1 Project Status Rpt - IS TF EX1 Project Status Rpt - SBS Software Enhancement Tech Compliance Initiative - Phase II Q2 2014.xlsx
# Information Systems (EX1) Task Force

## Approved IT Project Request – Quarterly Status Report

**Project Name:** Integrated Securities Information System (ISIS) System Rewrite – Phase I

### PROJECT PLAN STATISTICS

<table>
<thead>
<tr>
<th>Category</th>
<th>As Approved by EX1 Subcommittee (through 5/31/2015)*</th>
<th>Actual Status for Project (as of 7/29/2014)</th>
<th>Estimate at Project Completion*</th>
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<tbody>
<tr>
<td>Project Budget</td>
<td>$36,749</td>
<td>$0</td>
<td>$36,749</td>
</tr>
<tr>
<td>Project Start</td>
<td>4/1/2014</td>
<td>10/1/2014</td>
<td>10/1/2014</td>
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<tr>
<td>Project Finish</td>
<td>5/31/2015</td>
<td></td>
<td>11/30/15**</td>
</tr>
<tr>
<td>Total Project Hours</td>
<td>26,800</td>
<td>508</td>
<td>26,800</td>
</tr>
</tbody>
</table>

### PROJECT COMMENTS

**Technology Related:**

**Business Related Having a Technology Impact:**

**Business Alignment***:

**Describe any Risks, Concerns or Other Issues Currently Impacting the Project:**

**This project was budgeted to begin in April 2014. However, the project’s start has been delayed for several months to allow technical resource shortages to be addressed effectively and to enable the New York office directors, new to the NAIC at the time of the original fiscal’s submission, to evaluate the evolving business needs of their departments before the rewrite of the system begins. The project is slated to initiate by October 2014 based upon road mapping sessions conducted in the spring with the New York directors. Several NAIC staff and one consultant have spent 500 hours in planning and high-level business requirements evaluation, resulting in a significantly revised project scope and prioritization of components. The change in scope has resulted in an expanded Phase I, effectively eliminating the originally envisioned Phase II, the cost of which has been submitted with the 2015 Budget to accommodate the need for additional resources. As a result, if approved, the overall project will expand, impacting the total cost and estimate at completion.**

### SIGNATURES

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donna Powers</td>
<td>Senior Manager II</td>
<td>7/22/2014</td>
</tr>
</tbody>
</table>

* Categories include: Consumer Protection, Market Regulation, Speed-to-Market for Insurance Products, Producer Licensing, Insurance Company Licensing, Solvency Regulation or Change in Insurance Company Control.

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Attachment Two

Information Systems (EX1) Task Force – Integrated Securities Information System (ISIS) System Rewrite – Phase I Q2 2014.xlsx
PROJECT PLAN STATISTICS

<table>
<thead>
<tr>
<th></th>
<th>As Approved by EX 1</th>
<th>Actual Status for Project (as of 7/1/2014)</th>
<th>Estimate at Project Completion work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Budget</td>
<td>$96,300</td>
<td>$84,785</td>
<td>$107,825</td>
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<td>Project Start</td>
<td>1/1/2014</td>
<td>12/1/2013</td>
<td>12/1/2013</td>
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<tr>
<td>Project Finish</td>
<td>6/30/2014</td>
<td>12/31/2014</td>
<td></td>
</tr>
<tr>
<td>Total Project Hours</td>
<td>840</td>
<td>4,712</td>
<td>8,401</td>
</tr>
</tbody>
</table>

PROJECT COMMENTS

Technology Related: The capital purchase of $31,500 for iText software has been made.

Business Related Having a Technology Impact: None.

Business Alignment*: Speed to Market for Insurance Products.

Describe any Risks, Concerns or Other Issues currently impacting the project:

When the fiscal was initially submitted, it did not include staff resource hours. The project numbers here have been updated to include actual and projected NAIC resources through project completion. The fiscal is going to be over budget on expenses because the iText maintenance costs were estimated at $6,300 and are actually $18,724.80. The total project hours are approximately 1,000 less than projected in March, because implementation of JBoss was easier than anticipated as well as that of two other new tools used for this project.

SIGNATURES

Report Completed By: Joy Morrison

Assistant Director-SERFF/OPTins

7/21/2014

* Categories include: Consumer Protection, Market Regulation, Speed-to-Market for Insurance Products, Producer Licensing, Insurance Company Licensing, Solvency Regulation, or Change In Insurance Company Control
## PROJECT PLAN STATISTICS

<table>
<thead>
<tr>
<th></th>
<th>As Approved by EX1 Subcommittee</th>
<th>Actual Status for Project (as of 7/21/2014)</th>
<th>Estimate at Project Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Budget:</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Project Finish:</td>
<td>Q3 2015</td>
<td>09/25/2015</td>
<td></td>
</tr>
<tr>
<td>Total Project Hours:</td>
<td>2,120</td>
<td>138</td>
<td>2,120</td>
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</table>

## PROJECT COMMENTS

**Technology Related:**

The team continues to gather business requirements from the regulator volunteer group and NAIC staff. This is taking longer than expected, but is not projected to extend the end date.

**Business Related Having a Technology Impact:**

We have not encountered any unexpected issues or risks thus far, but we are still very early in the project life cycle.

**Business Alignment***:

Market Regulation

**Describe any Risks, Concerns or Other Issues Currently Impacting the Project:**

We have not encountered any unexpected issues or risks thus far, but we are still very early in the project life cycle.

## SIGNATURES

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joe Paolucci</td>
<td>Business Application Manager - Market Information Systems</td>
<td>7/21/2014</td>
</tr>
</tbody>
</table>

* Categories include: Consumer Protection, Market Regulation, Speed-to-Market for Insurance Products, Producer Licensing, Insurance Company Licensing, Solvency Regulation or Change in Insurance Company Control.
MEMORANDUM

TO: Information Systems (EX1) Task Force
FROM: Denise Matthews
Director, Information Systems Division
DATE: July 21, 2014
RE: Information Systems Division Project Status Report

This report includes a high-level status of Internal Administration (EX1) Subcommittee-approved projects completed within the past three years. In addition, other projects of interest have been added. Included are current issues, statistics through June 30, 2014, and statistics for previous time periods.

MARKET REGULATION AND CONSUMER AFFAIRS (D) COMMITTEE

Complaints Handling and Reporting Standards (CHRS)
Approved: December 2009  Completed: December 2010

<table>
<thead>
<tr>
<th>Time Period</th>
<th>States Implemented</th>
<th>Support Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2011 – May 2011</td>
<td>2 WA, VA</td>
<td>467</td>
</tr>
<tr>
<td>June 2011 – November 2011</td>
<td>2 GA, IN</td>
<td>232</td>
</tr>
<tr>
<td>December 2011 – May 2012</td>
<td>3 PA, KY, ID</td>
<td>803</td>
</tr>
<tr>
<td>June 2012 – November 2012</td>
<td>14 AL, DC, DE, IA, KS, MO, ND, NH, NJ, OK, RI, TN, WV, VI</td>
<td>960</td>
</tr>
<tr>
<td>December 2012 – May 2013</td>
<td>6 AR, LA, NC, OH, OR, TX</td>
<td>773</td>
</tr>
<tr>
<td>June 2013 – November 2013</td>
<td>9 CO, MN, MS, MT, NV, SD, UT, VT, WY</td>
<td>1077</td>
</tr>
<tr>
<td>December 2013 – May 2014</td>
<td>2 FL, HI</td>
<td>843</td>
</tr>
<tr>
<td>June 2014 – June 2014*</td>
<td>0</td>
<td>76</td>
</tr>
</tbody>
</table>

* Reflects only one month of statistics.

Technical Issues:
No significant technical issues have been identified.

Business Issues:
Many state insurance department business partners continue to be involved with the implementation of health insurance marketplaces/exchanges as a result of the federal Affordable Care Act (ACA). As a result, the implementation of CHRS may have become a lower priority. There are currently 14 states that remain in the conversion schedule, nine of which NAIC staff are actively working with at this time. Those states are Connecticut, Illinois, Maine, Maryland, Michigan, Nebraska, New Mexico, South Carolina and Wisconsin, leaving Alaska, Arizona, California, Massachusetts and New York yet to complete.

Architecture Changes:
Upgrades for the NetIQ security platform were successfully implemented in production.

All Java applications with a graphical interface will begin migrating from our Oracle containers for J2EE (OC4J) application server software environment to a new product (JBoss) by the end of this year. This migration is scheduled to take place Nov. 6 for I-SITE users and Oct. 9 for Consumer Information Source (CIS) users and is not expected to have any impact on users. The CHRS project is not directly impacted by this migration.

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Market Conduct Annual Statement (MCAS)
Approved: November 2009  Completed: April 2011

<table>
<thead>
<tr>
<th>Time Period</th>
<th>I-SITE System Usage</th>
<th>Industry System Usage</th>
<th>Maintenance/Support Staff Hours **</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 2011 – November 2011</td>
<td>47,279 hits</td>
<td>131,783 hits</td>
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<tr>
<td>December 2011 – May 2012</td>
<td>18,955 hits</td>
<td>99,487 hits</td>
<td>1,441</td>
</tr>
<tr>
<td>June 2012 – November 2012</td>
<td>16,467 hits</td>
<td>19,995 hits</td>
<td>945</td>
</tr>
<tr>
<td>December 2012 – May 2013</td>
<td>26,317 hits</td>
<td>128,431 hits</td>
<td>419</td>
</tr>
<tr>
<td>June 2013 – November 2013</td>
<td>7,245 hits</td>
<td>8,798 hits</td>
<td>471</td>
</tr>
<tr>
<td>December 2013 – May 2014</td>
<td>25,560 hits</td>
<td>117,238 hits</td>
<td>294</td>
</tr>
<tr>
<td>June 2014 – June 2014*</td>
<td>2,324 hits</td>
<td>4,024 hits</td>
<td>21</td>
</tr>
</tbody>
</table>

* Reflects only one month of statistics.
** Maintenance / Support hours include MCAS industry tool, back-end systems, regulator reports, and the Scorecard.

Technical Issues:
System modifications included various 2014 data year related changes and formula modifications, in addition to those necessary to support long-term care (LTC) as a new line of business.

Business Issues:
The Market Regulation and Consumer Affairs (D) Committee adopted two LTC MCAS blanks. The stand-alone LTC MCAS blank was adopted at the 2012 Fall National Meeting and the hybrid LTC MCAS blank was adopted July 18, 2013. Both of these MCAS blanks will be required for the April 2015 filing deadline. The Market Analysis Procedures (D) Working Group is currently revising the MCAS data elements, definitions and ratios. There were some additional data elements added, which will be effective for the 2015 data year filed in 2016. Any changes that were effective immediately only change the wording of data elements. The Market Analysis Procedures (D) Working Group is also tasked with considering which line of business to add next to MCAS. All lines of business are open for consideration.

Architecture Changes:
Upgrades for the NetIQ security platform were successfully implemented in production.

All Java applications with a graphical interface will begin migrating from our OC4J application server software environment to a new product (JBoss) by the end of this year. The migration for the industry MCAS tool and I-SITE reports are scheduled for production implementation Nov. 6, and is not expected to have any impact on users.

INFORMATION SYSTEMS (EX1) TASK FORCE

Application Development and Testing Environments Expansion
Approved: November 2010  Completed: August 2011

<table>
<thead>
<tr>
<th>Time Period</th>
<th>QA Env – Deployments</th>
<th>QA Env – Releases</th>
<th>Fix Env – Deployments</th>
<th>Fix Env – Releases</th>
<th>Support Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2011 – November 2011</td>
<td>647 *</td>
<td>387</td>
<td>17 **</td>
<td>1</td>
<td>181 ***</td>
</tr>
<tr>
<td>December 2011 – May 2012</td>
<td>367</td>
<td>273</td>
<td>16</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>June 2012 – November 2012</td>
<td>588</td>
<td>354</td>
<td>24</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>December 2012 – May 2013</td>
<td>676</td>
<td>432</td>
<td>16</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>June 2013 – November 2013</td>
<td>434</td>
<td>336</td>
<td>14</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>December 2013 – May 2014</td>
<td>571</td>
<td>249</td>
<td>n/a</td>
<td>n/a</td>
<td>0</td>
</tr>
<tr>
<td>June 2014 – June 2014****</td>
<td>53</td>
<td>42</td>
<td>n/a</td>
<td>n/a</td>
<td>0</td>
</tr>
</tbody>
</table>

* Total reflects that some QA environments were ready for use in June 2011.
** Weekly deployments to the Break-Fix environment began in June 2011.
*** Total project hours required to build/activate the environments.
**** Reflects only one month of statistics.
Technical Issues: None

Business Issues:
Limited use of the break/fix environment resulted in its removal from the set of environments currently available for pre-production testing. Ultimately, sharing the test database with the quality assurance (QA) environment, combined with improvements to the NIPR’s software delivery model limited the overall effectiveness and use of this environment, as compared to its support and maintenance costs. With that, a decision was made to redistribute hardware allocated to this environment to other projects. The QA environment, with the clustering/load balancing features added through this project, is used by all business application areas for break/fix purposes, and supporting QA and load/performance testing for all projects.

Architecture Changes:
Two 2014 projects involving infrastructure conversions to the NetIQ Security Management Framework and the JBoss Enterprise Application Platform have impacted both test and production platforms, including the QA environment. For NetIQ, the final stage for completion in January 2014 required a significant amount of load/performance testing in QA, with 26 business critical applications successfully tested prior to production deployment. The JBoss project, which involves staged application conversions through the remainder of the year, has required the same level of testing to-date, with successful load/performance tests set as a requirement prior to activation in production.

Resource Management Tool
Approved: December 2011  Completed: September 2013

<table>
<thead>
<tr>
<th>Time Period</th>
<th># of Users</th>
<th>Total Projects Created</th>
<th>Total Projects Closed</th>
<th>Support Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2013 – May 2014</td>
<td>18 – Full User  71 – Time Entry</td>
<td>168</td>
<td>78</td>
<td>327.5</td>
</tr>
<tr>
<td>June 2014 – June 2014*</td>
<td>18 – Full User  71 – Time Entry</td>
<td>10</td>
<td>0</td>
<td>7.5</td>
</tr>
</tbody>
</table>

* Reflects only one month of statistics.

Technical Issues: None.

Business Issues:
Based on the successful completion of a pilot program in 2013 to determine the usability/viability of the product across the Information Systems Division (ISD), the decision was made to move forward with this direction in January 2014. While this is a multi-purpose product designed for portfolio and application management, initial focus is on resource management, as well as its time-tracking and reporting capabilities. Currently, all ISD staff are reporting time through this feature, and management is able to forecast and report time against their business customers and related programs/projects.

Architecture Changes:
This product is a SaaS (Software as a Service) toolset; software and the related hardware platform is remotely managed and available through the cloud.

Security Log Auditing
Approved: June 2012  Completed: January 2013

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Audits</th>
<th>Support Hours Saved</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2013 – May 2013</td>
<td>7</td>
<td>35</td>
</tr>
<tr>
<td>June 2013 – November 2013</td>
<td>14</td>
<td>60.25</td>
</tr>
<tr>
<td>December 2013 – May 2014</td>
<td>13</td>
<td>22.75</td>
</tr>
<tr>
<td>June 2014 – June 2014*</td>
<td>2</td>
<td>3.25</td>
</tr>
</tbody>
</table>

* Reflects only one month of statistics.
Technical Issues: None

Business Issues:
As noted in the Fall 2013 biannual report, the benefit of migrating all of the log source files into the LogRhythm tool have been the ability to use a central repository, and to provide simultaneous investigation of all the log source files. As a result of the centralized repository and the aggregation and simultaneous report generation, the report processing time was reduced from six hours to one hour per (biweekly) audit.

While most of the time savings relates to the process of generating reports, there has been some additional time savings with the analysis and review of the reports, as well. The analysis of the log file reports has been reduced from 1.75 hours to one hour per biweekly audit.

Anticipated enhancements for real-time alerting of events (i.e., sensitive data detected in application log files) and regular expression querying have not yet been added, as LogRhythm has yet to communicate a planned implementation date for these requested enhancements.

As noted in the Fall 2013 biannual report, the application log file audits performed from October 2013 forward have included both production and non-production environment log files. It should be noted that no sensitive data or security issues of any kind have been identified in any of the log file audits since the last biannual report.

Architecture Changes: None

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