

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date

10/17/2017

2. Department

California Earthquake Authority

3. Organizational Placement (Division/Branch/Office Name)

Insurance and Technology Department

4. CEA Position Title

Assistant Chief Information Officer

5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)

The California Earthquake Authority (Authority) proposes to allocate the above position to the CEA category.

The proposed Assistant Chief Information Officer will direct the governance of Information Technology activities within the Authority including all Information Technology projects and initiatives, purchases, and contracts to ensure conformity with the Authority's Enterprise Architecture, in addition advising the Authority's Chief Insurance and Technology Officer and executive team.

6. Reports to: (Class Title/Level)

Chief Insurance & Technology Officer / ("At Will" Contract Employee)

7. Relationship with Department Director (Select one)

- Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain): Directly communicates with CITO, COO, General Counsel, and CEO to determine the IT needs that will support the Authority's goals and objectives.

8. Organizational Level (Select one)

- 1st 2nd 3rd 4th 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

The Authority's Assistant CIO is a key advisor to the executive leadership and management teams on all technology-related matters. The Assistant CIO acts independently and requires high level of discretion and political awareness due to the statewide and nationwide impact of decisions on policyholders, participating insurers, and potential new clients.

The Assistant CIO works with the CITO and staff to establish a departmental governance framework for the implementation of new technologies and systems. Governance will ensure that initiatives have the resources identified by the Authority's executive and professional teams. This includes procurement of hardware, software, and contract staff as well as tracking state staff assigned to each initiative. Tight integration of these two functions requires an executive level that is devoted to producing product and supporting management reports that reflect achievement of expectations set by the executive team and that show the true costs and benefits of initiatives.

The Assistant CIO, in coordination with the CITO, develops and manages the Authority's Enterprise and Data Architecture functions by identifying and recommending the platforms upon which the Authority will base its standards, software development, and governance. As such, the Assistant CIO is responsible for managing the Software Development and Release team that is responsible for developing and maintaining 17 applications that are used internally, externally, and both.

In addition, the Assistant CIO is responsible for managing the information security function within the Authority, which is highly-visible and critical for the Authority to conduct day-to-day business. With PII for 970,000 policyholders as well as internal staff PII, it is imperative that an executive-level incumbent manages the Authority's information security effectively and in compliance with NIST and SANS standards.

Finally, the Assistant CIO is responsible for recommending the procurement and installation of multi-million dollar enterprise resource systems. This allows for a more efficient use of staff and resources needed to support a very complex information technology environment.

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- Program is directly related to department's primary mission and is critical to achieving the department's goals.
- Program is indirectly related to department's primary mission.
- Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: The Authority is a not-for-profit insurance company established by the California legislature in 1996. The Authority is the largest residential earthquake insurer in the country and one of the largest in the world. The Insurance and Technology department, in which this position resides, supports the technology and insurance-related expertise and staffing that allow the Authority to conduct its primary mission, which is to offer earthquake insurance to the citizens of California through participating insurers.

The Assistant CIO position is critical to the company's mission because it is directly responsible for all technology projects and aspects of internal and external technology functions including developing and maintaining participating insurer interfaces where information about policy sales and other critical information is collected and transmitted to-and-from participating insurers as well as insurance regulators.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

The Authority is a not-for-profit insurance company established by the California legislature in 1996. The Authority is the largest residential earthquake insurer in the country and one of the largest in the world. In addition to the insurance function of financing repair and rebuilding should a catastrophic earthquake occur in California, the Authority also educates and financially helps residents strengthen their homes to reduce the impact and cost of earthquake losses. Although not an agency or department of California government, as a public instrumentality the Authority is governed by a Board composed of five elected public officials: California's Governor, Treasurer, and Insurance Commissioner serve as voting members of this Governing Board, while the Speaker of the Assembly and the President Pro-Tempore of the Senate serve as non-voting members. The Governing Board is empowered to perform "all acts that relate to the function and purpose of the authority, whether or not specifically designated in" the CEA law.

Since its inception in late 1996, the Authority's IT platform and infrastructure have consistently and significantly evolved as the company has grown and as technology has changed. The Authority started with 14 participating insurers accounting for about 2,200 policies, and IT work was almost fully outsourced. In 2012, the Authority began developing software internally to support the Authority's needs. Until recently, the Authority has relied upon an internally-developed repository for insurance policy-related data called EpiCenter, which allowed participating insurers to transmit policy information on a batch basis to the Authority.

In 2015, EpiCenter reached end-of-life and no longer meets the needs of the Authority or participating insurers - today, the Authority has 22 participating insurers accounting for over 970,000 policies. As a result the Authority began development of a new end-to-end solution called Centralized Policy Processing (CPP). CPP is a long-term technical initiative intended to provide PIs with Authority-hosted policy administration and claim processing software. The transition of all participating insurers and their associated policies has begun - there are currently 4 participating insurers accounting for 50,000 policies using CPP and, by year's end, CPP will host 6 participating insurers accounting for over 90,000 policies. We expect that all of our participating insurers will transition onto the platform by 2025. This project alone requires executive-level leadership due to its complexity and statewide impact, in addition to ensuring that the reputation of the Authority remains positive with participating insurers and policyholders and regulatory compliance is maintained.

Also since 2012, the Authority has increased its software development capabilities exponentially. Internal software development staff currently support 17 applications that require ongoing development and maintenance.

Finally, along with CPP, in the last year, the Authority has transitioned from "on-prem" data storage and hosting to cloud-based and outsourced server hosting to maintain information security and business continuity. This position is responsible for integrating these new changes into the Authority's operating structure while creating efficiency of performance and maintaining cost, as well as integrating applications and functionality to cloud-based hosting, which is quite complex because cloud-based computing is a relatively new concept and not all systems work well together.

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

All aspects of this Assistant CIO position have a statewide impact because the Authority has policyholders throughout California and participating insurers that are located nationwide. The IT-focused policy decisions made by the Assistant CIO affect the ability for agents to sell Authority products and report back to the Authority, consumers to become aware of and purchase Authority products, and the Authority to report to regulators, in addition to day-to-day operations.

The Assistant CIO is responsible for developing policy around how the Authority expends \$21.5 million annually on IT projects, purchases, and contracts. On a more general level, the Assistant CIO is also responsible for creating internal IT-related policy when one does not exist or requires updating.

In addition, the Assistant CIO develops policies and informs the company about governance framework for the implementation of new technologies and systems, including how data is or will be shared between programs and end users in order to better inform the executives. Combining all of the data within the Authority into a usable format allow for strategic use of internal and external resources.

The Assistant CIO develops and implements policy surrounding the Authority's Enterprise and Data Architecture and identifies and recommends the platforms upon which the Authority will base its standards, software development, and governance.

Finally, the Assistant CIO is responsible for setting policy around how information security is managed throughout the Authority.

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

The Assistant CIO reports to the Chief Insurance and Technology Officer and is the second-level manager responsible for IT activities within the Authority. The Assistant CIO provides recommendations and guidance to the CITO for all IT projects, purchases, and contracts, and ensures conformity with the Authority Enterprise Architecture.

The Assistant CIO also has full decision making authority for all IT functions including but not limited to: IT policies, metrics, budget, contracting, governance, procurement, help desk, infrastructure, projects, and staffing needs.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

The Assistant CIO identifies and implements new IT policies that support the Authority's direction, goals, and priorities, as well as best practice standards that are developed by Federal and local authorities. For example, the Assistant CIO creates policy on how data is shared between business units to better inform the executives. Combining all of the data from the department into a usable format will allow strategic use of resources.

In addition, the Assistant CIO develops and implements policies on how professional services and other procured material is collected and attributed to IT initiatives and business units. Consolidated reporting will help business manage their resources more effectively.