



Fiscal Impact Statement

DATE SUBMITTED:	JUNE 28, 2018
NAME OF INITIATIVE:	DYNAMIC CONTENT WEBSITE – PHASE II
REGULATOR/BUSINESS SPONSOR:	INTERNAL ADMINISTRATION (EX1) SUBCOMMITTEE
NAIC STAFF SUPPORT:	JEREMY WILKINSON, ACTING DIRECTOR, COMMUNICATIONS
REQUESTED INITIATIVE START DATE:	AUGUST 7, 2018
ANTICIPATED COMPLETION DATE:	AUGUST 31, 2019
TOTAL REVENUE EXPECTED (2018):	\$0
(2019):	\$0
TOTAL EXPENSE REQUESTED (2018):	\$135,005*
(2019):	\$237,850*
TOTAL CAPITAL REQUESTED (2018):	\$0
(2019):	\$0

*Expenses are net of cost share with NIPR.

I. Executive Summary:

The NAIC's *State Ahead* strategic plan was approved by NAIC members earlier this year. As part of the three-year plan, this initiative will create a standardized online customer experience for state insurance regulators, consumers, and industry.

Phase I of the work to improve the online experience for NAIC and NIPR users began with the membership's approval of the Online Content Management System (CMS) fiscal in the 2017 budget. The first phase provided website authoring, collaboration, and administration tools to help users with limited knowledge of web programming languages create and manage website content. The project implemented a CMS on premises and a pilot was conducted to move a subset of content to the CMS. As a part of Phase I, experienced consultants were engaged and provided input on the usability of NAIC sites in general, assessed the issues users with disabilities may encounter when accessing the association's websites, and recommended a strategy for developing and implementing a digital accessibility program.

Implementation of the CMS created an opportunity to make NAIC and NIPR websites smarter and more relevant. Following the completion of Phase II, members and consumers will benefit from dynamic web content, webpages that present customized mixes of information dynamically composed for each viewing. For example, the page displayed could be different based on the location of the viewer, the time of day, or the type of user interaction.

This fiscal represents the second phase of the initiative to improve the online experience for users. This initiative will implement the CMS on a vendor-hosted cloud platform and migrate the remaining NAIC and NIPR external websites to the new system. The initiative will also include the establishment of governance policies and standards for online content and the implementation of tools and policies to enable the ability to make the websites more accessible to users with a variety of disabilities.

The benefits to be gained by investing in this initiative include:

- *Enhanced online NAIC/NIPR experience.* Migration of the organization's websites to a cloud-hosted CMS will create the ability to present visitors with the options and specific information needed without displaying irrelevant information. The cloud-hosted CMS will contain dynamic websites that follow established policies for online content, thereby ensuring a standardized look and feel between pages.
- *Improved user accessibility and ADA Compliance.* Implementing tools and services to improve accessibility to NAIC/NIPR websites will enable the organization to improve American Disabilities Act (ADA)/Section 508 compliance. NAIC and NIPR staff will be able to use tools to identify areas of their websites that may create difficulties for users with a variety of disabilities who may be using adapting software to access the website. Future *State Ahead* projects will build on these capabilities by establishing and implementing standards, policies, and procedures to ensure NAIC and NIPR websites are user-accessible.
- *Increased support efficiencies.* Implementing the CMS on a vendor-hosted cloud platform will decrease internal staff efforts related to maintaining site-hosting technology infrastructure. Migrating the remaining NAIC and NIPR websites to the CMS will reduce web-developer time spent coding, validating, and publishing site updates and provide more opportunities for web-developers to develop end-user experiences and tools in order to respond more quickly to the needs of members.

II. Key Deliverables:

The key deliverables to be used to measure the success of this initiative include:

- Implementation of governance policies and enforcement of standardized online content.
- Migration of the CMS to a vendor-hosted cloud environment, in the following order: NAIC.org content currently using CMS; Monthly Commissioner email; National Meeting Daily News; Conference Call Calendar; Insure U website [insureuonline.org]; Remainder of NAIC.org website [naic.org]; insurancecompact.org; NIPR.com; other sites such as SERFF and State Based Systems (SBS)
- Implementation of tools and services to support ongoing measurement of digital accessibility and compliance.
- CMS training for staff responsible for contributing content and transition of website content creation responsibilities as each is migrated to the new system.

III. Financial and Organizational Impact:

The financial impact of this project is summarized below within two categories of expenses: software-related expenses and consulting.

A. Software-Related Expenses

Software and related expenses of \$91,500 are requested in 2018 to implement the CMS on a vendor-hosted cloud platform and to obtain licenses for software to perform compliance testing of website content for a variety of accessibility standards and technologies. These costs will continue and will be \$255,000 in 2019 and subsequent years. NAIC's portion of the cost will be \$61,305 in 2018 and \$170,850 in 2019. NIPR's cost will be \$30,195 in 2018 and \$84,150 in 2019.

B. Consulting

This fiscal requests consulting expertise, with a portion of the engagements to be cost-shared with NIPR. Consulting costs of \$110,000 are requested in 2018, with \$100,000 requested for 2019. The NAIC's portion of these requests totals \$73,700 in 2018 and \$67,000 in 2019. NIPR's cost will be \$36,300 in 2018 and \$33,000 in 2019.

The consulting requests include CMS migration consulting of \$200,000 split evenly between 2018 and 2019 and the implementation of the Accessibility Compliance Software for \$10,000 in 2018.

See **Attachment I** for further financial details.

Business Area Impacts

- *Contract Management:* Internal resources from IT, Legal, Security, and Procurement will be required to complete the contract process in order to ensure the contract contains the necessary language to ensure availability, security as stated in NAIC security policies, technical support, intellectual property rights, and exit strategy from vendor.
- *Content creation and management:* New standards and processes for creating and submitting content to the CMS will need to be established. Content managers will have increased ability to post content in a timely manner.
- *IT Security:* Security processes will need to be established to monitor and audit vendor performance related to protection of data, applications, and infrastructure.

IV. Risk Management Plan:

Outsourcing responsibility for managing a platform, known as Platform as a Service (PaaS) cloud-hosting, is a relatively new at the NAIC. To minimize the risks associated with the model, NAIC legal, technical, and security resources will review the contract in order to ensure it contains the necessary language regarding system availability, security as stated in NAIC security policies, operational support, intellectual property rights, and disengagement terms and conditions.

In addition to the new contractual model, the following risks have been identified:

- Although this initiative includes a request to purchase a tool and services to support ADA compliance, a separate initiative will include a request for funding to implement an organization-wide digital accessibility policy. The first phase of the ADA Compliance initiative will be requested with the 2019 budget cycle, with the second phase to be requested in the 2020 budget cycle. If the ADA Compliance initiative is not approved,

there is a risk that the benefit from tool and services purchased as part of this initiative will not be realized. This risk will be mitigated to a certain extent by sharing the tool with interested areas in order for them to make gradual improvements to websites prior to the start of the ADA Compliance project.

- The move to the cloud-hosted CMS will enable internal staff who contribute content to the websites to publish such content without the review by a small, well-coordinated staff of the NAIC's Communication Department specialists. The move to a cloud-hosted CMS model will provide large gains in efficiency but there is a risk that the removal of the current level of control over the pages served on NAIC/NIPR sites could result in less continuity until staff are fully trained and experienced with the new policy and enforcement. This risk will be mitigated by the creation, communication, and enforcement of governance policies and standards, and staff training.

V. Security Impact:

NAIC/NIPR external websites contain no personally identifiable information (PII) or other confidential data or attachments.

The move to a vendor-hosted cloud environment should provide security that is equal to or greater than the current CMS. The selected vendor will provide dedicated, timely monitoring and support of the security of the cloud platform with contractual Service Level Agreements to remediate any issues and regular updates to the CMS standard application.

The NAIC will retain control over secured access to the CMS environments and will retain responsibility for patching of any custom CMS code.

2018 Budget
 Fiscal Impact Statement Project Cost Analysis
 Project/Initiative: Dynamic Content Website
 Business Entity: NAIC

Description	2018 Budget Spread				2018 Total	2019 Budget	2020 Budget
	August	September	October	November			
Expenses:							
Non-Capital Equipment - Cloud Hosting	-	17,000	17,000	17,000	17,000	200,000	200,000
NIPR Credit for Non-Capital Equipment - Cloud Hosting		(5,610)	(5,610)	(5,610)	(17,000)	(66,000)	(66,000)
Non-Capital Equipment - Accessibility Compliance License	2,500	2,500	2,500	2,500	12,500	30,000	30,000
NIPR Credit for Non-Capital Equipment - Accessibility Compliance License	(825)	(825)	(825)	(825)	(3,275)	(9,900)	(9,900)
Non-Capital Equipment - Accessibility Compliance Support subscription	2,200	2,200	2,200	2,200	11,000	25,000	25,000
NIPR Credit for Accessibility Compliance Support subscription	(726)	(726)	(726)	(726)	(2,850)	(8,250)	(8,250)
Professional Services-CMS migration consulting				50,000	50,000	100,000	100,000
NIPR Credit for CMS migration consulting	10,000	-	(16,500)	(16,500)	(33,000)	(33,000)	(33,000)
Professional Services-Accessibility Compliance software implementation							
NIPR Credit for Accessibility Compliance software implementation	(3,300)	-	-	-	(3,300)	-	-
Total Expenses	9,849	14,539	14,539	48,039	135,005	237,850	170,850
Revenues Over (Under) Expenses	(9,849)	(14,539)	(14,539)	(48,039)	(135,005)	(237,850)	(170,850)