NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

MEMORANDUM

TO: Chief Financial Regulators

FROM: NAIC Staff

RE: Information Regarding the Transition to TeamMate+

The information that follows is intended to support member discussions regarding the transition to TeamMate+ (TM+).

Feedback on this document or questions remaining can be directed to James Portuguez (jportuguez@naic.org).

Executive Summary

As we continue towards the transition to TM+, most of the questions states have had relate to pricing and what is needed as part of this transition. This executive summary will provide high level insights to those matters while still directing states to the specific questions within this FAQ that provided more comprehensive answers.

What is the current pricing?

As of January 5, 2023, the current pricing available is as follows:

Application		
New TeamMate Licenses – first year	$ 1,541	Per user, first year fee
Annual license renewals – approximately	$ 325	Per user annually
Cloud Service		
TeamCloud Gold subscription - DOIs	$390	Per user annually
TeamCloud Gold subscription - Contractors	$400	Per user annually
TeamCloud FedRAMP subscription - DOIs	$ 990	Per user annually
TeamCloud FedRAMP subscription - Contractors	$ 1,000	Per user annually

Note that pricing in the table above is grossed up for NAIC's administrative fees.

A common question or area of discussion is related to the first two line items. To clarify, these are fees that most states are already paying. New licenses are only needed for additional new users. They represent the fee for using the software, regardless of whether in the cloud or on-prem. It's likely that your state already has the application licenses needed and will only need to continue paying the renewal amount later in 2023, and not as part of the transition into the cloud.

Refer to the "Hosting Options and Fees" section of this FAQ for further information on pricing, including additional fees which are typically not expected to be incurred in year one.

What actions need to be taken for states to transition?

For states that wish to transition their hosting into the cloud, we are asking that states sign our rider and pay for hosting licenses.

For states wishing to maintain a local hosting option, that would require a separate engagement with WK which can take place once our DB configurations are completed in February. Note that states hosting TeamMate+ on-prem should also sign and return the rider as they may eventually need access to TeamCloud for participating in coordinated financial exams.

What if my state needs more information? Can we set up dedicated calls with individual states and their procurement teams?

As much as possible, NAIC is trying to direct states to the FAQ or to address questions within the collective Electronic Workpaper (E) Working Group calls. NAIC Legal is available to discuss contract provisions but defers to regulators and their procurement officers on whether a separate arrangement is needed.

Vendor Selection Process

1. How did the NAIC and regulators come to select TM+ as the replacement application for TM AM?

Substantive efforts to evaluate and identify a replacement for the TeamMate AM application have been ongoing since 2018. A summary of these efforts and related research is provided below. A detailed packet discussing the results of the vendor selection process can also be provided on request.

2018

Research efforts began shortly after the vendor's announcement that the current application utilized by regulators would be phased out, with an end-of-life date projected to be year-end 2023.

2019/2020

- NAIC contracted with independent consulting firm, Novarica, to help complete a thorough assessment of possible vendors to ensure impartiality.
- The NAIC identified several vendors offering hosting options between $1M and $2M that met the general needs of the regulators based on NAIC's preliminary analysis which consisted largely of interviews with potential vendors.
- In November 2020, select vendors (listed below) presented in-depth demonstrations tailored to showcase the respective applications' ability to meet regulator needs, addressing over 70 distinct criteria.
  - Wolters Kluwer (WK) – TeamMate+ Application
  - MetricStream – M7 Application
  - RSA – Archer Application
- On December 16, 2020, Novarica presented the results of the demonstration to regulators (detailed results available upon request). The 27 Regulator score totals by vendor were as follows:
  - 1. Wolters Kluwer – 3,764
  - 2. MetricStream - 3,565
  - 3. RSA – 2,815
- In summary, regulators were involved in the demo process, helped develop the scoring criteria in consultation with the NAIC, scored the vendor based on the selected criteria, and asked follow up questions where appropriate.
- 27 States returned scoring cards but several states had multiple staff attending to ensure dialogue and the resulting evaluation considered the needs of all regulator users.

2021

Following the conclusion of the vendor demo process and the resulting evaluation, additional questions were raised related to the hosting options available to regulators. After some due diligence, regulators settled on transitioning to TM+.

Review of Transition Status

2. What is the current status of the project?

2021

- NAIC finalized research into the options and with information presented, the regulators settled on TeamMate+ as the replacement application.
- NAIC signed a professional services contract and began work with vendor to configure the application to the regulator needs.

2022
- NAIC continued work to configure the application.
- Testing of the software configurations commenced in April 2022.
  - Testing consisted of sandbox testing and simulated pilot testing.

2023

- Databases/environments will be available for use in Q1 2023.
- NAIC will continue to support regulators with additional training as needed.

3. When will state databases with preconfigured templates be available for regulator use?

The NAIC is in the process of finalizing configurations. Once completed, the copy of the blank database that the NAIC/Wolters Kluwer have configured with templates & terminology to meet regulator needs ("the Master copy") will be duplicated to create state specific databases in TeamCloud for all states as part of this collective effort.

We anticipate the Master copy will be available as of January 2023. The Master database may also be transferred to states for on premises installations.

4. What is the NAIC's role in TM+ contracting?

As with many services the NAIC offers to our members, in the relationship with Wolters Kluwer (WK), the NAIC plays a central role in the contracting process which allows the membership to obtain substantial savings for users of the software/hosting services. As opposed to individual

states buying hosting licenses in 10-100 license increments, the NAIC can purchase 1,000-2,000+ which leads to favorable pricing that would not be available to the states.

However, the savings come with a tradeoff. WK has consistently agreed to treat our membership as a single customer which allows our members to receive volume discounts that would not be available were states to contract directly and independently of the NAIC. As part of this arrangement, WK asks that our membership operate through the NAIC for billing and many other facets of our business relationship. Therefore, NAIC staff helped to coordinate the research and transition efforts and will negotiate an acceptable level of security protocols and common procurement requirements for the benefit of all states. Through this process, WK will retain the advantage of a single hosting services contract. States would then gain access to the hosting environment via state specific riders signed individually with the NAIC.

Beyond contract, NAIC has also taken a lead role in reflecting state needs into the configuration of the software.

5. **Why should I join the cloud environment? Why should I use the TM+ application? Why should I consider the NAIC as a sole source and therefore transition to TM+ via the NAIC's contract?**

There are several reasons that regulators should consider joining the transition to TM+ and hosting that application via Wolters Kluwer's TeamCloud. Those include, but are not limited to, (1) coordination, (2) pricing and special terms, and (3) configuration (uniformity).

(1) Coordination - The U.S. insurance regulatory framework generally requires state regulators to work with other states in conducting group-wide supervision within the U.S. solvency system. This includes statutory examinations, which are conducted on a group-wide basis in coordination with other state regulators in order to economize by saving time and resources for both regulators and the industry. TeamMate AM is the software product that has been utilized by all state regulators nearly two decades (starting with TeamMate 2000) and is essential to that coordination. Regulators use TeamMate to leverage off the work of other states and easily share documentation necessary for each state's examination. Insurers, especially those that are part of large groups with companies domiciled in different states, can be examined by several states at the same time. Without TeamMate, companies within a group that are domiciled in different states would be examined separately and would be required to provide the same information to each state regulator at different times. Therefore, there are substantial benefits to the ability of states to coordinate, and therefore to the efficiency and effectiveness of state-based regulation when states join the shared hosting environment, TeamCloud.

(2) Pricing and Special Terms – The Wolters Kluwer pricing sheet shows that the pricing available to states would likely range between $60 to $95 per user, per month, which would translate to $720+, depending on a state's volume of users. This is far higher than

the $360 (+admin fee of $30) that the volume discount pricing that the NAIC has been able to negotiate with Wolters Kluwer. Moreover, NAIC has also been able to negotiate several special terms which would likely be beneficial to the states or necessary for them to even consider joining a cloud environment. For instance, the data allocation under our contract will be 5 GB per user, per year compared to the base offering of 1 GB per user, per year. Additionally, our data will be required to be held and backed up in the US by contract and will also build in penalties in the event of a service outage.

(3) Configuration – The truth is that no application would work off the shelf to capture regulator needs, TM+ included. However, the NAIC has entered into a professional services contract that has allowed the vendor, NAIC staff, and a volunteer group of regulators to configure the application to meet regulatory needs. As part of the transition, NAIC staff will have spent over $300k and 4,000 hours to configure the application and support the transition with no plan to recoup expenses. Therefore, if states operated outside of this contractual arrangement, they may have to reconfigure the application to adequately allow them to document key regulator processes which could take months or even longer and would cost a substantial amount of money. If regulators use differing software options, there may also be a loss in uniformity regarding how regulators view each other's work. Presently, regulators know where to look, inside a TeamMate project, to find the information they need regardless of whether it's an exam or analysis project.

(4) Ongoing Training and Support – The NAIC has long supported regulators and their use of the TM AM application. When the regulators selected TM+, the NAIC further committed to supporting the application of choice for the regulators. The support will come in several ways as it has historically. NAIC will provide training to regulators as the transition takes place. Additional training will also be offered in in the initial phase of the transition to help answer questions as they emerge among the user base. Moreover, as the NAIC has done historically, NAIC supplements the support provided by the vendor in addressing user issues and in ensuring they receive appropriate responses from the vendor.

This combination of factors is what many states will use to argue that joining this contract is really the most economical and sensible option in the interest of effective insurance regulation.

6. Is the TM AM application still reaching its end-of-life December 2023?

Wolters Kluwer has suspended the end of life for TeamMate AM indefinitely. TeamMate AM upgraded in October 2023 and a follow-up version is planned for release in the first quarter of 2023 which will add 3 more years of life to TeamMate AM.

Given the relative maturity of the AM application, we do not anticipate needing any patches but this ongoing support should help states feel comfortable taking the time needed to properly transition applications.

Hosting Options and Fees

7. Do I need to pay anything further beyond my state's annual license renewal fees? Does my current license fee allow me access to TM+?

Almost all states/jurisdictions currently pay for software licenses. This software license entitles users to be able to use the TM AM application. These are paid for initially by the NAIC (to receive volume discount) and later billed to states. The NAIC will be converting these licenses to TM+ and the vendor has agreed to temporarily allow the licenses to give regulators access to both applications.

However, the NAIC will also be decommissioning the NAIC's hosting environment, on which the majority of coordinated work is performed. Future hosting options will be provided by the vendor via their cloud infrastructure. **To access this environment, each individual regulator/contractor will need an additional individual hosting license (costs provided in subsequent sections of the FAQ).** Consistent with current practices, licenses can be purchased and paid for in bulk (i.e., states/contractors will be billed for all the licenses they require as opposed to receiving a billing for each individual user).

Regulators could instead opt to host locally or via a vendor, although all coordinated examinations are encouraged to be hosted in TeamCloud to ensure effective and efficient coordination. While on-premises or third-party vendor hosting is possible, we expect that to decrease going forward as the new application (TeamMate+) has additional hardware requirements that may increase the cost of local hosting options and states' expectations regarding hosting security continue to evolve. The application is also more complicated to maintain/configure and therefore, we expect many, if not most, states to eventually join the Wolters Kluwer TeamCloud Hosting option, at least for all coordinated exam work.

To be clear, regulators (contractors as well) that join the Wolters Kluwer hosting environment will need both a software license and a TeamCloud hosting subscription.

8. Who is paying for the configuration costs?

All costs to configure the database application ($300k+) and initial databases setup fees (1 per state) are being borne by the NAIC. If states require more than one database, additional setup fees may apply.tc Gold

9. What are the hosting options being offered to the states/jurisdictions?

As part of the transition to TM+, states are being offered the following:

- WK Gold Level Hosting – This is a hosting option that is subject to certain security controls (SOC 2 Type II) that can be provided in summary form as requested by states.

- FedRAMP – This is a hosting option that will adhere to the FedRAMP (Federal Risk and Authorization Management Program) moderate level of controls for states that require the added level of security.
- OnPrem/Local Self-Hosting – States can opt out of the cloud and host data locally or with a vendor of their choosing, outside of the NAIC's negotiated TeamCloud service.

Joining either of the WK hosting options requires a TeamCloud license (price discussed below) in addition to the software license that states already have.

The questions that follow attempt to provide the remaining information that is necessary to understand the transition to TM+ and the options available therein.

10. What will the cloud hosting options cost? Are there any fees on top of that?

The NAIC currently anticipates offering two hosting options for states.

A. The SOC 2 Type II (WK Gold) Hosting Option

The current expected fee (subject to negotiation) is $360 cloud license per user, per year + $30 per user, per year administrative fee ($40 for contractors).

The administrative fee pays for NAIC's expenses and will be re-evaluated post implementation to better align with actual expenses.

There is also the potential for data storage fees. Hosting includes 5 gigabytes (5GB) of production storage per User. Additional gigabytes will be billed at a rate of $150 per year for each additional 5 gigabyte (5GB) allotment and will be billed pro rata.

It is important to note that all of these fees are on top of the existing annual license renewal fees that states already pay.

B. The FedRAMP Hosting Option

This is a hosting option that several states will need because of local IT/security policies or state-wide laws or regulations. We also believe there is a long-term shift towards heightened security for state and federal government work held in a cloud environment.

Cost of this option will include a$30 per user, administrative fee ($40 for contractors). A tiered discount applies as NAIC adds users to the FedRAMP environment and will passed to states as NAIC receives the discount.

Storage fees will also apply as discussed above. Both environments are hosted in Microsoft Azure. Note that earlier documentation may reference Rackspace hosting, but WK has now transitioned to Azure. In all hosting options, the data will be located in the US, regardless of what vendor documentation says as it will be written into the contract.

Azure Data Centers:
- FedRAMP Virginia & Texas
- SOC 2 (Gold) Virginia & Iowa

Note that WK's current position is that if a user needs to access both environments, they would need two licenses.
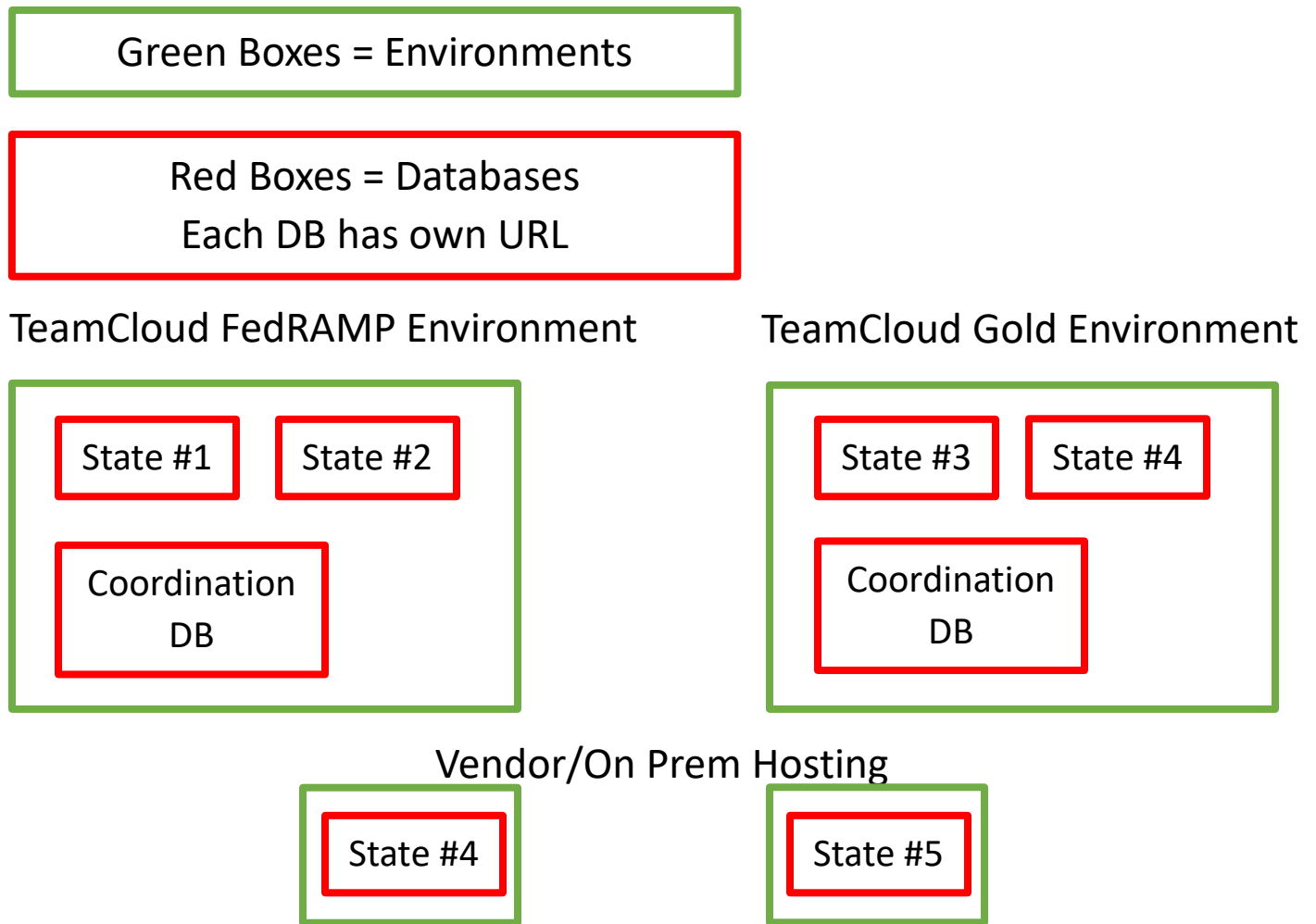
We do not have an estimate for on-prem installation expenses. States/contractors would need to contract with the vendor directly for such services.

11. Where will coordination take place? What is the difference between a database and an environment? Will all states work in the same place?

We currently anticipate that:

- Each state will work in their own database (DB) with TM Champions given the rights to configure templates within that DB
- States will also control access to their own DB with NAIC authenticating users into the environment via an identify tree maintained at the NAIC
- Coordination will occur in dedicated DBs
- 8+ states will work primarily out of the FedRAMP environment
- 30+ states will work primarily out of the Gold environment

To address this, we bring back an illustration from a discussion with the regulators earlier in 2022:[1]

Green Boxes = Environments

Red Boxes = Databases Each DB has own URL

TeamCloud FedRAMP Environment

State #1	State #2
Coordination DB	

TeamCloud Gold Environment

State #3	State #4
Coordination DB	

Vendor/On Prem Hosting

State #4	State #5

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[1] The inclusion of state #4 in multiple environments is in acknowledgement that some states will join the TM cloud purely for coordination and may host state specific work on their own installation.

12. Do you have an estimate for storage fees?

That is difficult to estimate because we can't know how large TM+ files will be until we have real work in the environment.

Currently, the NAIC can only suggest that that storage fees are not likely to be incurred until 3-4 years into the hosting service once several years of work are held in the cloud. A few additional inputs are provided below if states wish to estimate this further:

- Coordinated exams on the NAIC's Citrix server currently average 1GB in size and often range between .5GB and 2GBs for the largest files.
- For states that participated in a pilot study of full hosting with the NAIC in Citrix, average file size ranged from 73MBs to 142 MBs (this includes a mix of exams/analysis files).
- The vendor has plans for an archiving function on the TeamMate+ roadmap for future development. This would reduce the database size with the expectation of improving performance for large databases, though it may not reduce the costs of storage.

This will be a matter that the NAIC will study after the launch of the service to enable better and more precise discussions. It is anticipated that the NAIC will seek an aggregated, national approach to addressing storage fee overages and allocations, if needed in the future, likely through an adjustment to the NAIC administration fee.

13. Do you expect an increase in software license renewal fees?

In the past, Wolters Kluwer has indicated that licensing fees would increase with the launch of TM+. While we are not aware of specific plans to increase the cost of the software licensing, regulators should expect increases in the future.

Please note that this response is specific to the software licenses. The new hosting licenses are specific to a separate service (i.e., hosting) and are not considered an increase in pricing. They are instead considered to be the fees for the optional hosting service.

Recent experience suggests the vendor may continue with the recent trend of 5%+ annual increases in the cost of licenses.

14. Will my state receive a single invoice (annually) for TeamMate use?

Eventually, yes. However, in the initial transition, we may need to send a separate bill for the TeamCloud hosting service in addition to the existing TeamMate software license renewal bill. After the first year, we anticipate aligning billing cycles.

15. **Will I need to continue with my existing software license, and will it be renewed the same way?**

Yes, you must continue to maintain your current TeamMate AM license as they include support and upgrades. TeamMate+ is an upgrade to TeamMate AM. As you transition from TeamMate AM to TeamMate+, your AM licenses become Plus licenses and they will continue to renew annually just as they do now.

While we transition applications, the current software licenses will allow users to access both TeamMate+ and TeamMate AM.

16. **Are there any other fees that States need to be aware of?**

Yes. WK has indicated that states that require additional databases beyond the one allocated per state (i.e., for storage) would be subject to additional annual fees.

TeamMate AM Projects

17. **Will I be able to convert my TeamMate AM data to TeamMate+?**

NAIC staff is recommending that states not convert TM AM projects into TM+.

Migration of live projects via the Wolters Kluwer migration wizard is possible. However, due to the extensive customization and configuration of NAIC-developed templates to enable regulator workflows, the vendor has advised that migration may not be possible. Moreover, there are likely additional vendor fees associated with the conversion process as well as extensive work to map the upgrade of fields from one application to the next.

However, states may choose to pursue this type of conversion on their own if they so desire. As states have amassed large volumes of TeamMate AM data, it should be noted that converting all existing AM data to TeamMate+ in TeamCloud will most likely cause data storage fees to be assessed immediately, as discussed above. Once the initial transition is complete, NAIC staff can revisit this discussion to see if a conversion of legacy data is still desired.

18. **How will I access my legacy TeamMate AM projects? Do projects need to be converted into TM+?**

The NAIC is recommending that TeamMate AM projects continue to be accessed via the TeamMate Reader application after the transition to TeamMate+. This application allows read-only access and can be installed locally. Through the Reader app, users can access all workpapers, review work performed, export workpapers, etc.

You may also continue to use you current on-prem installation of TeamMate AM to look up past work even though the application will no longer be supported past the end-of-life date (TBD).

The NAIC will not be offering hosting services for TeamMate AM files beyond 12/31/22 exams and will eventually be transitioning all projects currently stored on the NAIC Citrix server back to the owner state.

Working in TM+ and Training

19.   Will I have to install anything for the application to work?

TeamMate+ is a web-based application. However, users must install "TeamMate Advanced Integration" which is a TeamMate+ add-in for Microsoft Office and Adobe Acrobat. The add-in allows for a TeamMate+ ribbon (TeamMate tab) to be included in Microsoft Office and Adobe Acrobat. The toolbar allows users to check out documents from the TeamMate+ software, add notes, add links, add findings, and check documents back in.

Advanced Integration (AI) is only compatible with desktop versions of Microsoft Office, not the web-browser version. The following versions of Office and Acrobat are currently supported, and files must be saved in those version formats. AI does not support compatibility mode in MS Office.

- Microsoft Office 2019
- Microsoft Office 2016
- Microsoft Office 2013 and 2013 SP1
- Adobe Acrobat Reader DC
- Adobe Acrobat Pro DC

20.   How will I work in TM+?

Existing training content on TeamMate+ is available through the TeamMate Connect website which is available as a benefit of paying for the existing software licenses. The NAIC will also be partnering with Wolters Kluwer staff to provide a training curriculum leading up to the transition to help users understand how to complete regulatory work in the software. The existing training content covers the generic functionality (i.e., hyperlinking) of the application, whereas the NAIC training covers process specific functionality (i.e., functionality that relates to regulatory processes). The template specific content is available online via the NAIC Campus.

21.   What does the training content include?

TeamMate+ Training content includes:
- TM+ 101 via TM Connect – Access available now!
- TM+ Custom Content Access via NAIC Campus

- TeamMate+ Periodic training events throughout the year
  - TeamMate+ 101 / general operations
  - Template specific training
  - Champions training (recorded) – via NAIC Campus

22.   Can my state customize the TeamStore to include state-specific procedures and other deviations from the NAIC TeamStores?

Yes! Adding in procedures, risk, and controls is fairly easy and is covered in the training curriculum.

TeamMate+ allows more customization capabilities than TeamMate AM. Therefore, as regulators get increasingly comfortable with the software and configuration of the tool, regulators may find new ways to use the software beyond what is provided in the NAIC base templates available in the Master Database.

23.   Can I bring in my state-specific procedures when participating in a coordinated exam?

Yes. Procedures can be copy/pasted into an exam as it is worked. Those procedures are automatically added to the TeamStore in a staging area where the TeamMate Champion can determine where the procedures are ultimately stored (in a state-specific TeamStore cabinet or folder). This only has to be done one time to populate the TeamStore. There is also a TeamStore import template (XLS) that adds unformatted text to the TeamStore. It would appear to be more efficient to copy/paste formatted text than to go back and manually reintroduce formatting to imported procedure text.

Contractor Considerations

24.   How will the TM+ User License and Cloud Hosting costs be calculated for contractors that represent multiple States?

Unlike the current process to track software licenses, the NAIC will centrally track hosting licenses. Therefore, everyone that accesses the cloud hosting environment will be tied to individual licenses to avoid complications/duplications in situations where contractors may work for multiple states.

25.   Will the TM+ Licensing & Cloud Hosting fees continue to be group-billed through NAIC to the contractor firm?

Yes, eventually, we expect that states and contractors will receive a single bill that covers both the software licenses and the hosting licenses. However, at first, there may be two bills. Regardless, we do anticipate that we will accumulate billing as much as possible both for our administrative benefit and for the users/states/contractors as well.

26. Will contractors receive access to the gold copy?

For reference, the gold copy is how the vendor refers to the database with the NAIC's configurations based on regulator needs incorporated. The configurations are not dissimilar to what the NAIC has historically maintained and called the TeamStores but is substantively more expansive. The gold copy will include 3 distinct templates (market conduct, financial exams, financial analysis) and will be available to contractors starting January 2023.

General Logistics

27. What happens to projects on the NAIC Citrix server (i.e., current TeamMate AM hosting – Citrix) after the regulatory work captured in the project is completed and needs to be archived?

We expect the NAIC to maintain limited TeamMate AM Citrix support after the launch of the TeamCloud hosting environment and to continue that support until all exams launched in that environment have been completed. The specifics of the timing to decommission the Citrix server will be a further point of discussion after implementation of TeamMate+/Transition to TeamCloud hosting services.

Advance notice will be given to allow states to make a reasonable transition and all projects currently stored on the NAIC Citrix server will be returned to the owner state before the server is decommissioned. NAIC staff will work with regulators to evaluate a proper decommissioning timeline.

28. How will Accreditation access files for pre and full reviews?

Accessing Wolters Kluwer TeamMate+ TeamCloud Environment - For individuals that do not otherwise have access to Wolters Kluwer's TeamMate+ TeamCloud, NAIC can provision observer role access which does not require a fee and allows users to view all the work performed within a file.

Accessing other TeamMate+ Environments (in third-party vendor environments or on prem) – States will need to provision access to accreditation team members as TeamMate+ projects lack the portability that would allow them to be moved to a reader environment. Legacy TeamMate AM projects may be able to be transferred to the NAIC for viewing through the TeamMate reader application.

29. When will the WK's TM+ TeamCloud Hosting environment be online and available for state access?

The TeamCloud hosting environment is currently available for states to begin transitioning to TeamMate+. States initiate the transition process when they submit a signed rider and purchases TeamCloud subscriptions. The transition process includes a database build by the vendor and then the database must be populated with state-specific content along with other customizations if needed.

30. Will contractors be allowed on the NAIC's TeamMate+ TeamCloud Hosting environment?

Yes, as long as they have paid the requisite TeamCloud hosting subscription fees. We expect to bill contractors directly to avoid inefficiencies (i.e., states paying for excess contractor licenses) and confusion over license allocations as the NAIC will be required to authenticate all users to the TeamCloud environment and ensure that they have paid for a hosting subscription. Given that we expect a majority of coordinated work be placed in the TeamCloud environment, most consulting firms conducting work on behalf of multiple states will likely need to work with the NAIC to obtain a hosting subscription.

31. What if a state needs limited access (i.e., access for a short-term period or read-only access)?

Wolters Kluwer offers an observer role that is available in both the TeamCloud Gold and FedRAMP environments, allowing the user to view work but not edit. The observer role is free and can be obtained by contacting NAIC staff.

32. How will access (i.e., authentication/authorization) work?

The TeamCloud hosting environment will have a coordinated exam database, as well as individual databases for state specific work. The NAIC will authenticate users into the overall environment (confirm identity of person and license status), including the coordinated database. States will create users and authorize access to their own database and subsequently specific projects. Multi-Factor Authentication is a component of the authentication process.

33. Will the vendor provide additional information to support state procurement processes?

The NAIC is considering using one state's relatively heightened procurement requirements as a "ceiling" that is likely to provide assurance to multiple states that the hosting environment's security is sufficient.

Importantly, while we anticipate being able to ask additional procurement type questions, we do not anticipate the vendor being able to reconfigure hosting options to suit an individual state's needs. The negotiated prices are given on the assumption that the states will act as one.

Data Retention, Application Upgrades, and Business Continuity Plans

34. Can the new environment meet my state's data retention requirements?

Projects can be held as long as needed in the TeamCloud environment to meet retention requirements. Wolters Kluwer is also working to develop an archival storage function that could allow older projects to be stored at a reduced file size to assist states in staying within storage limits, but such a function is not currently available.

35. What is Wolters Kluwer's business continuation plan/policy regarding TeamMate+?

Per WK:

> "All relevant components of the data center operations and the TeamMate Hosted Software Solution are configured in N+1 redundancy, allowing all primary systems to suffer failures without interrupting service to the customer. All systems are designed to provide 99.9% availability to customers using TeamCloud. The TeamCloud data centers in Dallas and London do not have a warm or hot standby site. This has an RPO (recovery point objective) of 24 hours.
>
> We have an agreement with Vendors that in the unlikely event of a total loss of the primary facility, they will rebuild our infrastructure to an equivalent facility. This will then be rebuilt using the previous night's offsite backups.
>
> This has an RTO (recovery time objective) of 72 hours with an RPO (recovery point objective) of 24 hours. Disaster Recovery (DR) process is not customer specific and is tested at least once per year."

36. Where will the Data in the Cloud environments be stored?

NAIC/Member data will be strictly housed/backed up in the US. This is included as a term in our hosting contract.

37. What is the application upgrade cadence for TeamMate+?

- TeamMate+ in the TeamCloud Gold (SOC 2) environment is updated every other month with the vendor providing a minimum of a 21-day notice. Updates occur over the weekend and typically take less than 24 hours.

- TeamMate+ in a TeamCloud FedRAMP environment is updated 1 time per year. Note that this interval is due in part to the rigorous review required to obtain/maintain FedRAMP certification.

- WK releases upgrades for a state's on premises installation 3 to 4 times per year.