



PD Re-engineering Program Charter

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Table of Contents

1	INTRODUCTION.....	3
2	PROGRAM PURPOSE.....	3
3	PROGRAM OBJECTIVES	3
4	PROGRAM SCOPE DEFINITIONS.....	4
	<i>PD Re-engineering Program Scope of Work</i>	<i>4</i>
	WORK NOT IN SCOPE (EXCLUSIONS)	6
	RELATED DEPENDENCIES	6
5	PROGRAM STRATEGY (HOW)	6
6	PROGRAM ASSUMPTIONS.....	8
7	PROJECT BUDGET	8
8	PROGRAM ORGANIZATION (WHO).....	9
	ROLES AND RESPONSIBILITIES	10
9	AUTHORIZATION	13
10	APPENDIX A	14

1 INTRODUCTION

This Program Charter summarizes the business and management aspects of the PD Re-engineering Program. When signed by the sponsor(s), this charter serves as an agreement between the business and the project groups, formally authorizes the existence of the project, and gives authorization for the Project Manager to engage resources in the planning and execution of the project activities, based on the conditions established.

2 PROGRAM PURPOSE

MPI was made aware of the challenges the collision repair industry would be facing over the next decade, and how these would in turn create difficulties for MPI regarding the following:

- MPI's ability to ensure vehicles were properly repaired
- Ensuring the customers could be properly supported throughout the province
- Ensuring that customer service expectations could be met
- Ensuring that MPI remains relevant to its customers when it comes to processing physical damage claims and the service they receive while getting their vehicles repaired

3 PROGRAM OBJECTIVES

MPI's business objective is to deliver a number of capabilities and levels of service over the next five years.

- Ensure vehicles are repaired in a safe and cost-effective manner both in Manitoba, and throughout North America
- Provide customer service in a manner that is relevant to the population of Manitoba and is responsive to the needs and expectations of its customer base.
 - This allows, for the first time, market segmentation options to ensure relevancy – for channels depending on customer choice. The key concept is that MPI is departing from a one size fits all approach.
- - Ensure that the local collision repair industry remains healthy and sustainable, and that customers will be able to have their vehicles repaired regardless of where they live in Manitoba
 - Deliver and orchestrate the full lifecycle of physical damage claims management services, in partnership with the extended repair industry, to meet our customers' evolving needs for quality, safety, cost control and service

- Work with our business partners to promote a local collision repair industry that is healthy and sustainable in both economic and environmental terms
- MPI will work with the global industry to foster safe and cost-effective vehicle repair and occupant protection
- MPI will be responsive to the needs and expectations of its customer base which is increasing in diversity and subject to unique geographic challenges and constraints. Ensure that customers are kept informed throughout the claim and repair process
- Triage claims to involve Loss Prevention resources earlier in the process resulting in more denials/recoveries

The following annual operational cost savings are anticipated at the conclusion of the PDR program:

Cost Savings Area	Cost Savings	Operating Expenses	Claims Incurred
Process Improvement (Internal)	\$ 3,500,000	\$ 3,500,000	
Repair Shop Process Improvement	\$ 3,000,000		\$ 3,000,000
Parts Sourcing	\$ 3,000,000		\$ 3,000,000
Loss Prevention	\$ 2,500,000		\$ 2,500,000
Total	\$ 13,300,000	\$ 3,500,000	\$ 9,800,000

4 PROGRAM SCOPE DEFINITIONS

PD Re-engineering Program Scope of Work

The following projects will be initiated under the PD Re-engineering Program to deliver to the Program purpose and objectives;

Physical Damage/Customer Service Projects:

1. Optimized Repair Project (First Priority)
 - Collaborative Estimating
 - Parts Sourcing
2. Optimized Adjusting Project
 - First Notice of Loss Process
 - Adjusting
 - Replacement of Claims legacy software (CARS)
3. Loss Prevention Project
 - Implement Predictive Analytics software

1 *Knowledge Management Project:*

2 4. Website Redesign and Portal Consolidation

- 3 • Amalgamate content from several sites into one partners portal and
4 decommission redundant technology and infrastructure
5 • Update all existing SharePoint 2010 environments to SharePoint 2013 and
6 migrate content from existing websites
7 • Update Authentication technology as it relates to Portal consolidation

8
9
10 Please see Appendix A for details
11

Work Not in Scope (Exclusions)

N/A

Related Dependencies

None.

5 PROGRAM STRATEGY (HOW)Optimized Repair Project*Interaction with the Repair Shops*

It has been determined that the best approach to deliver the Optimized Repair Project is to use pilots and proof of concept implementations.

Proof of concept implementations will be conducted to determine the feasibility, risks, and benefits of the initiative. Pilots will be used where outcomes of the initiative are more predictable.

The following two pilots are related to the Collaborative Estimating and are expected to start in fourth quarter of 2013 and the third quarter 2014.

- Collaborative Estimating
- Distributed Estimating Proof of Concept

The first pilot is called Collaborative Estimating. It will bring the Corporation and the repair shops onto a common platform by implementing Mitchell's WorkCentre and Repair Centre product suite. The focus of the pilot is on online estimate sharing, including collaborative estimating for electronic supplement processing. It also includes the automatic maintenance of a "gold copy" estimate between the repair shop and MPI. This eliminates the need for manual reconciliation between repair shops and Manitoba Public Insurance, enabling the automation of payments to repair shops. This pilot will also implement a robust and proactive quality assurance program to ensure quality repairs are being performed. It will also increase customer satisfaction by optionally providing the actual repair status to customers electronically.

1 The second pilot will potentially involve moving to a Distributed Estimating model,
2 allowing repair shops to write estimates directly for the Corporation's customers. The
3 pilot must demonstrate that repair shops can perform initial estimates in a cost-effective
4 manner. It must also prove that customer visits can be reduced due to a collapsing the
5 parts ordering and repair process. The team will use corporate data/experience to
6 triage vehicles based on reparability. The team expects to start with non-driveable
7 vehicles to test Distributed Estimating workflows/system functionality, and will then
8 extend the pilot to driveable vehicles to test end-to-end Distributed Estimating process.

9
10 This pilot will be considered successful when the following can be demonstrated:

- 11 • MPI reduces both incurred claims and claims expenses
- 12 • Repair shops reduce administrative expenses
- 13 • Improved Customer Service
- 14 • Repair cycle times are faster

15
16 If the pilot is successful, and the business decision is made to move forward, the
17 Corporation will make Distributed Estimating optional for all repair shops subject to
18 accreditation standards. The repair shops will choose if they want to provide estimates
19 directly to the Corporation's customers.

20 21 22 Optimized Adjusting Project

23 24 *Replacing our Claims legacy system*

25 In order to streamline the First Notice of Loss process through better claim triaging,
26 significant changes would be required to the existing CARS legacy system.

27
28 As FINEOS is currently used by the Corporation for Bodily Injury Claims, a fit
29 assessment was conducted with FINEOS to determine fit for both First Notice of Loss
30 and CARS legacy system replacement functionality. FINEOS recently conducted a
31 demo on their Physical Damage module, which is currently being used in Europe with
32 very good success. This module also has components for First Notice of Loss that MPI
33 could leverage that would provide customers with the ability to start a claim online using
34 self-service functionality. FINEOS would then provide the Corporation with a common
35 platform for both Bodily Injury and Physical Damage Claims. This would strengthen the
36 integration between Estimates and Adjusting that would improve the overall Claims
37 processing.

1 FINEOS was determined to be a good fit as a CARS legacy system replacement
2 platform. Therefore, a business decision was made to proceed with FINEOS and the
3 project scope would include a CARS replacement, which would also include a new First
4 Notice of Loss solution.

5
6 The replacement of CARS will be grouped together with the First Notice of Loss
7 changes under the Optimized Adjusting Project.

8
9

10
11 Loss Prevention Project
12 The Corporation recently completed an RFP process with the purpose of acquiring and
13 implementing predictive analytics software. This software will primarily be leveraged to
14 predict claims fraud cases with the anticipation of increasing claim recoveries
15 associated with claims fraud.

16
17

18 **6 PROGRAM ASSUMPTIONS**

19 N/A

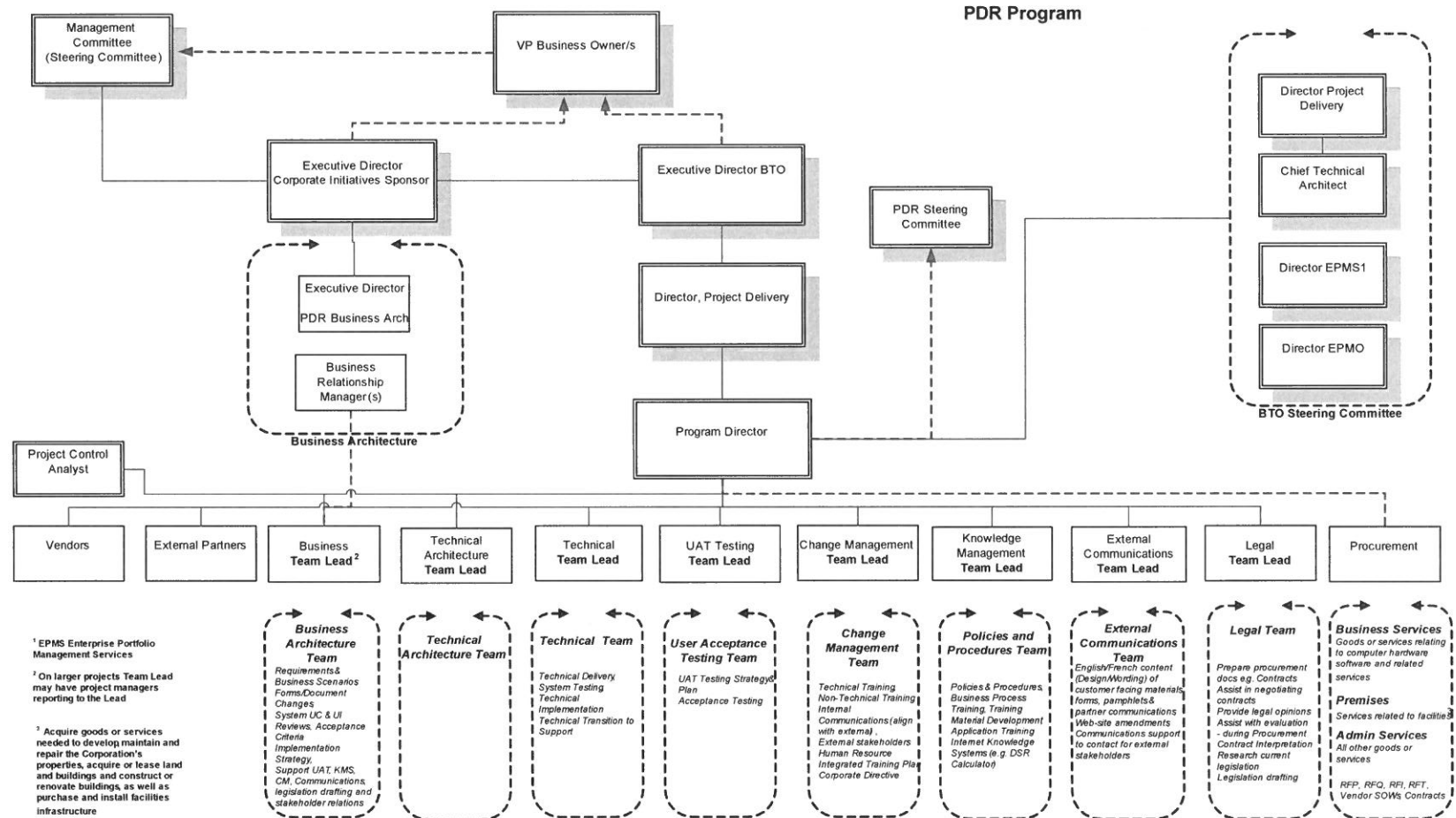
20 **7 PROJECT BUDGET**

21
22

Physical Damage Re-engineering Program	\$65,485,774
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8 PROGRAM ORGANIZATION (WHO)

PDR Program - Organizational Structure



Roles and Responsibilities

Executive Director, Corporate Initiative Sponsor

The Executive Sponsor is the champion of the program and is the principal interface between the program and the business community. The Sponsor has the authority to accept all deliverables and resolve all project issues.

Responsibilities include:

- Authorize and approve adequate budget and resources to successfully complete the program.
- Promote the benefits of the program so as the gain buy-in from stakeholders
- Provide strategic direction
- Overall acceptor of key Project Deliverables

VP Business Owner

- Support business sponsorship of Projects
- Provide oversight on Program direction, risks, issues
- Facilitate cross organization dialog

Executive Director, Business Transformation

The Executive Director, Business Transformation is accountable for the planning and successful implementation of strategic initiatives.

Responsibilities include:

- Provide overall direction and guidance for the program and ensure alignment with overall corporate objectives
- Expedite decisions for the program and help to remove roadblocks that could potentially negatively impact the program

Executive Director, PDR Program

- Provide business direction and guidance for the program and ensure alignment with overall corporate objectives
- Expedite business and policy decisions for the program

Director, Project Delivery

The project director is accountable for providing direction to program manager to ensure the successful implementation of the program.

1 Responsibilities include:

- 2 • Provide overall direction and guidance for the program and ensure alignment
- 3 with overall corporate objectives
- 4 • Expedite decisions for the program and help to remove roadblocks that could
- 5 potentially negatively impact the program

7 **Program Director**

8 The program manager provides the centralized coordinated management of the
9 program to achieve the program's strategic objectives and benefits.

10 Responsibilities include:

- 11 • As a key focus, ensures that the program achieves the outcomes for which the
- 12 program is being initiated. This may involve the creation of new projects,
- 13 recommendation of scope changes to projects, cancellation of projects, and
- 14 review/consulting on dotted line projects.
- 15 • Monitoring business outcomes being met
- 16 • Project issues being resolved in a timely manner and delivery timelines for all the
- 17 projects being met
- 18 • Provide project managers with support and guidance on individual projects
- 19 • Ensure alignment of the projects with the program and organizational
- 20 performance objectives
- 21 • Ensure that the overall program structure and program management processes
- 22 enable the project teams to successfully complete their work
- 23 • Ensure that the project deliverables are addressing the program benefits and
- 24 objectives
- 25 • Ensure projects are organized and executed in a consistent manner and/or
- 26 fulfilled within the established standards
- 27 • Leverage resources among the program's projects
- 28 • Evaluate total ownership costs, requirements and configuration management
- 29 across projects

31 **PMO Support**

32 PMO Support provides support to the Project Director and Project Managers by
33 ensuring standard processes exist and are adhered to and assisting with tracking and
34 monitoring status.

35 Responsibilities include:

- 1 • Consolidate and manage issues, risks, assumptions, CR and DR's
- 2 • Ensure compliance to established guidelines and standards for schedule
- 3 management
- 4 • Ensure governance and controls are being adhered to
- 5 • Provide support to the Program Manager to ensure projects are being delivered
- 6 on-time and on-budget
- 7 • Work with team leads and project managers to facilitate and coordinate project
- 8 planning
- 9 • Consolidate the team project schedules to ensure schedules are integrated at the
- 10 project level
- 11 • Assist project managers with creating and updating project schedules and
- 12 producing timesheets, if required
- 13 • Assist team leads/project managers with update to project status report
- 14 • Record and distribute project meeting minutes, as required
- 15 • Point of contact for Program Manager and Team Leads/Project Managers for
- 16 posting to SharePoint

19 **Project Managers**

20 The Project Managers are responsible for the timely completion of all deliverables within
21 their team, and planning and management of the work to complete delivery.

22 Responsibilities include:

- 23 • Participate in planning and re-planning
- 24 • As per MPI EPMO standards, apply disciplined project management tools,
- 25 techniques and methods
- 26 • Create and maintain project schedule
- 27 • Support issue and risk management processes
- 28 • Identify and resolve Project issues/risks and escalate to the Team Lead or
- 29 Program Manager, if required
- 30 • Ensure quality of deliverables
- 31 • Defining and managing and controlling scope
- 32 • Manage and coordinate resources within the team
- 33 • Identify additional Resource needs to Team Lead/Program Manager
- 34 • Monitor and report Team progress

9 Authorization

PDR Steering Committee

10 Appendix A

PROJECT	PROJECT DESCRIPTION
<p style="text-align: center;">Optimized Repair Project</p>	<p>Collaborative Estimating</p> <ul style="list-style-type: none"> • Bringing MPI and Repair Shops onto a common platform by implementing Mitchell’s WorkCentre and RepairCentre product suite • Creating an estimate that can be shared electronically between MPI and the repair shops • Compliance checks at Repair Shops • Streamlining the supplements process by allowing repair shops to work collaboratively with MPI • Ensure customers and staff are kept informed of the repair status • The automatic maintenance of a “gold copy” estimate which eliminates the need for manual reconciliation between repair shops and MPI, enabling the automation of payments to repair shops • Implementing a Remote Estimating solution to reduce road runs • Implementing a robust and proactive quality assurance program to ensure quality repairs are being performed • Increasing customer satisfaction by providing repair status to customers electronically • Implementing a Distributed Estimating model allowing repair shops to write estimates directly for MPI customers <p>Parts Sourcing</p> <ul style="list-style-type: none"> • Increasing recycled parts usage through expansion of the recycler network • Improving the recycled parts process through automation whereby recyclers provide their inventories online and repair estimates include those parts automatically • Reduce administration required for recycled parts through process automation • Expanding the catalogue of certified aftermarket parts

PROJECT	PROJECT DESCRIPTION
<p>Optimized Adjusting Project</p>	<p>First Notice of Loss</p> <ul style="list-style-type: none"> • Implementing a customer self-serve First Notice of Loss solution <p>Replacing the Claims legacy system</p> <ul style="list-style-type: none"> • Implement the FINEOS Claims Platform to handle all of MPI’s Physical Damage claims management <p>Integration of the Mitchell Solution with the FINEOS Solution</p> <p>Project team will be conducting a series of scoping workshops and scope of this project will be determined at that time</p>
<p>Loss Prevention Project</p>	<ul style="list-style-type: none"> • Improved fraud detection and recoveries through predictive analytics
<p>Website Redesign and Portal Consolidation Project</p>	<ul style="list-style-type: none"> • Amalgamate content from several sites into one partners portal and decommission and redundant technology and infrastructure • Redesign the following websites and migrate content to supported version SharePoint 2013 and improve search functionality <ul style="list-style-type: none"> ○ Strategy & Innovation ○ Brokers Online ○ Intranet • Update all existing SharePoint 2010 environments to SharePoint 2013 • Update Authentication technology as it directly relates to Portal consolidation