

CAC (MPI) Pre-Ask 1

Part and Chapter:	PART IV - NOV	Page No.:	
PUB Approved Issue No:	19. Current IT Strategic Plan and IT Expenses and Projects, including Project Nova		
Topic:	Project Nova Costs and Business Benefits		
Sub Topic:	Project costs and benefits by Release		

Preamble to IR:

Project Nova was originally proposed to MPI's Board and Executive on the basis of a Business Case which included both costs and offsetting savings. With the current approach, Project Nova is now being achieved by releases, each of which provide distinct business deliverables.

Question:

For each Project Nova release, please provide a breakdown, by release, identifying:

1. The current budgeted costs for each release, including contingency costs;
2. The estimated on-going costs, by fiscal year, required to support each release for the next 10 fiscal years;
3. A narrative explaining the business function(s) which are to be delivered by each release (i.e. what is the business purpose of the release); and
4. The business savings, in financial terms, which are estimated to be realized by implementing each release, separated into one-time and on-going savings. For on-going savings, please provide a 10-year estimate of savings by fiscal year.

Please provide responses to points 1 through 4 for each release.

Rationale for Question:

To identify the costs of each Project Nova release and its associated benefits to inform an understanding of the business value of each individual release.

RESPONSE:

1. Please refer to *Figure 1*:

Figure 1 Nova Budgeted Costs by Release including Contingency

Line No.		Budget Costs by Release including Contingency Est \$ (M)
	Foundational Costs	\$ 17.1
1	Release 1	\$ 65.2
2	Release 2	\$ 43.4
3	Release 3	\$ 71.8
4	Release 4	\$ 44.2
5	RFP, Business Process Mapping, Planning	\$ 3.6
6	Benefit Realization	\$ 4.0
7	Governance Vendor, External Assessment Value Assurance, Tech Enablers	\$ 24.2
8	Total	\$ 273.5

2. MPI does not report ongoing costs by Release as the Microsoft Dynamics (Digital) ongoing costs are based on adoption (future impact versus release impact), MuleSoft integrations (Digital) are procured and utilized during development (Virtual Cores), and Celtic (DVA) and Duck Creek (P&C) are flattened and amortized year over year for the long-term subscriptions as part of the negotiated cost savings.

For year over year ongoing costs please refer to *NOV Appendix 1 - IT Summit Project Nova 2022 Bus Case Rebaseline Update PPT - Confidential* and *NOV Appendix 2 - Nova 2022 Rebaseline Financial Analysis – Confidential*

3. **Release 1:**

Commercial Insurance: Completely modernize commercial insurance management, evolving it from current manual paper processes and limited system functionality to an environment where brokers and underwriters have electronic interaction through utilization of Duck Creek on Demand. Complete end-to-end insurance-related transactions for Commercial customers will be supported, from quote to bind, to underwriting and rating, and agency billing.

As the first to be implemented, this Release will also need to introduce shared services that will eventually support multiple lines of business, including the Customer Master, Partner Master, Vehicle Master, Payments, Billing, Document Management and Identity, Credential, and Access Management.

Digital: Corporate Customer Portal Services– Commercial customers will be provided with self-service access to account information and limited services such as reviewing Certificate of Insurance.

	Milestones	Business Release Objectives (as shared in PUB MPI CI 1-16 for R1 and R2)
Release 1	Commercial Insurance: Complete Modernization of Special Risk Extension commercial insurance management.	Agency Billing
		Agency Invoicing and Payment
		Broker of Record Change
		Enroll IRP Customer
		Onboarding (provision access)
		Policy Cancellation
		Policy Lapsed
		Policy Mid-Term Change
		Policy Reinstatement
		Policy Renewal
		Process Accounts Payable and Expense
		Purchase New Policy
		R1A Release Readiness

Release 2:

DVA: International registration plan vehicles

Digital: Partner portal for vehicle and driver lookup (Law enforcement, justice, etc.). Customer Portal to authenticate IRP customers and provide access to Celtic.

	Milestones	Business Release Objectives (as shared in PUB (MPI) CI 1-16 for R1 and R2)
Release 2	<p>Commercial Vehicles: Replace MPI application to manage customer and fleet/vehicle participation for International Registration Plan.</p> <p>Corporate Customer Portal Services: Portal access to provide carriers with select online capabilities</p>	Administer LCP Program
		Collect IRP Payment and Issue Credentials
		Enroll IRP Customer
		Exchange Information with Government Agencies
		Exchange Information with Law Enforcement
		Exchange Information with Private Industry
		IRP Customer Self Service
		Maintain IRP Fleet and Issue Invoice
		Perform General Accounting
		Process IRP Supplement
		Process Justice and other Notices impacting Vehicle registration
		Rectify Legacy Breaks
		Renew IRP Registration

Release 3:

DVA: Vehicle Registration and Driver Licensing

Insurance: Personal Auto Insurance

Digital: Customer Portal Services, Online transactions for customers, rolled out to bring into line with renewal dates

	Milestones	Business Release Objectives (*Preliminary Release objectives to be confirmed during pre-discovery planning activities)
Release 3*	<p>Personal Auto Insurance/Vehicle Registration/Driver Licence: Fully implement Autopac basic and extension insurance and vehicle registration and launch a complete driver licensing solution.</p> <p>Customer Portal Services: Online transactions for customers, rolled out to align with renewal dates</p>	Obtain driving credential
		Renew Driver Licence
		Retain driving credential in response to medical fitness
		Retain driving credential in response to unsafe driving behavior
		Retain driving credential in response to DUI incidents
		Cancel Driver Licence
		Obtain Record of Driving Credential
		Complete Driver Education Program
		Obtain Identity Card
		Renew Identity Card
		Cancel Identity Card
		Obtain registration & Insurance Product
		Change Registration & Insurance Mid-term
		Renew Registration & Insurance
		Cancel Registration & Insurance
		Obtain Temporary Registration Permit
		Obtain Rental Vehicle Insurance coverage
		Obtain Winter Tire Loan
		Change Customer Legal Name
		Change Customer Physical Address
		Change Customer Contact Information
		Obtain New Dealer Permit
		Renew Dealer Permit
		Cancel Dealer Permit
		Obtain New Salesperson Permit
		Renew Salesperson Component
		Cancel Salesperson Permit
		Obtain new recycler permit
		Cancel Salesperson Permit
		Obtain Driving Instructor Permit
Obtain Certificates of Inspection		
Obtain Gift License Plate		
Perform Fleet Audits		

Release 4:

Insurance: Physical Damage Claims

Digital: Customer Portal Enhancement for Physical Damage

	Milestones	Business Release Objectives (TBD)
Release 4	Physical Damage Claims: Replacement of CARS (Physical damage claims reporting and management). Customer Portal Enhancement for Physical Damage Claims: Online options for customers like reporting a First Notice of Loss and claims status.	

4. Reference *Appendix 1 – Benefits Re-baseline 2022 Summary of Benefits and Timing Confidential.*

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This material is the subject of a new confidential motion.