

NOVA

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2024 General Rate Application

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Agenda

- Nova Background and Objectives
- Project Status
- Labour Interruption Update
- Financial Update
- Program Governance Vendor Update





Nova Background and Objectives



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Why Project Nova

- MPI's core technology systems are nearing end of life, presenting serious risk to the stability and security of Manitoba's public insurance infrastructure.
- Project Nova will enable MPI to modernize its technology, eliminating the need for costly investments in legacy systems while positioning the Corporation to meet customer expectations in new ways.
- The introduction of new technology will offer more online services to customers while delivering value for all Manitobans.
- Nova is the largest transformation in MPI's history and will protect Manitoba's public insurance system for generations to come by addressing five key areas:



**Cost Savings
& Efficiency**



**Technology
Risk**



**Customer
Self-Service**



**Future Business
Agility**



**Information
Security**



What is Nova?

Scope

Nova's scope has remained consistent since the Legacy Modernization business case

- **Stable Technology Platform** – The core objective of the Legacy Modernization business case was to modernize current in-house applications and technology footprint (AOL, DLS, CARS) used today to deliver services for:
 - Personal and commercial automobile insurance,
 - Driver licensing, vehicle registration, and associated registries,
 - Physical damage claims

The business case assumed supporting services required to deliver the scope would be delivered through Enterprise Services. The business case allocated funding to address capacity where required.

Maturity constraints and additional capacity needs resulted in additional spend in areas such as:

- Organizational Change Services
- Integration Services
- Customer Experience
- Data Migration



Managing Nova

Governance and Controls

Delivery Controls In Place:

- Program Governance including Vendor Oversight
- Financial controls and Resource Management
- Technical Delivery
- Risk, Actions, Issues and Decision (RAID) Management

Control Improvements Underway:

- Solution Management
- Requirements Gathering
- Operational Readiness



Key Messages

R1 – SRE Commercial

- Released to production January 2023 with a phased rollout
- Missed and incomplete requirements impacting the productivity of the end users

R2 - IRP

- August 2023 go-live delayed due to a key requirement identified very late
- LI will impact the R2 go-live date. Date to be confirmed post LI.

R3 –Personal Insurance, Driver licensing, Vehicle Ownership & Registration

- The start of R3 Discovery is dependent on the following:
 - Completion of R2
 - 6 critical R3 prerequisites
 - LI impacts and operational backlogs
 - Availability of required business SMEs

Overall Nova Program

- December 2025 timeframe may need to be extended

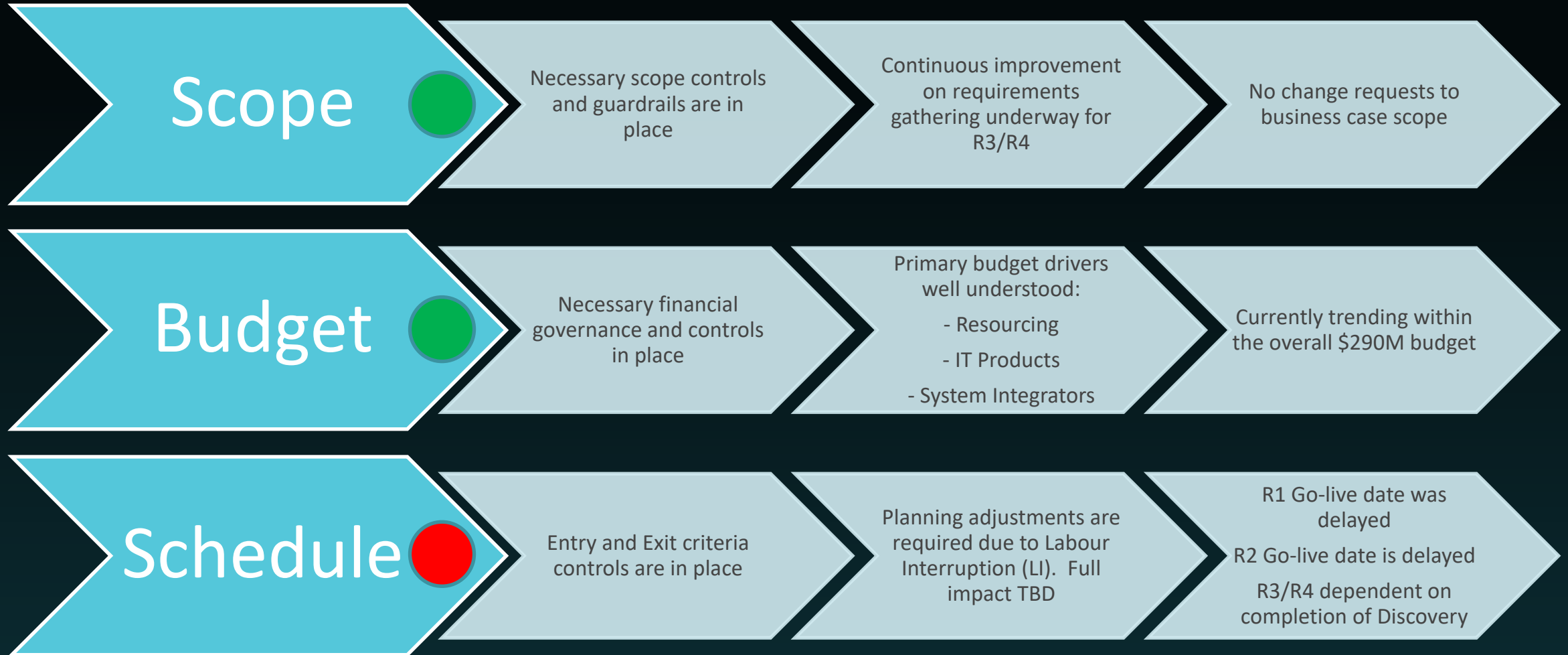


Project Status



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Nova Program Delivery



Progress to Date



* Planning adjustments to take place post Labour Interruption (LI)



Release 1 (Operational)

Line Of Business (LOB): Commercial Insurance (SRE)



Release Goal:

- 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 (DCOD).
- End-to-end insurance-related transactions for Commercial customers will be supported, from quote and bind, to underwriting and rating, and agency billing.

Challenges/Decisions:

- Post release gaps in requirements have been identified that require software enhancements and defect remediation
- Proficiency and capacity limitations with the IT support team (SRE Agile Release Train) have led to slower delivery to address the defects and requested enhancements. This is being augmented through additional capacity (internal and services)
- Decision to pause policy migrations (50% completed) to allow the support team time to address the defects and enhancements
- Impacts from LI and subsequent operational backlog to be assessed to determine impact



Release 2

LOB: International Registration Program (IRP)



Release Goal:

- Release 2 of Project Nova affects commercial customers enrolled in the International Registration Plan (IRP).
- Once launched, IRP customers will move from a legacy platform to a new system that will simplify and automate many of the processes customers currently manage manually. (Note: certain R2 features will be planned with Release 3.)

Challenges/Decisions:

- New requirements brought forward post software code complete milestone required replanning of the final phases in the release schedule. Moving the go live date from August 2023 to TBD.
- The replanned schedule was on track but will be impacted by the LI. Replanning is underway taking into account the duration of the interruption.
- A pilot was considered but has been removed due to the LI to minimize schedule impacts.



Release 3 Schedule

As of 3-Oct-23

Phases	GRA Filing – May 2023	IR Filing – Aug 2023	Current State - October 2023	Comments
Pre-discovery	January 30, 2023 – April 21, 2023			Completed
Discovery Phase 1 (Internal Readiness)	May 2023	May 2023 – December 2023	May 2023 – TBD	Dependent on completion of R2 and LI Impacts
Discovery Phase 2 with SI (4 months)	Summer 2023	January 2024	TBD	Dependent on Discovery Phase 1 Completion
Implementation Start	Fall 2023	TBD	TBD	Dependent on Discovery Phase 2 Completion



Release 3

LOB: Personal Autopac Basic Insurance and Extension Products, and Vehicle Registration and Driver Licensing



Release Goal:

- Release 3 will have the largest impact on Manitobans, as it focuses on personal insurance and driver and vehicle transactions.
- It will move MPI's core business from current legacy systems to a new platform that will offer customers a modern user experience with more online options.

Challenges/Decisions:

- R3 Discovery entry criteria must be met. There are six critical activities that need to be completed before Discovery with System Integrators commences.
- Release 2 rescheduling has impacted the start of Release 3 Discovery
- The LI impact based on duration of the interruption will also drive schedule changes.



Release 4 Not Started

LOB: Physical Damage Claims



Release Goal:

- Release 4 will transition MPI's physical damage claims from a dated legacy system to a leading-edge, reliable and safe platform.
- It will also modernize the user experience and enable online services for claims customers.

Challenges/Decisions:


- Dependent on Release 3 schedule and organizational capacity
- LI impacts



Key Dependencies Recap

- **R3 Discovery** This critical phase of Nova's largest release will confirm the cost of Release 3 within the overall budget and provide a better understanding of the new ways MPI will serve Manitobans. It is the phase that will help bring clarity to the remainder of Nova's delivery schedule.
- **Executive** MPI is in the process of recruiting a new Chief Executive Officer and Chief Information & Technology Officer. These two key roles will provide executive leadership to Nova and are critical to have in place prior to the launch of R3 discovery.
- **Resourcing** MPI will face ongoing impacts resulting from the labour interruption, including resource constraints and limited organizational capacity. It is unclear the full extent of the impact at this time.





Labour Interruption Update



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Nova LI Impacts and Planning Adjustments

Release 1

- Augmented by external services
- During LI pivoted to focus on work that does not require business SME participation.
- Ramp up time required from the business once the LI is over.

Release 2

- Continuation with software development work through the two System Integrators (Infosys & KPMG).
- Paused people readiness activities and end-to-end testing during LI.
- Canceled pilot to focus on one go-live and minimize schedule impacts.
- Final schedule impacts TBD with dependency on post LI ramp up and business SME availability

Release 3

- Discovery readiness activities around the Request For Standing Offer (RFSO) and vendor selection continues
- All other Discovery readiness activities is paused due to LI impacts.
- Final schedule impacts TBD with dependency on post LI ramp up and business SME availability



Nova LI Financial Controls

- Financial controls are in place to limit any significant financial impact to the program.

Release 1

- Costs within the program have stopped

Release 2

- Costs are being measured against deliverables and ensuring forward progress on activities needed to deliver on the release, therefore ensuring value for dollars spent.
- Some resources have been redeployed to operations

Release 3

- Costs have not fully started to flow due to the delay in schedule and the fact that vendor contracts are not yet in place.
- Most resources that were working on R3 readiness have been redeployed to operations.



Labour Interruption Financial Impacts

Timeframe	Avg Monthly Spend (M \$)
2021/22 Monthly Avg	\$ 4.5 M
2022/23 Monthly Avg	\$ 4.4 M
July 2023	\$ 1.5 M
Labour Interruption (Estimate)	\$0.85 M

Assumptions:

- No vendor services cost impacts due to contract governance and provisions in place.
- Redeployed resources are outside of Nova budget.
- Bubble Budget Staff who are not on strike have been redeployed operationally.
- LI burn rate is based on key decisions to minimize financial impacts.





Nova One Time Costs



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Nova Budget Overview Dashboard

Trending to be within program budget including contingency

All Figures in \$M

X Under Target X Over Target

		Lifetime of Entire Program						
		Current Snapshot (actuals as of 31-Jul-23)						
		Reforecast	Approved Budget	Deviation (Reforecast vs Budget)	Contingency**	Life to Date Actuals	Life to Date Budgeted	Deviation (Actuals vs Budgeted)
Release Specific	R1 Total	67.5	61.2	6.3	15.3	67.5	61.2	6.3
	R2 Total	58.5	45.8	12.7	9.6	45.9	45.6	0.3
	R3 + R4 Total*	85.3	85.3	0.0	41	5.2	23.5	-18.3
Shared	Benefit Realization	4.0	4.0	0	n/a	0	0	0.0
	Governance Vendor, External Assessment, Value Assurance, Tech Enablers	21.8	24.2	-2.4	n/a	14.8	19.9	-5.1
	RFP, Business Process Management, Planning	3.6	3.6	0	n/a	3.6	3.6	0.0
Nova Total		240.7	224.1	16.6	65.9	137.2	153.8	-16.8

*To be refined after R3 pre-discovery
 **40% Contingency





Program Governance Vendor Update



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Program Governance and Risk Advisory Services RFP 3186

- Contract in place
- MNP services commenced on September 11, 2023
 - The objective of this service is to provide continuous monitoring of the Project NOVA implementation and to support project success by providing a third-party independent and continuous risk assessment of the project, providing transparency, and supporting accountability.

