

October 25, 2021

Undertaking #41

MPI to determine what development has to take place within Project Nova to provide the functionality to conduct a pricing examination of a Primary Driver DSR system and what would be required to implement a Primary Driver Safety Rating Systems; and to provide the steps that would have to be carried out in terms of IT development, a timeline for those steps to be carried out, and the cost to carry out that project.

RESPONSE:

Project Nova involves more than IT development changes. The starting point is a business change which is then supported by the IT development changes. Changing to the Primary Driver model will involve more changes than just IT development changes.

Including Primary Driver in Project Nova would require effort in a number of different areas and will have to align to the Nova 3A release timeline. The effort for the pricing examination would have to go hand-in-hand with the detailed business requirements being implemented.

The Duck Creek system provides capabilities to support a Primary Driver model. MPI will be required to configure specific business rules in the system. MPI feels a high level estimate would be 9-12 months to implement the following technology changes.

- Document product definition and configuration in Duck Creek to account for named drivers
- Define rating algorithm and business rules changes
- User Interface changes to accommodate the primary driver changes
- Document and build the process to add additional named drivers
- Update published insurance documents to include the primary driver details

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Technology changes in Duck Creek and other systems are only one part of the overall Primary Driver change. The following work is considered a prerequisite for implementing the IT changes described above and is not in scope for Project Nova:

- Addressing the impact of the Primary Driver model change on stakeholders:
 - Assessing and developing a communication strategy for customers and brokers
 - Determine the Legislation changes required to support the rating change
 - Determining how law enforcement is impacted
- The Primary Driver model change will also impact other MPI systems
 - Determine how primary driver and DSR rating scale will interact. This would include how DSR is used to surcharge drivers in the DVA system
 - What is the impact of claims on the primary driver and DSR scales on insurance rating
- The actuarial models to support the Primary Driver model will also require significant time and effort to develop. Actuarial pricing models are based on a minimum of 3 years of data.