

September 14, 2023
September 6, 2023

PUBLIC
CONFIDENTIAL

MPI Exhibit #38
2024 GRA Round 2 Information Requests
CAC (MPI) 2-35(a) Appendix 1 - Confidential

Vendor List	Role/Title	Start of Engagement	End of Engagement	Fees paid
Deloitte	Legary Modernization Assessment	April 30, 2018	February 28, 2019	\$ 558,440.00
Avasant	Legary Modernization Assessment	June 8, 2018	February 28, 2019	\$ 270,312.50
PWC	Nova Governance Service	October 22, 2019	October 21, 2022	\$ 2,500,000.00
McKinsey	Nova Diagnostic Service (SOW 1), Value Assurance Services (SOW 2 & 3)	October 8, 2021	March 31, 2023	\$ 12,197,625.00
MNP	Nova Governance Service	September 2023	December 2025	\$ -

From: [Muir, Chad](#)
To: [Herbelin, Eric](#); [Horne, Allan](#)
Subject: RE: MPI 2.0 assessment - statement of work
Date: Wednesday, July 20, 2022 5:02:10 PM

Thank you Eric!

Chad Muir

Director of Strategic Sourcing and Vendor Management

Manitoba Public Insurance | Strategic Sourcing and Vendor Management

T: 204-985-8770 ext. 3691 | C: 431-373-0196 W: mpi.mb.ca
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From: Herbelin, Eric <EHerbelin@mpi.mb.ca>
Sent: Wednesday, July 20, 2022 4:36 PM
To: Horne, Allan <AHorne@mpi.mb.ca>
Cc: Muir, Chad <CMuir@mpi.mb.ca>
Subject: RE: MPI 2.0 assessment - statement of work

Of course, that will be helpful for sure. See attached.

Eric Herbelin

President & Chief Executive Officer

Manitoba Public Insurance

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900-234 Donald Street, Winnipeg, MB R3C 4A4

From: Horne, Allan <AHorne@mpi.mb.ca>
Sent: Wednesday, July 20, 2022 4:34 PM
To: Herbelin, Eric <EHerbelin@mpi.mb.ca>
Cc: Muir, Chad <CMuir@mpi.mb.ca>
Subject: RE: MPI 2.0 assessment - statement of work

Hi Eric,

Could you share the document [REDACTED] attached with Chad and I.

We'll make this a priority.

Sincerely,

Allan Horne, B.Sc., LLB, CIC.C

Legal Counsel

Manitoba Public Insurance | Legal and Compliance Division

T: 204.985.8770 ext 3176 | C: 204.794.8412 | W: mpi.mb.ca
702-234 Donald Street, Winnipeg, MB R3C 4A4

From: Herbelin, Eric <EHerbelin@mpi.mb.ca>

Sent: Wednesday, July 20, 2022 4:23 PM

To: [REDACTED] Muir, Chad <CMuir@mpi.mb.ca>; Horne, Allan <AHorne@mpi.mb.ca>

Cc: [REDACTED]

[REDACTED] Parti, Siddhartha <SParti@mpi.mb.ca>;
Mitra, Shayon <SMitra@mpi.mb.ca>; Kacher, Marnie <MKacher@mpi.mb.ca>

Subject: RE: MPI 2.0 assessment - statement of work

Hi [REDACTED],

I adding Chad and Allan here for them to put that as number 1 priority on their list of things to do, and so please engage with them to get this sorted out.

The EC team is aware and fully supportive. We can start scheduling individual time and it would be great if you could present the proposed timeline and approach (I shared the deck you had sent me, so probably they would like to see now the more refined approach and timeline) at our EC next Tuesday morning?

I would suggest weekly meetings with me, Sid, Shayon and Marnie. And maybe we have an interim update and final findings debrief with all Executives around week 3 and 5 or so to keep them engaged?

Also, let's make sure we cover the "key success factors / enablers" and "key risks" as part of or leading to the recommendations.

Thanks,
Eric

Eric Herbelin

President & Chief Executive Officer

Manitoba Public Insurance

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From: [Redacted]
Sent: Wednesday, July 20, 2022 3:05 PM
To: Herbelin, Eric <EHerbelin@mpi.mb.ca>
Cc: [Redacted]
[Redacted]
[Redacted]
Subject: MPI 2.0 assessment - statement of work

Dear Eric,

Hope you're having a great day!

We wanted to share the statement of work for the MPI 2.0 assessment effort based on our discussions earlier – please see attached? We will be happy to iterate on the template with Chad and Alan based on anything else you need codified in this document.

2 questions in addition please:

1. Does the full EC know about us launching this work – wondering if we can start scheduling time with them for initial leadership level interviews (starting next week)?
2. Would love to calendar a cadence to problem solve findings – perhaps weekly if possible. Apart from you, who else should we involve?

Thank you so much!

[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]

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From: [Horne, Allan](#)
To: [REDACTED]
Subject: RE: Following up on Statement of work
Date: Monday, July 25, 2022 2:35:36 PM

No problem [REDACTED] I appreciate your work on this.

Allan Horne, B.Sc., LLB, CIC.C
Legal Counsel

.....
Manitoba Public Insurance | Legal and Compliance Division
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From: [REDACTED]
Sent: Monday, July 25, 2022 11:32 AM
To: Horne, Allan <AHorne@mpi.mb.ca>; [REDACTED]
Cc: Muir, Chad <CMuir@mpi.mb.ca>; [REDACTED]
[REDACTED]
Subject: RE: Following up on Statement of work

Thanks all for this! Sorry to miss you Allan... seems like I am leaving as you arrived back!

Glad this is working out to your satisfaction.

[REDACTED]

From: Horne, Allan <AHorne@mpi.mb.ca>
Sent: July 25, 2022 11:51 AM
To: [REDACTED]
Cc: Muir, Chad <CMuir@mpi.mb.ca>; [REDACTED]
[REDACTED]
Subject: [EXT]Re: Following up on Statement of work

Will do, thank you.

Get [Outlook for iOS](#)

From: [REDACTED]
Sent: Monday, July 25, 2022 10:47:10 AM
To: Horne, Allan <AHorne@mpi.mb.ca>
Cc: Muir, Chad <CMuir@mpi.mb.ca>; [REDACTED]
[REDACTED]
Subject: RE: Following up on Statement of work

Hi Allan,

Thank you for the update. This is great news.

Once signed on MPI's side, please send it to me so I can obtain [REDACTED] signature.

Kind regards,

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

From: Horne, Allan <AHorne@mpi.mb.ca>

Sent: 25 juillet 2022 10:57

To: [REDACTED]

Cc: Muir, Chad <CMuir@mpi.mb.ca> [REDACTED]

[REDACTED]

Subject: [EXT]RE: Following up on Statement of work

H [REDACTED]

This Agreement is completely acceptable, we have added the date of July 12 to the document, and will circulate internally for signature.

Sincerely

Allan Horne, B.Sc., LLB, CIC.C

Legal Counsel

Manitoba Public Insurance | Legal and Compliance Division
T: 204.985.8770 ext 3176 | C: 204.794.8412 | W: mpi.mb.ca
702-234 Donald Street, Winnipeg, MB R3C 4A4

From: [REDACTED]

Sent: Friday, July 22, 2022 4:32 PM

To: Horne, Allan <AHorne@mpi.mb.ca>

Cc: Muir, Chad <CMuir@mpi.mb.ca> [REDACTED]

[REDACTED]

Subject: FW: Following up on Statement of work

Hi Allan,

I hope you are doing fine and that you enjoyed your time off!

Following up on our conversation earlier today with Chad about the SOW covering the MPI 2.0 assessment, kindly find attached an amendment (draft) to the Consulting Agreement signed back in March, for your review and comments.

Please let me know if you have questions. Happy to chat live on Monday if helpful.

Kind regards,

[Redacted]

[Redacted]

[Redacted]

From: Muir, Chad <CMuir@mpi.mb.ca>

Sent: 21 juillet 2022 11:58

To: [Redacted]

Subject: [EXT]RE: Following up on Statement of work

Thank you [Redacted], tomorrow morning between 8:30-930 am central works for myself.

Chad

Chad Muir

Director of Strategic Sourcing and Vendor Management

Manitoba Public Insurance | Strategic Sourcing and Vendor Management

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From: [Redacted]
Sent: Thursday, July 21, 2022 10:53 AM
To: Muir, Chad <CMuir@mpi.mb.ca>; [Redacted]
Subject: Following up on Statement of work

Hi Chad,

Got your text. [Redacted] and I are available to connect on this, so looping her in. Do you have some times that are good to connect today or tomorrow?

Please let us know and we will set something up.

Thanks!

[Redacted]

[Redacted]

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Project Nova

Order No. 35/23 - 18.b

April 15, 2023



MANITOBA
PUBLIC INSURANCE

This report has been prepared as advice, opinions, proposals, recommendations, analyses or policy options developed by or for the public body or a minister, as per Section 23(1) of the Access to Information and Protection of Privacy Act.

Agenda

- Order No. 35/23 – 18.b
- Legacy Systems Modernization/Project Nova Business Objectives
- F attended Delivery Roadmap
- Assessment and Re-baseline 2022
- One-Time Modernization Costs Breakdown
- Resource Type Breakdown
- SRE Benefits Realization
- Benefits and Start Dates
- Appendixes

2



Order No. 35/23 – 18.b

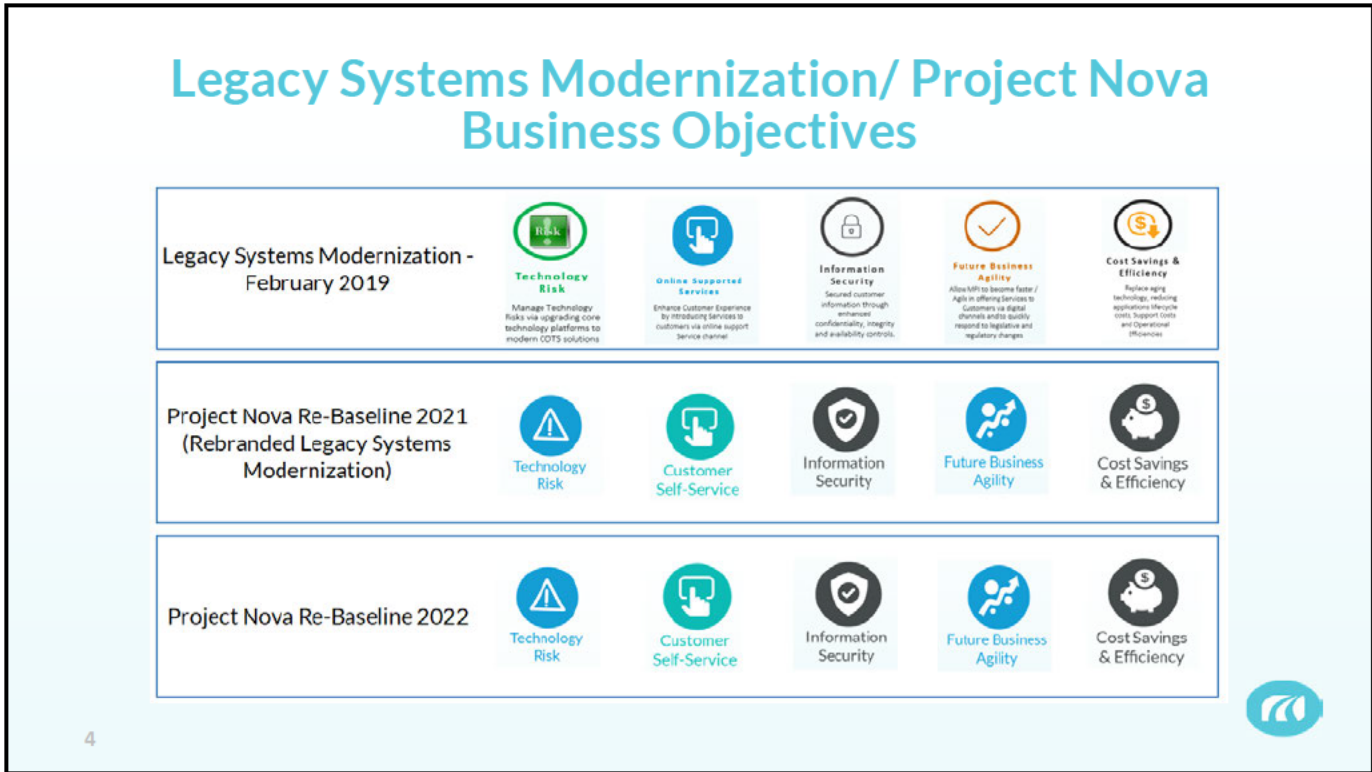
<http://www.pubmanitoba.ca/v1/proceedings-decisions/orders/pubs/23-orders/35-23.pdf>

(page 32)

12.18. In the 2024 GRA, MPI shall file the following with respect to Project Nova:

b. A current project scope for the Board's information by April 15, 2023, or such other date as agreed upon by MPI and the Board, which provides clear definition of legacy systems modernization elements of the project specifically, the associated cost, and the target dates for achievement of those elements of the project;





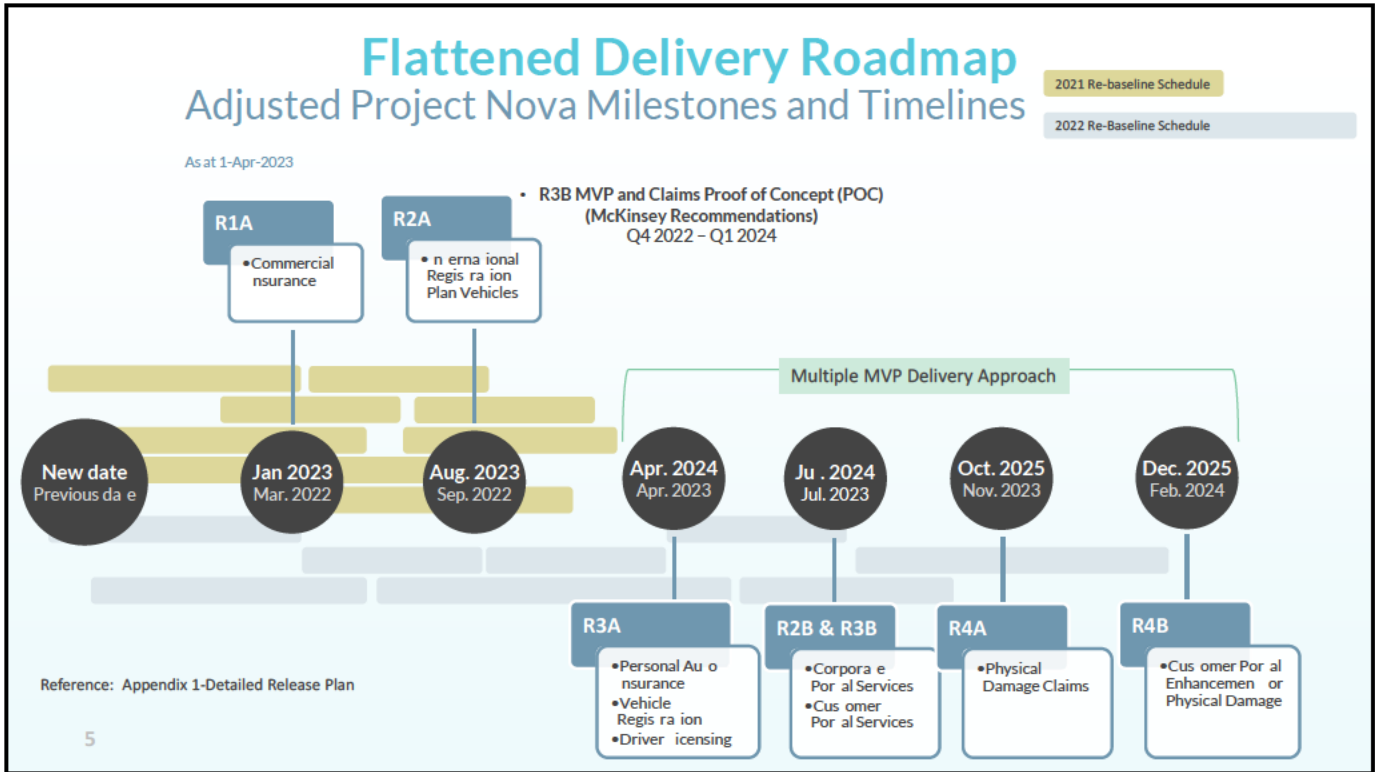
Slide Objective: Comparison of Objectives between the original LSM project and Nova. This slide shows no change in objectives and a rebranding from LSM to Nova.

The core tenets of the Legacy Systems Modernization/Project Nova program are focused on five key objectives which were identified and agreed to in the Legacy Systems Modernization preliminary business case in February 2019. Once established, these primary objectives have not been adjusted as shown on this slide. Future refinements to budget were anticipated once the product and system integrator vendors were selected.

In 2021, adjustments to the original business case budget were required, as product and system integrator contracts were now negotiated and finalized. Rebranding of the program took place at that time, to reflect the more business-centric versus an information technology focus. The rebranding reflected a change of name for the program with no scope or schedule impacts.

During the start of the program implementation phase in March 2021, significant risks were identified pertaining to organizational strengths needed for successful delivery. These included organizational capacity, Subject Matter Expert capacity and the capability/learning curve for implementing a program of this magnitude. These risks began to become issues. A release management review was initiated by MPI Nova Program leadership to assess the viability of the three-year schedule. The result of this review was that a three-year schedule was an incorrect assumption, so the delivery schedule was adjusted and flattened for an additional 20 months to de-risk the program. This change in schedule addressed the constraints identified in the schedule issues, and the de-risk approach impacted the budget.

There were no changes to scope with this de-risk approach, rather a change in the delivery schedule from 3 years to 5 years.



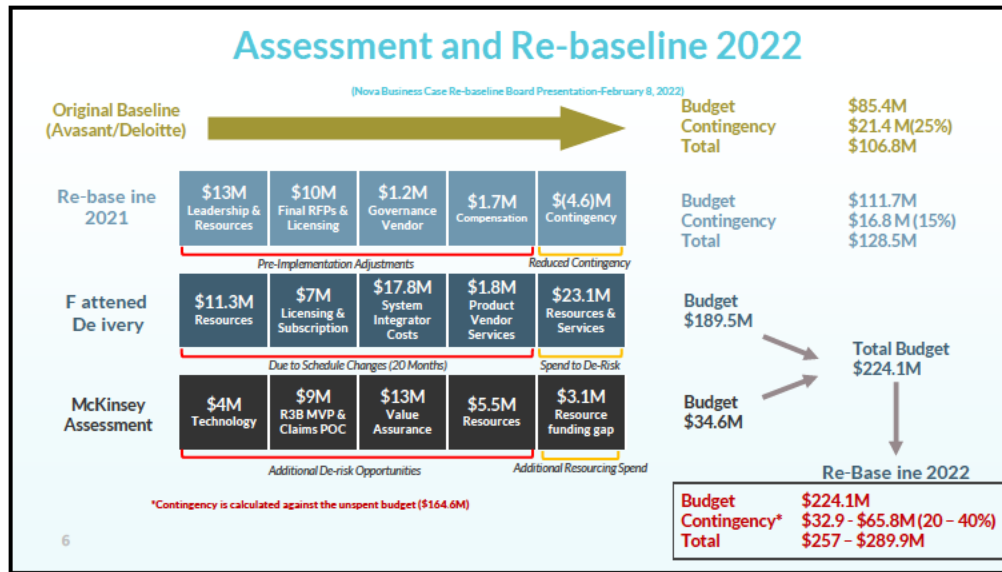
Slide Objective: Comparison of the schedules between the 2021 (3 year) schedule and the current 2022 (5 year) schedule. This shows no adjustment in scope.

The tan blocks on this slide shown illustrate the amount of work that project Nova was attempting to embark on in parallel as planned in the original delivery roadmap.

Constraints associated with the magnitude of concurrent activities started to appear once implementation was commenced. Divided focus, limited organizational capacity, and limited subject matter experts contributed to this issue. De-risking the program by flattening the delivery schedule was done with the main objective of removing these constraints.

This slide is showing the shifting of the work and schedule change that has impacted the timeline and subsequently budget. The details of the release plan which have remained consistent since original business case are included in the Appendixes.

Release 1 and 2 have been updated based on current schedule changes since the Re-baseline 2022 Delivery Roadmap.



Slide Objective: Comparison of budgets across all approved business cases from 2019 to current budget. Shows drivers in budget increases are directly the de-risk approach to extend the program schedule by 50%, mitigate risks/issues/constraints through additional services/resources, and an increase in contingency due to not having completed Release 3/Release 4 discovery. There are no scope change cost drivers.

Original Baseline (Avasant/Deloitte): At the top of this slide, the original baseline was created through collaboration with Avasant and Deloitte (external consultants), who worked with MPI to create a preliminary budget for the execution of the program. At that point of time, the budget was \$85.4M with the contingency of 25% for an overall total of \$106.8M. No RFPs had been executed and no products had been selected or negotiated and finalized at this moment of time. The \$106.8M was considered at preliminary to approve the business case to move forward with the next phase.

Re-baseline 2021: After approval of the preliminary business case, the next work was to execute RFPs, which were then incorporated into what is called Re-baseline 2021, as shown on the second line of this slide. This was the finalization of the original business case. The adjustments in budget were associated with the selections of products, finalization of contracts for the products, system integration efforts and services. Additionally, there were updates to resource costs which were not included in the original business case for dedicated leadership resources. Scope remained as defined in the original business case and three-year release plan. The detailed view of the original/current release plan is included in Appendix 1 and has not changed throughout the program. The changes in costs associated with the preliminary business case compared to the Re-baseline 2021 are captured within this slide. These include;

- \$13M increase in resources and leadership. These costs addressed resource funding that was not estimated within the preliminary business case but included in scope.
- \$10M increase in finalization of RFPs and Licensing as contracts were now negotiated and finalized. These costs considered the contracted dollars associated with Duck Creek Product (P&C Platform Product), Microsoft Dynamics (Application Platform Product), MuleSoft Product (API Platform Product), and Celtic (DVA Product). Additionally, the fixed price System Integration contracts with Accenture and Infosys/Celtic had been signed, and those costs were accurately reflected in this updated budget.
- \$1.2M increase was based on the actual contracted costs associated with PwC as the preliminary budget had underestimated these costs.
- [REDACTED]

Contingency was reduced at this time to be 15% based on contracts being fixed price with no inflation or CPI for five to ten years.

Re-baseline 2022: The third line on this slide depicts the Flattened delivery, which is included in the 2022 Re-baseline. This was focused on mitigation of the constraints identified at the beginning of the slide deck. Underneath the first four boxes on the row, there is a bar that identified the costs above as being associated with the schedule extension of 20 months or adding 50% to the delivery timeline. A pragmatic approach was taken to look at the cost drivers of the budget. There are three primary drivers to a technology project budget:

- Resources
- Product Costs such as licensing, subscriptions, infrastructure, Cloud costs
- System Integrator Costs.

This row is depicting the distribution of these three cost drivers that were increased because of lengthening the program delivery by 20 months. The final box is where MPI added mitigation steps to de-risk areas where issues were occurring either through the addition of resources or vendor services. There were no scope changes with the delivery schedule change or mitigation steps.

For clarity, there were two primary reasons for the increase in the flattened delivery budget; 50% increase to the schedule which equates to 20 additional months, and additional resources and/or services to de-risk the program in certain key areas. The flattened delivery approach increased the budget to \$189.5M.

McKinsey Assessment: In parallel to the above, MPI engaged McKinsey. McKinsey pressure tested the MPI flattened delivery recommendation and agreed with the approach. McKinsey came forward with additional recommendations which MPI identified as opportunities, as these had not been fully vetted at that juncture. These are depicted within the boxes shown on the fourth row of this slide. Included was;

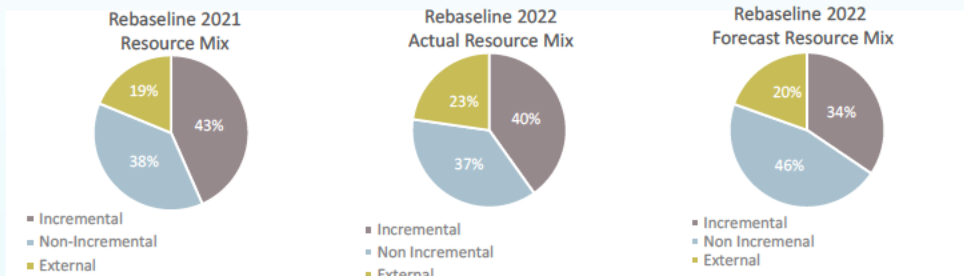
- \$4M Technology Enabler for any peripheral technologies that are required to enable the program to be successful,
 - \$9M R3B MVP and Claims POC to introduce an iterative approach to deliver customer self-service, moving from a big-bang approach to delivering in iterations. A part of this budget also included performing a proof of concept for claims,
 - \$13M Value Assurance for a new directorate and funding currently being utilized for McKinsey services,
 - \$5.5M Resources identified by McKinsey as additional resources that would be required to deliver upon the above opportunities,
 - \$3.1M Resource Funding Gap for resource gaps based on the organizational structure suggested by McKinsey.
- The approach including McKinsey's opportunities brought the total budget to \$224.1M. This number represents, for the first time, the firm funding required to deliver Project Nova. Budget flexibility to address potential unknowns was put into the contingency budget, identified by a range of 20 to 40%.

Resource Type Breakdown

as at 1-Apr-22
(GRA 2023-PUB IT Summit-April 27, 2022)

Year	Incremental			Non Incremental			External			Total	
	Rebaseline 2021	Rebaseline 2022 Actual	Rebaseline 2022 Forecast	Rebaseline 2021	Rebaseline 2022 Actual	Rebaseline 2022 Forecast	Rebaseline 2021	Rebaseline 2022 Actual	Rebaseline 2022 Forecast	Rebaseline 2021	Rebaseline 2022 Actual/Forecast
2020/2021*	44	40		35	39		24	20		103	99
2021/2022	64	66		51	59		25	40		140	165
2022/2023	56		67	55		93	24		53	135	213
2023/2024	23		70	22		89	8		36	53	195
2024/2025			46			61			20	0	127
2025/2026			41			56			18	0	115

*2020/2021 – Nov/20 to end of Mar/21
 * Rebaseline 2021 is Minus \$3M based on Board decision March 2021.
 *Rebaseline 2022 Forecast is an estimated average from Apr/22 to the end of Sep/25.
 *FTE's are an average over the period.
 *FTE's are an estimated average



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Slide Objective: Resource breakdown comparing resources across the 2021 business case and the current 2022 business case. This shows that resource ratios (incremental, non-incremental, external) have remained stable and that extending the schedule required extending the resources which is turn impacted budget. Scope is not a driver for additional resource costs.

As identified in earlier slides, product and system integrator costs have low volatility and high-cost certainty if there are no schedule changes. As resourcing costs comprise approximately 45 to 50% of the overall Project Nova budget, it is the primary focus area for cost control. This is carefully monitored and controlled but has variables outside of the program's control. Attrition, succession planning, organizational pressures pulling on the same resources that are assigned to the program has impact on costs. Project Nova has a resource process, including a managed full program roadmap. Resources are identified under three different categories;

- *MPI Incremental Resources* are paid for by the program allowing the home operational department to backfill that resource so they can remain whole in their FTE count,
- *MPI Non-Incremental Resources* are assigned to the program at no cost to the program, as their cost is being covered by the home operational department,
- *External Resources* are external consultants that MPI goes to the market for due to internal capacity, internal capability, and expertise.

Internal resources are utilized wherever possible as that is the most economical for the program budget. Utilization of external resources is tactical and if required long term becomes an organizational strategic objective. The program may tactically address a gap in capacity and/or capabilities, while asking the organization to plan a strategic approach for MPI to bring on that level of expertise and capacity. If identified as strategic roles, external costs cannot be carried throughout the five-year duration, and enterprise support will be required.

Note that on this slide, the 2020/21 was not a full implementation year, with the resource numbers being shown not representing the full fiscal year, but rather November 2020 to March 2021.

The comparison view between the 2021 Business case, and the 2022 Re-baseline business case show that there have not been significant increases to the number of resources. The increases shown here are due to the flattening schedule and extension of the timeline the resources are required.

The percentages shown in the pie charts at the bottom represent the resource mix, and actuals represent quite close to what was originally included in the estimates.

Decisions are being made to reduce these costs as much as possible. There currently is a Request for Standing Offer that was released to the market, to allow MPI to select partners in various technology verticals as well as OCM, Product Management, and Business Architecture, which gives the ability to obtain services for specific deliverables, as compared to hiring individual consultants.








SRE Modernization – Product Implementation and Decommissioning Benefits Realization & Completed Release Objectives and Epics		
Capability	Demonstrated by / Evidence of Deployment	Notes/Comments
Policy management (new, renewal, quote)	Refer to ADO Report "Completed RO for R1": ID 126267 - Purchase New ID 119507 - Mid term Change ID 126272 - Renewals ID 126494 - Cancellation ID 126495 - Reinstatement ID 126496 - Lapsed	Complete – Capabilities deployed within Duck Creek and MSD.
Automated underwriting	ID 126267 - Purchase New	Base premium is automatically calculated on all policies, the majority of which will not require any further touch from an underwriter.
Ability to easily modify existing product offerings or create new	ID 126267 - Purchase New ID 119507 - Mid term Change ID 126272 - Renewals ID 126494 - Cancellation	
Eliminate dependency on forms/paper (e.g. electronic applications)	Paper files have been eliminated in the new solution. All customer information resides within Duck Creek Microsoft Dynamics. Pre-Nova paper-based transactions have been replaced with new capabilities as evidenced by: ID 126267 - Purchase New	Paper files are still being maintained for the policies that have yet to be migrated.
Self-service capabilities (broker and customer)	ID 126267 - Purchase New ID 119507 - Mid term Change ID 126272 - Renewals ID 126494 - Cancellation ID 126266 - Onboarding 119521 - Cross platform single sign on	Brokers have direct access to their policies within Duck Creek and the ability to make changes. There is no self-serve option for the customer as part of R1.
Electronic workflow	Electronic workflows have been deployed within the Duck Creek and MSD software. The flows are built into the following capabilities: ID 126267	
Centralized customer view/history	Customer profiles exist within MSD while their policy history exists within Duck Creek	
Business Analytics forecasting capabilities (e.g. rate setting)	This is not captured within a release objective however the relevant data fields in a policy are stored and utilized in pre-formatted or ad-hoc reports that will provide enhanced analysis capabilities	
Payment options (e.g. frequency)	ID 126274 - Agency Billing ID 126267 - Purchase New	A new financing option was added to allow customers to finance policies with premium >\$10k.
Decommission SIS system completed	Decommissioning of SIS expected to occur in 2024	This benefit will be realized once all policies are migrated to the new system and SIS can be decommissioned.

Slide Objective: Release 1 benefits achieved as committed to by MPI.

This slide depicts the successful completion of Release 1 objectives and epics, and the benefits realized as a result in alignment to the original business case benefit commitments.

Recurring Annual Benefits

Direct Savings Associated with Cost Reductions and/or New Profit Opportunities










Nova Business Objectives	Savings Category	Estimated Benefits Start Date
 Cost Savings & Efficiency	Cancel Software Support for Legacy Applications	R4B
	Eliminate External Labour Support for Legacy Applications	R4B + 90 days
	Compensation Savings (FTE Benefits)	Benefit dates by Division, Department and Position - Aligned to Various Releases
 Future Business Agility	New Extension Profit	R3A + 1 year
  Customer Self-Service Cost Savings & Efficiency	Broker Compensation	Starting in 2024/25
	Postage Savings	Aligned with Online Adoption rates
	Merchant and Bank Savings	Merchant and Bank savings associated with new Moneris agreement (2021/22) and Digital adoption of direct bank to bank services/etransfer capabilities starting 2023/24
   Technology Risk Information Security Cost Savings & Efficiency	IBM Hardware Decommissioning Savings	R4B + 90 days

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Slide Objective: Direct savings associated with cost reductions and/or new profit opportunities, and the associated Nova business objectives.

Cost Avoidance Benefits

Savings Associated with Avoiding Costs that Would Have Been Required to Maintain and Update MPI's Legacy Systems

Nova Business Objectives	Cost Avoidance Category	Estimated Benefits Start Date
  Future Business Agility Cost Savings & Efficiency	Implementation Savings - 5 Extension Products	R3A
	Implementation Savings - 5 Extension Products	R3A + 1 Year
  Information Security Cost Savings & Efficiency	Implementation Savings - Security Debt Remediation	R3A + 6 months
	Implementation Savings - Security Debt Remediation	R4A + 6 months
	Effort to Increase Security Maturity	R3A + 6 months
	Effort to Increase Security Maturity	R4A + 6 months
 Cost Savings & Efficiency	Deferred Development Savings	R3A + 6 months
  Future Business Agility Cost Savings & Efficiency	SRE Modernization - Product Implementation	R1A
  Technology Risk Cost Savings & Efficiency	SRE Modernization - Decommissioning	R1A + 1 year

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Slide Objective: Savings associated with avoiding costs that would have been required to maintain and update MPI's Legacy Systems, and the associated Nova business objectives.



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High level program business scope by release. This is consistent from the original business case to date.

Nova Release Plan

Release Name & Description	
1A	<p>Commercial Insurance</p> <p>Release Goal: Completely modernize commercial insurance management, evolving from current manual paper processes and limited systems functionality to an environment where brokers and underwriters have electronic interaction through utilization of Duck Creek on Demand (DCOD). Complete end-to-end insurance-related transactions for Commercial customers will be supported, from quote and bind, to underwriting and rating, and agency billing.</p> <p>As the release is 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 (CAM).</p> <p>Commercial registration will continue to reside in the legacy AO systems during this release.</p> <p>For the purpose of this release, following extension products are being considered for our commercial customers:</p> <p>1. Manitoba Standard Automobile Policy MSPF #1</p> <p>The standard automobile policy purchased by individual or commercial customers for SRE extension coverage and SRE primary coverage. Policy Coverages:</p> <ul style="list-style-type: none"> • Third Party Liability Coverage • Accident Benefits • Uninsured/Unidentified Motorist Coverage • Legal Liability or Damage to Owned Automobiles. <p>2. Manitoba Standard Drivers Policy MSPF #2</p> <p>Policy purchased by an individual driver for coverage while driving a non-owned automobile. Policy Coverages:</p> <ul style="list-style-type: none"> • Third Party Liability Coverage • Accident Benefits • Legal Liability or Damage to Non-Owned Automobiles.



Nova Release Plan

	Release Name & Description
1A	<p>Commercial Insurance Continued...</p> <p>3. Manitoba Standard Non-Owned Automobile Policy MSPF #6 Policy purchased by a commercial customer for coverage of drivers of hired or contracted automobiles. Policy Coverages:</p> <ul style="list-style-type: none"> • Third Party Liability Coverage • Accident Benefits • Legal Liability or Damage to Non-Owned Automobiles <p>4. Manitoba Standard Garage Policy MSPF #4 Policy purchased by a commercial customer to insure their vehicles and drivers, as well as customer's vehicles. Policy Coverages:</p> <ul style="list-style-type: none"> • Third Party Liability Coverage • Accident Benefits • Uninsured/Unidentified Motorist Cover • Legal Liability or Damage to Owned Automobiles • Legal Liability or Damage to Customer's Automobiles <p>5. Transportation Package Policy (a combination of MSPF #1, Truckmen General Liability and/or Motor Truck Cargo) Policy purchased by a commercial customer for automobile policy coverage, as well as coverage for General Liability for Tractors and Cargo Liability for Tractors. Policy Coverages:</p> <ul style="list-style-type: none"> • Third Party Liability Coverage • Accident Benefits • Legal Liability or Damage to Owned Automobiles • Uninsured/Unidentified Motorist Cover • Truckmen General Liability • Motor Truck Cargo Liability (owned and/or non-owned cargo).



Nova Release Plan

	Release Name & Description
2A	<p>Apportioned Registration – International Registration Plan</p> <p>Release Goal: CMCS is deployed to manage apportioned vehicle registration as part of the International Registration Plan. Vehicles or their release are defined as those that participate in RP through MP. This will encompass RP customers that have an SRE commercial policy that is already being managed in DCOD, those with Auopac policies managed in AO and those who have obtained commercial insurance through an MP competitor and are based in Manitoba.</p> <p>Notwithstanding this release, a customer who also has both Manitoba registrations and RP registrations will have their business split between the Nova and legacy solutions.</p> <p>The release will further leverage the implemented shared services for Customer Master and CAM and in reduce ledgering uncertainty to support CMCS. Integration between CMCS and DCOD will also be established to ensure policy requirements are automatically checked prior to completing registration.</p> <p>RP vehicle registration and plate information will now be in Nova CMCS and all other vehicle registration and plate information will be in legacy AO. Zero-dollar registrations will be created in AO to maintain existing law enforcement and partner information sharing in registrations.</p>



Nova Release Plan

Release Details	
2B	<p>Apportioned Registration – Customer Portal Enhancements</p> <p>Release Goal: Replanned in o Release 3A. Provide RP cus omers and heir consul an s sel -service capabilities as na ively ea ured in CMCS. O primary impor ance is allowing carriers o supply heir own dis ance values, a ach documen s and provide payment so ha MP is no longer required o do manual da en ry and is able o s reamline work lows.</p>
3A	<p>Personal nsurance/Vehicle Registration/Driver Licence</p> <p>Release Goal: Fully implemen Au opac basic and ex ension insurance (DCOD) and vehicle regis ra ion (CMVS) or all cus omer policies & regis ra ions ha remain in legacy AO . Also implemen comple e driver licensing solu ion (CMVS). Cus omers may be ransi ioned o he new solu ion over he course o one year as hey approach heir anniversary da e or by big bang, and produc s may be released in phases meaning ha bo h legacy AO and he new Nova pla orm sui e will be managing Au opac insurance, vehicle regis ra ion, and driver licensing in parallel during he ransi ion period. Once a cus omer ully ransi ions o he new Nova pla orm hey will no longer be ransac ed agains in AO . SRE personal insurance produc s will also be evalua ed or migra ion o DCOD o de ermine which will be in scope or his release; however hese will be deemed o lesser priori y.</p> <p>Cel ic: Driver licence, Driver Fi ness, Dealer/Repairer Managemen , Permi s, Mani oba only vehicle regis ra ion, con rolled inven ory managemen (ex: permi s, pla es), RE hub – driver and vehicle record exchange wi h Canadian jurisdic ions</p> <p>Duck: Basic & Ex ension (Policy Manuscrip s or Au opac Basic and Ex ension), non-au opac policies (ex: ren al vehicle insurance), mul i-vehicle policies (ex: lee s)</p> <p>Con inued...</p>



Nova Release Plan

Release Details	
3A	Personal Insurance/Vehicle Registration/Driver Licence continued...
DCOD Product Base & Carrier Product Base manuscripts	Master base layer for all Lines for MP Insurance Products.
DCT Product Base Personal Lines manuscript	Common for all personal lines including Personal Auto and any future Personal lines products.
MP Product Base Personal Lines manuscript	Common for all personal lines including Personal Auto. This will apply to the MP level configurations. This will be modified to apply MP specific configurations that are required for all Autopac Basic and Autopac Extension Product Base. This will configure the manuscript to provides shell structure for coverages, rating, tables and pages
DCT Localization Base & Carrier Localization Base	The localization layer manuscript changes for Basic Autopac/Extension Products - Language, Currency setup. The MP layer manuscript for Basic/Extension specific coverages program layer common manuscript for Package auto products (Basic Autopac, Extension Autopac, P PP).
Autopac basic, Autopac Extension, Commercial Basic	These are granular product/cover layer manuscripts with additional U & Data definitions on top of base product layers. Every individual product layer will have 4 manuscripts each such as Page, Rating, Tables & Forms
<ul style="list-style-type: none"> • Quick Quote Feature (to replace MP Insurance Calculator tool): quick quote tools to be defined by the our Risk factors in a way that MP customer will be able to get an estimate with minimal data entry. Customer will be able to proceed with the quote tool even if additional information to build the quote is a Broker/SC location. • Implement DCOD base Transactions (part of common manuscripts) and configuring the following transactions: <ul style="list-style-type: none"> • MP Quick Quote & Full Quote • Cancellations • Renewals • Audit transactions • Mid-term Change • Rewrite • Re-assessment 	

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Nova Release Plan

Release Details	
3A	<p>Personal Insurance/Vehicle Registration/Driver Licence continued...</p> <p>Billings Management</p> <p>MP will be configuring Direct Billing or Basic Automatic and Extension products where a policy can be issued by the MP Broker or Service Center who will be responsible for all billing activities for the insured. All the direct Billing configuration will be done at a Product level Manuscript, covering the collection method, policy plans under Direct Billing. Configuration involves invoicing, Follow-ups, Charge Plans, and NSF.</p> <ul style="list-style-type: none"> • The implementation of Pay Plans will include Type of Plans, frequency of installments, Percentage of New-Business as down payment. When a bill account will be created for each policy and based on the proposed payment plan and due date billing schedule will be defined for the policy. • Capability to allocate payment on a receivable priority of oldest to newest (configurable payment allocation plan). Moreover, any additional payment over the outstanding moves to suspense. This can be configured/customized or implementation of carrier specific requirements. • Implement back-end transaction such as write-off/Waive, reverse write-off/waive with the limit of write-off or individual authority. • The basic activities that will be required to be set up are reminder notices; outline late charges, creation of pending cancellation notices & charges (customized), rescind-cancel pending and cancellation notices. • Duck - Broker Management Set up (Users) • Partner Portal: Brokers, awen orcemen, all partners - full function • App Platform: all services, full feature • Integration Platform: full features, all integrations <p>Notes:</p> <p>Start on 1 year transition from AO to Duck/Celic or customers</p> <p>Customer in new systems 45 days ahead of their anniversary date</p>



Nova Release Plan

Release Details	
3B	<p>Personal Insurance/Vehicle Registration/Driver Licence - Customer Portal Enhancements</p> <ul style="list-style-type: none"> Quick Quote on MP Website along with addition of Vehicle Registration - to replace our Insurance Calculator on MP website Self-Service transactions identified in Online Supported Service Priorities will be considered to identify and implement transactions specific to "Personal Insurance/Vehicle Registration/Driver Licence" Corporate Customer portal: corporate customer policies, registrations, fees, etc. The self-service transaction for Corporate Customers will be further discussed and explored.
4A	<p>Physical Damage Claims</p> <p>Duck Creek Claims Implementation</p> <p>Fir No ice loss (FNO) will be the first step in claims processing. This is the initial report made to MP or insured's loss. Loss may include theft, damage, and loss of insured asset or bodily injury. MP contact center representative, one who receives calls from insured or claimant and collects information related to loss.</p> <div style="text-align: center; margin-top: 20px;"> <pre> graph TD A[Policy Attach] --> B[Loss Details/Key Facts] B --> C[Damages] C --> D[FNOL Complete] </pre> <p>Policy Attach</p> <ul style="list-style-type: none"> Identify Policy Identify Covered Items MPI specific Claim Number Creation <p>Loss Details/Key Facts</p> <ul style="list-style-type: none"> Capture Loss Details Capture Information with help of Key Facts <p>Damages</p> <ul style="list-style-type: none"> Capture Damages to covered Vehicle <p>FNOL Complete</p> <ul style="list-style-type: none"> FNOL Summary Auto Line Add Auto Coverage Match Auto Reserve Automated Assignment </div>



Nova Release Plan

Release Details	
4A	<p>Physical Damage Claims continued...</p> <ul style="list-style-type: none"> Post-Fire No Ice Loss Surcharge processing like adding line, coverage match and payment processing will be added to the Claims end-to-end value stream. Any related B claim will be opened with the B system. Auto add coverage: System will check if any suitable coverage is present in the policy based on damages. If there is any coverage present, this will add a new line on the claim. System will coverage match any newly auto added line to validate the coverage applicability on the policy based on the pre-defined rules. Reserves will be set up on the estimated costs required to settle a claim. Automatic reserves will be established by the system on the line based on the rules configured in the system. Two types of reserves will be set up - loss and expense reserves. Based on the rules configured, system will identify claim handler and claim owner on the new claim and related coverages. Claims System will support the full recovery/subrogation lifecycle, including the ability to handle, track and report on subrogation, starting with early identification of potential recovery opportunity and includes automated referral capabilities. <p>Integration Platform: Claims integrations</p> <p>Notes: CARS decommission possible. The remaining AX, Sybase integrations can be decommissioned after all the customers have been transitioned on the new systems by May 1, 2024.</p>
4B	<p>Physical Damage Claims – Customer Portal Enhancements</p> <ul style="list-style-type: none"> Digital Fire No Ice Loss Reporting Post-Fire – checking Claims status, Appointments etc.



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Part and Chapter:	Part IX Expenses	Page No.:	29
PUB Approved Issue No:	5. Financial Forecast 10. Cost of operations and cost containment measures		
Topic:	Operating Expenses		
Sub Topic:			

Preamble to IR:

At the 2023 GRA, MPI Stated:

Originally, MPI planned to provide dedicated workstations to approximately 1,200 staff on 3 floors at Cityplace. The new flexible work program enables MPI to reduce its head office footprint by a full floor, and allows it to provide approximately 600 work points, for an employee/work point ratio of 1:2 on the new two-floor model.

Question:

- a) What number of staff is forecasted to work from home (WFH) in 2023/24, 2024/25, and 2025/26 and indicate the relative percentage of total FTEs under this arrangement.
- b) Please indicate whether there has been any change in the WFH policy from last year.
- c) Please indicate whether there is any change to the build-out described at the 2023 GRA.
- d) Please provide the revenue assumptions related to the redeveloped Cityplace (in the CSI module where applicable).
- e) Please indicate the rental rates for each of the new tenants and the assumptions around the remaining space rental rates (in CSI module where applicable).

Rationale for Question:

To understand the impact of work from home on MPI's operating expense forecast.

RESPONSE:

- a) Approximately 80% of MPI's workforce is enrolled in the flexible work program. This number is expected to remain relatively stable over the next few years. Within the program there are remote and hybrid work types. Presently approximately 30% of employees are hybrid and 50% are remote. Over the next year it is anticipated that the number of remote positions will drop to approximately 30% and the number of hybrid positions will increase to 50%. After this change the numbers are anticipated to stabilize.
- b) MPI's Flexible Work Program offers employees flexibility in where they work, depending on the type of work they are performing. In May 2023, the program was enhanced to encourage more in-person collaboration within and amongst teams. This included introducing the hybrid, remote and onsite work types.

The hybrid work type includes roles that regularly engage or collaborate with other employees to get their work tasks completed, including spending time in meetings or conversations. This work type is required to attend in-office on average three days per week or 60% of the time per month.

The remote work type includes roles that spend the majority of their time on independent work (focused tasks or serving external customers on the telephone or virtually). These roles have little to no need to engage or collaborate with other employees to get their tasks completed. This work type is required to attend in-office as needed (on a schedule or when asked by manager, or for a specific task).

The onsite work type includes roles that are not eligible for flexible work arrangements based on the nature of the role, employee preference, or due to performance. This work type is required to attend in-office 100% of the time.

c) [Redacted].

d) [Redacted].

e) [Redacted].