

March 21, 2023

VIA EMAIL

Public Interest Law Centre  
100 - 287 Broadway  
Winnipeg, MB  
R3C 0R9

Attention: Chris Klassen

**Re: Manitoba Public Insurance - Substantial Change in Circumstances**

---

The Board acknowledges receipt of the letter of February 21, 2023 from the Public Interest Law Centre regarding the potential of a substantial change in MPI's circumstances after the release of Order 4/23.

The Board is aware of the media reporting that MPI's proposed increases to its Full Time Equivalent (FTE) count are not acceptable to the Government and that it will be revising its FTE budget for the 2023/24 year. However, as you are aware, MPI advised the Board in its letter of February 24, 2023 that its final FTE count has not yet been approved by the Treasury Board Secretariat and therefore any review of Order 4/23 is premature.

Although the Board has the jurisdiction under section 26(3) of *The Crown Corporations Governance and Accountability Act* to review and modify Order 4/23 where it is satisfied that MPI's circumstances have changed substantially, the Board will not take such action in this instance.

It is anticipated that MPI will be filing the 2024 GRA in June 2023, and in that process the Board and Interveners will have the opportunity to fully review and consider actual 2022/23 FTE counts, any changes to the 2023/24 FTE budget and, consequently, their impacts on the rate indication. The Board will be circulating the draft Preliminary Issues List for the 2024 GRA in the coming weeks and will incorporate the impact of changes to MPI's staffing budget as an issue for consideration. This will serve to address the issues raised by CAC in a reasonable and efficient manner.

Lastly, notwithstanding the above, in its letter MPI characterized FTE forecasting as similar to claims and investment forecasting, which warrants some comment. A budget provision such as FTE count is distinguishable from claims or investments given the relative degree of control that MPI exerts over its staffing numbers. Moreover, it is expected that MPI has, at minimum, a general idea of what the Government will approve for budgeted FTEs.

As the Board has found, MPI has not yet fully defined what it is building with Project Nova and is therefore estimating the required number of FTEs for an as-yet undefined work effort. The usual method would be to determine the work effort, and then look at resourcing to determine what, if any, new hires are needed. The Board anticipates this will be one of the issues it will be reviewing in the 2024 GRA.

Regards,

A handwritten signature in blue ink that reads "J. Dubois".

Jennifer Dubois, CPA, CMA  
Assistant Associate Secretary

JD/ks

cc: Kathleen McCandless, Board Counsel  
Steve Scarfone and Anthony Guerra, MPI counsel  
Interveners of Record (2023 GRA – per attached list)