

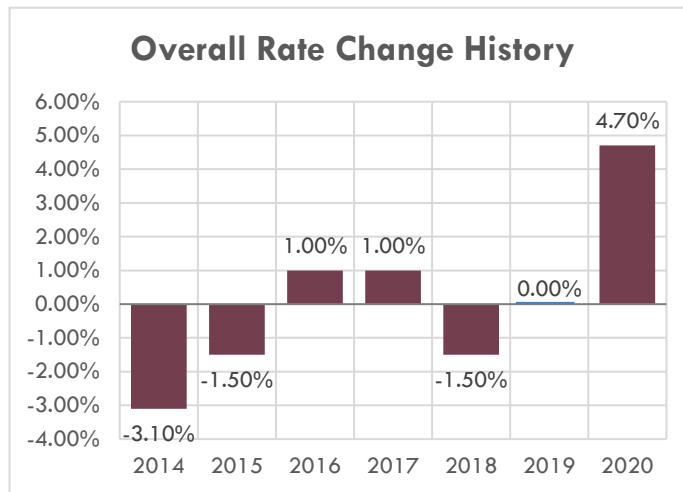
ASEBP Trustees' Report

Volume 28-20 No. 03 April 2020

Highlights of the April 6, 2020, Trustees' Meeting

1. Premium Rates 2020-21 – Second Reading

- The ASEBP Trustees gave **final approval** (second reading) to September 1, 2020, premium rates. Instead of an 11.9% increase (which, based on claims experience, would be break-even), the ASEBP Trustees are pleased to report that the increase will be limited to 4.7% for 2020-21
 - The increase follows several years of relatively stable premium rates



- 20% of the increase is due to government changes resulting in cost shifting to the Extended Health Care plan, particularly from the Seniors drug benefit program
- The overall increase is lower than trends in the industry
 - Aon, who provides benefits advice and actuarial services to the ASEBP Trustees, estimates that in Alberta, the industry faces a 6.4% increase in costs for 2020 due to various factors, such as:
 - 6% cost increase to medical claims in 2020 (Aon Global Trend report)
 - 1.5% cost increase from Government of Alberta changes to the Seniors drug benefit program
 - 4.4% increase to 2020 Alberta Dental Fee Guide
 - 6.5% increase in long-term disability costs due to rising incidence rates and worsening experience
- Current premium rates are 1% lower than in 2014-15
- Here are the premium rate changes by plan:
 - Life Insurance: no change
 - Accidental Death and Dismemberment Insurance (AD&D): no change

ASEBP TRUSTEES

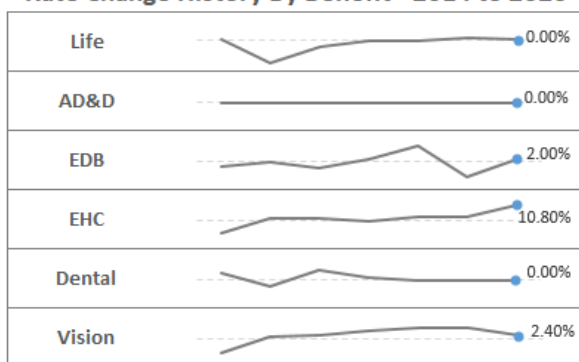
Drew Chipman, Chair
Fred Kreiner, Vice-Chair
Holly Bilton
Chad Bowie
Evelyn Chan
Arlene Hrynyk
Doug Lerke
Shirene Napier
Kim Pasula
Daryl Scott

CHIEF EXECUTIVE OFFICER
Kelli Littlechilds



- Extended Disability Benefits (EDB): 2% increase
- Extended Health Care (EHC): 10.8% increase
- Dental Care: no change
- Vision Care: 2.4% increase
- Employee and Family Assistance Program: no change

Rate Change History By Benefit - 2014 to 2020



- The ASEBP Trustees are drawing down part of the Capital Adequacy Reserve to offset premium rate increases for the coming year. The Capital Adequacy Policy includes guidelines for ASEBP Trustee action when the Capital Adequacy Reserve is fully funded and additional monies are available. These actions include the potential for premium rate reductions as well as benefit improvements. Capital Adequacy Reserve funds were drawn down for benefit improvements that took effect on January 1, 2019, such as the increase to massage therapy, physiotherapy and acupuncture per visit maximums as well as historical changes, including funding the Employee and Family Assistance Program since its 2015 inception. The Capital Adequacy Reserve has also been used to offset premium rates for the last six years
- Future premium rates will be dependent on claims experience, investment returns, plan design changes, etc.
- A breakdown of the monthly premium rates, except as noted, is provided below:

Life		
Plan 2	per \$1,000 of coverage	\$0.113

Accidental Death and Dismemberment		
Plan 2	per \$1,000 of coverage	\$0.011

Extended Disability Benefits		
Plan D	% of monthly earnings	1.74%
Plan E	% of monthly earnings	1.74%



Extended Health Care		
Plan 1	Single	\$95.75
	Family	\$230.25
Plan 2	Single	\$69.75
	Family	\$167.25
Plan 5	Single	\$86.50
	Family	\$206.25

Dental Care		
Plan 1	Single	\$42.25
	Family	\$105.50
Plan 2	Single	\$55.00
	Family	\$133.75
Plan 3	Single	\$55.00
	Family	\$149.50

Vision Care		
Plan 2	Single	\$5.00
	Family	\$12.00
Plan 3	Single	\$10.00
	Family	\$24.75

Early Retirement Benefits Package 2*		
	Single	\$125.00
	Family	\$200.00

*Closed to new participants as of September 1, 2011

Supplemental Package		
<i>Without Dental</i>		
Package 1	Single	\$79.50
Package 2	Family	\$180.50
Package 3	Single	\$84.75
Package 4	Family	\$185.00
<i>With Dental</i>		
Package 1	Single	\$149.50
Package 2	Family	\$345.75
Package 3	Single	\$154.75
Package 4	Family	\$350.25



Blanket Life Insurance for School Trustees		
	Annual	\$60.00

Employee and Family Assistance Program		
	Provided by ASEBP at no cost	

- Notification to employer groups about their final 2020-21 premium rates, including any discounts and surcharges, will be sent to employer and employee representatives shortly
- Level 1 and 2 Health Benefits Claims Experience Reports will be distributed in April or May

2. Spending Accounts' Administration Fees

- There are no changes to Spending Accounts' administration fees for 2020-21
- A breakdown of the monthly administration fees is provided below:

Spending Accounts		
Standalone HSA	Per employee	\$2.55
Combined HSA/WSA	Per employee	\$2.80

- The ASEBP Trustees have requested Administration review the design and flexibility of Spending Accounts

3. COVID-19 Response: Layoff Provisions Temporarily Changed

- The ASEBP Trustees are pleased to offer a benefits solution to employers during this difficult time of mandated layoffs by extending the maximum benefits coverage period to 180 days from 90 days
 - This affects temporary layoffs from March 15, 2020, through June 30, 2020
 - Premiums must be remitted by the employer
- The ASEBP Trustees and Administration are committed to responding to circumstances caused by the COVID-19 pandemic with other temporary measures, should they be required



The ASEBP Trustees' Report provides an overview of topics discussed at all ASEBP Trustees' Meetings. These meetings provide the opportunity for ASEBP Trustees to come together to discuss matters of importance at ASEBP—from the financial health of the benefit plan to the introduction of new benefits and programs. While all information in each report is an accurate account of decisions made at the meetings, there can be changes that occur between first and second readings of certain topics, which may result in differences between their reporting.

To learn more about the ASEBP Trustees, please visit the Governance page, found in the About section of our website, asebp.ca.



Allendale Centre East • Suite 301, 6104-104 Street NW • Edmonton, AB T6H 2K7
Phone: 780-438-5300 • Email: trustees@asebp.ca • Website: asebp.ca