

# ASEBP Trustees' Report

Volume 26-18 No. 09 November 2018

## Highlights of the November 15, 2018, Trustees' Meeting

### 1. Reserves

- Each fiscal year end (August 31), ASEBP must establish regular reserves to:
  - Ensure that promised benefits will be paid in the event of an interruption of premiums or a partial wind-up of a benefit plan, and
  - Reflect the impact of claims in the year they first happened
- The ASEBP Trustees set reserve requirements at approximately \$468 million (\$459 million in 2017). This is an increase of approximately two per cent and reflects a cost-of-living adjustment for long-term recipients of Extended Disability Benefits
- Most of the reserves relate to future payments of Extended Disability Benefits claims as ASEBP must set aside enough money to pay each claim as long as required, sometimes to age 65. Since the bulk of this money will be paid out at some point in the future, reserves have an opportunity to earn investment income. The expected investment income is also factored in when determining reserve requirements. As at August 31, 2018, the reserves were fully funded and invested with a variety of investment managers

#### ASEBP TRUSTEES

Karen Holloway, Chair  
Fred Kreiner, Vice-Chair  
Holly Bilton  
Chad Bowie  
Drew Chipman  
Doug Lerke  
Kathy Maclsaac  
Shirene Napier  
Kim Pasula  
Daryl Scott

#### CHIEF EXECUTIVE OFFICER

Kelli Littlechilds

### 2. Plan Design – First Reading (for January 1, 2019)

- The ASEBP Trustees gave **initial approval** (first reading) to two additional changes to be effective January 1, 2019
- The first change affects availability of the Employee and Family Assistance Program (EFAP). In June, the ASEBP Trustees approved a Supplemental Package for the following employees otherwise ineligible for “regular” benefits: substitute teachers, casual employees, part-time employees, employees serving a waiting period and working retirees. The ASEBP Trustees have approved access to the EFAP for these individuals on the same basis as other employees. That is, ASEBP will cover the cost as an investment in the health of the public education sector
- The second change affects compression garments under the Extended Health Care plan. The annual maximum will remain \$250 per calendar year while the two-pair maximum will be removed. The two-pair maximum was instituted based on manufacturer warranties (six months per pair); however, it is reasonable that covered members may need more than two pairs per year. The change allows for additional pairs to be purchased, encouraging covered members to compare offerings from different providers, while preserving the overall maximum
- Please note that final approval (second reading) is required and changes could occur between readings

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### 3. Prescription Drug Management

- The ASEBP Trustees reviewed regular quarterly and semi-annual reports about ASEBP's Drug Benefit List and associated management strategies such as special authorization and enhanced special authorization. Details about prescription drug coverage can be found on the [Drugs](#) page of our website, [asebp.ca](http://asebp.ca), under the My Benefits menu

### 4. The Cloud

- The ASEBP Trustees participated in an education session about 'the cloud', including the different types and implications for ASEBP

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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, [www.asebp.ca](http://www.asebp.ca).



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