

ASEBP Trustees' Report

Volume 27-19 No. 09 November 2019

Highlights of the November 14, 2019, 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 in which they occurred
- The ASEBP Trustees set reserve requirements at approximately \$510 million (\$468 million in 2018). Liabilities have increased primarily due to the application of accounting policies under International Financial Reporting Standards, as well as an increase in Extended Disability Benefits (EDB) recipients. The increase in liabilities is partially offset by a positive change in EDB termination rates
- Most of the reserves relate to future payments of EDB claims, as ASEBP must set aside enough money to pay each claim as long as required, sometimes until the member turns 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, 2019, the reserves were fully funded and invested with a variety of investment managers

ASEBP TRUSTEES

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

CHIEF EXECUTIVE OFFICER

Kelli Littlechilds

2. Investments – First Reading (for January 1, 2020)

- As noted in the *October 2019 ASEBP Trustees' Report*, the results of the asset-liability modelling study identified opportunities to improve the risk-reward profile of the Trust's asset mix
- The ASEBP Trustees gave **initial approval** (first reading) to a revised Statement of Investment Policies and the related monitoring policy. Final approval is required prior to the policies becoming effective on January 1, 2020
- A detailed asset mix transition plan has been prepared in order to responsibly migrate from the existing asset mix to the new one

3. ASEBP Dental Benefit List Fees

- ASEBP Dental Benefit List Fees will remain the same for 2020 (no changes)
- Analysis shows that submitted charges from dental providers have decreased since the introduction of the Alberta Dental Association & College (ADA&C) fee guide two years ago. This has been positive for covered members and ASEBP
- Preventative services are a key component of oral health, including regular checkups. To continue to encourage covered members to be proactive with their oral health, ASEBP's checkup coverage is approximately \$15 more than the rates suggested by the ADA&C fee guide

4. Sick Leave of Absence Waiver of Premium Program

- After a successful pilot, the ASEBP Trustees have established the Sick Leave of Absence Waiver of Premium Program effective January 1, 2020
- The program ensures benefits coverage remains intact during the EDB elimination period, supporting a covered member's treatment and recovery while they're without income. It also provides the coverage continuity required to put applicable premium waivers, including ones for Extended Health Care (EHC), in place when EDB's approved
- Any ASEBP covered member with EDB coverage who is on sick leave and whose employer-paid premiums have ended will be automatically enrolled in this program. Premiums are waived for EDB, Life Insurance and Accidental Death & Dismemberment Insurance, while claims are paid for EHC, Dental and Vision Care on a premium-free basis where the covered member was already enrolled in these benefits prior to their sick leave

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.



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