

# ASEBP Trustees' Report

Volume 29-21 No. 03 March 2021

## Highlights of the March 6, 2021, Trustees' Meeting

### 1. Premium Rates 2021-22 – First Reading

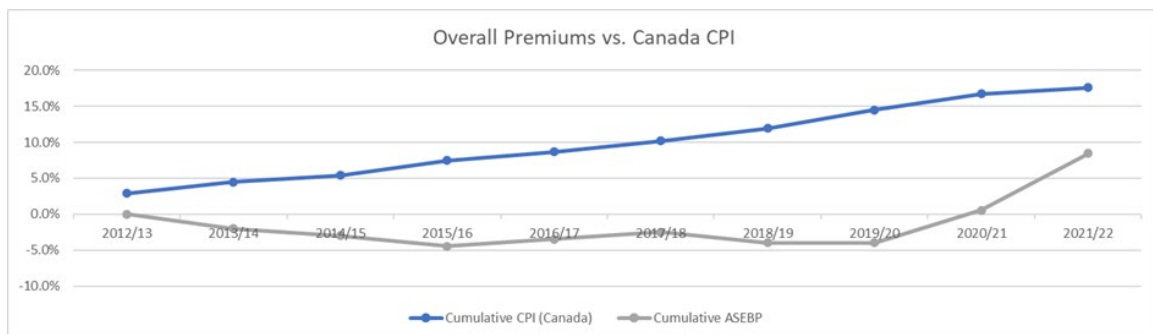
- The ASEBP Trustees gave **initial approval** (first reading) to September 1, 2021, premium rates. Instead of a 12.3% increase (which, based on claims experience, would be break-even), the ASEBP Trustees have limited the increase to 7.85% for 2021-22
  - The increase follows several years of relatively stable premium rates that were subsidized through excess investment returns. Including this proposed increase of 7.85%, overall premium rates for ASEBP have increased at a rate of only 0.8% per year over the past 10 years. This is largely due to premium subsidies the ASEBP Trustees were able to apply; however, the pandemic and its impact on investment markets has resulted in an accelerated depletion of the fund used for those premium subsidies. As a result, the ASEBP Trustees are working toward balancing premium rates with actual premium costs. Recognizing these are difficult economic times, this is anticipated to occur over a period of three years
  - After the 7.85% increase for 2021-22, increases in the following two years could be anywhere from 4% to 8%, depending on plan experience
  - A review of key plan design changes over the last three years has shown net savings of approximately \$250K per year and therefore are relatively neutral. Strategic plan design discussions will include a review of potential cost containment measures while at the same time supporting the health of covered members
  - The overall increase to premium rates continues to be lower than trends within the industry, where suggested increases to long-term disability are averaging over 25%\*. The increase also trails the Canadian consumer price index (CPI). CPI changes reflect the annual change in CPI for the calendar year preceding the premium rate change

#### ASEBP TRUSTEES

**Drew Chipman**, Chair  
**Fred Kreiner**, Vice-Chair  
**Evelyn Chan**  
**Arlene Hrynyk**  
**Doug Lerke**  
**Judy Muir**  
**Shirene Napier**  
**Kim Pasula**  
**Daryl Scott**  
**Natasha Shewchuk**

#### CHIEF EXECUTIVE OFFICER

**Kelli Littlechilds**



\*as per Aon



- Here are the premium rate changes by plan:
  - Life Insurance: no change
  - Accidental Death and Dismemberment Insurance: no change
  - Extended Disability Benefits: 3.8% increase
  - Extended Health Care: 11.7% increase
  - Dental Care: 10% increase
  - Vision Care: 11.6% increase
  - Employee and Family Assistance Program: no change
- The ASEBP Trustees are continuing to draw 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 not fully funded. These actions include the potential for additional premium rate increases as well as containing costs through plan design
- 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:

<b>Life</b>		
Plan 2	per \$1,000 of coverage	\$0.113

<b>Accidental Death and Dismemberment</b>		
Plan 2	per \$1,000 of coverage	\$0.011

<b>Extended Disability Benefits</b>		
Plan D	% of monthly earnings	1.81%
Plan E	% of monthly earnings	1.81%

<b>Extended Health Care</b>		
Plan 1	Single	\$107.00
	Family	\$257.25
Plan 2	Single	\$78.00
	Family	\$186.75
Plan 5	Single	\$96.50
	Family	\$230.50

<b>Dental Care</b>		
Plan 1	Single	\$46.50
	Family	\$116.00
Plan 2	Single	\$60.50
	Family	\$147.25



<b>Dental Care</b>		
Plan 3	Single	\$60.50
	Family	\$164.50

<b>Vision Care</b>		
Plan 2	Single	\$5.50
	Family	\$13.50
Plan 3	Single	\$11.25
	Family	\$27.50

<b>Early Retirement Benefits Package 2*</b>		
	Single	\$125.00
	Family	\$200.00

\*Closed to new participants as of September 1, 2011

<b>Supplemental Package</b>		
<i>Without Dental</i>		
Package 1	Single	\$88.75
Package 2	Family	\$201.50
Package 3	Single	\$94.75
Package 4	Family	\$206.75
<i>With Dental</i>		
Package 1	Single	\$165.75
Package 2	Family	\$383.25
Package 3	Single	\$171.75
Package 4	Family	\$388.50

<b>Blanket Life Insurance for School Trustees</b>		
	Annual	\$60.00

<b>Employee and Family Assistance Program</b>		
	Provided by ASEBP at no cost	

- **Please note** that final approval (second reading) is required and changes may occur between readings
- Notification to employer groups about their final 2021-22 premium rates, including any discounts and surcharges\*\*, will be sent following final approval in late March or early April. Preliminary information is available by contacting your ASEBP client consultant  
\*\*Please refer to the [December 2020 Trustees' Report](#) for a summary of changes to the Experience Adjustment System, which take effect alongside the new premium rates
- Level 1 and 2 Health Benefits Claims Experience Reports will be distributed to their respective employer groups in April or May

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## 2. Spending Accounts' Administration Fees

- There are no changes to Spending Accounts' administration fees for 2021-22
- 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

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



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