

A woman with a long braid, wearing a green cable-knit sweater, stands in a greenhouse. She is holding a young girl with blonde hair in a light-colored cable-knit sweater. In front of her, a young boy in a blue cable-knit sweater and blue pants is smiling. The woman is holding a large wicker basket filled with dark leafy greens. The greenhouse has a metal frame and a translucent covering. The background shows rows of plants and a wooden fence.

Growing. Together.

2018 ANNUAL REPORT

asebp



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HELPING WELL-BEING FLOURISH

It's no secret that the well-being of Alberta's public education sector is our focus at ASEBP. It's who we are, what we know best and a notion wholly embedded in our mission.

But at the heart of our mission is an important question: how do we define well-being? We now recognize that it isn't merely the absence of physical illness, but the product of a broad constellation of factors that promote good health long before illness ever appears. That means the integration of the eight dimensions of wellness (emotional, spiritual, intellectual, physical, environmental, financial, occupational and social), all of which interact with each other to contribute to our quality of life.

Arriving at this understanding has been an evolution, however, and how we've gone about supporting and promoting it has changed significantly since our inception in 1968. 50 years ago, the concept as we understand it today hardly existed.

So, how did we continue to help wellness flourish in 2017-18? Read on to find out—we're more than a little excited to share.



50 YEARS ON

How big a difference can 50 years make, you ask? Let's take a quick trip back through the years.

1968

- The NFL's Super Bowl takes place for only the second time.
- Alberta's population is 1.5 million—a far cry from the nearly 4.3 million it is today.

THE 1970s

- The first mobile phone call is made using a commercial prototype. (1973)
- The first *Star Wars* movie hits the box office. (1977)

THE 1980s

- The Rubik's Cube takes the world by storm. (1980)
- CDs outsell vinyl records and tapes for the first time. (1988)

THE 1990s

- The World Wide Web makes its public debut. (1991)
- The first book in the little-known Harry Potter series is published. (1997)

THE 2000s

- Apple introduces the iPod. (2001)
- Mapping of the human genome is declared formally complete. (2003)

2010 TO PRESENT

- Google develops the world's first self-driving car. (2011)
- NASA announces that they've discovered liquid water on Mars. (2015)



2018 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

CHAIR'S MESSAGE

It's hard enough to believe that another year has come and gone, let alone that ASEBP has now been around for 50 of them. A 50th anniversary is a milestone to be proud of, and a testament to the hard work we've put in over the past half-century. It really is remarkable to reflect on just how far we've come—from a small claims payer with just a handful of employees to the organization we are today, one that's constantly adapting and striving to better serve the needs of our covered members and employer groups.

This past year offered a number of opportunities for us to pursue strategic initiatives that have helped strengthen our position as holistic wellness champions. Whether through consultations with employer groups to better understand their needs, internal coaching and training to support the mental health and well-being of our own employees or working with covered members to pilot our new, intuitive My ASEBP site, we've continued to push the boundaries of what's possible for the well-being of Alberta's school communities.

Our 2017-18 year was an exciting one for us. So, on behalf of the ASEBP Trustees, I invite you to read through our 2018 Annual Report: *Growing. Together.* to learn just how exciting it's been. For all the success we've enjoyed as an organization, what's perhaps even more thrilling is the position we now find ourselves in—poised for even greater success going forward.

Karen Holloway





CEO'S MESSAGE

I've had the good fortune of being with ASEBP for nearly 35 years now and, while each of those years has been memorable for me in its own way, this year feels especially significant. The past year marked both our 50th as an organization—a milestone I think we can all agree is worthy of celebration—and my first as CEO. I feel incredibly grateful for the opportunities I've had and the time I've spent with ASEBP, and it strikes me as a rare convergence that I've gotten to share such a meaningful organizational milestone with this exciting step in my own career.

This has me thinking of growth and the many forms it takes. It's not an overstatement to say that the evolution of our organization during my time here has been dramatic. We've expanded and tailored our service offerings, improved how we interact with and support our covered members and employer groups and, even more fundamentally, changed how we both define and approach individual and workplace well-being. As an organization, we've continually adapted to changing circumstances, striving always to set new standards for how we meet the needs of those we serve.

This year's report highlights what that growth has looked like for us over the past year, while also capturing many of those qualities that have been so central to our success over the past 50—the collective commitment to our services, our communities and relationships, our people and our technology.

Growth, at its most meaningful, is shared. And while we've had 50 great years to this point, I feel strongly that the best is yet to come. So let's keep growing. Together.

Kelli Littlechilds



2018 ASEBP EXECUTIVE

Kelli Littlechilds
Chief Executive Officer

Tarick Ahmad
Chief Information Officer

Perry Dorgan
*Strategic Advisor to the
Trustees and CEO*

Trudy Gusse
Director of Governance

Shandy McLean
*Director, Health Strategies
and Stakeholder
Engagement*

Jocelyn Plakas-Lock
Chief Benefits Officer



Cultivating Services

A commitment to exceptional service is at the heart of what we do—if we're not constantly striving to improve our services, we're not fulfilling what we've set out to do as an organization. In 2017-18, we continued to enhance services in ways that would make a meaningful difference for our covered members and employer groups. This included:

- a comprehensive Oral Health Strategy, featuring the creation of an Oral Health Advisory Panel;
- piloting a new onboarding process for employer groups and their employees;
- strategic consultations with our employer groups and a new internal department dedicated to research and analysis;
- continued promotion of the Employee and Family Assistance Program and its enhanced service offerings; and
- a new accounting system that's enabled real-time spending account reporting on certain transaction types for employer groups.

SINKING OUR TEETH IN

Encouraging our covered members to stay informed about their dental benefits was a key focus of ours in 2018.

Late 2017 saw the Government of Alberta, with the Alberta Dental Association and College (ADA&C), announce a new recommended dental fee guide—the ADA&C Fee Guide—which laid out cost recommendations for various dental procedures. Since Alberta's dental fees are unregulated and have historically been the highest in Canada, the new guide was designed to help rein in costs by encouraging greater transparency and competition among dental providers.

While we've always maintained our own ASEBP Dental Benefit List, already closely aligned with the government's recommendations, the new guide dovetailed into the launch of our equally new Oral Health Strategy in early 2018.

The multi-year strategy includes the following facets, designed to keep covered members informed as they manage their oral health:

- a focus on providing effective oral health coverage for covered members and ensuring our dental benefits continue to reflect evidence-based guidelines;
- the founding of an Oral Health Advisory Panel, comprising practicing dentists and hygienists, to capture their perspectives on our province's dental fees and services and use their feedback to inform the oral health components of our benefit plan; and
- the launch of our Online Dental Guide on My ASEBP, which provides covered members with access to information on common dental procedures, plan coverage and maximums.

ALL ON-BOARD

Exploring better ways to onboard employer groups and covered members presents its challenges, so it was exciting to pilot a new process to streamline our approach in 2018—a big undertaking, but one that's improved our efficiency bringing new groups and covered members on board.

Overseeing any complex transition like this, involving all kinds of data, information sessions, specialty situations and communications materials, is no small thing. Working with our employer groups, we were able to develop a system that not only worked for us but more importantly:

- served the administrative needs of the groups we onboarded during the year and
- provided covered members with all the information they'd need the moment their benefits took effect.

All said and done, we welcomed more than 1,000 new covered members from two new employer groups to ASEBP in 2018—and consider ourselves lucky to support them on their health journeys.

A commitment to exceptional service is at the heart of what we do—if we're not constantly striving to improve our services, we're not fulfilling what we've set out to do as an organization.

FOR YOU AND YOUR FAMILY

In 2017-18, our partner, Homewood Health, continued to make meaningful enhancements to the Employee and Family Assistance Program (EFAP) so that those with access to it could take advantage of an increased number of services—and more easily than ever.

For example, their Life Smart program, which offers a broad range of coaching services, from new parent support to nutritional coaching, was expanded to include grief and loss coaching. Through their online Homeweb platform and the e-courses it offers, they also continued to explore new ways for covered members to access the existing suite of EFAP services. And by working with Homewood Health

to add new depression and trauma care programs to the EFAP, we've supported covered members who continue to work with access to up to 20 specialized sessions if they're struggling with either acute or long-term depression, anxiety or trauma symptoms.

Thanks to continued improvements to and promotion of the EFAP, utilization rates in 2018 rose to around nine per cent—reflecting steady growth since the program's introduction in 2015.

Improving our offerings depends largely on how we engage with our employer groups, and how we do that is foundational to our success.

EXCITED ABOUT ENGAGEMENT

Improving our offerings depends largely on how we engage with our employer groups, and how we do that is foundational to our success. That's why we implemented a year-round engagement model to connect with senior employer group leadership—to understand what we're doing well and what they're looking to us for—and shift conversations towards the strategic support we can offer in our role.

In 2018, our school jurisdiction liaisons connected with a number of employer groups to identify the key issues, gaps and recurring themes that employers were consistently finding in their workplaces, bringing that information back to our leadership team to better inform our projects and services going forward.

Not coincidentally, in June 2018, we also launched a new department: Business Intelligence Services. Focused on providing the right information to the right people at the right time, the department is a research- and analysis-driven team supporting all areas of ASEBP with operational intelligence and strategic insights.

HERE AND ACCOUNTED FOR

At ASEBP, we make a concerted effort to have information be as accessible as possible for our employer groups whenever we can.

One of the ways we've done this over the past year is by offering improved spending account reporting through our Third-Party Administration department. Thanks to a new accounting system implemented just this year, employer groups can now contact us for real-time, up-to-date spending account transaction reports on everything from credits to payments to forfeitures. Because, with so much else for them to look after, we think getting their hands on this information should be quick and easy.





Nurturing Relationships and Communities

As we've evolved as an organization, so too has our concept of what it means to be a health benefits provider. We've come to recognize the importance of nurturing relationships and communities in creating lasting change in the well-being of any population, and it's something we're as passionate about as ever.

In 2017-18, we continued to foster relationships with our employer groups, school communities and system-level partners.

HEALTHY STATES OF MIND

With far-reaching impacts both for individuals and employer groups, mental health remained a focus of ours over the past year. In fact, to address how the mental health of covered members can be better supported in the workplace, we invested in employer group training for mental health and psychological well-being.

Led by our own in-house facilitator, we delivered 11 separate Mental Health First Aid workshops to employer groups this past year, raising awareness and equipping participants with the knowledge, skills and confidence to support those facing mental health challenges in their workplace. These multi-day workshops cover a variety of mental health conditions and scenarios, and explore ways participants can provide critical support to those in need.

Our workplace wellness liaisons received Certified Psychological Health and Safety Advisor Training in 2018, offered by the Canadian Mental Health Association, as a core part of their role. As a result, they've been able to better support our employer groups by:

- helping to raise awareness and educate them on the national standards for psychological health and safety in the workplace;
- assessing their readiness for change within their respective workplaces;
- supporting them with evidence-based rationales for improved psychological health and safety;
- facilitating discussions around action plans for their workplaces; and
- recommending tools and resources to help prepare and support them in conducting assessments and implementing their own strategies.

By taking a proactive approach to supporting mental health in the workplace, we continued to demonstrate that we're here for much more than just benefits.

THE RIGHT FIT

We've also been an active partner in the Fit for Work project, a multi-phase Alberta Health Services initiative, administered by the Institute of Health Economics. Its goal is to help employees with arthritis remain healthy and productive at work by blending different self-management supports for employees with workplace supports for employers.

Over the past year, we've continued to work closely with key project stakeholders, employer groups and their employees to assist with research and development for the program. In May 2018, we participated in a presentation and ongoing project discussions, along with other key stakeholders, highlighting work to this point and the key benefits we believe it offers for Alberta's education sector. We're excited about what's to come.

By taking a proactive approach to supporting mental health in the workplace, we continued to demonstrate that we're here for much more than just benefits.



RALLYING RESILIENCE

Resilience is truly essential to mental well-being—by definition, it's a measure of how well we adapt and thrive in the face of adversity. With it, individual and workplace well-being thrives; without it, well-being often suffers.

And we know that resilience isn't something merely had, but carefully grown, which is why we've been partnering with the College of Alberta School Superintendents (CASS) to explore and address the challenge of promoting and protecting resilience among education leadership, specifically CASS members. We've been working closely with CASS to apply our learnings and continue developing new resources and supports for system leaders and their well-being—by encouraging the ongoing development of resilience within their roles, their workplaces and the education system as a whole.

Based on insights we've collected through research surveys and consultations with CASS members, we've continued to support our education system leaders with tailored communication and wellness promotion resources like the *Resilience in Leadership Toolkit*. In July and August 2018, we also presented our findings to the Canadian Association of School System Administrators and the Alberta School Boards Association Leadership Academy. In doing so, we introduced other education system leaders to our key learnings and reaffirmed our ongoing commitment to promoting the health and well-being of our system leaders—key influencers within a healthy education sector.

(WELL)AHEAD OF THE PACK

Another of our key partnerships includes the work we've contributed in support of the McConnell Foundation's WellAhead initiative, which looks to change the culture of education to improve the well-being of students, teachers and school staff.

In 2017-18, we participated in several stakeholder events and consultations with the goal of helping to expand the foundation's understanding of the opportunities and barriers to promoting employee well-being within the

education sector. In July 2018, we were invited to contribute to an international think tank, co-hosted by the McConnell Foundation and the Helga Breuninger Foundation, to explore the root causes affecting education sector staff well-being and what can be done to improve it at a national level. We had the opportunity to collaborate with a diverse group of people invested in this topic, including teachers, principals and other system leaders, union representatives, allied health professionals and researchers—all committed to improving school system health outcomes.

Through our partnerships with these like-minded community organizations, we continued to support a long-term, multi-level approach to well-being within the education sector.

THAT GIVING FEELING

Charitable giving within our communities is a fundamental part of who we are as an organization. In 2017-18, we supported a range of causes through volunteering, financial donations and in-kind support. It feels good to give back, and we're proud to do it.

Here's what that giving looked like over the past year.

194 ASEBP employee volunteer hours

\$10,537 raised through the Big Bike ride for the Heart and Stroke Foundation

32 backpacks filled with school supplies for the United Way's Tools for School

\$6,530 donated to various charities through our Casual for a Cause program

244 kg of food donated to the Edmonton Food Bank

A whole heap of gifts donated by ASEBP employees to Santas Anonymous



Tending to our People

For all we focus on those we serve and the services we offer, we haven't lost sight of the fact that it's our own people that make our lofty mission a day-to-day reality.

We recognize that an inclusive and welcoming workplace culture is more art than science, and a pursuit that's never wholly complete, but a culture we can be proud of is something we've remained devoutly committed to over the past year. In 2017-18, we continued to show a commitment to our people and how we collaborate across our organization—both of which are core values, after all.

WHISTLING WHILE WE WORK

With wellness being our focus, it just wouldn't be right if our own workplace culture reflected anything different. In 2017-18, we continued to support employee initiatives and opportunities that promoted the well-being and inclusivity that define our organization, including:

- placing a consistent emphasis on work-life balance through things like our earned day off program and work-sanctioned volunteer time;
- employee-led committees like our Spirit Committee, always ready to lead fun activities like our annual Santas Anonymous toy drive;
- hosting regular celebrations and social gatherings—everything from life events to holiday celebrations; and
- organization-wide events like the Day of Learning we held in October 2017, an assembly held every second year that brings together employees from all levels and departments to share updates, and look both forwards and backwards at some of our organizational changes, growth and strategic directions.

These are just some of the ways we foster a greater sense of community within our walls, which we do not just because it can be pretty fun—don't get us wrong: it is—but because it fosters a workplace culture that our employees can feel safe and supported within. Ultimately, the better supported our employees are, the better off we'll be as an organization.

For our efforts, in March 2018, we were fortunate enough to be presented with an award very near and dear to our hearts by the American Psychological Association: a Psychologically Healthy Workplace Award. In 2018, we were one of just five international recipients of the award and one of only two in Canada. The award is presented each year to organizations who've excelled in areas of employee involvement, growth and development, work-life balance, recognition and health and safety—a clear sign that what we're doing to encourage, inspire and support our employees is working.

MENTAL HEALTH MATTERS

Fundamental to any supportive workplace culture is the mental health of employees, and while we often talk about mental health, it's a talk we've been walking ourselves too—by empowering employees with the support they might need to address mental health challenges in their own lives and workplace.

Along with the Mental Health First Aid training we've been offering our employer groups, we also offered the same training internally in 2017-18, delivering two workshops for our own employees. We feel it's important to raise awareness, confront stigma and provide practical skills to support mental health in our workplace. And with these skills, our employees are better equipped than ever to support covered members in the work we do with them every day.

There's no health without mental health and, by fostering happy, supportive, more resilient employees, we'll continue to excel as an organization—both inwardly and outwardly.

For all we focus on those we serve and the services we offer, we haven't lost sight of the fact that it's our own people that make our lofty mission a day-to-day reality.

COLLABORATIVE CARE

In our Disability Services area, we've also been supporting employees in their roles with a collaborative new coaching and mentoring system, designed to improve the kind of support we offer our ill covered members.

The system has placed renewed emphasis on peer mentorship to improve outcomes, with senior claims facilitators providing coaching to other staff to improve how we manage our Extended Disability Benefits (EDB) claims. It's embedded within our EDB operating model and has been a key focus for staff at both adjudication and team meetings over the past year. What's more, with new reporting designed to match these operating standards, claims facilitators are now given increased opportunities to meet individually with both their team

lead and management for additional coaching on how they can best handle their specific cases.

By providing staff with this added support, we've been able to enhance the quality of our service—ensuring that ill covered members are getting the kind of personalized support and access to health services they need to feel more like themselves again.

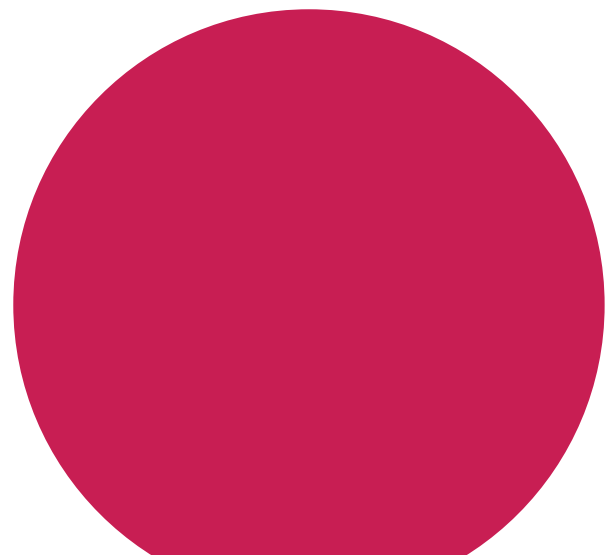
In the end,
we know that
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those we serve.

THE ICING ON THE CAKE

Not to be overlooked, in February 2018, we were recognized once again as one of Alberta's Top 70 Employers—the seventh consecutive year we've made the list. The award is based on eight evaluation criteria, including things like health, financial and family benefits, the physical workplace and the organization's work and social atmosphere, among others.

That we've made the list for seven straight years is, more than anything else, a testament to the teamwork, drive and innovation of our employees. And while it's a nice feather in our cap as an organization, it truly wouldn't be possible if not for the hard work and commitment of each and every one of our employees.

In the end, we know that the care and compassion we show our own employees, ultimately, extends outward—and by tending to our people, we better tend to those we serve.



A person is sitting at a wooden table outdoors, writing in a spiral notebook with a blue pen. On the table, there is a white coffee cup on a saucer, a croissant on a plate, and a laptop. In the background, there are several potted plants. The scene is bright and sunny. The text "Harvesting Technology" is overlaid in white on the image.

Harvesting Technology

Innovation isn't just a buzzword at ASEBP—it's a core value, entirely central to who we are. While it takes many forms, this year our innovative approach was especially evident in the technologies we leveraged to make things easier for our covered members and employer groups.

CLEARING FOR TAKE-OFF

In 2018, we piloted a new My ASEBP website for our covered members. The pilot gave us a chance to field test a brand new site interface and user experience with a select group of covered members and staff, featuring:

- a completely new look and feel that aligned more closely with our brand;
- a smooth and straightforward claims submission process for both general health and spending account claims;
- a simplified experience tailored to each user's specific coverage;
- improvements to how users view claim details and history; and
- a feedback function that allowed us to collect feedback from users as they explored the site.

Easy—and we'd say even a little fun—to use, the pilot site acted as a valuable test drive for us before we rolled the new site out for everyone, and it just so happened to receive some positive and useful feedback along the way.

A NICE PLACE TO LAND

In January 2018, we launched a refreshed Employer Services Portal (ESP) landing page, enabling us to provide regular and interactive updates to our employer groups in a timely and accessible way.

Most notable on the landing page is a news section, which is kept up to date with key upcoming deadlines, site enhancements and other noteworthy announcements. Simple and effective, the page is now the first thing employers see when they access ESP.

It also features the site's very first feedback tool, through which we've received valuable input about what we're doing well and where we can make some tweaks—both to the site itself and how we administer our plans.

All in all, our ESP landing page has become an important two-way communication street that connects us with our employer groups.

CABIN CREW

At the end of our My ASEBP pilot, we wanted to know what our test users thought of the new site and their experience helping us out. Here's what we heard from our more than 70 respondents.

95.7% said their overall experience with the new site met or exceeded expectations.

90.0% agreed or strongly agreed that they enjoyed their pilot experience.

94.3% agreed or strongly agreed that providing their feedback was easy.

81.4% agreed or strongly agreed that they felt their feedback was taken into consideration.

91.4% agreed or strongly agreed that they'd recommend pilot testing to other ASEBP members.

FRIENDLY CHATTER

A landing page wasn't the only feature new to ESP: at the start of the 2017-18 school year, we piloted new ESP live chat functionality with 10 of our employer groups. The live chat allowed us to respond to employer inquiries in real-time—with an average response time of under 30 seconds—as they navigated the site.

Due to its success, the live chat functionality was extended to include the rest of our employer groups in March 2018, further enabling us to provide responsive, adaptable service for our many employers.

Since launching ESP's live chat feature, we've responded to more than 350 employer inquiries—all while maintaining a near-perfect user satisfaction rating of 99.6 per cent.

THE GREAT EXCHANGE

Effectively managing covered member information is another crucial part of our work. In early 2018, we kicked off our Eligibility Data Exchange project to modernize our systems so we're able to share information more seamlessly than ever before.

Beyond just replacing our legacy system, this project will offer a number of advantages as we move forward, including:

- improving the accuracy of the information we're sending, and reducing the risks around it;
- offering a systematic method for more frequent reconciling and auditing;
- increasing flexibility for future upgrades and enhancements; and
- greater transparency around and accessibility to the volumes and types of information being exchanged.

It's just another example of how we're putting technology to work for us, helping us manage and share information on our covered members' behalf more safely and effectively.



Innovation isn't just a buzzword at ASEBP—it's a core value, entirely central to who we are.

A person wearing a light-colored sweater, tan trousers, and green rubber boots stands in a field of beets. They are holding a large bunch of harvested beets with their green leaves. The background shows a blurred field and some buildings in the distance. On the left side of the image, there are three overlapping brown geometric shapes: a square, a trapezoid, and a circle.

Financial Overview



These financial statements highlight both ASEBP's financial position and the results of plan performance in accordance with the Canadian Accounting Standards for Pension Plans. ASEBP elected to apply International Financial Reporting Standards (IFRS) for its accounting policies and, in 2017, was an early adopter of IFRS 17. Insurance Contracts under IFRS 17 establishes principles for the recognition, measurement, presentation, classification and disclosure of insurance contracts issued.

ASEBP's financial statements are shown in thousands of Canadian dollars (CAD) except where otherwise stated. The Canadian dollar is the functional currency of ASEBP.

STATEMENT OF FINANCIAL POSITION

As at August 31
(Thousands of Canadian dollars)

	2018	2017
ASSETS		
Invested assets	\$624,506	\$577,143
Operating assets	44,922	44,900
Total assets	\$669,428	\$622,043
LIABILITIES AND RESERVES		
Insurance liabilities	\$481,461	\$481,899
Other liabilities	23,876	17,449
Total liabilities	\$505,337	\$499,348
RESERVES		
Net assets available for benefit initiatives	\$81,035	\$14,359
Capital Adequacy Reserve	83,056	108,336
Total reserves	164,091	122,695
Total liabilities and reserves	\$669,428	\$622,043

As at August 31, 2018, ASEBP maintained a strong capital position with total assets of \$669 million, an increase of \$47 million from the previous year. With invested assets of \$625 million at August 31, 2018, ASEBP has prudently invested the Trust's investable assets with the primary objective of ensuring assets are available to fund all current and long-term liabilities for covered members and their beneficiaries. The increase was due primarily to reinvested income and unrealized invested asset returns, as the investment portfolio continued to perform favorably. As a result, reserves are fully funded.

Total liabilities of \$505 million increased by \$6 million from the previous year as a result of timing differences in cash flow. Reserves totalled \$164 million, which was an increase of \$41 million from the previous year.

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFIT INITIATIVES AND CAPITAL ADEQUACY RESERVE

For the years ended August 31
(Thousands of Canadian dollars)

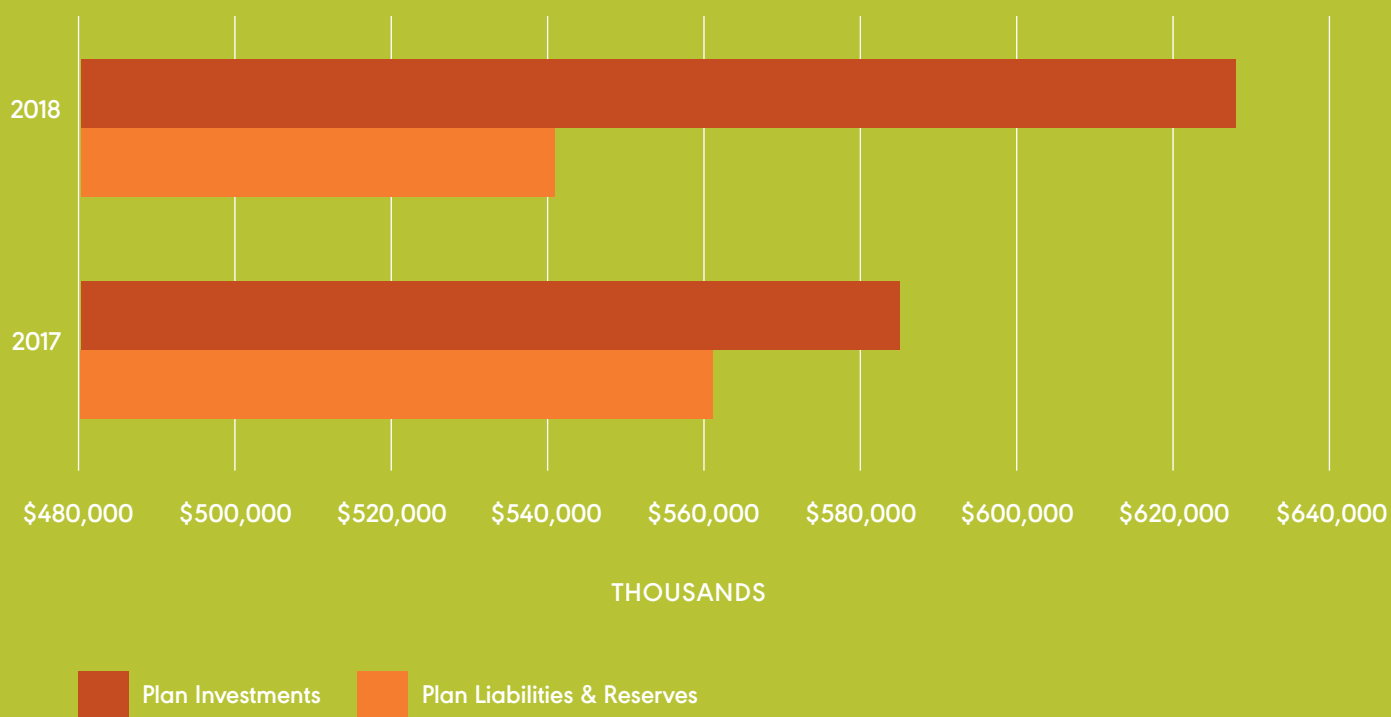
	2018	2017
NET ASSETS AVAILABLE FOR BENEFIT INITIATIVES		
Beginning of the year	\$14,359	\$-
Net investment income	61,624	42,410
Interest income and other revenue	5,722	4,859
Net plan and member services	10,080	11,635
Operating expenses	(36,030)	(35,221)
Annual contribution	41,396	23,683
Transfer from (to) Capital Adequacy Reserve	25,280	(9,324)
Subtotal	66,676	14,359
End of year	\$81,035	\$14,359
CAPITAL ADEQUACY RESERVE		
Beginning of the year	\$108,336	\$99,012
Transfer (to) from net assets available for benefit initiatives	(25,280)	9,324
End of year	\$83,056	\$108,336

As at August 31, 2018, the net assets available for benefit initiatives totalled \$81 million. The \$67 million increase in net assets available for benefit initiatives was due to a 0.41 per cent increase in the discount rate. The discount rate is based on the Bank of Canada Benchmark Bond Yield, plus a 0.9 per cent illiquidity premium. Net assets available for benefit initiatives are maintained for future initiatives as directed by the Trustees, while ensuring premium rates have been moderated.

ASEBP established a Capital Adequacy Reserve of \$83 million as at August 31, 2018, to sustain both the short- and long-term financial health of the plan. The Capital Adequacy Reserve is designed to retain a reasonable amount of capital in order to mitigate risks and variations in underlying assets and liabilities. In conjunction with the adoption of IFRS 17, the Trustees eliminated the reserve variability from the Capital Adequacy Reserve primarily resulting in the change in the Capital Adequacy Reserve to the net assets available for benefit initiatives.

The investment portfolio exists to provide adequate reserves to fund current and future liabilities, and to provide protection against unexpected events. Gains in the investment portfolio are used to fund both premium and plan operations.

INVESTMENTS AND RESERVES



STATEMENT OF COMPREHENSIVE INCOME

For the years ended August 31
(Thousands of Canadian dollars)

	2018	2017
REVENUES		
Premiums	\$242,534	\$234,662
Investment income	61,624	42,410
Interest income and other revenues	5,722	4,859
Total revenues	\$309,880	\$281,931
EXPENSES		
Benefits for covered members and beneficiaries	\$232,454	\$223,027
Operating expenses	36,030	35,221
Total expenses	268,484	258,248
Total comprehensive income	\$41,396	\$23,683

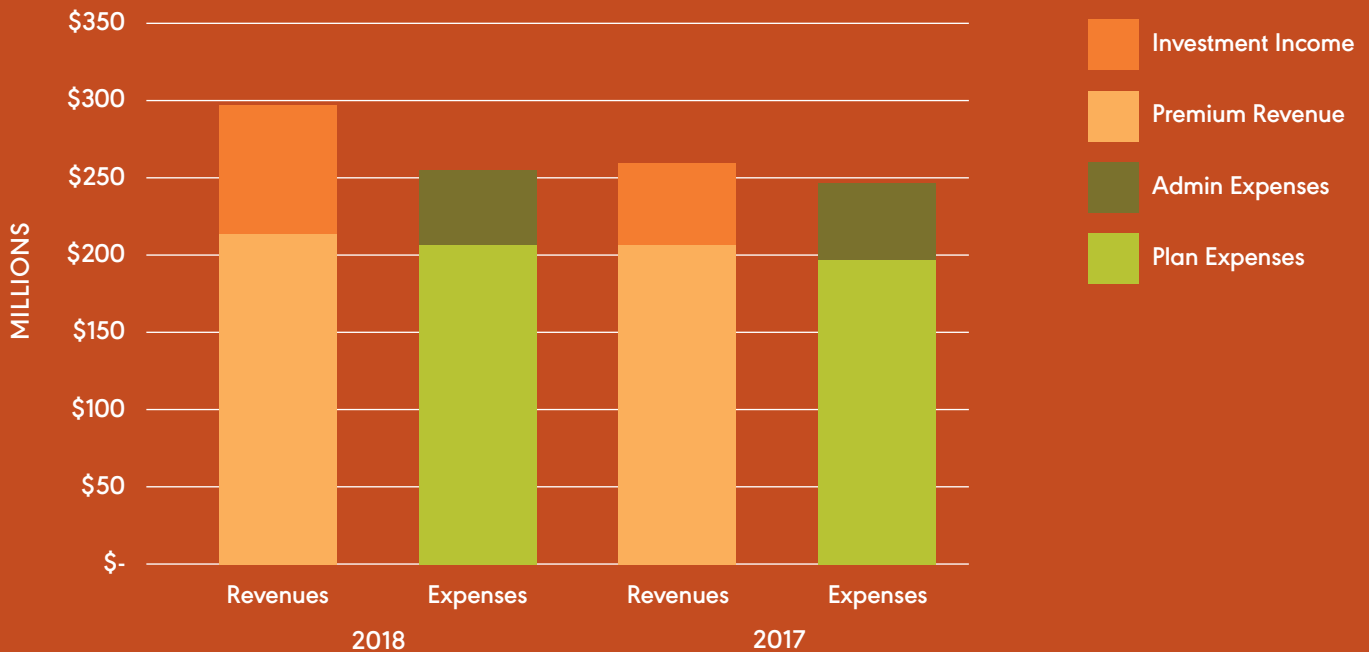
REVENUES AND EXPENSES

Total premiums for the fiscal year were \$242 million, an increase of \$8 million due primarily to growth in the number of our covered members. Total investment and interest income for the fiscal year was \$63 million, an increase of \$20 million from the previous year, due to continued strong investment returns.

Total benefit expenses for the fiscal year were \$232 million, an increase of \$9 million over the previous year, but remained at 95 per cent of premium revenue. Operating expenses for the fiscal year increased by \$1 million, relating primarily to administrative costs for health initiatives, health and benefit services for covered members, cybersecurity and improved efficiencies throughout the organization.

Total comprehensive income for the fiscal year was \$41 million, an increase of \$17 million, due primarily to the increased return on investments.

REVENUES VS. EXPENSES



LOOKING AHEAD

Through our financial strategy, ASEBP will continue to provide the financial resources required to deliver on our mission of being a committed partner in promoting, protecting, improving and sustaining the health of our covered members and their dependants.



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