

Subject: AIRB “Draft” Business Plan 2016-2019

Recommendations:

That the Board review and approve the AIRB Draft Business Plan 2016-2019 (attach. #2), post it to the AIRB's website and forward a copy to the President of Treasury Board and Minister of Finance in accordance with the Public Agencies Governance requirements.

Board History:

The Board at its May 22, 2015 meeting approved the AIRB Business Plan 2015-2018.

Report:

The Agency Governance Secretariat defines a Business Plan and the requirements of Government Boards and Agencies as follows:

A business plan is a document, produced annually, that contains the agency's plans for a set of upcoming fiscal years (usually three years). It lists anticipated outcomes, sets targets, and presents high-level performance indicators. Agencies that make financial decisions must include financial targets and plans. Other details contained in the business plan will depend on the individual agency and any legislated requirements. The business plan must be submitted to the responsible minister, on a timeline determined in the mandates and roles document. Agencies are also encouraged to make these documents publicly available.

The AIRB is required to follow the Government established Business Plan template (attach. #3).

Business Plan 2016-19 - The plan has been update to reflect the current link to the Government of Alberta's Business Plan 2016-19.

This plan maintains its focus on our two core business areas;

- #1 Regulation of Automobile Insurance Rating Programs
- #2 Provision of Automobile Insurance Information

The AIRB's three goals remain unchanged:

- Goal #1 - Encourage an efficient and effective market that allows for fair and predictable rates.
- Goal #2 – Maintain a strong working relationship with Stakeholders.
- Goal #3 - Ensure Consumers of Private Passenger automobile insurance are heard and have access to sound information.

With the exception of changes made to update figures and dates the following are the recommended changes:

- Page 3, Under “Link to GOA Strategic Business Plan” Changes have been made to reflect current wording in their Plan.
- Page 4, Performance measures have been revised to include 2015/16 actuals, no changes made to the 30 and 60 day filing targets
- Page 5, No changes other than the dates shown under “Performance Measures”
- Page 6, Reference to the Youth focus group has been added. Performance measures have been revised to include 2015/16 actuals. Future targets for Web statistics, Page Views has been increased from 1,250,000 for 2016/17 to 1,500,000 and then in increments of 100,000 thereafter.

- Page 7, The Statement of Operations and Surplus has been updated.

Conclusion:

Staff will provide an overview of the Draft Business Plan 2016-19 at the Board meeting and welcome any suggestions for changes and or additions from the Board.

Attachments:

- 1) AIRB Draft Business Plan 2016/19 (with track changes)
- 2) AIRB Draft Business Plan 2016/19(track changes removed)
- 3) Business Plan 2016-19 - Treasury Board & Finance
- 4) Letter to Minister – AIRB Business Plan 2016/19

Report date: May 26, 2016	
Prepared by:	Reviewed by:
Executive Director, Del Dyck,	





Automobile Insurance Rate Board

BUSINESS PLAN 201~~65~~-1~~98~~

ACCOUNTABILITY STATEMENT

This business plan for the three years commencing April 1, 201~~65~~ was prepared under my direction. All of the Board's policy decisions as of March 31, 201~~65~~, with material economic or fiscal implications of which I am aware have been considered in preparing this plan.

The Board's priorities outlined in the business plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this business plan.

Allan Cleiren, *Chair*
May 27, 201~~622~~, 201~~5~~

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GOVERNANCE

The Minister of Finance and the Government of Alberta, through legislation (*Insurance Act*), established the Alberta Automobile Insurance Rate Board (AIRB or the Board) as an independent regulator. In this capacity, the AIRB is responsible for regulating automobile insurance rating programs for both basic and additional coverage in Alberta. The Board, through its functions and statutory duties and responsibilities, serves all Albertans – members of the general public, industry and Government.

VISION

An efficient and effective automobile insurance market with fair and predictable rates.

MISSION

As an independent body, the AIRB will regulate rating programs of Alberta automobile insurers to ensure premiums are fair and predictable. The Board will also ensure consumers have access to information to facilitate informed choices.

VALUES

RESPECT	We foster an environment where consumers, industry, government and Board/staff members are valued and heard
ACCOUNTABILITY	We are accountable for our actions and contributing to the efficacy of the auto insurance system
INTEGRITY	We behave ethically and are open, honest and fair in our dealings
EXCELLENCE	We use innovation and continuous improvement to achieve excellence

LINK TO THE GOVERNMENT OF ALBERTA STRATEGIC BUSINESS PLAN

Treasury Board and Finance Business Plan 2016-1920 Goals

~~Desired~~ Outcome Two: Policy and regulatory oversight for the financial, insurance and pensions sectors that is effective, fair and in the interests of Albertans.

~~Priority Initiative~~ Key Strategies: 2.2 Lead and implement changes to keep the policy and regulation of Alberta's pension, insurance and financial institutions sectors strong and modern, and to ensure risks are managed effectively.

AIRB GOALS

The AIRB mandate has two core business functions: regulation of automobile insurance rating programs and providing information to enable consumers to make informed choices.

Core Business One: Regulation of Automobile Insurance Rating Programs

Goal 1: Encourage an efficient and effective market that allows for fair and predictable rates

Goal 2: Maintain a strong working relationship with Stakeholders

Core Business Two: Provision of Automobile Insurance Information

Goal 3: Ensure consumers are heard and have access to sound information

BUSINESSES, GOALS, STRATEGIES & PERFORMANCE MEASURES

Core Business One: Regulation of Automobile Insurance Rating Programs

GOAL ONE **1** Encourage an efficient and effective market that allows for fair and predictable rates

What it means Premium stability with fair and predictable pricing is an integral objective of the automobile insurance system for consumers, insurance providers and Government. In fulfilling its mandate, the Board aims to encourage competitive insurance premiums in part by supporting rating programs that demonstrate innovation that improves the matching of premium to risk. Fostering an environment that is open to new concepts that benefit consumers while maintaining fair and equitable rating models.

Strategies

- 1.1 Ensure procedures are consistent with legislation and regulations and are efficient
- 1.2 Submit recommendations where regulations are inconsistent with this goal
- 1.3 Monitor industry profit and risk sharing pools as indicators of market dynamics

Performance Measures	Last Actual 2015/16	Target 2016/17	Target 2017/18	Target 2018/19
<ul style="list-style-type: none"> Percentage of simplified filing decisions issued in 30 days or less from the date deemed complete (where filings are complete with no further external actuarial analysis required) 	94.5%	95%	95%	95%
<ul style="list-style-type: none"> Percentage of full filing decisions issued in 60 days or less from the date deemed complete (where filings are complete with no further external actuarial analysis required) 	100%	95%	95%	95%
<ul style="list-style-type: none"> Monitor Grid, Grid RSP & RSP on a quarterly basis 	Apr, Jul, Oct & Jan	Apr, Jul, Oct & Jan	Apr, Jul, Oct & Jan	Apr, Jul, Oct & Jan
<ul style="list-style-type: none"> Monitor Industry Profits 	Jun & Feb	Jun & Feb	Jun & Feb	Jun & Feb

Core Business One: Regulation of Automobile Insurance Rating Programs

GOAL TWO

2

Maintain a strong working relationship with stakeholders

What it means

This goal aims to ensure that the AIRB maintains a good understanding of the insurance industry and issues that may be emerging. It also aims to provide opportunities for insurance providers, other industry professionals and stakeholders to provide input to the AIRB's Annual and Semi-annual Industry Benchmarks which are used in the review of filings and to have access to the most recent and comprehensive information on Board decisions, activities and orders.

The Board maintains transparency and accountability to the Minister of Finance and President of Treasury Board by:

- conducting an annual review of automobile insurance trends and premiums relating to basic and additional coverage for private passenger vehicles,
- submitting to the Minister on an annual basis its three year business plan,
- submitting to the Minister its annual report on the operations of the Board, and
- reporting all insurer filing decisions on the AIRB website.

AIRB is a member of the Canadian Automobile Insurance Rate Regulators Association (CARR) through which it interacts with rate regulatory bodies in other jurisdictions.

Strategies

- 2.1 Consult with automobile insurance providers and other stakeholders to provide input to the AIRB's Annual and Semi-annual Industry Benchmarks which are used in the review of filings.
- 2.2 Provide regular opportunities for automobile insurance providers and other stakeholders to meet with the Board.
- 2.3 Post all Board decisions on rate filings on the AIRB's website.
- 2.4 Advise the Minister on automobile insurance issues and activities of the Board
- 2.5 Develop an Annual Report and Business Plan for submission to Minister
- 2.6 Hold an Open Meeting to receive input from stakeholders
- 2.7 Liaise regularly with the Superintendent of Insurance
- 2.8 Provide assistance and support to the General Insurance Statistical Agency (GISA)
- 2.9 Provide assistance and support to CARR

Performance Measure	Last Actual 2015/16	Target 2016/17	Target 2017/18	Target 2018/19
• Board decisions posted on a quarterly basis. Decisions implemented in any quarter posted within 15 business days of the end of that quarter.	100%	100%	100%	100%
• Annual Report	February	February	February	February

Core Business Two: Provision of Automobile Insurance Information

GOAL THREE

3

Ensure consumers of Private Passenger auto insurance are heard and have access to sound information

What it means

This goal aims to ensure that consumers are given opportunity to be heard. The ways in which consumers may voice their concerns are:

- Email through the AIRB's website
- Telephone contact directly to the AIRB office
- Annual Open Meeting
- Through the independent Consumer Representative.
 - Annual survey of Albertans
 - Annual focus groups
 - Seniors focus group
 - Youth focus group

The AIRB is further committed to increasing consumer awareness and understanding of their rights and responsibilities regarding the purchase of the automobile insurance product.

Strategies

- 3.1 Ongoing enhancements to the AIRB's website
- 3.2 Monitor website's success in attracting visitors
- 3.3 Conduct annual consumer survey, focus groups and interviews
- 3.4 Support the Consumer Representative in consultations and collection of data

Performance Measures	Last Actual 2015/16	Target 2016/17	Target 2017/18	Target 2018/19
• Website Statistics - Number of page views	1,234,5201.5 82,998	1,250,500,00 0	1,270,600,00 0	1,290,700,000
• Website Statistics - Time spent on site	2.087	2:15	2:25	2:35
• Website Statistics – Page views per person	2.5246	3.0	3.10	3.20

Automobile Insurance Rate Board

BUSINESS PLAN 2016-19

ACCOUNTABILITY STATEMENT

This business plan for the three years commencing April 1, 2016 was prepared under my direction. All of the Board's policy decisions as of March 31, 2016, with material economic or fiscal implications of which I am aware have been considered in preparing this plan.

The Board's priorities outlined in the business plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this business plan.

Allan Cleiren, *Chair*
May 27, 2016

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GOVERNANCE

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An efficient and effective automobile insurance market with fair and predictable rates.

MISSION

As an independent body, the AIRB will regulate rating programs of Alberta automobile insurers to ensure premiums are fair and predictable. The Board will also ensure consumers have access to information to facilitate informed choices.

VALUES

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LINK TO THE GOVERNMENT OF ALBERTA STRATEGIC BUSINESS PLAN

Treasury Board and Finance Business Plan 2016-19 Goals

Outcome Two: Policy and regulatory oversight for the financial, insurance and pensions sectors that is effective, fair and in the interests of Albertans.

Key Strategies: 2.2 Lead and implement changes to keep the policy and regulation of Alberta's pension, insurance and financial institutions sectors strong and modern, and to ensure risks are managed effectively.

AIRB GOALS

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Core Business One: Regulation of Automobile Insurance Rating Programs

Goal 1: Encourage an efficient and effective market that allows for fair and predictable rates

Goal 2: Maintain a strong working relationship with Stakeholders

Core Business Two: Provision of Automobile Insurance Information

Goal 3: Ensure consumers are heard and have access to sound information

BUSINESSES, GOALS, STRATEGIES & PERFORMANCE MEASURES

Core Business One: Regulation of Automobile Insurance Rating Programs

GOAL ONE

1

Encourage an efficient and effective market that allows for fair and predictable rates

What it means

Premium stability with fair and predictable pricing is an integral objective of the automobile insurance system for consumers, insurance providers and Government. In fulfilling its mandate, the Board aims to encourage competitive insurance premiums in part by supporting rating programs that demonstrate innovation that improves the matching of premium to risk. Fostering an environment that is open to new concepts that benefit consumers while maintaining fair and equitable rating models.

Strategies

- 1.1 Ensure procedures are consistent with legislation and regulations and are efficient
- 1.2 Submit recommendations where regulations are inconsistent with this goal
- 1.3 Monitor industry profit and risk sharing pools as indicators of market dynamics

Performance Measures	Last Actual 2015/16	Target 2016/17	Target 2017/18	Target 2018/19
• Percentage of simplified filing decisions issued in 30 days or less from the date deemed complete (where filings are complete with no further external actuarial analysis required)	95%	95%	95%	95%
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• Monitor Grid, Grid RSP & RSP on a quarterly basis	Apr, Jul, Oct & Jan	Apr, Jul, Oct & Jan	Apr, Jul, Oct & Jan	Apr, Jul, Oct & Jan
• Monitor Industry Profits	Jun & Feb	Jun & Feb	Jun & Feb	Jun & Feb

Core Business One: Regulation of Automobile Insurance Rating Programs

GOAL TWO

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This goal aims to ensure that the AIRB maintains a good understanding of the insurance industry and issues that may be emerging. It also aims to provide opportunities for insurance providers, other industry professionals and stakeholders to provide input to the AIRB's Annual and Semi-annual Industry Benchmarks which are used in the review of filings and to have access to the most recent and comprehensive information on Board decisions, activities and orders.

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AIRB is a member of the Canadian Automobile Insurance Rate Regulators Association (CARR) through which it interacts with rate regulatory bodies in other jurisdictions.

Strategies

- 2.1 Consult with automobile insurance providers and other stakeholders to provide input to the AIRB's Annual and Semi-annual Industry Benchmarks which are used in the review of filings.
- 2.2 Provide regular opportunities for automobile insurance providers and other stakeholders to meet with the Board.
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- 2.5 Develop an Annual Report and Business Plan for submission to Minister
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Performance Measure	Last Actual 2015/16	Target 2016/17	Target 2017/18	Target 2018/19
• Board decisions posted on a quarterly basis. Decisions implemented in any quarter posted within 15 business days of the end of that quarter.	100%	100%	100%	100%
• Annual Report	February	February	February	February
• Business Plan	May	May	May	May

Core Business Two: Provision of Automobile Insurance Information

GOAL THREE

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Strategies

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- 3.2 Monitor website's success in attracting visitors
- 3.3 Conduct annual consumer survey, focus groups and interviews
- 3.4 Support the Consumer Representative in consultations and collection of data

Performance Measures	Last Actual 2015/16	Target 2016/17	Target 2017/18	Target 2018/19
• Website Statistics - Number of page views	1,582,998	1,500,000	1,600,000	1,700,000
• Website Statistics - Time spent on site	2.07	2:15	2:25	2:35
• Website Statistics – Page views per person	2.46	3.0	3.10	3.20

STATEMENT OF OPERATIONS AND SURPLUS

For the period April 1 to March 31

	2015/16 Actual	2015/16 Budget	2016/17 Estimate	2017/18 Target	2018/19 Target
Revenue:					
Annual Industry Levy	\$1,530,000	\$1,530,000	\$1,500,000	\$1,500,000	\$1,500,000
- less accumulated surplus	277,261	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Annual Industry Levy	1,252,739	1,530,000	1,500,000	1,500,000	1,500,000
Actuarial Services	-	-	-	-	-
Other	3,245	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,255,984	1,530,000	1,500,000	1,500,000	1,500,000
Expenses:					
Operations	752,162	847,000	829,000	829,000	829,000
Actuarial and Contract Services	287,971	483,000	471,000	471,000	471,000
Board Honoraria and Expenses	89,064	200,000	200,000	200,000	200,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,129,197	1,530,000	1,500,000	1,500,000	1,500,000
Surplus/(Shortfall)	126,787	-	-	-	-
Accumulated Surplus Beginning	277,261				
Accumulated Surplus End	404,048				

BUSINESS PLAN 2016–19

Treasury Board and Finance

ACCOUNTABILITY STATEMENT

This business plan was prepared under my direction, taking into consideration the government's policy decisions as of March 17, 2016.

original signed by

Joe Ceci, President of Treasury Board, Minister of Finance

MINISTRY OVERVIEW

The ministry consists of the Department of Treasury Board and Finance, together with Corporate Human Resources, as well as the following provincial agencies: Alberta Capital Finance Authority, Alberta Gaming and Liquor Commission, Alberta Local Authorities Pension Plan Corporation, Alberta Pensions Services Corporation, Alberta Securities Commission, Alberta Treasury Branches (ATB) and its subsidiaries, Credit Union Deposit Guarantee Corporation, Automobile Insurance Rate Board and Alberta Investment Management Corporation (AIMCo), and administers the following nine regulated funds: Alberta Cancer Prevention Legacy Fund, Alberta Heritage Foundation for Medical Research Endowment Fund, Alberta Heritage Savings Trust Fund, Alberta Heritage Scholarship Fund, Alberta Heritage Science and Engineering Research Endowment Fund, Alberta Lottery Fund, Alberta Risk Management Fund, Provincial Judges and Masters in Chambers Reserve Fund and the Supplementary Retirement Plan Reserve Fund. The ministry also includes N.A. Properties (1994) Ltd. and Gainers Inc.

A more detailed description of Treasury Board and Finance and its programs and initiatives can be found at www.finance.alberta.ca. A more detailed description of Corporate Human Resources and its programs and services can be found at www.chr.alberta.ca.

STRATEGIC CONTEXT

The outcomes and key strategies identified in this business plan are aligned with the strategic direction of the Government of Alberta.

Treasury Board and Finance is operating in a dynamic, volatile and rapidly changing environment. The impacts of low oil prices and an overall worldwide economic slowdown have filtered through Alberta's economy. The province is experiencing an increase in the unemployment rate, an overall reduction in consumer spending and a decline in capital investments as companies adopt cost savings strategies. This is affecting the province's gross domestic product and tax base.

The government remains committed to achieving strong and sustainable government finances, focusing on overcoming risks associated with resource revenue shortfalls. Government recognizes that an over-dependence on volatile resource revenue to fund government programs and services is not prudent fiscal management. Putting Alberta on the path to economic recovery means diversifying Alberta's economy and reducing the province's over-dependence on unrefined energy.

Business is changing how services are provided to consumers, offering new and innovative products and services to challenge existing business models in the financial, insurance and pensions sectors. This increases the complexity of providing strategic advice and policy recommendations. However, these innovations also create an opportunity to utilize expertise across the government, increase efficiencies and better protect the interests of Albertans.

Albertans are raising their expectations regarding the transparency, efficiency and effectiveness of government operations. Treasury Board and Finance strives to deliver its programs and initiatives in an effective and efficient manner, worthy of the trust of Albertans.

Maintaining stable public services is vital to addressing complex challenges and meeting the growing needs of citizens. Government is committed to strengthening the Alberta Public Service as an inclusive and innovative organization where all employees are able to develop and contribute their best.

OUTCOMES, KEY STRATEGIES AND PERFORMANCE MEASURES

Outcome One: Strong and sustainable government finances

Key Strategies:

- 1.1 Provide advice and recommendations on spending, cost-saving initiatives, operational efficiencies, and revenue initiatives to align with government priorities.
- 1.2 Monitor the competitiveness, economic efficiency, fairness and revenue stability of Alberta's tax system and provide supporting recommendations.
- 1.3 Advance electronic services for Alberta's tax and revenue programs.
- 1.4 Invest up to three per cent of the Alberta Heritage Savings Trust Fund directly towards Alberta's growth.
- 1.5 Lead the modernization of Alberta's gaming industry through investments in new technology and game offerings to sustain revenue for the Alberta Lottery Fund.
- 1.6 Provide reliable economic, demographic and revenue forecasts, and government-wide support for the development of statistics and analysis.

Performance Measures	Last Actual 2014-15	Target 2016-17	Target 2017-18	Target 2018-19
1.a The Alberta Heritage Savings Trust Fund will earn a five-year annualized rate of return of Consumer Price Index (CPI) plus 4.5%	11.7% (Exceeded target by 4.6%)		CPI plus 4.5%	
1.b AIMCo's investment returns in excess of the benchmark through active management, for the endowment and pension funds, annualized over a five-year period	-0.77% (1.23% below target)	1%	1%	1%

Linking Performance Measures to Outcomes:

- 1.a The Alberta Heritage Saving Trust Fund is the province's primary long-term savings vehicle. The fund provides an alternative source of income which can potentially provide a partial offset to resource revenue.
- 1.b AIMCo's primary goal is to provide returns through active management over and above what the market returns.

Performance Indicators	Actual 2010-11	Actual 2011-12	Actual 2012-13	Actual 2013-14	Actual 2014-15
1.a Alberta savings (\$ millions):					
• The Alberta Heritage Savings Trust Fund book value	14,198	14,652	14,813	15,006	14,961
• The Contingency Account balance	11,192	7,497	3,326	4,658	6,529
• Endowment and other funds	3,302	3,284	3,363	3,556	3,913
1.b Sustainable level of government debt (ratio of debt to Nominal Gross Domestic Product [GDP] for Alberta)	1.6%	1.5%	1.9%	2.9%	3.4%

Outcome Two: Policy and regulatory oversight for the financial, insurance and pensions sectors that is effective, fair and in the interests of Albertans

Key Strategies:

- 2.1 Improve access to capital for Alberta's small and medium-sized enterprises through ATB Financial.
- 2.2 Lead and implement changes to keep the policy and regulation of Alberta's pension, insurance and financial institutions sectors strong and modern, and to ensure risks are managed effectively.
- 2.3 Work cooperatively with other jurisdictions to improve securities regulation in Canada and ensure a provincially-led regulatory system meets the needs of Alberta market participants and investors.

Performance Measure	Last Actual 2014-15	Target 2016-17	Target 2017-18	Target 2018-19
2.a ATB Financial return on average risk weighted assets	1.10%	0.70%	1.00%	1.00%

Linking Performance Measures to Outcomes:

- 2.a The return on average risk weighted assets measures regulatory oversight of the financial sector. It is an industry standard to measure efficient use of capital.

Outcome Three: Accountable, effective and efficient government

Key Strategies:

- 3.1 Strengthen financial stewardship by examining overall spending priorities and assessing how efficiently tax dollars are being used to deliver programs and services.
- 3.2 Standardize and streamline financial processes and policies to improve government's enterprise resource planning capacity.
- 3.3 Conduct a comprehensive review to develop a cash-management framework and governance model that will enable the most effective and efficient use of the government's financial assets.
- 3.4 Collect and administer revenue fairly, effectively and efficiently. This includes strengthening processes with respect to tax collections and tax filing.
- 3.5 Provide timely, reliable and relevant accounting, budgeting and policy advice to ensure Alberta's finances are presented in a clear format that reflects public sector financial reporting standards.
- 3.6 Ensure that benefits from charitable gaming are distributed effectively to charities to support worthy causes across the province.

Performance Measures	Last Actual 2014-15	Target 2016-17	Target 2017-18	Target 2018-19
3.a Sustainable operating spending growth (operating spending relative to population plus CPI) ¹	4.3% (operating expense growth) 4.6% (CPI plus population)	Operating spending growth will not exceed population plus CPI growth		
3.b Ratio of amounts added to the net tax revenue to costs of administration (as a measure of efficiency)	27:1 ²	12:1	12:1	12:1

Notes:

¹ The Consumer Price Index (CPI) is a measure of inflation.

² The result is reflective of applying significant reassessments in Alberta similar to those applied at the federal level. Most of these reassessments are currently under objection. Removing the impact of these reassessments results in a revised ratio of 17.6:1 for 2014-15. In addition, 2014-15 saw a substantial increase in the total dollar value of reassessments paralleled at the federal level. Removing the impact of these reassessments results in a further revised ratio of 13:1.

Linking Performance Measures to Outcomes:

- 3.a The combined rate of growth in population plus inflation is considered a benchmark comparison against the rate of growth in government operating expense, and is used to assess how effective and efficient the government has been in limiting the growth in operating expense.
- 3.b The ratio of amounts added to the net tax revenue to costs of administration measure quantifies the recovery of revenue that might otherwise be lost. This demonstrates that taxpayers and claimants are treated equitably, with respect, and receive excellent value for money spent on tax programs.

Performance Indicators	Actual 2010-11	Actual 2011-12	Actual 2012-13	Actual 2013-14	Actual 2014-15
3.a Financial reporting: • Auditor General opinion on Government of Alberta Consolidated Financial Statements	unqualified	unqualified	unqualified	unqualified	unqualified
3.b Alberta budget variance: • Percentage change in actual government operating expense from budget	-1.1%	-0.4%	-0.9%	3.0%	1.2%

Outcome Four: A strong and inclusive public service working together for Albertans

Key Strategies:

- 4.1 Deliver a range of initiatives to support a diverse workforce with the capacity and expertise to serve Albertans.
- 4.2 Improve employee engagement across the public service.
- 4.3 Strengthen the foundations of the human resource system supporting the Alberta Public Service.

Performance Measure	Last Actual 2013-14	Target 2016-17	Target 2017-18	Target 2018-19
4.a Alberta Public Service employee engagement index ¹	59%	62%	65%	68%

Note:

¹ Index consists of seven questions that measure outcomes of employee engagement in the Alberta Public Service.

Linking Performance Measures to Outcomes:

4.a Stronger employee engagement is correlated with greater staff retention, productivity and enhanced service to the public.

Performance Indicator	Actual 2010-11	Actual 2011-12	Actual 2012-13	Actual 2013-14	Actual 2014-15
4.a Employee engagement index inter-jurisdictional average ¹	66%	n/a	66%	62%	59%

Note:

¹ In 2013, a seventh question was included in the calculation of the inter-jurisdictional engagement index. From 2013 onwards, the inter-jurisdictional result is not directly comparable to the results of the previous years.

STATEMENT OF OPERATIONS

(thousands of dollars)

STATEMENT OF OPERATIONS						
(thousands of dollars)	Comparable					
	2014-15 Actual	2015-16 Budget	2015-16 Forecast	2016-17 Estimate	2017-18 Target	2018-19 Target
REVENUE						
Personal Income Tax	11,041,760	12,046,732	11,277,507	11,404,937	11,759,201	12,363,211
Corporate Income Tax	5,796,400	4,745,222	4,972,410	4,325,200	4,263,165	4,819,114
Other Taxes	2,323,799	2,967,263	3,010,481	3,552,488	4,603,863	5,160,412
Transfers from Government of Canada	1,456,563	1,517,709	1,771,411	1,567,696	1,612,317	1,663,802
Investment Income	2,724,023	2,557,088	2,489,519	1,842,476	1,990,008	2,191,333
Net Income from Commercial Operations	2,655,946	2,715,674	2,517,118	2,387,058	2,630,998	2,719,990
Premiums, Fees and Licences	184,896	172,496	117,346	102,357	165,173	182,016
Other Revenue	371,240	344,611	382,402	390,557	402,062	412,171
Ministry Total	26,554,627	27,066,795	26,538,194	25,572,769	27,426,787	29,512,049
Inter-Ministry Consolidations	(155,729)	(158,019)	(159,801)	(166,527)	(185,288)	(200,673)
Consolidated Total	26,398,898	26,908,776	26,378,393	25,406,242	27,241,499	29,311,376
EXPENSE						
Ministry Support Services	35,159	32,174	27,625	31,232	31,105	31,202
Budget Development and Reporting	4,464	5,389	4,819	5,281	5,274	5,382
Fiscal Planning and Economic Analysis	5,398	5,919	5,219	5,778	5,771	5,889
Investment, Treasury and Risk Management	738,758	667,728	653,058	674,104	689,321	705,014
Office of the Controller	2,616	2,884	2,756	2,826	2,824	2,882
Corporate Internal Audit Services	3,966	3,988	3,838	3,908	3,895	3,975
Tax and Revenue Management	30,865	33,783	31,822	33,499	33,546	33,770
Financial Sector and Pensions	173,607	193,442	180,359	194,192	197,490	199,170
Corporate Human Resources	19,359	21,183	21,183	25,055	25,013	25,394
Gaming	28,877	35,600	46,683	35,092	27,896	26,400
Climate Leadership Plan	-	-	-	95,000	435,000	590,000
Teachers' Pre-1992 Pensions Liability Funding	456,311	465,000	465,000	475,500	480,500	490,500
Alberta Family Employment Tax Credit	113,591	116,038	116,038	136,877	144,972	148,577
Scientific Research and Experimental Development Tax Credit	84,207	82,000	82,000	84,000	84,000	84,000
Corporate Income Tax Allowance Provision	73,505	15,000	25,000	15,000	11,500	11,500
General Debt Servicing	358,597	315,470	318,197	366,085	631,025	985,325
Capital Debt Servicing	250,602	350,825	350,825	517,000	687,000	908,000
Change in Unfunded Pension Obligation	(403,685)	(4,000)	(204,000)	(69,000)	(185,000)	(196,000)
Ministry Total	1,976,197	2,342,423	2,130,422	2,631,429	3,311,132	4,060,980
Inter-Ministry Consolidations	(391,041)	(386,895)	(327,960)	(342,843)	(361,628)	(376,822)
Consolidated Total	1,585,156	1,955,528	1,802,462	2,288,586	2,949,504	3,684,158
Net Operating Result	24,813,742	24,953,248	24,575,931	23,117,656	24,291,995	25,627,218
CAPITAL INVESTMENT						
Ministry Support Services	2,773	2,725	4,725	2,478	2,478	2,478
Investment, Treasury and Risk Management	11,782	11,903	8,403	8,855	8,000	8,000
Financial Sector and Pensions	15,634	18,069	14,569	9,167	2,692	2,102
Corporate Human Resources	10	-	-	-	-	-
Total	30,199	32,697	27,697	20,500	13,170	12,580

The Honourable Joe Ceci
President of Treasury Board and
Minister of Finance
323 Legislature Building
10800 – 97 Avenue
Edmonton, Alberta T5K 2B6

Honourable Minister:

AIRB Business Plan 2016-19

On behalf of the Automobile Insurance Rate Board (AIRB), I am pleased to present you with a copy of the AIRB's Business Plan 2016-19 which was adopted by the Board at its May 27, 2016 meeting. This plan focuses on two significant areas, firstly the Board's continued implementation of the new *Automobile Insurance Premiums Regulation* and second, to ensure consumers have access to sound information as it relates to automobile insurance in Alberta.

The Board's accomplishments related to last year's Business Plan were highlighted in our 2015 Annual Report which was forwarded to your office on February 18, 2016.

As part of Government's "Tools for Accountability", the AIRB is required to submit its Business Plan to the Minister of Finance on an annual basis.

On behalf of the Board, I would like to offer you our continued support in the successful administration of the legislation as it relates to the Board.

If you have any questions, require additional information or would like to meet to discuss further, please contact either myself or our Executive Director, Mr. Del Dyck at 780-415-1126.

Sincerely,

Allan Cleiren, CA, ICD.D
Chair, Automobile Insurance Rate Board

Enclosure

cc: Lorna Rosen
Deputy Minister, Treasury Board and Finance

Nilam Jetha
Superintendent of Insurance

Attachment