WORKPLACE SAFETY & INSURANCE BOARD

FIRST QUARTER 2017 REPORT TO STAKEHOLDERS

wsib
ONTARIO

Management's Responsibility for Financial Reporting

The accompanying unaudited condensed interim consolidated financial statements as at and for the three months ended March 31, 2017 have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting,* using accounting policies consistent with International Financial Reporting Standards ("IFRS").

In this Management's Discussion and Analysis ("MD&A"), "WSIB," or the words "our," "us" or "we" refer to the Workplace Safety and Insurance Board (the "WSIB"). This MD&A is dated March 31, 2017, and all amounts herein are denominated in millions of Canadian dollars, unless otherwise stated.

The following MD&A and accompanying unaudited condensed interim consolidated financial statements, as approved by the Board of Directors of the WSIB, are prepared by management as at and for the three months ended March 31, 2017.

The information in this MD&A includes amounts based on informed judgments and estimates. Forward-looking statements contained in this discussion represent management's expectations, estimates and projections regarding future events based on information currently available, and involve assumptions, inherent risks and uncertainties. Readers are cautioned that actual results may differ materially from projections in cases in which future events and circumstances do not occur as expected.

Thomas Teahen
President and Chief Executive Officer
June 22, 2017
Toronto, Ontario

Pamela Steer
Chief Financial Officer

Management's Discussion and Analysis

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1. Operational Quarter in Review

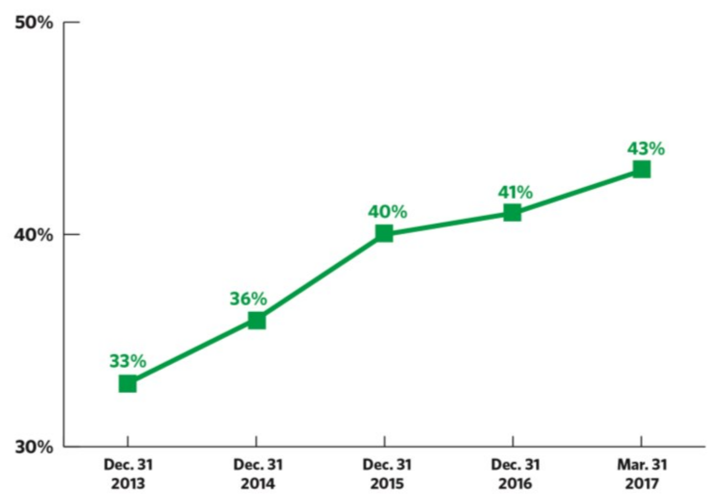
Highlights of our operational performance for the three months ended March 31, 2017 compared to 2016.

Operational highlights for the three months ended March 31, 2017:

Short-term and medium-term durations continue to increase. In the first quarter of 2017, the percentages of both Schedule 1 and 2 claims at the short-term and medium-term durations increased compared to the prior quarter and to the first quarter of 2016. For example, Schedule 1 injured workers who continue to require benefits three months after injury has increased to 11.9% from 11.0% in the first quarter 2016, and 12-month duration has increased to 4.2% from 3.6%. This increasing trend was observed throughout 2016 and is persisting into 2017. After reaching historically low duration results in 2015, the increase was not unexpected. The increase coincides with the introduction of WSIB's integrated new system for administering employer accounts and managing claims, which impacts on virtually every customer-facing role and task throughout the organization.

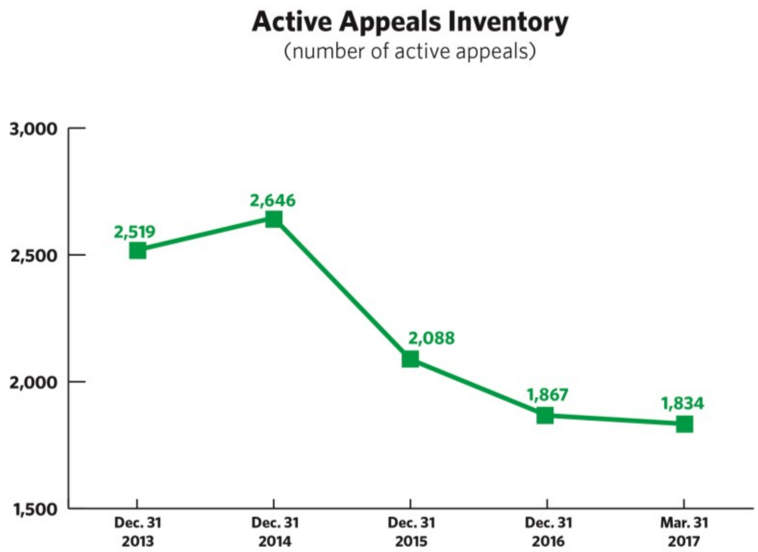
Higher proportion of claims treated through integrated health care programs. The WSIB's integrated health care programs, such as Specialty Clinics and Programs of Care, emphasize specialized medical assessment and treatment services. In the first quarter of 2017, 43% of Schedule 1 claims and 48% of Schedule 2 claims were treated through these programs. These programs help to ensure that the percentage of workers who experience a permanent impairment from their injury or illness remains low. In the first quarter of 2017, 6.0% of Schedule 1 workers experienced a permanent impairment, well below the 6.5% benchmark and below the 6.1% in the first quarter of 2016.

Percentage of Claims in Integrated Health Care Programs
(Schedule 1)



Prompt eligibility decision making. The WSIB made eligibility decisions on 94% of claims within two weeks of the claim registration date, for both Schedule 1 and Schedule 2 claims, in the first quarter of 2017. This is well over the 90% target and slightly higher than the results in the first quarter of 2016 for both groups.

Appeals resolution continues to be timely. In the first quarter of 2017, 88% of appeals were resolved within six months, well above the 85% target and comparable with the 89% in 2016. While the percentage of appeals allowed (18%) was slightly above the target range of 14% to 17%, the percentage of appeals allowed in part (11%) was relatively low. The volume of active appeals has decreased to 1,834 in the first quarter of 2017 from 1,867 in 2016, the lowest level achieved in the past five years.

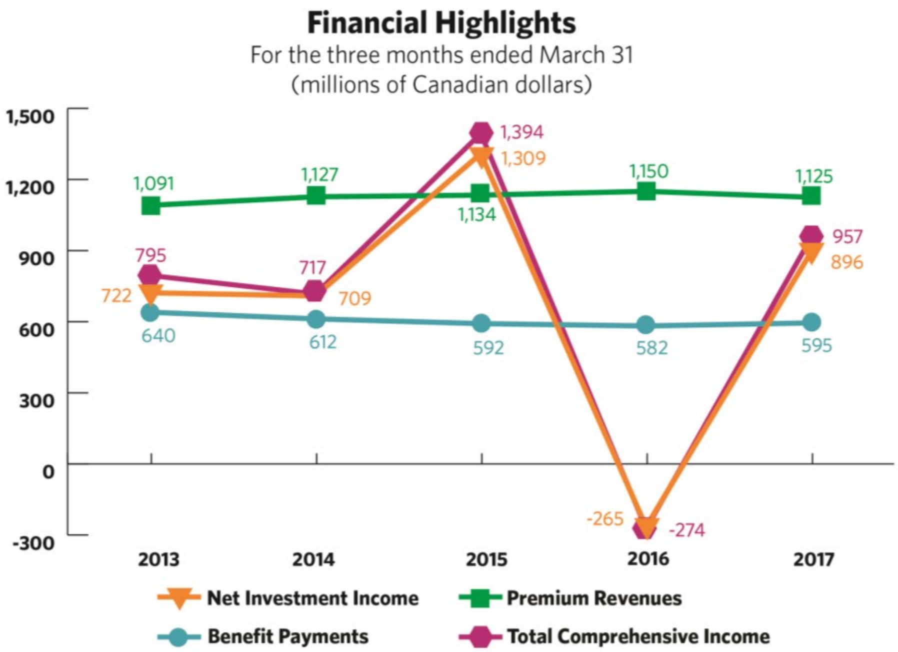


Satisfaction with overall experience maintained. The percentages of injured workers and employers who were satisfied with their overall experience with the WSIB in the first quarter of 2017 remained the same compared to the fourth quarter of 2016. In the first quarter of 2017, 71% of injured workers and 77% of employers reported overall satisfaction. The WSIB will continue to emphasize quality service and service enhancements as we implement our new service excellence strategy in 2017.

2. Financial Highlights

Highlights of our financial performance for the three months ended March 31, 2017 compared to 2016.

The following section should be read in conjunction with the unaudited condensed interim consolidated financial statements of the WSIB as at and for the three months ended March 31, 2017.



Financial highlights for the three months ended March 31, 2017 compared to the three months ended March 31, 2016:

- Total comprehensive income increased by $1,231 million to $957 million in the first quarter of 2017, primarily reflecting a net investment income of $896 million. We generated positive cash flow in our business as our premium revenues exceeded our operating expenses, thereby allowing us to transfer $280 million of cash generated from operating activities to our investment fund in the first quarter of 2017.
- Premium revenues decreased $25 million or 2.2% primarily reflecting a 6.1% reduction in the realized average premium rate, partially offset by a 4.3% increase in insurable earnings driven by strong growth in the construction, education, health care, manufacturing and services industries.
- The WSIB investment portfolio reflected a net investment income of $896 million, representing a positive return of 3.4% in the first quarter of 2017, an increase of $1,161 million compared to the same period in 2016. We caution readers that current investment returns are not a reflection of expected future performance and caution should be exercised in projecting investment income results into the future based on our current results.
- Benefit payments increased $13 million or 2.2% primarily reflecting higher loss of earnings payments.
- Administration and other expenses, before allocation to benefit costs, increased $1 million or 0.5%, reflecting the implementation of new accounts and claims management systems.
- For the three months ended March 31, 2017, other comprehensive loss was $75 million primarily attributed to an average decrease of 20 basis points in the discount rate, partially offset by better than expected returns on pension plan assets.
- Our unfunded liability on a Sufficiency Ratio basis was $3,482 million as at March 31, 2017, a decrease of $522 million or 13.0% since December 31, 2016.

3. Operating Results

A more detailed discussion of our financial performance for the three months ended March 31, 2017 compared to 2016.

The following table sets forth our operating results for the three months ended March 31:

	Three months ended March 31	
(millions of Canadian dollars)	**2017**	**2016**
Revenues		
Premiums	1,169	1,190
Net mandatory employer incentive programs	(44)	(40)
	1,125	1,150
Net investment income (loss)		
Investment income (loss)	941	(231)
Investment expenses	(45)	(34)
	896	(265)
	2,021	**885**
Expenses		
Benefit costs		
Benefit payments	595	582
Claim administration costs	102	102
Change in actuarial valuation of benefit liabilities	110	130
	807	814
Loss of Retirement Income Fund contributions	14	14
Administration and other expenses	101	100
Legislated obligations and funding commitments	67	71
	989	**999**
Excess (deficiency) of revenues over expenses	**1,032**	**(114)**
Other comprehensive loss		
Remeasurements of employee defined benefit plans	75	160
Total comprehensive income (loss)	**957**	**(274)**
Total comprehensive income (loss) attributable to:		
WSIB stakeholders	859	(247)
Non-controlling interests	98	(27)
	957	**(274)**
Other measures		
Core Earnings[1]	246	281
Return on investments[2]	3.4%	(1.0%)
	Mar. 31 2017	**Dec. 31 2016**
Unfunded liability[3,4]	(3,066)	(3,925)
Unfunded liability - Sufficiency Ratio basis[4]	(3,482)	(4,004)
Sufficiency Ratio[4]	89.0%	87.4%

1. Core Earnings is calculated as total comprehensive income (loss), excluding the impacts of net investment income (loss), change in actuarial valuation and any items that are considered as material and exceptional in nature. See Section 9 – Non-IFRS Financial Measure.
2. Return on investments is the investment income (loss), net of transaction costs and withholding taxes, generated over a given period of time as a percentage of capital invested taking into account capital contributions and withdrawals.
3. Unfunded liability represents the deficiency of assets attributable to WSIB stakeholders as at the end of the reporting period. The total net assets of $2 million as at March 31, 2017 (December 31, 2016 – deficiency of $996 million) is allocated between the WSIB stakeholders and the non-controlling interests ("NCI") on the basis of their proportionate interests in the net assets of the WSIB. NCI represent the proportionate interest of the net assets and total comprehensive income of subsidiaries in which the WSIB directly or indirectly owns less than 100% interest. NCI of $3,068 million as at March 31, 2017 (December 31, 2016 – $2,929 million) excludes benefit liabilities since the holders of NCI, the WSIB Employees' Pension Plan and other investors, are not liable for those obligations. The proportionate share of the total deficiency of assets attributable to WSIB stakeholders as at March 31, 2017 was $3,066 million (December 31, 2016 – $3,925 million) which includes benefit liabilities. Refer to the unaudited condensed interim consolidated statements of financial position for further details.
4. Refer to Section 5 – Reconciliation of the Unfunded Liability on a Sufficiency Ratio Basis for further details.

Premiums

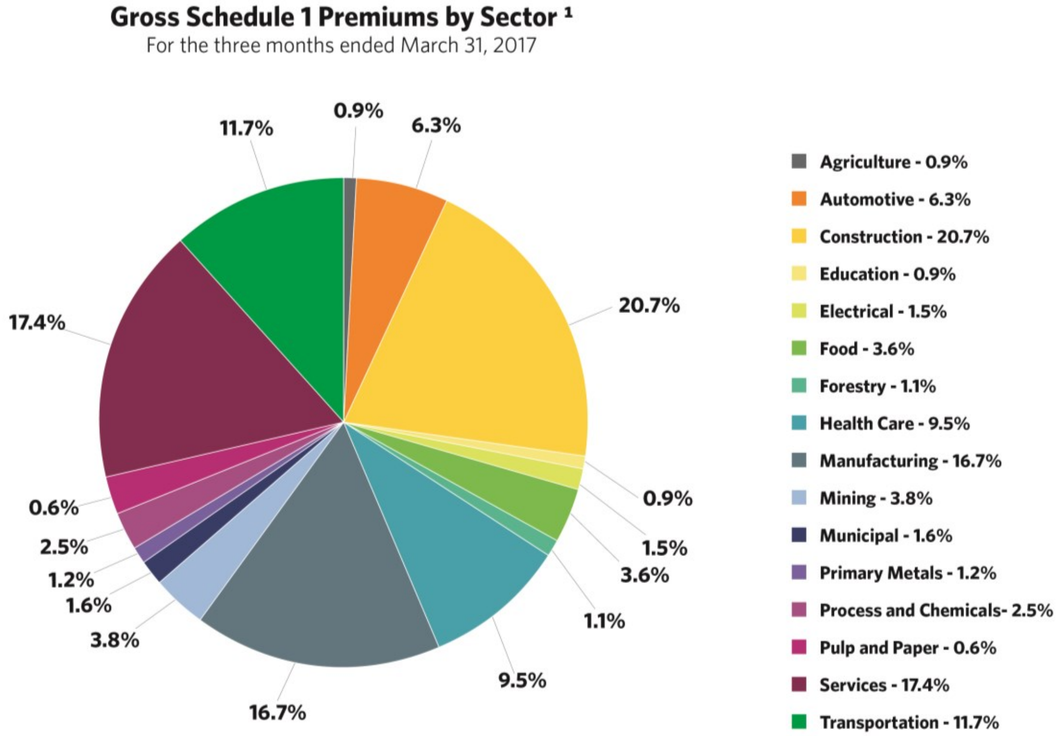
A summary of premiums for the three months ended March 31 is as follows:

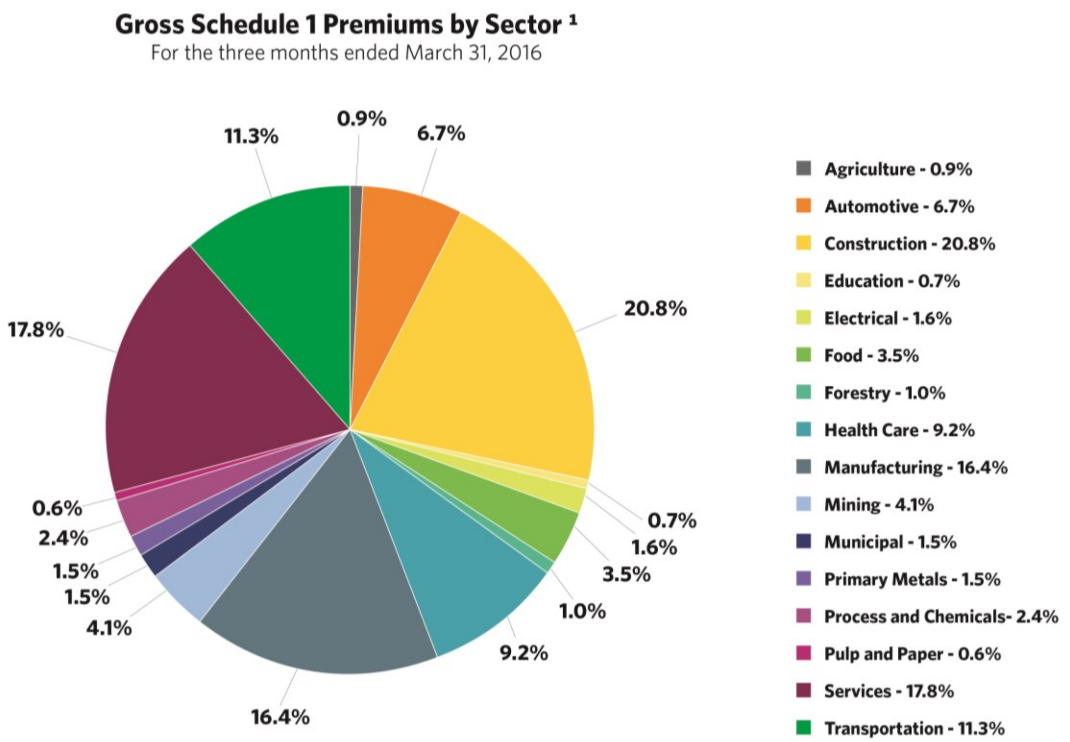
	Three months ended March 31			
			Change	
(millions of Canadian dollars)	**2017**	**2016**	**$**	**%**
Schedule 1 employer premiums				
Gross Schedule 1 premiums	1,132	1,157	(25)	(2.2)
Interest and penalties	14	12	2	16.7
	1,146	1,169	(23)	(2.0)
Schedule 2 employer administration fees	23	21	2	9.5
	1,169	1,190	(21)	(1.8)
Net mandatory employer incentive programs	(44)	(40)	(4)	(10.0)
	1,125	**1,150**	**(25)**	**(2.2)**

For the three months ended March 31, 2017, gross premiums decreased $25 million or 2.2% reflecting a $71 million or 6.1% reduction in the realized average premium rate collected from employers, partially offset by a $46 million or 4.3% increase in insurable earnings driven by strong growth in the construction, education, health care, manufacturing and services industries.

For the three months ended March 31, 2017, net mandatory employer incentive programs increased due to higher refunds available under the retrospective experience-rating programs, principally the New Experimental Experience Rating program (the “NEER”), reflecting favourable claims experience.

The following charts display gross premiums by sector for the three months ended March 31:





1. For employers who have not reported, premiums are estimated and included in “Premiums accrued but not reported” category. This category has been excluded for the purpose of determining the industry sector mix.

Net investment income (loss)

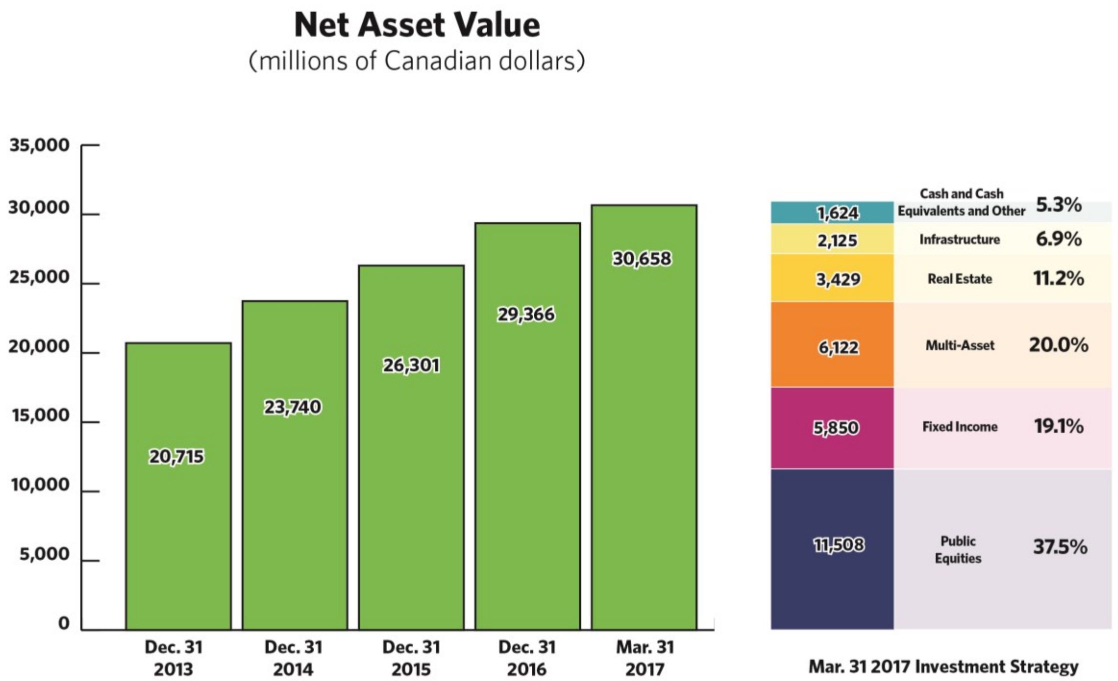
A summary of investment income (loss) for the three months ended March 31 is as follows:

Investment Strategy	Three months ended March 31							
	2017				2016			
(millions of Canadian dollars)	Investment income (loss)	Return %	Net asset value[1]	%	Investment income (loss)	Return %	Net asset value[1]	%
Public equities	614	5.8	11,508	37.5	(333)	(3.7)	9,569	36.3
Fixed income	42	0.8	5,850	19.1	83	1.4	6,447	24.4
Multi-asset	172	2.8	6,122	20.0	(56)	(0.9)	5,028	19.0
Real estate	53	1.9	3,429	11.2	15	0.8	2,241	8.5
Infrastructure	59	3.1	2,125	6.9	59	4.1	1,404	5.3
Cash and cash equivalents	1	-	1,553	5.1	1	-	1,646	6.2
Other	-	-	71	0.2	-	-	71	0.3
	941	**3.4**	**30,658**	**100.0**	**(231)**	**(1.0)**	**26,406**	**100.0**
Investment expenses	(45)				(34)			
Net investment income (loss)	**896**				**(265)**			

1. Total net asset value includes investment cash, investment receivables and payables, and investment derivatives.

For the three months ended March 31, 2017, net investment income increased by $1,161 million over the same period last year, reflecting an overall return of 3.4% or net investment income of $896 million for the first quarter. Portfolio returns in the first quarter were driven primarily by strong returns in public equity and multi-asset strategies.

The following chart displays the net asset value for the years from 2013 to 2016 and the first quarter of 2017:



Benefit costs

Benefit costs consist of: (i) benefit payments to or on behalf of injured workers; (ii) claim administration costs, which represent an estimate of our administration costs necessary to support benefit programs; and (iii) the change in the actuarial valuation of our benefit liabilities, which represents an adjustment to the actuarially determined estimates for future claim costs existing at the dates of the unaudited condensed interim consolidated statements of financial position.

A summary of benefit costs for the three months ended March 31 is as follows:

	Three months ended March 31			
			Change	
(millions of Canadian dollars)	**2017**	**2016**	**$**	**%**
Benefit payments	595	582	13	2.2
Claim administration costs	102	102	-	-
Change in actuarial valuation of benefit liabilities	110	130	(20)	(15.4)
Total benefit costs	**807**	**814**	**(7)**	**(0.9)**

Benefit payments

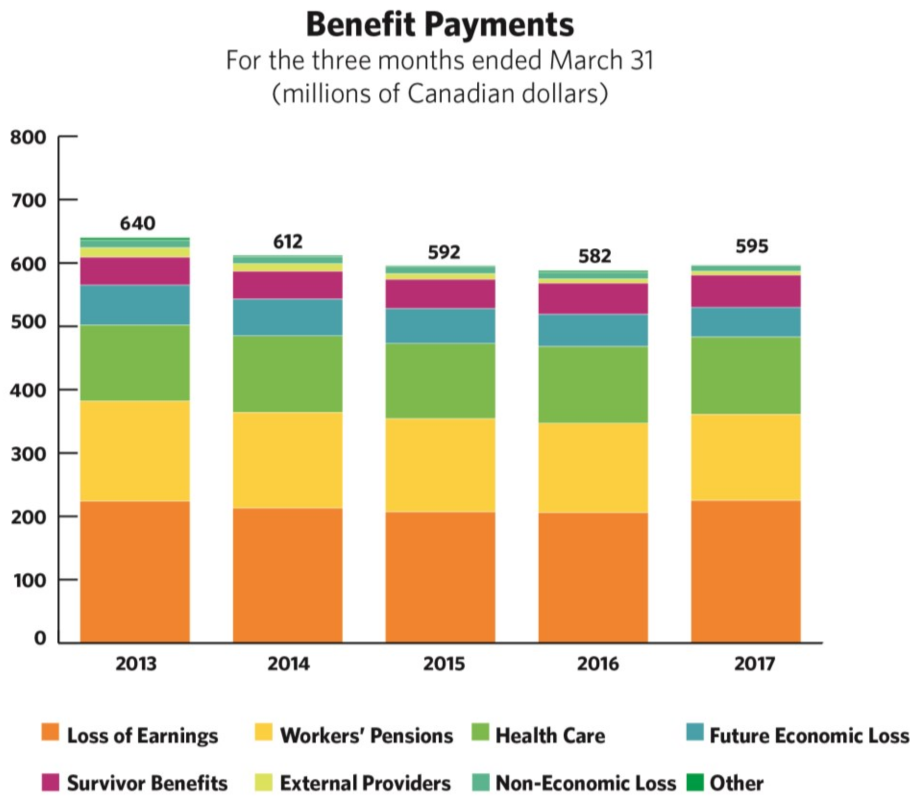
Benefit payments represent cash paid during the three months ended March 31 to or on behalf of injured workers. Benefit payments are comprised of the following:

	Three months ended March 31			
			Change	
(millions of Canadian dollars)	**2017**	**2016**	**$**	**%**
Loss of earnings	225	206	19	9.2
Workers' pensions	136	141	(5)	(3.5)
Health care	122	121	1	0.8
Future economic loss	47	51	(4)	(7.8)
Survivor benefits	51	49	2	4.1
External providers	6	7	(1)	(14.3)
Non-economic loss	9	10	(1)	(10.0)
Other	(1)	(3)	2	66.7
Total benefit payments	**595**	**582**	**13**	**2.2**

A summary of the significant changes in benefit payments for the three months ended March 31, 2017 is as follows:

- Loss of earnings benefits increased primarily due to higher durations for current injury year claims as well as higher costs per claim for prior injury year claims due to indexation.
- Workers' pensions decreased reflecting the natural reduction of claims due to mortality.
- Future economic loss benefits decreased reflecting the natural reduction in the number of claimants reaching age 65, the age at which these benefits cease. This program has been discontinued.

The following chart displays benefit payments for the three months ended March 31:



Claim administration costs

Claim administration costs reflect the portions of administration and other expenses and legislated obligations and funding commitments expenses allocated to benefit costs. A summary of claim administration costs for the three months ended March 31 is as follows:

	Three months ended March 31			
			Change	
(millions of Canadian dollars)	**2017**	**2016**	**$**	**%**
Allocation from administration and other expenses	97	97	-	-
Allocation from legislated obligations and funding commitments expenses	5	5	-	-
Total claim administration costs	**102**	**102**	**-**	**-**

Change in actuarial valuation of benefit liabilities

	Three months ended March 31	
(millions of Canadian dollars)	**2017**	**2016**
Change in actuarial valuation of benefit liabilities	110	130

For the three months ended March 31, 2017, the change in actuarial valuation of benefit liabilities is detailed as follows:

(millions of Canadian dollars)	
Benefit liabilities as at December 31, 2016	**27,920**
Payments made in 2017 for prior injury years	(660)
Interest accretion[1]	310
Liabilities incurred for the 2017 injury year	449
Experience losses	11
Benefit liabilities as at March 31, 2017	**28,030**
Change in actuarial valuation of benefit liabilities	**110**

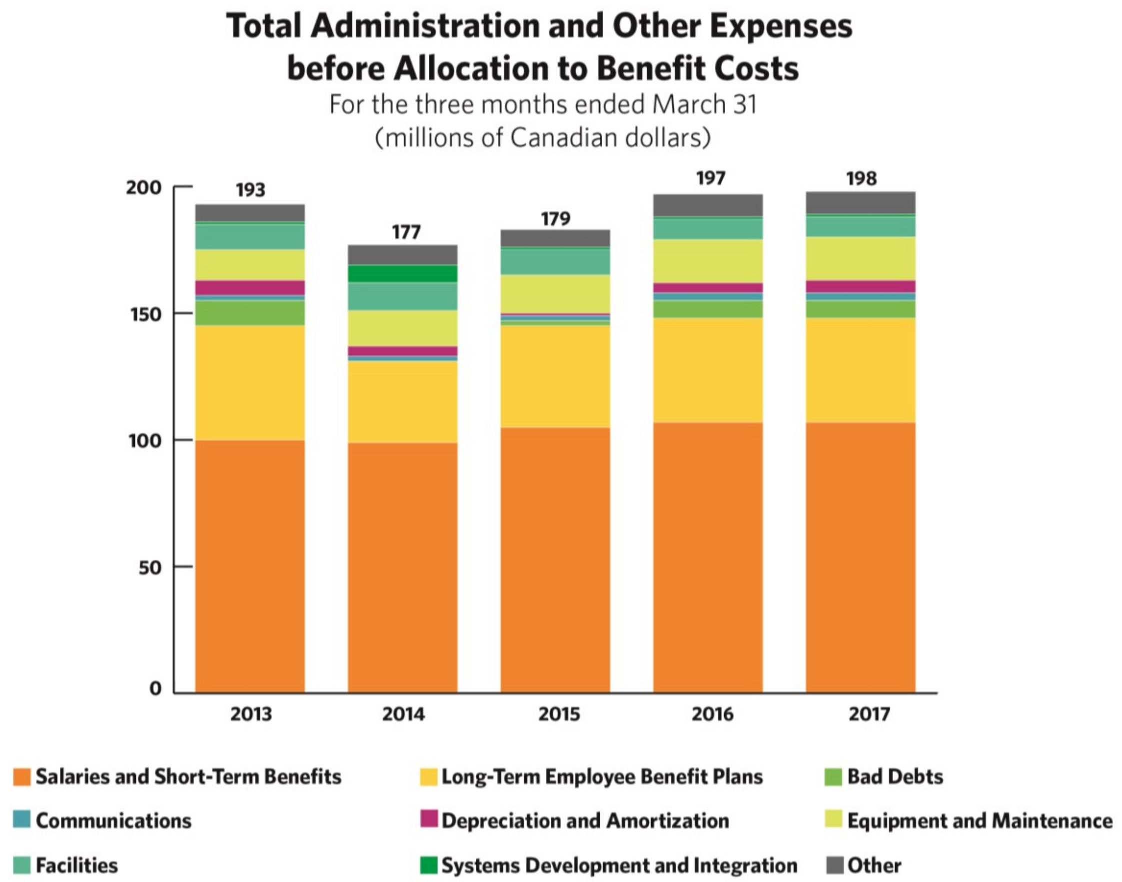
1. Accretion represents the estimated interest cost of the benefit liabilities, considering the discount rate, benefit liabilities at the beginning of the period and payments made during the period.

Administration and other expenses

	Three months ended March 31			
			Change	
(millions of Canadian dollars)	**2017**	**2016**	**$**	**%**
Salaries and short-term benefits	107	107	-	-
Long-term employee benefit plans	41	41	-	-
Bad debts	7	7	-	-
Communications	3	3	-	-
Depreciation and amortization	5	4	1	25.0
Equipment and maintenance	17	17	-	-
Facilities	8	8	-	-
Systems development and integration	1	1	-	-
Other	9	9	-	-
	198	197	1	0.5
Claim administration costs allocated to benefit costs	(97)	(97)	-	-
Total administration and other expenses	**101**	**100**	**1**	**1.0**

For the three months ended March 31, 2017, administration and other expenses, before allocation to benefit costs, increased by $1 million or 0.5%, primarily reflecting an increase in depreciation and amortization expenses related to the implementation of new accounts and claims management systems.

The following chart displays the administration and other expenses, before allocation to benefit costs, for the three months ended March 31:



Legislated obligations and funding commitments expenses

	Three months ended March 31			
			Change	
(millions of Canadian dollars)	2017	2016	$	%
Legislated obligations				
Occupational Health and Safety Act	25	25	-	-
Ministry of Labour Prevention Costs	27	28	(1)	(3.6)
	52	53	(1)	(1.9)
Workplace Safety and Insurance Appeals Tribunal	5	5	-	-
Workplace Safety and Insurance Advisory Program	5	5	-	-
Total legislated obligations	**62**	**63**	**(1)**	**(1.6)**
Funding commitments				
Safety program rebates	10	13	(3)	(23.1)
Total funding commitments	**10**	**13**	**(3)**	**(23.1)**
	72	**76**	**(4)**	**(5.3)**
Claim administration costs allocated to benefit costs	(5)	(5)	-	-
Total legislated obligations and funding commitments	**67**	**71**	**(4)**	**(5.6)**

For the three months ended March 31, 2017, legislated obligations and funding commitments expenses, before allocation to benefit costs, decreased $4 million or 5.3%, primarily reflecting lower safety program rebates as a result of a decrease in participation in the program, partially offset by expansion of the Small Business Health and Safety Programs partnership model starting in 2017.

4. Financial Condition

A discussion of the significant changes in our March 31, 2017 unaudited condensed interim consolidated statements of financial position.

Changes in our unaudited condensed interim consolidated statements of financial position are as follows:

(millions of Canadian dollars)	Mar. 31 2017	Dec. 31 2016	Change $	Change %	Commentary
Assets					
Cash and cash equivalents	1,840	2,496	(656)	(26.3)	Decrease primarily reflects a new funding made to investments of retail and office properties.
Receivables	1,732	1,644	88	5.4	Increase reflects higher investment receivables and surcharges on employer incentive programs, offset by lower premium receivables.
Public equity securities	11,971	11,382	589	5.2	Increases reflect strong performance of these assets and cash contribution from operating activities in the first quarter of 2017.
Bonds	6,457	6,793	(336)	(4.9)	
Derivative assets	144	72	72	100.0	
Other invested assets	10,017	8,788	1,229	14.0	
Property, equipment and intangible assets	313	316	(3)	(0.9)	No significant changes.
Liabilities					
Payables and accruals	1,038	1,112	(74)	(6.7)	Decrease reflects lower refunds on employer incentive programs, offset by higher investment payables.
Derivative liabilities	62	243	(181)	(74.5)	Decrease primarily reflects changes in our currency and futures positions within our investment portfolio.
Long-term debt	131	132	(1)	(0.8)	No significant changes.
Loss of Retirement Income Fund liability	1,833	1,790	43	2.4	Increase reflects investment income partially offset by disbursements in excess of contributions.
Employee benefit plans liability	1,378	1,290	88	6.8	Increase reflects a reduction in the interest rate used for valuation.
Benefit liabilities	28,030	27,920	110	0.4	No significant changes.
Unfunded liability	(3,066)	(3,925)	859	21.9	Changes reflect total comprehensive income attributable to WSIB stakeholders.
Unfunded liability - Sufficiency Ratio basis	(3,482)	(4,004)	522	13.0	Strengthening due to continued strong operating results.
Sufficiency Ratio	89.0%	87.4%		1.6	

5. Reconciliation of the Unfunded Liability on a Sufficiency Ratio Basis

An explanation and discussion about the changes to the March 31, 2017 unfunded liability on a Sufficiency Ratio basis.

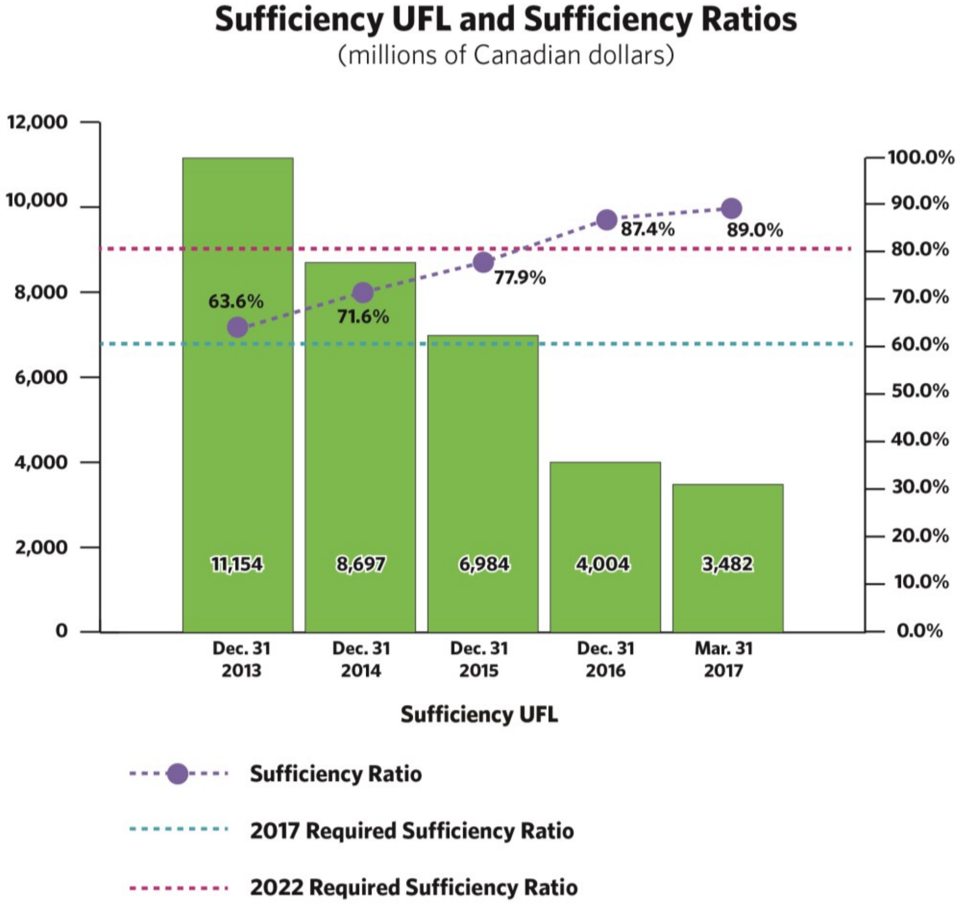
The Sufficiency Ratio is calculated by comparing total assets to total liabilities, with certain assets and liabilities measured on a different basis than that required under IFRS. For the purpose of the Sufficiency Ratio calculation, the amounts of total assets, as presented on the unaudited condensed interim consolidated statements of financial position, are adjusted to reflect measurement on a going concern basis.

The investment portfolio is valued at fair value adjusted by investment gains and losses deviating from the net investment return objective, less the interests in those assets held by third parties (non-controlling interests). These gains or losses are amortized over a five-year period, thereby moderating the effect of market volatility. The values of the obligations of the Employee Benefit Plans are determined through an actuarial valuation using the going concern basis, rather than the market basis.

As at March 31, 2017, the Sufficiency Ratio, as defined in *Ontario Regulation 141/12* and amended by *Ontario Regulation 338/13* (collectively, the "Ontario Regulations"), was 89.0% (December 31, 2016 – 87.4%). Set forth below is the reconciliation of the unfunded liability ("UFL") between the IFRS and Sufficiency Ratio basis:

(millions of Canadian dollars)	**March 31 2017**	**December 31 2016**
UFL attributable to WSIB stakeholders on an IFRS basis	**3,066**	**3,925**
Add/(Less): Adjustments per Ontario Regulations:		
Change in valuation of investment portfolio	1,261	779
Change in valuation of employee benefit plans liability	(732)	(626)
Change in valuation of investment portfolio attributable to non-controlling interests	(113)	(74)
UFL attributable to WSIB stakeholders on a Sufficiency Ratio basis	**3,482**	**4,004**
Sufficiency Ratio	**89.0%**	**87.4%**

The following chart displays the Sufficiency UFL and Sufficiency Ratios for the years from 2013 to 2016 and the first quarter of 2017:



6. Summary of Quarterly Results

A summary view of our quarterly financial performance.

Selected financial information for the eight consecutive quarters ended March 31, 2017 is as follows:

	2017	2016				2015		
(millions of Canadian dollars)	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**
Net premiums	1,125	1,202	1,236	1,274	1,150	1,177	1,171	1,202
Net investment income (loss)	896	251	958	553	(265)	726	(528)	(308)
Benefit costs								
Benefit payments	595	518	566	586	582	591	574	575
Claim administration costs	102	102	100	101	102	102	99	98
Change in actuarial valuation of benefit liabilities	110	(7)	(5)	(28)	130	1,040	(65)	(7)
	807	613	661	659	814	1,733	608	666
Loss of Retirement Income Fund contributions	14	14	14	14	14	13	15	14
Administration and other expenses	101	121	109	101	100	120	87	115
Legislated obligations and funding commitments	67	54	54	65	71	61	62	66
Excess (deficiency) of revenues over expenses	**1,032**	**651**	**1,356**	**988**	**(114)**	**(24)**	**(129)**	**33**
Remeasurements of employee defined benefit plans (Other comprehensive income (loss))	(75)	474	(44)	(305)	(160)	(39)	15	193
Total comprehensive income (loss)	**957**	**1,125**	**1,312**	**683**	**(274)**	**(63)**	**(114)**	**226**
Total comprehensive income (loss) attributable to WSIB stakeholders	**859**	**1,098**	**1,203**	**620**	**(247)**	**(148)**	**(57)**	**258**
Other measures								
Core Earnings[1]	246	393	393	407	281	290	334	334
Return on investments (%)[2]	3.4	1.1	3.8	2.3	(1.0)	3.2	(2.1)	(1.2)
Unfunded liability[3,4]	3,066	3,925	5,023	6,226	6,846	6,599	6,451	6,394
Unfunded liability – Sufficiency Ratio basis[4]	3,482	4,004	4,799	5,633	6,420	6,984	6,584	7,331

Our quarterly revenues and expenses are impacted by a number of trends and recurring factors such as seasonality as well as general economic and market conditions. Our premium revenues are also impacted by insurable earnings, which rise and fall with the employment levels in the industries we insure. The increase in net investment income in the first quarter of 2017 was driven primarily by strong returns in public equity and multi-asset strategies.

1. Core Earnings is calculated as total comprehensive income (loss), excluding the impacts of net investment income (loss), changes in actuarial valuations and any items that are considered as material and exceptional in nature. See Section 9 – Non-IFRS Financial Measure.
2. Return on investments is the investment income (loss), net of transaction costs and withholding taxes, generated over a given period of time as a percentage of the capital invested, taking into account capital contributions and withdrawals.
3. Unfunded liability represents the deficiency of assets attributable to WSIB stakeholders as at the end of the reporting period. The total net assets of $2 million as at March 31, 2017 (December 31, 2016 – deficiency of $996 million) is allocated between the WSIB stakeholders and the non-controlling interests ("NCI") on the basis of their proportionate interests in the net assets of the WSIB. NCI represent the proportionate interest of the net assets and total comprehensive income of subsidiaries in which the WSIB directly or indirectly owns less than 100% interest. NCI of $3,068 million as at March 31, 2017 (December 31, 2016 – $2,929 million) excludes benefit liabilities since the holders of NCI, the WSIB Employees' Pension Plan and other investors, are not liable for those obligations. The proportionate share of the total deficiency of assets attributable to WSIB stakeholders as at March 31, 2017 was $3,066 million (December 31, 2016 – $3,925 million) which includes benefit liabilities. Refer to the unaudited condensed interim consolidated statements of financial position for further details.
4. Refer to Section 5 – Reconciliation of the Unfunded Liability on a Sufficiency Ratio Basis for further details.

7. Outlook for the Year Ending December 31, 2017

The outlook for our business for the year ending December 31, 2017.

Original 2017 Expectation	Current 2017 Outlook
Premiums. Anticipated to decrease reflecting a 6.2% reduction in the average premium rate, partially offset by an assumed 1.2% increase in employment growth and a 1.3% increase in average wages and $4 million of lower net mandatory employer incentive programs expense. While average premium rates in 2017 are anticipated to decrease from 2016, employers continue to contribute towards retiring the unfunded liability.	*Premiums.* Aligned to original expectation.
Net investment income. Planned at a 4.75% net return on investments, consistent with our long-term investment return objective within an expected range of 3.5% to 6.5%. We will continue to implement our Strategic Investment Plan in a way that permits us to take advantage of investment opportunities without exposing us to a higher level of volatility and corresponding investment risk.	*Net investment income*. Aligned to original expectation.
Benefit payments. Anticipated to be $2.4 billion in 2017, 6.7% higher than in 2016.	*Benefit payments.* Aligned to original expectation.
Administration and other expenses. Anticipated to increase in 2017 reflecting increases to the pension liability, increases for information technology costs and higher new systems development and integration expenses as a result of our transformational efforts.	*Administration and other expenses.* Anticipating lower expenses than original expectation reflecting revaluation of long-term benefits expense.
Legislated obligations. Anticipated to increase reflecting higher safety program rebates.	*Legislated obligations*. Aligned to original expectation.
Unfunded liability. Anticipated the unfunded liability will continue to decrease, based on current funding and benefit levels and employer contributions toward retiring this liability, as measured under current accounting and actuarial standards.	*Unfunded liability.* Aligned to original expectation.
Core Earnings. Although Core Earnings will decrease as a result of the reduction in the average premium rate, we anticipate continued contribution towards retiring the unfunded liability.	*Core Earnings.* Aligned to original expectation.

8. Internal Control over Financial Reporting

A statement of responsibilities regarding internal control over financial reporting.

Management is responsible for the accuracy, integrity and objectivity of the unaudited condensed interim consolidated financial statements within reasonable limits of materiality. The WSIB's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited condensed interim consolidated financial statements for external purposes in accordance with IFRS. Management is also responsible for the preparation and presentation of additional financial information included in the annual report and ensuring its consistency with the unaudited condensed interim consolidated financial statements.

9. Non-IFRS Financial Measure

A definition of our non-IFRS financial measure.

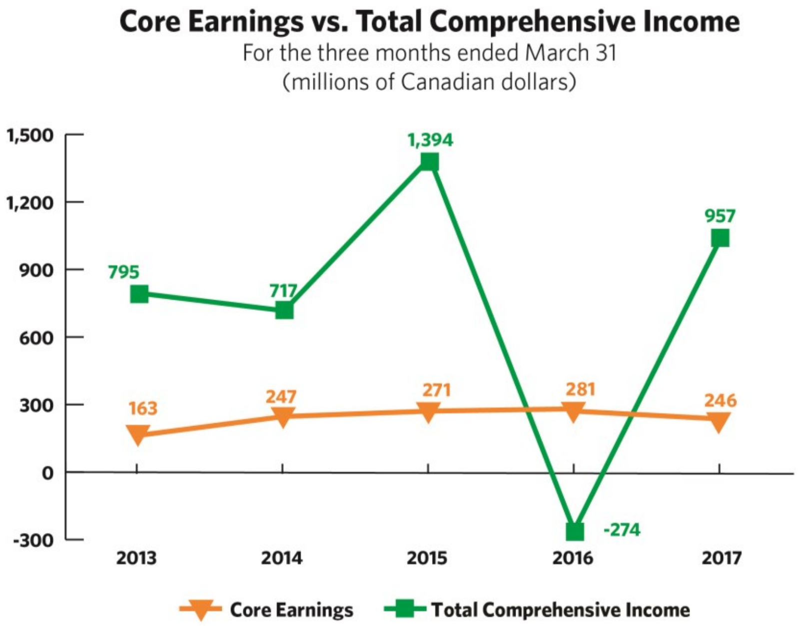
Core Earnings

The WSIB utilizes "Core Earnings," a non-IFRS financial measure, to help stakeholders better understand our underlying operating performance. This measure is relevant to our operations management and offers a consistent methodology in evaluating our underlying performance. Core Earnings is defined as total comprehensive income, excluding the impacts of net investment income, changes in actuarial valuations and any items that are considered as material and exceptional in nature. This measure does not have any standard meaning prescribed by IFRS and is not necessarily comparable to similarly titled measures of other organizations.

Set forth below is the reconciliation of Core Earnings and total comprehensive income (loss), the most directly comparable financial measure calculated and presented consistent with IFRS:

	Three months ended March 31	
(millions of Canadian dollars)	**2017**	**2016**
Total comprehensive income (loss) for the period	**957**	**(274)**
Add/(Less): Net investment loss (income)	(896)	265
Add/(Less): Change in actuarial valuation of benefit liabilities	110	130
Add/(Less): Change in actuarial valuation of employee benefit plans	75	160
Core Earnings	**246**	**281**

The following chart displays Core Earnings measurement versus the IFRS measurement for the three months ended March 31:



10. Forward-Looking Statements

Caution regarding forward-looking statements.

This MD&A contains “forward-looking statements,” within the meaning of applicable Canadian securities laws. Forward-looking statements can be identified by the use of words such as “anticipates,” or “believes,” “budget,” “estimates,” “expects,” or “is expected,” “forecasts,” “intends,” “plans,” “scheduled,” or variations of such words and phrases or state that certain actions, events or results “could,” “may,” “might,” “will,” or “would,” be taken, occur or be achieved. These forward-looking statements are based on current expectations, various assumptions and analyses, expected future developments and other factors we believe are appropriate in the circumstances. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in our forward-looking statements.

We believe that the expectations represented by our forward-looking statements are reasonable, yet there can be no assurance that such expectations will prove to be correct. The purpose of the forward-looking statements is to provide the reader with a description of management’s expectations regarding our anticipated financial performance and may not be appropriate for other purposes. Furthermore, unless otherwise stated, the forward-looking statements contained in this report are made as of the date of this report and we do not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable legislation or regulation.

Condensed Interim Consolidated Statements of Financial Position
Unaudited (millions of Canadian dollars)

	Note	March 31 2017	December 31 2016
Assets			
Cash and cash equivalents	4	1,840	2,496
Receivables	3	1,732	1,644
Public equity securities	4	11,971	11,382
Bonds	4	6,457	6,793
Derivative assets	4	144	72
Other invested assets	4	10,017	8,788
Property, equipment and intangible assets		313	316
Total assets		**32,474**	**31,491**
Liabilities			
Payables and accruals		1,038	1,112
Derivative liabilities	4	62	243
Long-term debt		131	132
Loss of Retirement Income Fund liability		1,833	1,790
Employee benefit plans liability	5	1,378	1,290
Benefit liabilities	6	28,030	27,920
Total liabilities		**32,472**	**32,487**
Net (deficiency of) assets			
Unfunded liability attributable to WSIB stakeholders		(3,066)	(3,925)
Non-controlling interests		3,068	2,929
Total net (deficiency of) assets		**2**	**(996)**
Total liabilities and net (deficiency of) assets		**32,474**	**31,491**

Commitments and contingent liabilities (note 7)

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

Condensed Interim Consolidated Statements of Comprehensive Income
Unaudited (millions of Canadian dollars)

		Three months ended March 31	
	Note	**2017**	**2016**
Revenues			
Premiums		1,169	1,190
Net mandatory employer incentive programs		(44)	(40)
		1,125	1,150
Net investment income (loss)			
Investment income (loss)	4	941	(231)
Investment expenses	4	(45)	(34)
Total net investment income (loss)		896	(265)
Total revenues		**2,021**	**885**
Expenses			
Benefit costs			
Benefit payments		595	582
Claim administration costs		102	102
Change in actuarial valuation of benefit liabilities		110	130
		807	814
Loss of Retirement Income Fund contributions		14	14
Administration and other expenses		101	100
Legislated obligations and funding commitments		67	71
Total expenses		**989**	**999**
Excess (deficiency) of revenues over expenses		**1,032**	**(114)**
Other comprehensive loss			
Remeasurements of employee defined benefit plans	5	75	160
Total comprehensive income (loss)		**957**	**(274)**

	Three months ended March 31	
	2017	**2016**
Excess (deficiency) of revenues over expenses attributable to:		
WSIB stakeholders	934	(87)
Non-controlling interests	98	(27)
	1,032	**(114)**
Total comprehensive income (loss) attributable to:		
WSIB stakeholders	859	(247)
Non-controlling interests	98	(27)
	957	**(274)**

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

Condensed Interim Consolidated Statements of Changes in Net (Deficiency of) Assets
Unaudited (millions of Canadian dollars)

	Note	Unfunded liability attributable to WSIB stakeholders	Non-controlling interests	Total
Balance as at December 31, 2015		(6,599)	2,802	(3,797)
Deficiency of revenues over expenses		(87)	(27)	(114)
Remeasurements of employee defined benefit plans	5	(160)	-	(160)
Change in ownership share in investments		-	(13)	(13)
Balance as at March 31, 2016		(6,846)	2,762	(4,084)
Excess of revenues over expenses		2,796	199	2,995
Remeasurements of employee defined benefit plans		125	-	125
Change in ownership share in investments		-	(32)	(32)
Balance as at December 31, 2016		(3,925)	2,929	(996)
Excess of revenues over expenses		934	98	1,032
Remeasurements of employee defined benefit plans	5	(75)	-	(75)
Change in ownership share in investments		-	41	41
Balance as at March 31, 2017		**(3,066)**	**3,068**	**2**

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

Condensed Interim Consolidated Statements of Cash Flows
Unaudited (millions of Canadian dollars)

	Note	Three months ended March 31 2017	2016
Operating activities:			
Total comprehensive income (loss)		957	(274)
Adjustments:			
Amortization of net premium on investments		(1)	-
Depreciation and amortization of property, equipment and intangible assets		6	4
Changes in fair value of investments		(819)	403
Changes in fair value of investment properties		4	10
Dividend income from public equity securities		(98)	(81)
Income from joint ventures		(23)	(18)
Interest income		(40)	(56)
Interest expense		2	2
Total comprehensive loss after adjustments		(12)	(10)
Changes in non-cash balances related to operations:			
Receivables, excluding those related to investing activities		41	(1)
Payables and accruals, excluding those related to investing and financing activities		(96)	(89)
Loss of Retirement Income Fund liability		43	(21)
Employee benefit plans liability		88	170
Benefit liabilities		110	130
Total changes in non-cash balances related to operations		186	189
Net cash provided by operating activities		**174**	**179**
Investing activities:			
Dividends received from public equity securities and joint ventures		95	79
Interest received		56	32
Purchases of property, equipment and intangible assets		(3)	(8)
Purchases of investments		(4,709)	(3,015)
Proceeds on sales and maturities of investments		4,644	3,106
Net additions to investment properties		(6)	(6)
Acquisitions of joint arrangements	7	(946)	(1)
Net cash provided (required) by investing activities		**(869)**	**187**
Financing activities:			
Proceeds on dispositions of non-controlling interests		59	1
Distributions paid by subsidiaries to non-controlling interests		(18)	(14)
Net issuance of debt		-	1
Interest paid on debt		(2)	(2)
Net cash provided (required) by financing activities		**39**	**(14)**
Net increase (decrease) in cash and cash equivalents		**(656)**	**352**
Cash and cash equivalents, beginning of period		2,496	1,581
Cash and cash equivalents, end of period		**1,840**	**1,933**

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

Notes to Condensed Interim Consolidated Financial Statements
March 31, 2017
Unaudited

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Notes to Condensed Interim Consolidated Financial Statements
March 31, 2017
Unaudited (millions of Canadian dollars)

1. Nature of Operations

The Workplace Safety and Insurance Board (the "WSIB") is a statutory corporation created by an Act of the Ontario Legislature in 1914 and domiciled in the Province of Ontario (the "Province"). As a board-governed trust agency, in accordance with the Agency and Appointments Directive, the WSIB is responsible for administering the *Workplace Safety and Insurance Act, 1997* (Ontario) (the "WSIA"), which establishes a no-fault insurance scheme that provides benefits to workers who experience workplace injuries or illnesses.

The WSIB promotes workplace health and safety in the Province and provides a workplace compensation system for Ontario based employers and workers. The WSIB is funded entirely by employer premiums and does not receive any government funding or assistance. Revenues are also earned from a diversified investment portfolio held to meet future obligations on existing claims.

The WSIB's registered office is located at 200 Front Street West, Toronto, Ontario, M5V 3J1.

2. Statement of Compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards ("IFRS").

These unaudited condensed interim consolidated financial statements should be read in conjunction with the annual information available in the fourth quarter unaudited condensed interim consolidated financial statements and the accompanying notes for the period ended December 31, 2016. These unaudited condensed interim consolidated financial statements have been prepared on a basis consistent with the policies outlined in the notes to the fourth quarter unaudited condensed interim consolidated financial statements for the period ended December 31, 2016.

These unaudited condensed interim consolidated financial statements were authorized for issuance by the WSIB's Board of Directors on June 22, 2017.

3. Receivables

Receivables are comprised of the following:

	March 31 2017	**December 31 2016**
Premiums receivable	213	264
Less: Allowance for doubtful accounts	(107)	(111)
	106	153
Accrued premiums receivable	478	539
	584	692
Employer incentive programs surcharges	450	387
Other assets	62	58
	1,096	1,137
Investment receivables	636	507
Total receivables	**1,732**	**1,644**

Premiums receivable primarily relates to Schedule 1 employer premiums which are assessed and are receivable when employers report their insurable earnings for the current year. For employers who have not reported, premiums are estimated and included in the accrued premiums receivable.

Notes to Condensed Interim Consolidated Financial Statements
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Employer incentive programs surcharges represent premium increases for Schedule 1 employers based on claims experience.

4. Invested Assets and Net Investment Income (Loss)

(a) Invested assets

The following provides a summary of the nature of the invested assets by investment strategy:

	Public equities	Fixed income	Multi-asset	Real estate	Infra-structure	Other	Mar. 31 2017[2]	Dec. 31 2016
Public equity securities	**11,483**	**-**	**488**	**-**	**-**	**-**	**11,971**	**11,382**
Bonds	**-**	**5,805**	**652**	**-**	**-**	**-**	**6,457**	**6,793**
Derivative assets	**14**	**-**	**115**	**3**	**12**	**-**	**144**	**72**
Alternative investments[1]	-	-	4,407	707	1,976	71	7,161	6,892
Investment properties	-	-	-	1,317	-	-	1,317	1,315
Investments in joint ventures	-	-	-	1,402	137	-	1,539	581
Other invested assets	**-**	**-**	**4,407**	**3,426**	**2,113**	**71**	**10,017**	**8,788**

1. Alternative investments include investment funds, private market investments and real estate entities.
2. Assets attributable to the Loss of Retirement Income Fund are included within the WSIB's investment portfolio. See note 4(b) for income attributable to the Loss of Retirement Income Fund.

(b) Net investment income (loss)

Net investment income (loss) by nature of invested assets, including income from cash and cash equivalents and derivatives, for the three months ended March 31 is as follows:

	Three months ended March 31	
	2017	**2016**
Public equity securities	675	(468)
Bonds	57	62
Alternative investments	151	(405)
Investment properties	10	5
Income from joint ventures	23	18
Derivatives	74	542
Cash and cash equivalents	1	1
Less: Loss (income) attributable to Loss of Retirement Income Fund	(50)	14
Investment income (loss)	**941**	**(231)**
Less: Investment expenses[1]	(45)	(34)
Net investment income (loss)	**896**	**(265)**

1. Includes $34 of management and performance fees paid to investment managers for the three months ended March 31, 2017 (2016 - $24).

Notes to Condensed Interim Consolidated Financial Statements
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Net investment income (loss), including income from cash and cash equivalents and derivatives, for the three months ended March 31, is comprised of the following:

	Three months ended March 31	
	2017	**2016**
Net gains (losses) on financial instruments	819	(403)
Interest and dividend income	139	135
Income from investment properties	10	5
Income from joint ventures	23	18
Less: Loss (income) attributable to Loss of Retirement Income Fund	(50)	14
Investment income (loss)	**941**	**(231)**
Less: Investment expenses	(45)	(34)
Net investment income (loss)	**896**	**(265)**

(c) Acquisition of Vancouver properties

On February 1, 2017, the WSIB and a third party jointly purchased a 50% interest in a portfolio of retail and office properties in downtown Vancouver (the "Vancouver properties") for $953. The joint arrangement to hold the 50% interest of Vancouver properties is conducted through separate vehicles. WSIB effectively has a 25% economic interest in the Vancouver properties, which is accounted for using the equity method of accounting and is held for investment purposes to earn rental income and capital appreciation.

The following tables provide summaries of the WSIB's share of net assets and net income of the Vancouver properties:

	March 31 2017
Total assets	1,933
Total liabilities	(29)
Net assets	**1,904**
WSIB's share of net assets	**952**

	March 31 2017
Revenues	21
Expenses	(7)
Gains from increases in fair value	-
Net income	**14**
WSIB's share of net income	**7**

Notes to Condensed Interim Consolidated Financial Statements
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(d) Fair value measurement and disclosures

The table below provides a general description of the valuation methods used for fair value measurements.

Hierarchy level	Valuation methods
Level 1	Fair value is measured as the closing bid price for identical assets in an active public market at the reporting date.
Level 2	Where bid prices in an active public market are not available, observable inputs are used to estimate fair value using a market approach or an income approach. When using a market approach, fair value is estimated by adjusting the market price of a similar asset or liability, using inputs such as quoted interest or currency rates. Estimated fair value using an income approach is based on fixed future cash flows discounted using market interest rates for similar assets or liabilities.
Level 3	Fair value is measured using significant non-market observable inputs. The fair values of investment funds are determined based on net asset values provided by investment managers. The fair values of private market investments are obtained from independent third parties who develop the quantitative unobservable inputs to the valuations. Private market investments primarily consist of investments in the infrastructure sector. Fair values of real estate entities and investment properties are estimated based on valuations performed by qualified third party appraisers. The valuations of the investment properties are primarily based on discounted expected future cash flows of each property, using discount and terminal capitalization rates reflective of the characteristics, location and market of the property. The future cash flows are based on, among other things, rental income from current leases and assumptions about rental income from future leases reflecting current conditions, less future cash outflows relating to such current and future leases.

Measurements of the fair value of an asset or liability may use multiple inputs that are categorized in different levels of the fair value hierarchy. In these cases, the asset or liability is classified in the hierarchy level of the lowest level input that is significant to the measurement.

Transfers between levels within the hierarchy are recognized at the end of the reporting period.

During the three months ended March 31, 2017 and March 31, 2016, there were no transfers between Level 1, Level 2 and Level 3.

Notes to Condensed Interim Consolidated Financial Statements
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The following table provides the fair value hierarchy classifications for assets and liabilities:

	March 31, 2017				December 31, 2016			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets and liabilities measured at fair value								
Cash and cash equivalents[1]	654	1,186	-	1,840	552	1,944	-	2,496
Public equity securities	11,865	106	-	11,971	11,293	89	-	11,382
Bonds	-	6,457	-	6,457	-	6,793	-	6,793
Alternative investments	-	330	6,831	7,161	-	339	6,553	6,892
Investment properties	-	-	1,317	1,317	-	-	1,315	1,315
Derivative assets	35	109	-	144	36	36	-	72
Derivative liabilities	(17)	(45)	-	(62)	(33)	(210)	-	(243)
Liabilities for which fair value is disclosed								
Long-term debt[2]	-	(144)	-	(144)	-	(142)	-	(142)

1. Cash and cash equivalents include cash of $654 and short-term money market securities of $1,186 (December 31, 2016 – $552 and $1,944, respectively).
2. Carrying amount as at March 31, 2017 was $131 (December 31, 2016 – $132).

Notes to Condensed Interim Consolidated Financial Statements
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Level 3 fair value measurements

The following tables provide reconciliations of assets included in Level 3 of the fair value hierarchy:

	Alternative investments					
For the three months ended March 31, 2017	Investment funds	Private market investments	Real estate entities	**Subtotal**	**Investment properties**	**Total**
Balance as at January 1, 2017	5,792	342	419	6,553	1,315	7,868
Net gains (losses) recognized in net investment income	115	9	7	131	(4)	127
Purchases	279	32	-	311	-	311
Disposals	(164)	-	-	(164)	-	(164)
Capital expenditures	-	-	-	-	6	6
Balance as at March 31, 2017	**6,022**	**383**	**426**	**6,831**	**1,317**	**8,148**

	Alternative investments					
For the three months ended March 31, 2016	Investment funds	Private market investments	Real estate entities	**Subtotal**	**Investment properties**	**Total**
Balance as at January 1, 2016	5,304	228	420	5,952	1,361	7,313
Net gains (losses) recognized in net investment income	(468)	(21)	(16)	(505)	(10)	(515)
Purchases	193	-	31	224	2	226
Disposals	(458)	(2)	-	(460)	-	(460)
Capital expenditures	-	-	-	-	4	4
Balance as at March 31, 2016[1]	**4,571**	**205**	**435**	**5,211**	**1,357**	**6,568**

1. For the three months ended March 31, 2016, certain amounts have been reclassified to be consistent with the current period's presentation based on more refined policies and procedures in assessing the observability of inputs used in valuing such investments. This resulted in alternative investments with a carrying amount of $4,776 being reclassified from Level 2 to Level 3.

Notes to Condensed Interim Consolidated Financial Statements
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The following table summarizes the valuation methods and quantitative information about the significant unobservable inputs used in Level 3 financial assets:

	Valuation methods	Key unobservable inputs	March 31, 2017 Range of inputs Low	High	December 31, 2016 Range of inputs Low	High
Investment funds	Net asset value	Net asset value	n/a	n/a	n/a	n/a
Private market investments	Discounted cash flow and market comparable	Discount rate and expected future cash flows	n/a	n/a	n/a	n/a
Real estate entities and Investment properties	Discounted cash flow	Discount rate	5.0%	8.5%	5.0%	8.3%
		Terminal capitalization rate	4.3%	7.5%	4.3%	7.5%

Sensitivity of Level 3 financial instruments

Fair values of investment funds are based on net asset values provided by investment managers.

Fair values of private market investments are based on valuations obtained from investment managers. The WSIB assesses the reasonableness of these fair values based on annual appraisals performed by independent qualified appraisers. The valuations of private market investments are based on comparable transactions in the market place and discounted cash flow models using unobservable inputs such as expected future cash flows, terminal values and discount rates. Holding other factors constant, an increase to expected future cash flows or terminal values would tend to increase the fair value, while an increase in the discount rate would have the opposite effect.

Fair values of real estate entities and investment properties are obtained from qualified appraisers who apply a discounted cash flow model to determine property values. Key unobservable inputs include projected rental income and expenses and discount rates. Holding other factors constant, an increase to projected rental income would increase the fair values, while an increase in the inputs for the discount rates and terminal capitalization rates would have the opposite effect.

We have not applied another reasonably possible alternative assumption to the significant Level 3 categories as the net asset values and appraised fair values are provided by the investment managers and other third party appraisers.

Notes to Condensed Interim Consolidated Financial Statements
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5. Employee Benefit Plans

Remeasurements of the employee defined benefit plans recognized in other comprehensive loss are as follows:

	Three months ended March 31	
	2017	**2016**
Actuarial losses from changes in financial assumptions	145	106
Deficiency (excess) of actual return on plan assets over interest income	(70)	54
Total remeasurements of employee defined benefit plans	**75**	**160**

Employee benefit plans liability

The employee benefit plans liability is comprised of the following:

	March 31 2017	**December 31 2016**
Present value of wholly or partly funded obligations	3,637	3,478
Present value of unfunded obligations	775	749
Total present value of obligations	4,412	4,227
Fair value of plan assets	(3,034)	(2,937)
Employee benefit plans liability	**1,378**	**1,290**

6. Benefit Liabilities

Benefit liabilities are comprised of the following:

	March 31 2017	**December 31 2016**
Loss of earnings	9,027	8,934
Workers' pensions	6,395	6,462
Health care	4,155	4,082
Survivor benefits	2,969	2,947
Future economic loss	1,384	1,421
External providers	140	136
Non-economic loss	288	283
Long latency occupational diseases	2,334	2,321
Posttraumatic stress disorder	33	35
Claim administration costs	1,305	1,299
Benefit liabilities	**28,030**	**27,920**

Notes to Condensed Interim Consolidated Financial Statements
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7. Commitments and Contingent Liabilities

Investment commitments

The WSIB had the following commitments related to its investment portfolio:

	March 31 2017	December 31 2016
Real estate, multi-asset and infrastructure investments	1,616	1,748
Investments in joint ventures	96	97
Purchases or development of investment properties	36	45
	1,748	**1,890**

Legislated obligations and funding commitments

Known commitments related to legislated obligations and funding commitments as at March 31, 2017 are approximately $260 for the period from April 1, 2017 to March 31, 2018.

Legal actions

The WSIB is engaged in various legal proceedings and claims that have arisen in the ordinary course of business, the outcome of which is subject to future resolution. Based on information currently known to the WSIB, management believes the probable ultimate resolution of all existing legal proceedings and claims will not have a material effect on the WSIB's financial position.

Notes to Condensed Interim Consolidated Financial Statements
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8. Related Party Transactions

Government of Ontario and related entities

The WSIB is a board-governed trust agency under the Agencies and Appointments Directive, responsible for administering the WSIA. As such, the WSIB is considered a government-related entity and is provided partial exemptions under IFRS from its disclosure of transactions with the Government of Ontario and various ministries, agencies, and Crown corporations over which the Government of Ontario has control.

The WSIB is required to make payments to defray the cost of administering the *Occupational Health and Safety Act* (the “OHSA”) and the regulations made under the OHSA. The WSIB is also required to pay for the operating costs of the Workplace Safety and Insurance Appeals Tribunal and the costs that may be incurred by the Office of the Worker Adviser, and the Office of the Employer Adviser. The WSIB also provides various grants funding to carry on investigations, research and training. The total funding provided under these legislated obligations and funding commitments for the three months ended March 31, 2017 was $62 (2016 – $63).

The WSIB is required to reimburse the Ministry of Health and Long-Term Care (“MOHLTC”) for physicians’ fees for services to injured workers, as well as an administrative fee to the MOHLTC. Amounts paid to the MOHLTC for physicians’ fees and administrative services for the three months ended March 31, 2017 was $5 (2016 – $9).

In addition to legislated obligations and workplace health and safety expenses, which the WSIB collectively presents in legislated obligations and funding commitments expenses, the unaudited condensed interim consolidated financial statements include amounts resulting from transactions conducted in the normal course of operations with various ministries, agencies and Crown corporations over which the Government of Ontario has control.

Included in investments are $1,247 of marketable fixed income securities issued by the Government of Ontario and related entities (December 31, 2016 – $1,562).

Post-employment benefit plans

The WSIB’s two employee defined benefit pension plans and other long-term employee benefit plans, which include life insurance, dental and extended health coverage, are considered related parties. Note 5 provides details of transactions with these post-employment benefit plans.