



Workplace Safety and Insurance Board

2024 Annual Report

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2024 Annual Report

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Message from Chair and President and CEO

Our new Strategic Plan guides our efforts to reduce the impact of workplace illness and injury on people and businesses in Ontario. We are committed to make it surprisingly simple to work with us and provide people the support they need – better, easier and faster.

In 2024, we started to deliver on that promise, helping 87.5% of people return to work within three months of a workplace injury or illness. These outcomes are improving because we offer faster support with timely eligibility decisions and improved access to health care closer to home – we also beat our target for delivering first payments to people by 5%. The average time someone was off work due to injury or illness is now down to 61.4 days, about a full week shorter than two years earlier. This improvement means people are returning to what matters to them faster, and significant savings of over \$100 million in benefit costs since 2021.

We have modernized our digital experience and improved customer service so that 90% of businesses are enrolled in our online services, and the average time to resolve business requests has been cut by more than 65% since 2022. Other service improvements we made in 2024 include:

- Upgrading our phone system to more effectively support people.
- A partnership to co-develop new claims management software.
- Expanding presumptive coverage to support firefighters and first responders.
- Expanding community care to improve access to health care.
- Refreshing our website to make it easier for people to get connected to our services.

Our strong financial position is helping to ensure we can deliver on our vision. Our Sufficiency Ratio was 121.2% on December 31, 2024, following the approval of \$2 billion surplus distribution to safe Ontario businesses, to be completed in early 2025.

We also announced that starting January 2025, the average premium rate would drop from \$1.30 to \$1.25, the lowest it has been in more than 50 years. Compared to 2024 alone, Ontario businesses will save approximately \$150 million. Combined with the rebate for safe businesses, these actions provide welcome relief and certainty for businesses in the current economic climate.

None of what we accomplished in 2024 would have been possible without the tremendous efforts of Team WSIB. With our Strategic Plan being honoured at the 21st Annual International Business Awards, and the WSIB being named one of the Greater Toronto Area's top employers for the second year in a row, our team efforts are being recognized here at home and around the world.

We enter 2025, our organization's 110th year, with momentum. We have been able to achieve tremendous success, yet we are not satisfied. Our organization is determined to keep improving to serve the people of Ontario.



Grant Walsh
Chair
April 23, 2025



Jeffery Lang
President and CEO
April 23, 2025

2024 highlights

We made significant strides in key areas in 2024, delivering impactful results for our stakeholders and setting the stage for continued success in 2025. These results were directly aligned with our strategic plan and the priorities set by the Ministry of Labour, Immigration, Training and Skills Development (“MLITSD”) in their 2024 Letter of Direction. This report details how we’ve improved worker supports and client services, supported Ontario’s business community, promoted occupational health and safety, and maintained strong business practices.

For example, our focus on improving customer experience led to a new cloud-based contact centre and paved the way for future innovation. We also implemented a new software to manage our core business operations that will allow for faster updates, improved business agility, and stronger technological infrastructure.

To further help people who have experienced workplace injuries and illnesses, we expanded our network of providers and programs for those requiring hospital-based care through new specialized recovery services. We also implemented a bundled hearing loss program to improve access and quality of care across the province, and we developed a new mental stress injuries strategy. Our stakeholders provided positive feedback on the strategy, and implementation will continue throughout 2025.

We accomplished a lot in the first year of our 2024-2028 strategic plan. We’re committed to maintaining this positive momentum by continuing to focus on improving our service experience.

Operational highlights

Positive impact of recovery and return-to-work practices

Our continuous and dedicated efforts to promote early recovery and facilitate timely return-to-work outcomes have produced strong results in 2024. These established practices have significantly enhanced our impact on physical Schedule 1 injury claims. Notably, three out of our six duration targets have exceeded our year-end goals, while the remaining three targets did not meet our year-end goals by very small margins (less than half a percentage point). Durations metrics indicate the percentage of injured or ill workers who continue to receive full or partial Loss of Earnings (“LOE”) benefits.

Exceeded targets:

- 3-month duration: 12.4%, exceeded target by 0.5%
- 6-month duration: 7.4%, exceeded target by 0.3%
- 48-month duration: 2.6%, exceeded target by 0.1%

Our positive performance indicates our strategies are effective in ensuring quicker recoveries and successful reintegration into the workforce within the short and medium term. This means that injured people can safely return to their jobs sooner. Our continued focus on the following durations will help in fine-tuning our approach to meet and exceed future targets:

Other duration periods:

- 12-month duration: 5.3%, did not meet target by 0.1%
- 24-month duration: 3.7%, did not meet target by 0.1%
- 72-month duration: 2.4%, did not meet target by 0.1%

Year-over-year durations performance improvements

Year-over-year improvements demonstrate our commitment to ensuring that injured people receive the necessary support for a timely, safe recovery. In 2024, the short-term durations (up to three months) improved when compared to the year-end results of 2023. We’ve made significant strides in short-term

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return to work duration outcomes and our 2024-2028 Strategic Plan will help us continue to focus on improving long-term return to work durations and enhance the overall effectiveness of our return-to-work programs. Please note, percentage decrease is duration improvement.

- 3-month duration: 12.4%, decreased by 0.5%
- 6-month duration: 7.4%, decreased by 0.4%
- 48-month duration: 2.6%, decreased by 0.1%
- 12-month and 24-month durations: were consistent with 2023 at 5.3% and 3.7%, respectively
- 72-month duration: 2.4%, increased by 0.1%

Moreover, our Schedule 1 average composite duration has decreased to 61.4 days, down from 62.4 days in January 2024. This reduction signifies an overall improvement in the efficiency of our recovery processes. For Schedule 1, the year-end result for return to work at 100% pre-injury earnings within 12 months reached 87.3%, which was 0.7% above our target. This achievement underscores our commitment to supporting injured people recover and return to work faster and highlights the success of our rehabilitation programs.

Strong financial management of claims payments and costs

In 2024, total claim payments were \$2,640 million, \$30 million (1.1%) under budget estimates. Health care costs saw a 6.3% increase, which was anticipated. This rise is indicative of the growing investment in health care services to support recovery and return-to-work initiatives. Additionally, loss-of-earnings costs were 3% below budget, due to effective strategies in reducing the financial impact on both businesses and injured people.

Measuring our operational results

Service experience			
Metric	2024 result	2024 target	2023 result
3-month duration	12.4%	12.9%	12.9%
6-month duration	7.4%	7.7%	7.8%
12-month duration	5.3%	5.2%	5.3%
24-month duration	3.7%	3.6%	3.7%
48-month duration	2.6%	2.7%	2.7%
72-month duration	2.4%	2.3%	2.3%
Return to work at 100% pre-injury earnings at 12 months	87.3%	86.6%	86.2%
Time to first decision (lost-time)	96%	96%	96%
Time to first payment	82%	77%	79%
Customer Satisfaction (CSAT) – return to work, injured or ill people	77%	80%	74%
CSAT – return to work, businesses	81%	86%	81%
CSAT – Employer account services	87%	88%	89%
CSAT – Health and safety	84%	82%	84%
Dynamic workforce			
Metric	2024 result	2024 target	2023 result
Sustainable engagement	79%	80%	78%
Inclusive culture	68%	70%	66%
Financial sustainability			
Metric	2024 result	2024 target	2023 result
Sufficiency Ratio	121.2%	110%–120%	122.5%

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Improvements to benefits and services

Continued and improved speed to service

Time to first decision is the percentage of initial decisions made within 10 business days of the claim registration date. At 2024 year-end, we continued to make 96% of decisions within 10 business days, meeting our year-end target.

Time to first payment is the percentage of first payments made within 15 business days of the claim being received. Timely payment to people who are injured or ill allows them to focus on their recovery and return to work. At 2024 year-end, time to first payment was 82%, 5% above our 2024 target.

The Appeals Services Division continued to demonstrate positive performance and improved timelines:

- 92% of appeals were resolved within six months of registration, exceeding the divisional target of 80%.
- 91% of appeal decisions were issued within 30 days of assignment (internal benchmark). On average, decisions were issued in 18 days.
- 12% fewer appeals were referred to Appeals Services than in 2023, reflecting continued improvement in appeal readiness.
- At the end of 2024, the appeal inventory stood at approximately 1,500 claims, well below the limit of 2,500.

People with injuries and businesses also saw a significant improvement in appeal timeliness. The time it takes from receiving the appeals readiness form to implementing a successful appeal was reduced by 86 days in 2024 (157 days) compared to 2020 (244 days).

Supporting fair and final resolutions

In 2024, we implemented all the process changes resulting from the dispute resolution and appeals value for money audit. We focused on how we could reinforce and improve both quality of reconsideration decisions and timeliness. We have upskilled almost 300 decision-makers in alternate dispute resolution and communication to ensure improved quality and service.

Accelerating our technology modernization agenda

We made a series of investments that reduced technology debt, increased service to our customers, and ensured our technology remains safe, secure, and resilient. In 2024, we:

- Completed the Enterprise Accounts Upgrade program, moving our Policy Centre, Billing Centre, and Contact Manager to the cloud.
- Delivered new channels for business to connect with us, including submitting and viewing documents online and online messaging through our online services.
- Stabilized and delivered a new cloud-based Contact Centre platform, resulting in a stable system and paving the way for future innovation.
- Improved operational resiliency by replacing two mainframe systems.
- Reduced technology debt and operational risk by moving all server infrastructure off end-of-life hardware and onto modern, fully supported hardware.

Social impact

We continue to offer a variety of resources and programs to help our community navigate the claims process and get better, easier and faster support. We spend \$2 billion annually on health care and income replacement for people who have experienced workplace injuries and illnesses.

- We offer comprehensive translation services to help people communicate in their preferred language, and our musculoskeletal program of care is available in 58 languages and dialects.

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- Our medical coverage spans a wide range of services, including prescription drugs and emergency care, and we provide essential equipment and supplies such as assistance devices, braces, and adjustable beds.
- We provide specialized support for serious impairments and mental stress injuries, including crisis intervention counsellors, survivor benefits, bereavement counselling, funeral, and transportation costs, as well as support to rejoin the workforce after bereavement leave.
- Our return-to-work and employment services include specialists who help injured people and businesses find the right solutions, individualized return-to-work plans, retraining programs for skills development, and employment placement services.

Financial highlights

Insurance revenue above budget in 2024

Insurance revenue ended the year at \$3,520 million, 0.7% above budget and 1.7% higher than in 2023. Growth in insurance revenue was primarily due to higher premium collection rate and cost recovery from retroactive adjustments for discontinued experience rating programs, partially offset by lower Schedule 1 premiums compared to budget.

Claim payments remained within budget and higher than in 2023

Claim payments of \$2,640 million remained within budget expectations, with actual 2024 payments being 1.1% lower than budget (\$2,670 million), and 0.8% higher than 2023 (\$2,619M). Lower claim volumes and a drop in inflation contributed to the moderation of cost growth compared to 2023 (4.5%).

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Board of Directors

Biographies

Grant B. Walsh

Chair

Member: February 3, 2022 – February 2, 2026

Grant B. Walsh is a Chairman, CEO and corporate director. He currently serves as Chair of the WSIB, Co-Chair of WISE Trust, and Director of Square Canada, Square Technologies, among others.

The WSIB is a Province of Ontario Crown corporation. It covers approximately 330,000 businesses, 5.6 million insured employees, and employs 4,800 people.

Grant was formerly the Chairman of Canada Lands Company Limited, a Government of Canada Crown corporation, with real estate properties across Canada and tourism properties including the CN Tower, Downsview Park, the Old Port of Montreal, and the Montreal Science Centre.

Grant was President and CEO of St. Peter's Health System and Vice President of Hamilton Health Sciences, in Hamilton, Ontario. Previously, as Executive Vice President of The ServiceMaster Company, Chicago, IL, Grant was accountable for \$550 million in revenue (US in 1998), 30,000 employees, and 10,000 facilities in 44 states and across Canada.

As Principal of EC Murphy Walsh, Inc. (now Walsh Leadership Inc.), Grant performed operational reviews of hospitals and hospital systems in Canada and the United States.

Grant has a Master of Business Administration in Finance from Southern Illinois University and a Bachelor of Arts from Roberts Wesleyan University in English and Philosophy. He holds a designation as a Chartered Director from McMaster University and the Conference Board of Canada.

Jeffery A. Lang

President and CEO

Member: February 3, 2022 – February 2, 2028

Jeffery A. Lang is President and CEO of the WSIB, having previously served for three years on its Board of Directors.

Before stepping in to lead the organization, Jeff was a customer who ran two Ontario-based manufacturing businesses, with customers around the world.

Jeff is dedicated to his London community and has held many leadership roles in organizations including Vice President of Ronald McDonald House Charities; President of Boys & Girls Club of London; Board Chair, Alzheimer Foundation of London; Board Member of Pathways Skills Development; and Board Member of the London Food Bank. Jeff also served for two years on the London Police Services Board.

Since Jeff has taken over the leadership of the WSIB, the organization has achieved some of its best results – more people are returning to work after an injury or illness with the best outcomes in almost a decade. The WSIB has improved customer experience with more services available online anytime; expanded local access to health care services; and has delivered the only surplus distributions in the entire 110-year history of the organization – all while bringing the average premium rate to the lowest it's been in over 50 years.

Peter George

Member: February 3, 2022 – February 2, 2028

Peter George has diverse corporate and board experience spanning decades in sales, marketing and venture capital in the areas of health care, real estate development and asset management.

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Peter is the co-founder and past director of LB Energy Inc., one of the largest developers of renewable energy in Ontario. He was also the founder and past chairman of the board for an asset management company that specializes in artificial intelligence and machine learning.

Peter is deeply rooted in his community, having volunteered and fundraised for SickKids, Windsor Regional Hospital, Art Gallery of Windsor and St. Clair College.

Peter holds a Bachelor of Arts from the University of Windsor.

James Hogarth

Member: November 24, 2022 – November 23, 2025

James Hogarth serves as President of the Provincial Building and Construction Trades Council of Ontario, a position that he has held for the past 10 years. In that role, he leads an organization representing over 150,000 people across every construction trade. As a committed labour leader, James is passionate about improving workplace health and safety for all Ontarians.

After successfully completing his apprenticeship with UA local 46 in Toronto, James became a Certified Steamfitter in 1984. Over the last 25 years, he has served as Business Manager of UA local 46 as well as Business Manager of the Ontario Pipe Trades Council. He also served as an Employee Bargaining Agent representing the Piping Trades.

James currently serves on the Board of Directors of the Ontario Construction Secretariat and was recently appointed to the position of National Executive Director of Helmets to Hardhats Canada. James is honoured to apply his skills and knowledge towards the advancement of people working in Ontario, particularly those who have experienced workplace injuries and illnesses. James has also received the ICD.D designation from the Institute of Corporate Directors.

Leslie Lewis Westhaver

Member: May 9, 2022 – June 3, 2024

Leslie Lewis Westhaver is a financial strategy executive and former private equity investor. She is currently the Chief Financial Officer at Avanti Software, and her prior corporate experience includes supporting the IPO of PowerSchool, as well as roles at Onex Corporation, the Ontario Teachers' Pension Plan and CIBC. Leslie has also served as the Tax, Trade, and International Finance Policy Advisor to the Canadian Minister of Finance at the Government of Canada. Leslie is a former Canadian national kayaking team athlete, and she holds a business honours degree from Acadia University.

Leslie's community involvement includes her appointments to the Board of Directors of Venture Ontario and the Toronto Pan Am Sports Centre. Leslie has also received the ICD.D designation from the Institute of Corporate Directors.

Sean McFarling

Member: March 9, 2023 – March 9, 2028

Sean McFarling serves as General Counsel to the Labourers' International Union of North America, Ontario Provincial District Council ("OPDC") and LiUNA's Central and Eastern Canada Organizing Fund ("CECOF"). His practice focuses on providing strategic advice and overseeing the OPDC's legal affairs across Ontario and CECOF's legal matters across Central and Eastern Canada.

Sean has dedicated his career to representing the hard-working men and women of Ontario, and he currently serves as LiUNA's Vice President at the Ontario Federation of Labour and Delegate to the Canadian Labour Congress. In addition, Sean serves as a Board Member with the Metro Toronto Convention Centre and Feed Ontario.

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Alana McPhee

Member: June 20, 2022 – June 19, 2025

Alana McPhee is Senior Counsel, Treasury & Corporate, at The Toronto-Dominion Bank, where she serves as lead internal counsel for securities issuances under the bank's global funding programs. Prior to TD, Alana led Strategic Initiatives for Macquarie's North American Banking & Financial Services Division and was a principal at Coventree Inc., then an independent securitization boutique firm with total assets under management of \$33 billion. Before Coventree, Alana was a partner at a leading Bay Street firm, Davies Ward Phillips Vineberg LL.P., practising corporate securities law.

Alana holds a Bachelor of Commerce (in Finance & Marketing) from St. Mary's University and obtained her law degree at Dalhousie University. Alana's community involvement has included serving on the boards of Canada Lands Company Limited, Downsview Park, the Old Port of Montreal, Women in Capital Markets Association and on the Board of Trustees of the Toronto International Dance Festival.

Helen Polatajko

Member: December 12, 2022 – December 11, 2025

Helen Polatajko has over 35 years of executive experience in both the private and the public sectors, in Canada and the United States. As a Chief Information Officer, she was responsible for the overall strategic direction, organizational and digital transformation, and management of information technology functions while being a contributing member of company executive committees at CMHC, CIBC Mellon and BNY Mellon.

Helen has over 15 years of experience serving as Chair and member on Risk, Finance, HR, Audit and Governance Committees on the boards of CDSPI, York University, The Salvation Army, Tafelmusik Baroque Orchestra and the IESO.

Helen was featured on the cover of CIO Canada magazine for an article titled "Fusing Business and Technology" and has served on the judging panel of the Canadian Information Productivity Awards. Helen also served on the Canadian Advisory Board of the CIO Executive Council, and the Advisory Committee of the Conference Board of Canada, Council of CIOs. Helen has been recognized as one of the Top 100 Women in Computing, acknowledging her achievements and contributions to information services and technology.

Helen received her education from the University of Pittsburgh, in Pennsylvania, attaining a Bachelor of Science in Mathematics and Psychology degree, and graduated from The Stonier Graduate School of Banking at the University of Delaware. Helen has also received the ICD.D designation from the Institute of Corporate Directors.

Reagan Ruslim

Member: December 15, 2022 – December 14, 2025

Reagan Ruslim is the Associate Vice-President and Chief Human Resources Officer (Acting) at Sheridan College.

Prior to moving in-house, Reagan worked in private practice at Dunsmore Law for more than 12 years. He practiced primarily Labour, Employment and Human Rights law.

Before his legal career, Reagan practiced public accounting with Deloitte. During his time at Deloitte, Reagan earned two accounting designations: (1) Chartered Accountant (Ontario, Canada); and (2) Certified Public Accountant (New Hampshire, United States). Reagan holds a BBA from Wilfrid Laurier University, an LL.B from Western University, two LL.M degrees from Osgoode Hall Law School, York University. Additionally, in 2014, Reagan earned both his Certified Human Resources Professional (CHRP) and Certified Human Resources Leader (CHRL) designations from the Human Resources Professional Association of Ontario. Also, Reagan holds a Pension Plan Administration Certificate (PPAC) from Humber College, the Certified Employee Benefits Specialist (CEBS) designation from the

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International Foundation of Employee Benefits Plans, and the ICD.D designation from the Institute of Corporate Directors.

Sandra Wrycraft

Member: February 3, 2022 – May 27, 2024

Sandra Wrycraft is the President of Find Inc., an executive search, coaching, and strategic consulting practice built on a belief that people, teams, and organizations have limitless potential. Sandra has over 20 years of consulting and corporate leadership experience across a broad base of industries from Fortune 500 to small start-ups in developing business and leadership strategies that have consistently and positively impacted results at the organization, team, and individual level. Sandra has a unique balance of passion for both people and performance, and her contagious energy shines through in her ability to inspire potential in others.

Sandra has a BBA from Wilfrid Laurier University, an MBA from the Schulich School of Business at York University and is an ACC with a Graduate Certificate in Executive Coaching from Royal Roads University.

Jeffrey Macoun

Member: August 8, 2024 – August 8, 2027

Jeff Macoun is a passionate community leader and a trusted, collaborative business advisor. He thrives on supporting his hometown of London, Ontario, and nurturing business connections across Canada and the globe.

Jeff is an active member of many community boards, including the Co-Chair of the Community Fundraising Team for Health & Homelessness Movement (Fund for Change), and has recently launched his own consulting business, JMacoun Consulting Inc.

Jeff has received several distinguished recognitions for his philanthropic commitments, including a Queen Elizabeth II Diamond Jubilee Medal and a Governor General's Caring Canadian Award. He was also inducted into the London and District Business Hall of Fame in 2019. For over 40 years, Jeff's vibrant career at Canada Life made a difference in so many lives. While he was President and Chief Operating Officer, Canada, Jeff led over 11,000 employees across the country.

Dr. Abdel-Rahman Lawendy

Member: October 24, 2024 – October 24, 2027

Dr. Abdel-Rahman Lawendy is currently the JC Kennedy Professor and Chairman of Orthopedic Surgery in the Department of Surgery at Western University. Dr. Lawendy established the Master of Science in Surgery Program and has been the Graduate Program Committee Chair for the Department of Surgery, since 2014.

Abdel-Rahman served as the Assistant Dean at the Schulich School of Medicine & Dentistry from 2018 to 2021 supporting international educational initiatives. He served as a regional Director with Royal College International from 2015 to 2021. He founded the Nazem Kadri Ambulatory Surgical Centre at London Health Sciences Centre, a high-efficiency outpatient surgical centre, and is currently the Medical Director and Chief for the Centre. He has won several department and university awards for teaching excellence and was awarded the Alumni of Distinction Award from the Schulich School of Medicine and Dentistry in 2020 for his achievements in the fields of medical research and educational leadership.

Abdel-Rahman has worked all over the world as a humanitarian surgeon in conflict and combat zones with non-governmental organizations, including Medicine Sans Frontier. Abdul-Rahman is recognized as an international expert in the basic science of Compartment Syndrome. He has lectured in Europe, Japan, China, the Middle East and across North America.

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Board and Committee Attendance

The Agencies and Appointments Directive issued under the *Management Board of Cabinet Act* requires that the annual report contain the Board meeting attendance for each individual appointee, and the total annual remuneration of each individual appointee (not including expenses).

The Board meeting attendance for each individual appointee for 2024 is as shown below:

Member	Board meetings	Audit & Finance	Governance	Investment	Service Excellence
Grant B. Walsh	6/6	5/5	4/4	4/4	4/4
Jeffery A. Lang	6/6	5/5	4/4	4/4	3/4
Peter George	6/6	5/5	2/4*	1/4*	2/4*
James Hogarth	6/6	4/5*	4/4*	2/4*	4/4
Leslie Lewis Westhaver	N/A	N/A	N/A	N/A	N/A
Sean McFarling	6/6	2/5*	3/4*	N/A	4/4
Alana McPhee	5/6	4/5*	4/4	4/4	1/4*
Helen Polatajko	6/6	5/5	3/4*	4/4	4/4
Reagan Ruslim	5/6	4/5	4/4	4/4	4/4*
Sandra Wrycraft	2/6	1/5*	N/A	N/A	1/4
Jeffrey Macoun	3/3	2/3*	N/A	1/4*	2/2*
Dr. Abdel-Rahman Lawendy	1/2	1/2*	1/2*	N/A	N/A

*Refers to attendance for which the individual is not a member of the Committee, and therefore attendance is not required.

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The total annual remuneration of each individual appointee for 2024 is as shown below:

Name	Total remuneration paid in 2024
Grant B. Walsh	\$139,751
Jeffrey A. Lang	\$450,246
Peter George	\$10,588
James Hogarth	\$11,688
Sean McFarling	\$9,625
Alana McPhee	\$16,500
Helen Polatajko	\$14,025
Reagan Ruslim	\$13,888
Sandra Wrycraft	\$4,125
Jeffrey Macoun	\$3,437
Dr. Abdel-Rahman Lawendy	\$550
Total:	\$674,423

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Summary of human resource impacts

The Agencies and Appointments Directive issued under the *Management Board of Cabinet Act* requires that the annual report contain a summary of human resource impacts and growth over the previous three fiscal years, including number of employees (expressed as full-time equivalents) and number of executives.

The number of active executives and employees as of December 31 over the previous three fiscal years is as shown below:

Year	Number of executives	Number of employees	Total
December 31, 2024	33	4,285	4,318
December 31, 2023	28	4,144	4,172
December 31, 2022	25	4,041	4,066

The year-over-year change is driven by hires, attrition, internal movement, as well as returns from and start of leaves (change in active status).

Management's discussion and analysis

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") and accompanying audited annual consolidated financial statements ("consolidated financial statements"), as approved by the Board of Directors of the Workplace Safety and Insurance Board (the "WSIB"), are prepared by management as at and for the year ended December 31, 2024.

The MD&A should be read in conjunction with the consolidated financial statements of the WSIB as at and for the year ended December 31, 2024 and the information in the accompanying notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

In this MD&A, "WSIB", or the words "our", "us" or "we" refer to the WSIB. All amounts herein are denominated in millions of Canadian dollars, unless otherwise stated.

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 forward-looking statements in cases in which future events and circumstances do not occur as expected.

1. Our business

Our mandate

The WSIB, a board-governed trust agency under the Agencies and Appointments Directive of the Government of Ontario, is legislated to administer the province's no-fault workplace injury and illness insurance system under the *Workplace Safety and Insurance Act, 1997* ("WSIA").

We move quickly to provide wage-loss benefits, medical coverage and help people get back to work after a work-related injury or illness. We support the promotion of workplace health and safety and strive to make Ontario a safer place to work.

We insure over five million people in more than 300,000 workplaces across Ontario. Our goal is to maximize the public value we deliver each day through the services we offer.

How we are funded

We fund our operations and deliver benefits and services through premiums paid by Ontario businesses and investment returns.

Insurance revenue and administrative fees

As per the WSIA, the WSIB collects premiums and earns insurance revenue from businesses classified under Schedule 1 and collects administration fees from organizations listed under Schedule 2. Over 75% of Ontario's labour force is covered by the WSIB under either Schedule 1 or Schedule 2. Each year, we typically adjust both premium rates for Schedule 1 businesses and administration fee rates for Schedule 2 organizations.

Schedule 1 businesses contribute to our collective liability insurance fund. Each business is assigned to one or more classes/subclasses under the North American Industry Classification System, based on its business activities. The premium rate for each business reflects the rate of the class/subclass and its risk in relation to other businesses in its class. Each class/subclass has a series of risk bands, and each risk band has an associated rate either above or below the class rate. The premium rate for each class reflects costs associated with claims, administration and legislative obligations. Mandatory business incentive programs were replaced in 2020 with this premium rate setting model, and only wind-down retroactive adjustments remain in place.

Management's discussion and analysis December 31, 2024

Schedule 2 organizations are individually responsible for the full cost of their respective claims. Schedule 2 organizations include federal and provincial governments and their agencies, municipalities and school boards, and other enterprises such as major railways with operations in Ontario. These organizations reimburse the WSIB for the costs of their claims plus a fee to cover overhead and administrative costs and, in the case of provincially regulated businesses, legislative obligations.

Investment returns

The WSIB also generates income through investment returns on our approximately \$38.9 billion in invested assets as at December 31, 2024.

The Investment Management Corporation of Ontario ("IMCO") has managed the WSIB's invested assets since July 24, 2017. Having our funds managed by IMCO allows us to achieve economies of scale, to have wider access to investment opportunities, to increase diversification, and to enhance our risk management and risk-adjusted returns.

Investments

Our governance framework

We invest the portion of premiums collected but not required to be paid as benefits in the current year or to fund current operating expenses. As at December 31, 2024, we held \$38.9 billion in investments to fund all future claim payments for incurred claims including long latency occupational disease claims that may have already been incurred but not yet reported. These investments include minority interests in the WSIB's legacy pooled funds for the WSIB employee pension plan. Our investment strategy is prudently diversified and managed on a total return basis to generate income and capital appreciation over time.

Our governance framework operates in accordance with best practices for good governance as summarized below:

- Investment decisions that have the most impact on investment outcomes remain at the Board of Directors level. These decisions include establishing our overall governance framework and approving the Statements of Investment Policies and Procedures ("SIPPs").
- Our SIPPs require that a detailed review of the policy asset mix (which sets out the target allocations to various asset classes) be conducted no less frequently than every four years through an asset-liability study to ensure that the policy asset mix and other provisions of the SIPPs remain relevant.
- With appropriate reporting and oversight, the Board of Directors delegates authority for certain matters to our Investment Committee, our senior management, and IMCO. The Investment Committee is appointed by the Board of Directors and consists of Board members and external advisers. The Investment Committee provides advice and assistance to the Board of Directors on issues relating to investments and approves investment policies to supplement the SIPPs. Effective July 24, 2017, through an Investment Management Agreement for each of the Insurance Fund and Loss of Retirement Income Fund, IMCO was delegated authority to manage the WSIB's investments. IMCO and our investments are monitored by senior staff members under the direction of our Senior Vice President and Chief Investment Officer, Chief Financial Officer, President and Chief Executive Officer, the Investment Committee and, ultimately, our Board of Directors.
- Risk is inherent in the generating of investment returns and in each element of the investment decision-making process; therefore, risk measurement and risk management are integral to prudent investing and the investment management program. We believe the most significant investment risks to which we are exposed include liquidity risk, credit risk, and market risk. A discussion of our investment risks and mitigating strategies is contained in Section 14 – Risk factors in this MD&A and in note 11 in our consolidated financial statements. We use various financial and non-financial methods to assess, measure and monitor risk.

Management's discussion and analysis December 31, 2024

What we invest in

We invest in a wide range of asset classes mostly through holdings in pooled funds established by IMCO, to provide a target level of investment return over the long term given the level of risk we are prepared to assume. The asset classes we invest in are:

- **Investment Cash and Money Market:** This asset class is comprised of cash and cash equivalents and seeks to provide liquidity and safety. Returns are expected to be lower than the returns of other asset classes.
- **Fixed Income:** This asset class provides exposure to government bonds and seeks to provide interest rate sensitivity, liquidity, safety and diversification, particularly when economic conditions are weak, or when market or economic shocks precipitate a flight to lower-risk investments. Nominal bonds mitigate deflation risk while inflation-linked bonds mitigate inflation risk. Returns are expected to be higher than Investment Cash and Money Market but lower than the returns of other asset classes.
- **Credit:** This asset class includes both investment-grade and non-investment-grade public and private investments with the intention of providing broad exposure to global credit markets. Credit tends not to be highly correlated with high-quality government fixed income assets and, as a result, Credit is expected to enhance returns and diversification.
- **Public Equity:** We invest primarily in diversified domestic and international equity securities to provide broad exposure to equity markets. Equities are expected to provide higher investment returns than the returns of Fixed Income or Credit over the long run, but are expected to exhibit higher variability in returns.
- **Private Equity:** The Private Equity asset class seeks to generate long-term capital appreciation and aims to outperform Public Equity by investing in a diversified set of private operating companies and providing value-add through strategic, operational and financial improvements. Private Equity is a higher-risk asset class involving long-term investments in generally illiquid assets.
- **Public Market Alternatives:** The Public Market Alternatives asset class provides exposure to alternative investment risk premiums and active investment mandates through strategies that offer low beta with public market equities (i.e., low sensitivity to equity market volatility). Following a strategic review by IMCO in 2024, this asset class is in the process of being wound up and funds are being allocated to other asset classes.
- **Real Estate:** This asset class includes holdings in real estate properties and investment funds diversified across global markets and office, retail, industrial, multi-residential and mixed-use property types. Real estate is expected to provide a stable source of income and to keep pace over time with inflation, mitigating the risk of unexpected inflation over the long term.
- **Infrastructure:** This asset class includes assets that provide essential services and facilities, many of which operate with regulated or strategic competitive advantages. Revenues are typically generated under long-term contracts, which offer stable cash flows and may offer inflation sensitivity.

There are also portfolio management activities at the total fund level to enhance investment returns and manage risk by efficiently rebalancing the fund and managing asset allocation, liquidity, and foreign exchange exposures. These activities include the use of leverage to enhance returns, to manage liquidity and to optimize portfolio diversification while maintaining targeted risk levels. Leverage can be obtained through derivatives and repurchase agreements.

Management's discussion and analysis December 31, 2024

Insurance service expenses

Types of claims payments

A number of different benefits are administered by the WSIB in accordance with the WSIA and predecessor legislation, the *Workers' Compensation Act*. These benefits relate to compensating wage loss and providing for health care treatments and other benefits to people with work-related injuries or illness and survivors. Each type of benefit is described in more detail below:

- **Loss of earnings benefits** compensate people for earnings lost due to a work-related injury or illness occurring after 1997, starting the day after the injury or illness occurred. The benefit rate is based on 85% of the person's pre-injury net average earnings, subject to legislated minimum and maximum amounts of compensation.
- **Workers' pensions** represent pensions for people suffering a workplace injury prior to January 2, 1990 based on the degree of the person's disability.
- **Health care costs** are payments for professional services provided by health care practitioners, hospitals and health facilities as well as the cost of drugs that are required to facilitate recovery. They may also include attendant services, home or vehicle modifications, assistive devices and prostheses, extraordinary transportation costs to obtain health care and other measures to improve the quality of a person's life.
- **Future economic loss or FEL benefits** compensate people injured after January 1, 1990, and prior to January 1, 1998, who cannot restore their pre-injury earnings as a result of a permanent impairment or temporary disability for 12 continuous months.
- **Survivor benefits** represent monthly benefits provided to the spouse, dependent children and other dependents of someone whose death was the result of a workplace injury or occupational disease.
- **External provider costs** associated with our work reintegration program include payments to external agencies providing rehabilitation services, such as training programs to assist a person's return to work and the costs of work transition assessments and plans. They are incurred when accommodations with the pre-injury employer are not available.
- **Non-economic loss or NEL benefits** represent compensation to someone who suffers a permanent impairment as a result of an injury that occurred after January 1, 1990. Benefits are based on the severity of the permanent impairment. Non-economic loss benefits recognize the physical, functional or psychological loss resulting from a permanent impairment, beyond wage loss.

In addition to the benefits above, the WSIB is also mandated to provide Loss of Retirement Income benefit contributions.

- **Loss of Retirement Income benefits contributions**, representing 5% of loss earnings benefits and 10% of future economic loss benefits, are payable on behalf of a person who has received loss of earnings benefits for 12 continuous months or future economic loss benefits and was under the age of 64 at the date of injury. At age 65 or upon death, the person receives a benefit from contributions made to their Loss of Retirement Income account plus any investment income earned.

Insurance contract liabilities

Insurance contract liabilities are established on a quarterly basis and include liabilities for incurred claims and liabilities for remaining coverage.

Liabilities for incurred claims represent the present value of the expected future cost to satisfy all claims occurring prior to but still outstanding as at the consolidated statement of financial position date. They consist of expected costs for reported claims, expected costs on outstanding claims that have been incurred but not yet recorded, as well as increases in benefits resulting from deterioration of an existing

Management's discussion and analysis December 31, 2024

injury, and a provision for future occupational disease claims. The expected costs for claims would include the claim administration costs related to these claims.

Data and other factors that can influence the amount and timing of future payments are considered when calculating such liabilities. Some factors include historical trends, our governing legislation, as well as our policies, claims adjudication practices and appeal decisions. We also consider the development of future claim payment trends, which may be impacted by management actions, legislative changes, judicial decisions and economic conditions. Where possible, we apply multiple techniques to estimate the required insurance contract liabilities provision. This approach provides additional insights into the trends within the claims data, which are used to project the future payment amounts reflected in the liabilities for incurred claims. Between the reporting and final disposition of a claim, circumstances may change, which may result in changes to the established liability. For example, changes in the provisions of the WSIA or medical costs could substantially affect the ultimate cost of a claim. Accordingly, we review and re-evaluate claims and their impact on the estimate of the insurance contract liabilities on a quarterly basis.

Provisions made for future occupational diseases recognize that workers exposed to hazardous substances or conditions in their workplaces may develop occupational diseases after long latency periods. These provisions are significant and are expected to increase in future years due to increasing workplace risk exposures. Claim costs will vary depending on the type and characteristics of the disease, and the timing and management of the claim. Given the inherent uncertainties, the eventual cost to satisfy outstanding claims can vary substantially from the initial estimates.

Liabilities for remaining coverage represent the WSIB's obligation related to the unexpired portion of the coverage period (i.e., insured events that have not yet occurred) and include the loss component. The loss component represents the expected net outflow from the contracts that are deemed onerous at initial recognition.

Currently on initial recognition of each group of contracts, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition. Subsequently, the carrying amount for the liability for remaining coverage is increased by any premiums received and decreased by the amount recognized as insurance revenue for the coverage provided.

Insurance contract liabilities do not include any amounts for claims related to workers of Schedule 2 organizations; these claims are ultimately paid by the self-insured Schedule 2 organizations.

Legislated obligations and funding commitments

Legislative obligations: The WSIB is required to make payments to defray the cost of administering the *Occupational Health and Safety Act* ("OHSA") and the regulations made under the OHSA. We are also required to pay for the operating costs of the Workplace Safety and Insurance Appeals Tribunal ("WSIAT"). Furthermore, we are required to pay for the costs incurred by the Office of the Worker Adviser and the Office of the Employer Adviser.

Research and grants program: Our research and grants program supports practical research studies and training initiatives led by professionals and organizations to address current challenges and explore opportunities to strengthen Ontario's workplace injury and illness insurance system.

In 2024, the WSIB awarded eight grants to research teams to improve return-to-work and recovery outcomes. The Workplace Health Champion Program expanded to seven Ontario medical schools, enhancing workplace health and safety education to health care providers and students.

A significant achievement in 2024 was partnering with the Canadian Cancer Society to support the Workplace Cancer Research Fund. This work focuses on identifying workplace cancer causes, reducing carcinogen exposures, raising awareness of prevention initiatives, and addressing unsafe practices that increase cancer risks.

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More information about the program is available at wsib.ca.

Voluntary employer health and safety recognition programs: Our Health and Safety Excellence program takes a risk-based approach to improving workplace health and safety. There are 41 topics for businesses to choose from across the three levels of the program: foundations, intermediate and advanced. Once businesses complete topics in the Health and Safety Excellence program, they receive a rebate on their premiums based on their total prior-year premiums and number of topics implemented.

In addition, the WSIB provides rebates as an incentive to qualifying employers that participate in Supporting Ontario's Safe Employers ("SOSE"), a voluntary program administered by the MLITSD, and that are recognized by the Chief Prevention Officer under that program. The SOSE program recognizes businesses across the province that have successfully implemented an accredited occupational health and safety management system.

2. Our strategy

2024 marked the first year of our 2024-2028 Strategic Plan. We made tremendous strides to improve people's experience by making it surprisingly simple to work with us. The WSIB's focus for 2024-2028 is to provide services better, easier, and faster. This direction helps us identify our highest priority areas and achieve our organizational goals. Our core values guide us in this journey:

1. Accountability
2. Collaboration
3. Empathy
4. Integrity

To live these values, we identified three priorities for 2024–2028:

1. Service experience
2. Dynamic workforce
3. Financial sustainability

We have achieved important milestones in advancing these priorities over the past year.

To enhance service experience, we:

- Embarked on a transformative journey to elevate the WSIB service experience through process improvements, technology modernization, and digital enhancements.
- Introduced new online channels for businesses, making interactions smoother and more efficient, ultimately saving time and improving overall satisfaction.
- Successfully transitioned our Contact Centre platform to the cloud and migrated multiple applications to a cloud-based system, supporting faster and more effective service for people and businesses while laying the groundwork for future digital enhancements.
- Refined how we adjudicate claims online, resulting in a 7% increase in e-adjudication from January 2024 to year-end, improving service efficiency.

To maintain a dynamic workforce, we:

- Focused on the quality of our people, fostering a service culture, and optimizing how and where we work.
- Implemented expert-recommended equity, diversity, and inclusion initiatives to ensure a more inclusive and equitable workplace.
- Achieved an employee engagement score of 79%, which is 1% higher than last year, demonstrating our commitment towards sustainable engagement.
- Emphasized service culture as one of our key objectives, prioritizing efficiency, accuracy, and proactive management in handling claims and appeals, ensuring timely and effective support for people and businesses.
- Hit our target of 96% of initial decisions within 10 business days of receiving a claim.
- Improved payment processing efficiency, with the time to first payment at 82%, surpassing our 2024 target by 5% and marking a 3% improvement over the previous year.
- Effectively managed the appeal inventory by maintaining approximately 1,500 claims, far below the limit of 2,500 claims, while resolving 92% of appeals within six months of registration. In both 2023 and 2024, we significantly exceeded our target of 80%.

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- Reduced the time from receiving the appeals readiness form to implementing a successful appeal by 86 days in 2024, bringing it down to 157 days, and successfully rolled out all process changes resulting from the dispute resolution and appeals value for money audit.
- Achieved 84% satisfaction among businesses registered in the WSIB Health and Safety Excellence program, surpassing our target by 2%.
- Began renovations at our new London Head Office and optimized our regional office footprint, including in Toronto. These renovations will reduce occupancy costs and provide an optimal platform for employees to work, collaborate, learn, and grow.

To ensure financial sustainability, we:

- Promoted health and safety, preserved stable finances, and focused on reducing administrative spending.
- Brought our Practice Safe Work campaign to life at the Skills Ontario Competition, engaging with thousands of students to promote a culture of safety.
- Automated 14 reports into production, saving 208 hours of manual refresh per month.
- Automated three processes, saving approximately 10,000 hours of manual effort in 2024.
- Effectively managed claims payments, totalling \$2,640 million, which was \$30 million below budget and \$21 million higher than last year.
- Kept loss-of-earnings costs 3% below budget.
- Announced a surplus distribution of \$2 billion to eligible Schedule 1 businesses in 2025, due to our strong operational, financial, and investment management in 2024.

As we advance into the second year of our 2024-2028 Strategic Plan, we remain committed to monitoring our progress through metrics and analysis that inform and drive decision-making. We'll continue to push ourselves to make things better, easier, and faster for those we serve.

3. Changes in accounting standards

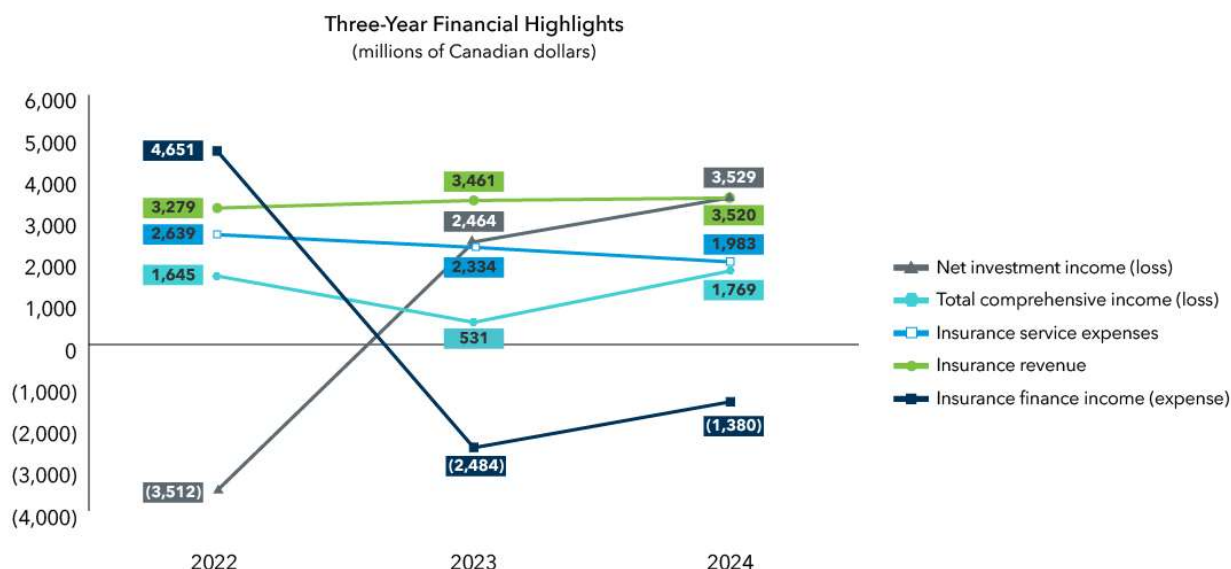
There were no new accounting standards or amendments adopted during the current year that have an impact on the WSIB. For future changes in accounting standards, please refer to note 3 of the consolidated financial statements.

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Management's discussion and analysis December 31, 2024

4. Financial highlights

The following section should be read in conjunction with the consolidated financial statements and accompanying notes of the WSIB as at and for the year ended December 31, 2024¹.



1. Only three years of financial information are being presented given transition to IFRS 17 was effective beginning January 1, 2022.

Financial highlights for the year ended December 31, 2024 compared to the year ended December 31, 2023:

- In 2024, we generated \$1,769 million of total comprehensive income, an increase of \$1,238 million. This primarily reflects higher net investment income driven by a net investment return of 10.9%, lower insurance service expenses primarily due to higher actuarial basis change gains, and lower insurance finance expenses due to changes in discount rate; partly offset by a surplus distribution expense of \$2,000 million.
- Insurance revenue increased by \$59 million, or 1.7%, primarily reflecting higher gross Schedule 1 premiums attributable to a 5.9% increase in insurable earnings mainly from class/subclasses relating to nursing & residential care facilities, social assistance, educational services, hospitals, and construction. The increase was also due to a higher premium collection rate and a recovery of net adjustments for mandatory business incentive programs relating to prior years.
- Insurance service expenses decreased by \$351 million, or 15.0% compared to 2023, due to experience gains mostly from loss of earnings and an actuarial basis change for updates to the mortality assumptions, partially offset by additional liabilities from legislation for firefighters and higher allocation of administration and other expenses.
- Net investment income increased by \$1,065 million from \$2,464 million in 2023 to \$3,529 million in 2024. The net return on investments was 10.9% in 2024 compared to 7.7% in 2023. We caution readers that current investment returns are not a reflection of expected future performance, and care should be exercised in projecting investment income results into the future based on our current results.

2024 Annual Report**Management's discussion and analysis
December 31, 2024****5. Financial analysis****Financial results**

The following table sets forth our annual financial results for the years ended December 31:

(millions of Canadian dollars)	2024	2023	Change	
			\$	%
Insurance revenue	3,520	3,461	59	1.7
Insurance service expenses	(1,983)	(2,334)	(351)	(15.0)
Insurance service result	1,537	1,127	410	36.4
Insurance finance expense	(1,380)	(2,484)	(1,104)	(44.4)
Investment income	3,993	2,762	1,231	44.6
Investment expenses	(464)	(298)	166	55.7
Net investment income	3,529	2,464	1,065	43.2
Total insurance and investment result	3,686	1,107	2,579	100+
Loss of Retirement Income Fund contributions	53	54	(1)	(1.9)
Administration and other expenses	154	139	15	10.8
Legislated obligations and funding commitments	295	295	-	-
Other income	(117)	(118)	(1)	(0.8)
Total expenses	385	370	15	4.1
Excess from operations	3,301	737	2,564	100+
Surplus distribution expense	2,000	-	2,000	100+
Excess of revenues over expenses	1,301	737	564	76.5
Total other comprehensive income (loss)	468	(206)	674	100+
Total comprehensive income	1,769	531	1,238	100+
Other measures				
Net return on investments	10.9%	7.7%	n/a	3.2
Net assets ^{1,2}	6,620	4,863	1,757	36.1
Net assets – Sufficiency Ratio basis ²	7,208	7,303	(95)	(1.3)
Sufficiency Ratio ²	121.2%	122.5%	n/a	(1.3)

1. Net assets exclude non-controlling interests.

2. Refer to Section 7 – Reconciliation of the change in net assets for further details.

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Management's discussion and analysis December 31, 2024

Notable items affecting our 2024 results compared to the 2023 results are as follows:

Insurance revenue

A summary of insurance revenue for the years ended December 31 is as follows:

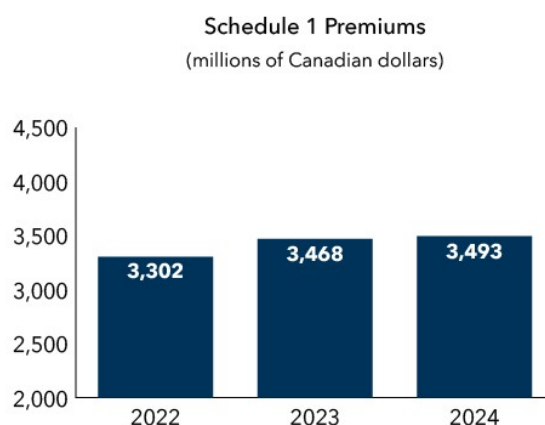
(millions of Canadian dollars)	2024	2023	Change	
			\$	%
Schedule 1 premiums	3,459	3,437	22	0.6
Interest and penalties	34	31	3	9.7
Schedule 1 premiums	3,493	3,468	25	0.7
Net mandatory business incentive programs	27	(7)	34	100+
Insurance revenue	3,520	3,461	59	1.7

Schedule 1 premiums increased by \$25 million, or 0.7%, for the year ended December 31, 2024. This is primarily due to:

- An increase in the gross Schedule 1 premiums of \$16 million, or 0.5%, reflecting an increase in insurable earnings mainly from classes/subclasses relating to nursing and residential care facilities, social assistance, educational services, hospitals, and construction, as businesses continued to show strong economic growth.
- An increase in premium collection of \$6 million, or 21.4%, primarily due to more accounts or higher dollar value accounts being collected.
- An increase in interest and penalties of \$3 million, or 9.7%, primarily due to higher overdue premium interest and penalties on businesses' accounts.

Net adjustments for mandatory business incentive programs relating to prior years increased by \$34 million primarily due to a recovery of wind-down retroactive adjustments. The programs ended in 2020.

The following chart displays the Schedule 1 premiums for the three consecutive years ended December 31¹:



1. Only three years of financial information are being presented given transition to IFRS 17 was effective beginning January 1, 2022.

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Management's discussion and analysis December 31, 2024

A summary of employment, insurable earnings and gross Schedule 1 premiums by class/subclass for the year ended December 31, 2024 is as follows:

(millions of Canadian dollars) Class/Subclass	Employment ¹ #	Insurable earnings ² \$	Gross premiums \$	% of total
Agriculture	56,934	2,366	51	1.6%
Mining, quarrying, oil & gas extraction	29,408	2,422	62	2.0%
Utilities	47,384	4,240	31	1.0%
Educational services	214,367	10,362	34	1.1%
Public administration	59,251	3,567	114	3.7%
Hospitals	293,724	18,928	139	4.5%
Food, textiles & related manufacturing	184,315	8,311	108	3.5%
Non-metallic & mineral manufacturing	146,585	7,219	143	4.6%
Printing, petroleum & chemical manufacturing	108,890	5,391	48	1.5%
Metal, transportation equipment & furniture manufacturing	347,180	17,775	306	9.9%
Machinery, electrical & miscellaneous manufacturing	130,927	6,666	75	2.4%
Computer and electronic manufacturing	87,945	4,273	10	0.3%
Rail, water, truck transportation & postal service	68,475	3,923	144	4.6%
Air, transit, ground passenger, recreational & pipeline transportation, courier services & warehousing	194,315	8,709	120	3.9%
Residential construction	61,621	3,145	71	2.3%
Infrastructure construction	68,793	4,819	86	2.8%
Foundation, structure & building exterior construction	74,008	4,148	154	5.0%
Building equipment construction	167,013	10,513	172	5.5%
Specialty trades construction	103,917	5,301	118	3.8%
Non-residential construction	50,304	3,045	48	1.6%
Petroleum, food, motor vehicle & miscellaneous wholesale	106,841	5,183	75	2.4%
Personal & household goods, building materials & machinery wholesale	255,517	12,283	84	2.7%
Motor vehicles, building materials, food & beverage retail	285,132	10,525	130	4.2%
Furniture, home furnishings, clothing & accessories retail	106,576	3,646	31	1.0%
Electronics, appliances, health & personal care retail	136,977	4,979	17	0.5%
Specialized retail & department stores	187,686	6,544	66	2.1%
Information & culture	86,945	5,041	17	0.5%
Finance, management & leasing	145,593	6,868	45	1.5%
Professional, scientific & technical	425,030	21,374	37	1.2%
Administration, services to buildings, dwellings & open spaces	210,135	8,845	113	3.6%
Ambulatory health care	119,785	5,555	84	2.7%
Nursing & residential care facilities	129,984	6,004	122	3.9%
Social assistance	92,477	4,154	42	1.4%
Leisure & hospitality	425,392	12,775	125	4.0%
Other services	153,865	7,069	83	2.7%
Total	5,363,291	255,968	3,105	100.0%
Premium accrued but not reported		33,256	376	
Total		289,224	3,481	

1. We derive employment levels based on reported insurable earnings divided by an estimated average wage for each class/subclass.
2. Insurable earnings include provisional insurable earnings for reporting purposes.

2024 Annual Report**Management's discussion and analysis
December 31, 2024****Insurance service expenses**

Insurance service expenses consist of:

- Total incurred claims related to the current injury year for or on behalf of people with work-related injuries or illnesses;
- Other insurance service expenses allocated from administration and other expenses and legislated obligations and funding commitments expenses necessary to support benefit programs;
- Changes in liabilities that represent an adjustment to the estimate of cost of claims related to the prior injury years, driven by existing claims, as well as adjustments driven by changes in non-financial assumptions and methods as at the reporting date; and
- Losses of onerous contracts, and amortization of those losses.

A summary of insurance service expenses for the years ended December 31 is as follows:

(millions of Canadian dollars)	2024	2023	Change	
			\$	%
Total incurred claims and other insurance service expenses	2,643	2,566	77	3.0
Impact of change to onerous loss component	(33)	20	(53)	(100+)
Changes in liabilities for incurred claims	(627)	(252)	(375)	(100+)
Insurance service expenses	1,983	2,334	(351)	(15.0)

Claim payments

Claim payments represent cash paid during the year to or on behalf of people with work-related injuries or illnesses. A breakdown of total claim payments is as follows:

(millions of Canadian dollars)	2024	2023	Change	
			\$	%
Loss of earnings	1,108	1,108	-	-
Workers' pensions	431	441	(10)	(2.3)
Health care	645	606	39	6.4
Survivor benefits	237	236	1	0.4
Future economic loss	106	122	(16)	(13.1)
External providers	35	31	4	12.9
Non-economic loss	78	75	3	4.0
Total claim payments	2,640	2,619	21	0.8

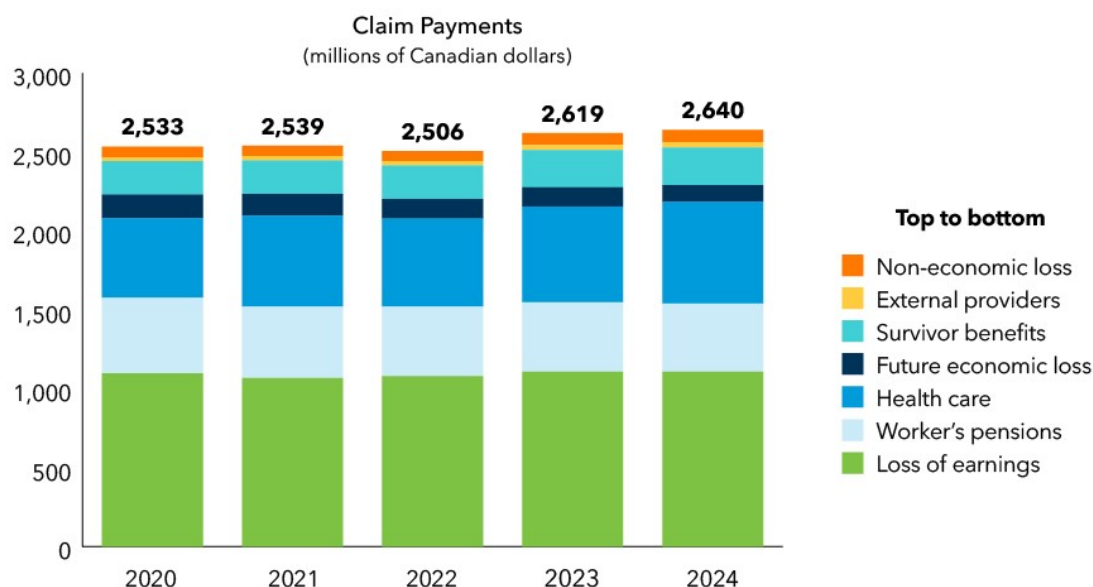
A summary of the significant changes in claim payments for 2024 is as follows:

- Workers' pensions decreased by \$10 million, reflecting declining claim inventory.
- Health care payments increased by \$39 million, reflecting higher costs for community and hospital based programs.
- Future economic loss ("FEL") benefits decreased by \$16 million, reflecting declining claim inventory.

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Management's discussion and analysis December 31, 2024

The following chart displays claim payments for the five consecutive years ended December 31:



Change to onerous loss component

This represents recognition of onerous contract losses and amortization of those losses. For the year ended December 31, 2024, the \$33 million decrease in losses on onerous contracts is driven by a reduction in rate framework transition costs.

Changes in liabilities for incurred claims

Changes in liabilities for incurred claims include adjustments to the estimate of cost of claims, driven by existing claims, as well as adjustments driven by changes in non-financial assumptions and methods. A breakdown of changes in liabilities for incurred claims is as follows:

(millions of Canadian dollars)	2024	2023	Change	
			\$	%
Changes in estimate of cost of claims	(563)	(815)	252	30.9
Changes in non-financial assumptions and methods	(64)	563	(627)	(100+)
Change in liabilities for incurred claims	(627)	(252)	(375)	100+

Changes in the estimate of cost of claims represent the changes in experience for claims already incurred related to the prior injury years. For the year ended December 31, 2024, the \$563 million decrease in estimate of cost of claims is mainly driven by experience gains mostly from loss of earnings and an actuarial basis change for updates to the mortality assumptions that were partially offset by the additional liabilities for legislation for firefighters. There were additional experience gains from non-economic loss benefits, survivor benefits, long latency occupational diseases, as well as lower-than-expected inflation.

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Management's discussion and analysis December 31, 2024

Changes in non-financial assumptions and methods represent the change in the future payments for loss of earnings and other disability benefits, health care, survivor benefits, labour market re-entry and claim administration for claims related to the prior injury years, excluding the impact of discounting. It also includes occupational disease claims expected to arise in the future as a result of exposures in the workplace on or before December 31, 2024.

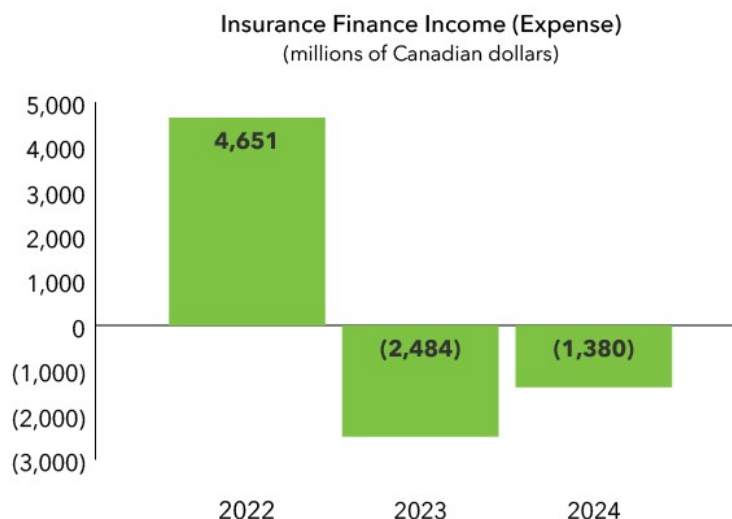
The changes in actuarial assumptions and methods are comprised of the following:

	2024	2023
Changes in methods and assumptions for future claim administration costs	-	324
Changes in methods and assumptions for health care costs	-	(68)
Changes in methods and assumptions for rate of inflation	-	307
Changes in methods and assumptions for mortality	(64)	-
Total changes in actuarial assumptions and methods	(64)	563

Insurance finance income or expense

Insurance finance income or expense represents the changes in the carrying amount of the group of insurance contracts arising from the effect of the time value of money (accretion) and changes in discount rate. Accretion represents the estimated interest cost of the insurance contract liabilities, considering the discount rate, insurance contract liabilities at the beginning of each quarter and payments made during the year.

The following chart displays the insurance finance income (expense) for the three consecutive years ended December 31¹:



1. Only three years of financial information are being presented given transition to IFRS 17 was effective beginning January 1, 2022.

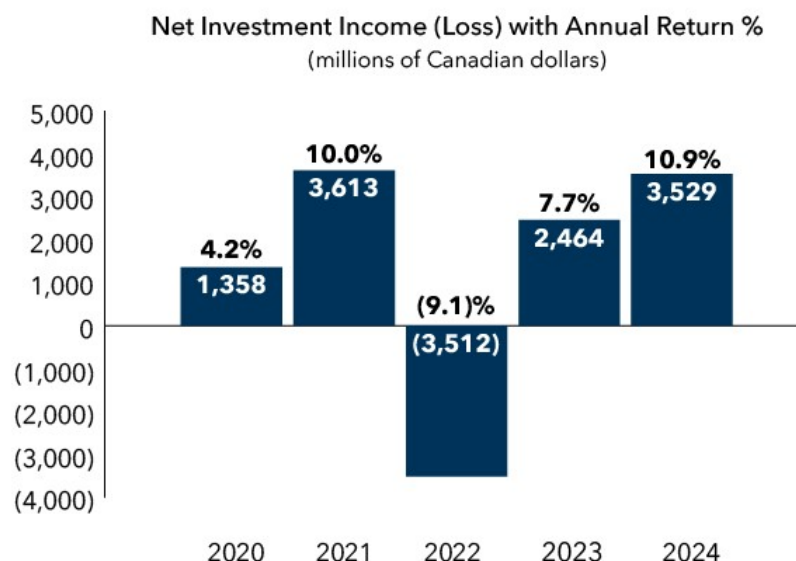
In 2024, our insurance finance expense was \$1,380 million compared to \$2,484 million in 2023. The insurance finance expense of \$1,380 million was mainly attributable to interest accretion as the change in the discount rate was minimal.

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Management's discussion and analysis December 31, 2024

Net investment income (loss)

The following chart displays the net investment income (loss) and the net return on investment for the five consecutive years ended December 31:



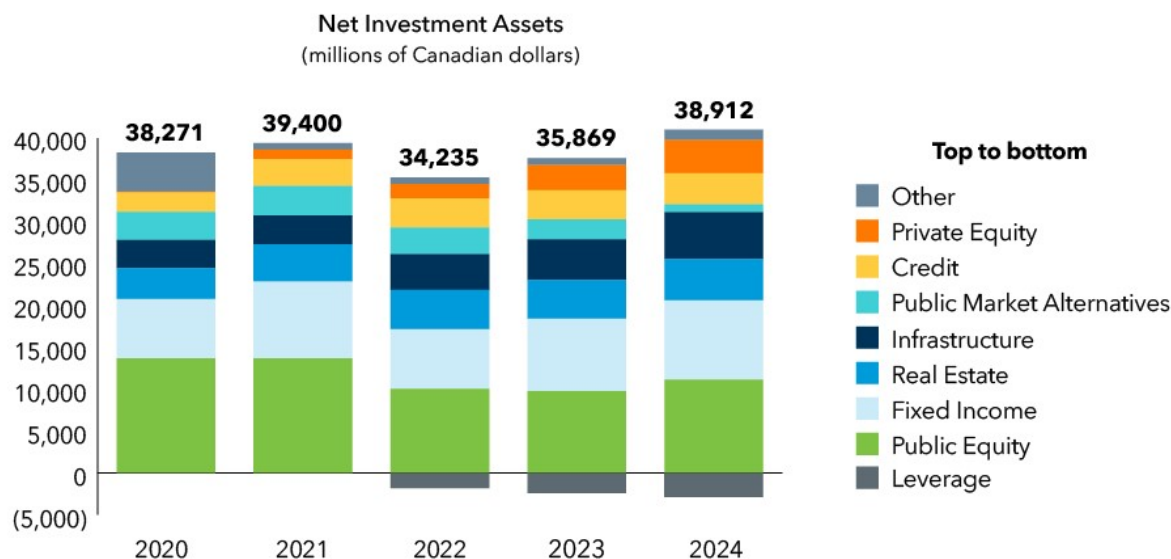
In 2024, our net investment income was \$3,529 million compared to \$2,464 million in 2023. Over 10 and 15 years, our net investment returns were 5.4% and 6.4% per annum, respectively. Net investment income increased by \$1,065 million compared to last year, reflecting net returns of 10.9% in 2024 compared to 7.7% in 2023. The increase in net investment income was mainly attributable to large gains in the Public Equity portfolio, following up on a strong 2023. This includes strong performances in both Global and US public equities, led by developed market equities and positive market expectations following the US election. Although overall a positive contributor, Fixed Income performed worse in 2024 compared to 2023 largely due to a negative fourth quarter, which saw rising long bond yields. Both Infrastructure and Private Equity had strong fourth quarters, along with positive performance throughout 2024, which resulted in higher investment income compared to 2023. Real Estate losses were smaller compared to 2023 as market sentiment has improved due to declining interest rates, despite ongoing concerns over costs. The overall increase in investment income in 2024 was partially offset by increased investment expenses primarily due to increased interest expenses as a result of the continued expansion of the leverage program.

Past performance may not be indicative of future results. Our financial performance is heavily reliant on the amount of investment income we are able to generate as each 1% rate of return on investments represents approximately \$385 million of net investment income equating to \$0.13 of premiums per \$100 of insurable earnings, or about 11% of annual premiums.

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The following chart displays net investment asset values¹ and their different components for the five consecutive years ended December 31:



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

Administration and other expenses

A summary of changes in administration and other expenses for the years ended December 31 is as follows:

(millions of Canadian dollars)	2024	2023	Change	
			\$	%
Salaries and short-term benefits	570	540	30	5.6
Employee benefit plans	176	148	28	18.9
Depreciation and amortization	27	31	(4)	(12.9)
Other	318	281	37	13.2
	1,091	1,000	91	9.1
Administration and other expenses allocated to insurance service expenses ¹	(937)	(861)	(76)	(8.8)
Total administration and other expenses	154	139	15	10.8

1. Comprised of the allocation of administration and other expenses related to the current and prior injury years.

A summary of the significant changes in administration and other expenses, before allocation to insurance service expenses, for the year ended December 31, 2024 is as follows:

- Salaries and short-term benefits increased by \$30 million, reflecting higher staffing levels, inflationary pressures and updates to the WSIB's vacation policy.
- Employee benefit plans increased by \$28 million, reflecting a 40 basis point decrease in our discount rate (from 5.05% to 4.65%), changes to post-retirement benefits from the 2023 new collective labour agreement and other assumption changes.
- Depreciation and amortization decreased by \$4 million, reflecting lower capital expenditures.

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- Other costs increased by \$37 million, primarily reflecting high equipment and maintenance costs and higher systems development and integration costs.

Legislated obligations and funding commitments expenses

A summary of legislated obligations and funding commitments expenses for the years ended December 31 is as follows:

(millions of Canadian dollars)			Change	
	2024	2023	\$	%
Legislated obligations				
Occupational Health and Safety Act	126	114	12	10.5
MLITSD Prevention Costs	115	129	(14)	(10.9)
	241	243	(2)	(0.8)
Workplace Safety and Insurance Appeals Tribunal	33	31	2	6.5
Workplace Safety and Insurance Advisory Program	16	17	(1)	(5.9)
Total legislated obligations	290	291	(1)	(0.3)
Funding commitments				
Grants and other funding commitments	14	11	3	27.3
Total SOSE and Health and Safety Excellence program ¹	20	21	(1)	(4.8)
Total funding commitments	34	32	2	6.3
	324	323	1	0.3
Legislated obligations and funding commitments expenses allocated to insurance service expenses ²	(29)	(28)	(1)	(3.6)
Total legislated obligations and funding commitments	295	295	-	-

- SOSE and Health and Safety Excellence program are MLITSD accreditation programs. See Section 1 – Our business for more information.
- Comprised of the allocation of legislated obligations and funding commitment expenses related to the current and prior injury years.

Total other comprehensive income (loss)

For the year ended December 31, 2024, total other comprehensive income increased by \$674 million to \$468 million. This is primarily attributed to an increase in the employee benefit plan's discount rate (by 10 basis points), as well as a gain on the remeasurement of plan assets. Furthermore, net foreign investments also generated translation gains of \$88 million due to weakening of the Canadian dollar against the US dollar in 2024.

2024 Annual Report**Management's discussion and analysis
December 31, 2024****6. Changes in financial position**

A summary of changes in financial position from the December 31, 2024 consolidated statement of financial position compared to December 31, 2023 is as follows:

(millions of Canadian dollars)	Change			
	2024	2023	\$	%
Assets				
Cash and cash equivalents	364	335	29	8.7
Receivables and other assets	843	440	403	91.6
Public equity investments	11,104	9,729	1,375	14.1
Fixed income investments	9,954	9,057	897	9.9
Derivative assets	20	237	(217)	(91.6)
Investment properties	319	620	(301)	(48.5)
Investments in associates and joint ventures	2,220	2,717	(497)	(18.3)
Other invested assets	16,761	14,789	1,972	13.3
Property, equipment and intangible assets	189	240	(51)	(21.3)
Liabilities				
Payables and other liabilities	2,369	305	2,064	100+
Derivative liabilities	139	24	115	100+
Securities sold under repurchase agreements	2,101	1,751	350	20.0
Long-term debt and lease liabilities	92	159	(67)	(42.1)
Loss of Retirement Income Fund liability	1,940	1,898	42	2.2
Employee benefit plans liability	849	1,193	(344)	(28.8)
Insurance contract liabilities	27,443	27,720	(277)	(1.0)
Net assets				
Net assets	6,620	4,863	1,757	36.1
Net assets – Sufficiency Ratio basis	7,208	7,303	(95)	(1.3)
Sufficiency Ratio	121.2%	122.5%	n/a	(1.3)

Investments

Net changes in investments mostly reflect the performance of the asset classes and investments made during the year. Public equity investments earned \$2,420 million of investment income during 2024, which was offset by negative net investments of \$1,045 million. This decrease in the year-end balance was due to the continued strategic reduction in the public equity asset class in line with the long-term allocation targets. Fixed income investments increased due to \$329 million of investment income and \$568 million of positive net investments. Investment properties and investments in associates and joint ventures both decreased largely due to transfers of assets into IMCO pooled funds, in the amount of \$329 million and \$493 million, respectively. These transfers added to the other invested assets balance, but were offset by reductions in allocation to Public Market Alternatives, resulting in \$148 million of negative net investments. Combined with \$2,120 million of investment income, this resulted in an increase in the other invested assets balance for the year.

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Payables and other liabilities

Payables and other liabilities increased by \$2,064 million from the prior year primarily due to the increase in administration payable reflecting the \$2,000 million surplus distribution payable approved on November 15, 2024. Refer to note 22 of the consolidated financial statements for further details.

Securities sold under repurchase agreements

The WSIB enters into repurchase agreements to facilitate the use of leverage to enhance returns, manage liquidity and optimize portfolio diversification while maintaining targeted risk levels. This balance increased in 2024 due to the continued expansion of the leverage program.

Employee benefit plans liability

Employee benefit plans liability decreased by \$344 million, or 28.8%, from the prior year. The decrease primarily reflects an increase in the discount rate used for valuation from 4.65% as at December 31, 2023 to 4.75% as at December 31, 2024, as well as higher gains from greater-than-expected returns on plan assets.

Insurance contract liabilities

The decrease of the insurance contract liabilities is driven by \$3,520 million of insurance revenue recognized, \$120 million in net cash inflows comprised of \$3,488 million in premiums received less \$3,608 million in claims and other expenses paid, partially offset by \$1,983 million of insurance service expenses and \$1,380 million of insurance finance expense.

Refer to Section 5 – Financial analysis for details related to insurance revenue, insurance service expenses and insurance finance expense.

Liabilities for incurred claims by benefit type are comprised of the following:

	December 31 2024	December 31 2023
Loss of earnings	8,180	8,250
Workers' pensions	4,337	4,720
Health care	5,432	5,107
Survivor benefits	3,438	3,422
Future economic loss	399	475
External providers	116	100
Non-economic loss	400	410
Long latency occupational diseases	2,666	2,777
Claim administration costs	1,936	1,839
Loss of Retirement Income	449	460
Liabilities for incurred claims	27,353	27,560
Receivables and payables reclassified to liabilities for incurred claims	40	45
Total liabilities for incurred claims	27,393	27,605

Claim payments represent cash paid or payable during the year to or on behalf of injured workers excluding claim administration costs and the Loss of Retirement Income.

Refer to Section 5 – Financial analysis for details related to claim payments.

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Management's discussion and analysis December 31, 2024

7. Reconciliation of the change in net assets

Reconciliation of financial results by injury year

Premiums charged to businesses are designed to offset the expected claims and associated administrative costs of injuries occurring in the current fiscal year. Financial results are assessed for both the current injury year to ensure we are funding all current year costs as well as prior injury years to ensure that the funding requirements in *Ontario Regulation 141/12* as amended by *Ontario Regulation 338/13* and *Ontario Regulation 864/21* (collectively, the "Ontario Regulations") are met.

Set forth below is a segmentation of our financial results between the "Current injury year" for 2024, and "Prior injury years".

(millions of Canadian dollars)	Total	Current injury year	Prior injury years
Insurance revenue ¹	3,520	3,493	27
Insurance service expenses ²	(1,983)	(2,610)	627
Insurance service result	1,537	883	654
Insurance finance expense³	(1,380)	(67)	(1,313)
Investment income ⁴	3,993	137	3,856
Investment expenses ⁴	(464)	(16)	(448)
Net investment income	3,529	121	3,408
Total insurance and investment result	3,686	937	2,749
Loss of Retirement Income Fund contributions ⁵	53	-	53
Administration and other expenses	154	154	-
Legislated obligations and funding commitments	295	295	-
Other income	(117)	(117)	-
Excess from operations	385	332	53
Surplus distribution expense ⁶	2,000	2,000	-
Excess (deficiency) of revenues over expenses	1,301	(1,395)	2,696
Other comprehensive loss			
Remeasurements of employee benefit plans ⁷	380	8	372
Translation gains from net foreign investments ⁸	88	3	85
Total comprehensive income (loss)	1,769	(1,384)	3,153
Non-controlling interests ⁸	12	-	12
Total comprehensive income (loss) attributable to WSIB stakeholders	1,757	(1,384)	3,141

1. Insurance revenue relates to current injury year and retrospective refunds relate to experience for prior injury years.
2. Includes claim and non-claim expenses, change in liabilities for incurred claims (non-financial) and change in onerous loss liability.
3. Includes the change in the liabilities for incurred claims due to interest accretion and change in discount rate.
4. The estimated current injury year's net investment income is calculated based on net cash flow reflecting insurance revenue not required for claim payments and related expense in the current injury year.
5. Payments relate to prior years as Loss of Retirement Income Fund contributions are only made once a worker has been injured and on benefits for more than one year.

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6. Reflects surplus distribution of \$2,000 million booked in 2024. This surplus was accumulated due to positive past financial and operational performance including investment performance in recent years. If this distribution amount is excluded, then the total comprehensive income attributable to WSIB stakeholders in the current year would be \$616 million.
7. Split in proportion of current and prior service cost.
8. Same proportionate split as net investment income.

As noted above, insurance revenue and net investment income for the current injury year were sufficient to fund current year injury costs and administration expenses. We believe this result reflects our disciplined approach to premium rate setting and strong oversight of benefits and administration cost management.

Reconciliation of net assets on an IFRS basis

Set forth below is a reconciliation of the movement in net assets in 2024 reflecting actuarial gains and losses as well as assumption and actuarial standard changes. A more detailed discussion of the actuarial gains and losses is contained in note 17 of the consolidated financial statements.

(millions of Canadian dollars)	
Net assets as at December 31, 2023	4,863
Interest on net assets	248
Expected net assets as at December 31, 2024	5,111
Experience gains (losses)	
Gains from investment return higher than expected	1,815
Surplus distribution expense	(2,000)
Gains from remeasurements of employee benefit plans	372
Translation gains from net foreign investments	85
Gains and losses on claims/operations	
Gains from current year claims cost lower than expected	616
Gains from net mandatory business incentive programs	27
Gains from prior year claims cost lower than expected	555
Losses from firefighters presumptive cancers	(45)
Net actual gains	1,425
Changes in assumptions for future cost on existing claims	
Changes in mortality assumptions	64
Changes in discount rate	20
Net result from assumption changes	84
Net assets as at December 31, 2024	6,620

Reconciliation of the net assets on a Sufficiency Ratio basis

The Sufficiency Ratio is calculated by dividing total assets by total liabilities, with certain assets and liabilities measured on a different basis than that required under IFRS. Adjustments are made to the total assets and total liabilities, as presented on the consolidated statements of financial position, 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.

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Management's discussion and analysis December 31, 2024

The assets and liabilities as determined under IFRS are adjusted for the purpose of the Sufficiency Ratio as follows:

- Benefit liabilities are determined using a going concern discount rate.
- The impact of onerous contracts is reversed.
- Insurance related receivables and payables, recognized within insurance contract liabilities under IFRS, are added back to receivables and other assets and payables and other liabilities, respectively.
- The values of the employee benefit plans obligations are determined through an actuarial valuation using the going concern basis, which differs from IFRS.

As at December 31, 2024, the Sufficiency Ratio, as defined in the Ontario Regulations, was 121.2% (2023 – 122.5%). Set forth below is the reconciliation of the net assets between the IFRS and Sufficiency ratio basis:

(millions of Canadian dollars)	December 31 2024	December 31 2023
Net assets attributable to WSIB stakeholders on an IFRS basis	6,620	4,863
<i>Add (Less): Adjustments per Ontario Regulations:</i>		
Reduction of cash related to the Worker Income Protection Benefit Program ¹	(6)	(33)
Addback receivables reclass	425	450
Change in valuation of invested assets	(794)	1,429
Reduction of payables related to the Worker Income Protection Benefit Program ¹	6	33
Addback of employee contribution receivables	(8)	(15)
Addback payables reclass	(337)	(400)
Change in valuation of employee benefit plans liability	159	479
Change in valuation of insurance contract liabilities	1,163	540
Change in valuation of invested assets attributable to non-controlling interests	(20)	(43)
Net assets attributable to WSIB stakeholders on a Sufficiency Ratio basis	7,208	7,303
Sufficiency Ratio	121.2%	122.5%

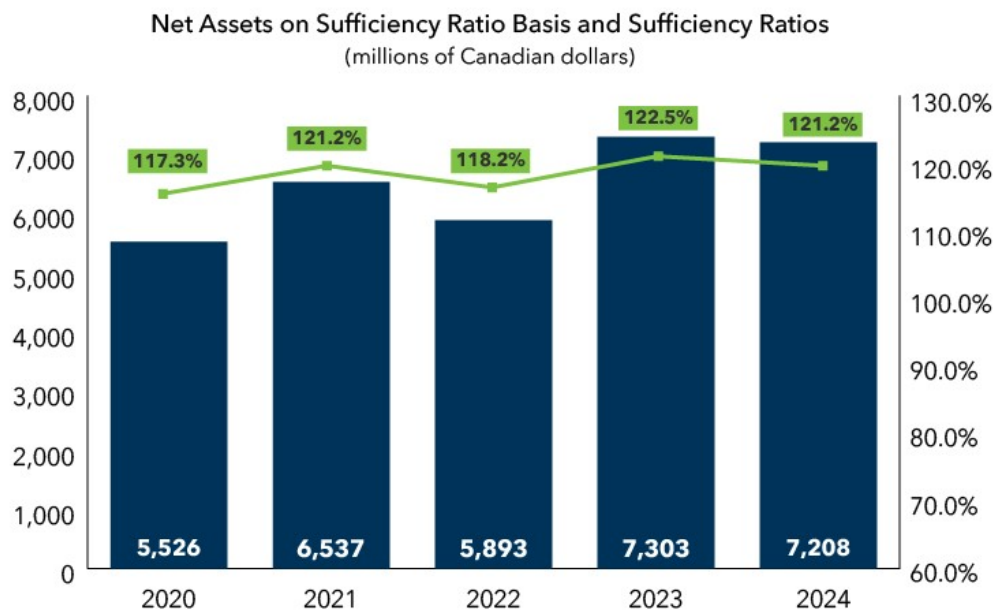
1. Reflects the restricted cash balance consisting of funds received from the Government of Ontario for the purposes of administering the COVID-19 Worker Income Protection Benefit Program on behalf of the Government of Ontario.

Refer to the audited annual Sufficiency Ratio Statement in the Annual Sufficiency Report for further details on the above.

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The following table displays the net assets on a Sufficiency Ratio basis and Sufficiency Ratios for the five consecutive years ended December 31:



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8. Summary of quarterly results

Selected financial information for the eight consecutive three month quarters for 2024 and 2023 is as follows:

(millions of Canadian dollars)	2024				2023			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Insurance revenue	781	881	957	901	765	902	941	853
Insurance service expenses	(257)	(504)	(596)	(626)	(519)	(443)	(760)	(612)
Insurance service result	524	377	361	275	246	459	181	241
Insurance finance income (expense)	(116)	(1,422)	(174)	332	(2,604)	1,302	(225)	(957)
Investment income (loss)	1,025	1,161	724	1,083	1,901	(622)	259	1,224
Investment expenses	(169)	(80)	(93)	(122)	(54)	(103)	(66)	(75)
Net investment income (loss)	856	1,081	631	961	1,847	(725)	193	1,149
Total insurance and investment result	1,264	36	818	1,568	(511)	1,036	149	433
Loss of Retirement Income Fund contributions	14	12	14	13	13	13	15	13
Administration and other expenses	40	40	26	48	20	33	54	32
Legislated obligations and funding commitments	78	68	74	75	84	81	61	69
Other income	(21)	(31)	(35)	(30)	(29)	(30)	(31)	(28)
Total expenses	111	89	79	106	88	97	99	86
Excess (deficiency) from operations	1,153	(53)	739	1,462	(599)	939	50	347
Surplus distribution expense	2,000	-	-	-	-	-	-	-
Excess (deficiency) of revenues over expenses	(847)	(53)	739	1,462	(599)	939	50	347
Total other comprehensive income (loss)	191	(150)	113	314	(519)	480	(151)	(16)
Total comprehensive income (loss)	(656)	(203)	852	1,776	(1,118)	1,419	(101)	331
Total comprehensive income (loss) attributable to WSIB stakeholders	(661)	(203)	851	1,770	(1,113)	1,426	(93)	330
Other measures								
Net return on investments (%)	2.6	3.0	1.9	3.0	5.6	(2.1)	0.5	3.6
Net assets ^{1,2}	6,620	7,281	7,484	6,633	4,863	5,976	4,550	4,643
Net assets – Sufficiency Ratio basis ²	7,208	7,802	7,398	7,142	7,303	6,348	6,395	6,387
Sufficiency Ratio ² (%)	121.2	123.4	121.7	121.5	122.5	118.0	118.1	118.1

1. Net assets exclude non-controlling interests.

2. Refer to Section 7 – Reconciliation of the change in net assets for further details.

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9. Liquidity and capital resources

The purpose of liquidity management is to ensure there is sufficient cash to meet our financial commitments and obligations as they fall due. In the normal course of business, we believe we have the flexibility to obtain, from current cash holdings and ongoing operations, the funds needed to fulfill our cash requirements during the current financial period. We have three sources of funds: (i) premiums charged to businesses; (ii) investment income; and (iii) cash and short-term investments.

Our funds are primarily used to satisfy claim payments and operating expenses. As at December 31, 2024, we held \$364 million of cash and cash equivalents, of which \$184 million was maintained for investing purposes and \$180 million was maintained for operating purposes.

(millions of Canadian dollars)	2024	2023
Cash and cash equivalents, beginning of year	335	664
Cash required by operating activities	(770)	(944)
Cash provided by investing activities	721	170
Cash provided by financing activities	78	445
Cash and cash equivalents,¹ end of year	364	335

1. This includes \$6 million (2023 – \$36 million) of restricted cash funds received from the Government of Ontario for the purposes of administering the COVID-19 Worker Income Protection Benefit Program on behalf of the Government of Ontario.

A summary of the significant changes in cash and cash equivalents for the year ended December 31, 2024 is as follows:

- Cash provided by investing activities was \$721 million compared to cash provided of \$170 million in 2023. This increase is primarily driven by higher dividends and interest received as well as higher net disposition of investments compared to 2023.
- Cash provided by financing activities was \$78 million compared to \$445 million in 2023, and is attributed to the continued expansion of the leverage program in 2024; however, the degree of this expansion was less than in 2023.

Credit facilities

We maintain and use a \$150 million unsecured line of credit with a commercial bank for general operating purposes. There were no outstanding borrowings as at December 31, 2024.

Commitments

We have commitments that we need to fund related to investments, legislated obligations, and other commitments for purchases of goods and services. Refer to note 23 of the consolidated financial statements for more details.

10. Critical accounting estimates and judgements

For details on the judgments applied when making estimates and assumptions that impact the WSIB's consolidated financial statements, refer to note 2 of the consolidated financial statements.

11. Legal contingencies

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 that adequate provisions have been made for cases where it is reasonably possible that a payment will be made. Management also believes that the probable ultimate resolution of all existing legal proceedings and claims will not have a material effect on the WSIB's financial position.

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The WSIB has provided formal written indemnities to all of its current and former directors to indemnify them, to the extent permitted by law, against any and all charges, costs, expenses, and amounts paid in settlement and damages incurred as a result of any lawsuit or any other judicial, administrative or investigative proceeding in which they are involved as a result of their services to the WSIB.

Additionally, the WSIB has purchased directors' and officers' liability insurance. The WSIB also indemnifies and provides legal representation to all its employees and former employees in legal proceedings arising out of alleged acts or omissions in the performance of their duties, provided the person has acted honestly and in good faith. The WSIB also indemnifies persons engaged by the WSIB to conduct an examination, test, enquiry or other authorized functions, provided they have acted honestly and in good faith.

In the normal course of operations, the WSIB may enter into contractual arrangements with external parties that involve promises to indemnify the other party under certain circumstances. As part of its investment function, the WSIB may also provide indemnification agreements to counterparties that would require the WSIB to compensate them for costs incurred as a result of changes in laws and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnification arrangements will vary.

12. Outlook for the year ending December 31, 2025

The following contains forward-looking statements about the outlook for our business. Reference should be made to Section 15 – Forward-looking statements at the end of this MD&A. For a description of risk factors that could cause our actual results to differ materially from the forward-looking statements, please also see Section 14 – Risk factors in this MD&A and note 11 in our consolidated financial statements.

Insurance revenue

Insurance revenue is expected to increase throughout 2025. This expectation is based on assumptions of a 5.6% growth in insurable earnings due to a projected moderate economic outlook in 2025 and the published 2025 notional average premium rate of \$1.25 per \$100 of insurable earnings. This expectation is also based on critical assumptions on the employment rate, average wage and nominal GDP growth rates as they apply to Ontario's economic outlook.

Claim payments

Claim payments are expected to continue growing in 2025, with loss of earnings and health care as main contributors in 2025.

Net investment income

The return objective is to achieve a net return of at least 5.25% annualized over the long term. While our long-term investment return objective for 2024 was planned within an expected range of 4.3% to 7.6%, we continue to expect near-term volatility due to an uncertain economic growth outlook amid the potential for uncertainty on global trade policy.

Administration and other expenses

Administration and other expenses are anticipated to increase in 2025, reflecting higher salaries and short-term benefits, equipment and maintenance, systems development and integration costs and other operating expenses, partially offset by lower employee benefit plan expenses.

Legislated obligations and funding commitments

Legislated obligations and funding commitments are anticipated to increase, reflecting higher grants and funding commitments.

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Net assets

Investment returns in 2025 and anticipated growth in insurance revenue due to a positive economic outlook are expected to increase our net asset position.

Newly imposed tariffs and ongoing political uncertainty have introduced potential risks that may affect the WSIB's business operations and financial performance. These external factors could impact market conditions, the regulatory environment and consumer behaviour.

The WSIB continues to monitor the situation closely, but the extent of the financial impact on the WSIB's operations, financial position or future results cannot be reasonably estimated at this time.

Liquidity

A range of stress tests are used in our liquidity assessments, and a portion of assets will continue to be maintained in highly liquid government securities, cash and cash equivalents to ensure funds are available as required. We do not anticipate encountering difficulty in meeting payment obligations when due.

13. Related party transactions

The WSIB's related parties include the Government of Ontario and related entities, key management personnel, subsidiaries, associates, joint ventures, and post-retirement benefit plans for the WSIB's employees. The transactions are in the ordinary course of business. For more details on the related party transactions, refer to note 25 of the consolidated financial statements.

14. Risk factors

The WSIB maintains a mature Enterprise Risk Management function that identifies, analyzes, evaluates, manages, and reports on the most significant enterprise risks that it faces. The WSIB proactively manages these risks to ensure our continued ability to provide wage-loss benefits, medical coverage, and other supports to Ontarians impacted by work-related injuries or illnesses and to support premium rate stability for covered businesses.

The WSIB takes a systematic and comprehensive approach to management of risk at all levels of the organization and categorizes enterprise risks as financial, operational, strategic, or reputational. Below is a discussion around how the WSIB manages its most significant risks.

Insurance funding

The WSIB continuously monitors insurance funding risks, specifically:

- Underfunding risk – which could materialize as a result of the WSIB not being able to maintain 100% funding on an annual audited sufficiency basis; and
- Overfunding risk – which could arise because of the WSIB exceeding 125% on an annual audited sufficiency basis. This would lead to the WSIB being required to distribute surplus funds to businesses in the amount that would return the Sufficiency Ratio to 115.1% within 30 days, as per *Ontario Regulation 141/12* under the *WSIA*.

The WSIB aims to maintain the insurance fund within a funding sufficiency range of 110% to 120% and actively manages its investments and insurance premium pricing accordingly.

2024 Sufficiency Ratio – During the year, strong operational and investment results increased the risk of the Sufficiency Ratio exceeding 125%. In Q4 2024, the WSIB approved a reduction in the average premium rate for 2025 to \$1.25 per \$100 of insurable earnings, and a distribution of \$2,000 million to

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eligible Schedule 1 businesses in Q1 2025. Given the recognition of the surplus distribution, the WSIB Sufficiency Ratio was 121.2% at the end of Q4 2024.

Safeguarding benefits for injured or ill people and ensuring premium rate stability for businesses particularly in an environment of significant macro-economic change remains a top priority for the WSIB.

Routine insurance funding risk mitigation activities executed throughout the year include:

- Conducting regular financial modelling and stress testing across a variety of economic scenarios to fully understand the impact of economic risks.
- Determining the WSIB's insurance contract liabilities based on emerging experience and monitoring potential legislative changes that could impact benefit liabilities or costs.
- Reviewing and updating our investment strategy on an ongoing basis in addition to monitoring of risks including liquidity risk, credit risk, and market risk. These risks along with the WSIB's investment management strategy are discussed in note 11 of the consolidated financial statements.

Managing our claims

The efficient and effective management of injury and illness claims is at the core of our business. We continually aim to manage claims in a manner that provides optimal recovery and return-to-work outcomes for people with work-related injuries or illnesses. As a result, we closely monitor changes in claims volumes and complexity to ensure we are appropriately resourced to meet the service needs of Ontarians.

Work continued throughout 2024 on initiatives aimed at ensuring the WSIB's IT systems resiliency and managing the risk of not meeting our service delivery and duration targets. These system enhancements included upgrades to platforms that support services to injured workers and to businesses.

Projects and programs

The WSIB continues to pursue both business and technology transformation initiatives aimed at delivering value to our customers. Our major projects and program delivery focus on enhancing the WSIB's technology resilience, and developing and deploying modern service delivery channels to make it easier for customers to do business with the WSIB, while prudently managing project and operational costs.

Multi-year business planning serves to mitigate the risk of not funding or prioritizing projects and programs that meet our strategic goals. We continue to enhance our processes, including investing in improved project management tools, to strengthen project and program governance, oversight, and financial controls.

Workforce

In a tightening labour market for critical skills and considering ongoing labour market demographic changes, the ability to attract and retain an experienced workforce and the best senior leadership remain areas of focus to mitigate our workforce risk. The WSIB has implemented new talent acquisition strategies while also enhancing employee retention and development programs. The WSIB continues to engage in workforce planning, employee health, safety and wellness programs, and IT-enabled workforce management. These initiatives will ensure that we have the dynamic workforce to deliver key services to both people with illnesses or injuries and to businesses.

Management's discussion and analysis December 31, 2024

Business continuity

Ontario's workers and businesses rely on our ability to provide services and operate our systems without interruptions. The WSIB carried out a third-party review of its Business Continuity Program to identify areas for improvement as it continues to build the resiliency of the program. The WSIB demonstrated its resilience to disruptive events, including the global CrowdStrike IT outage and the Canada Post labour disruption.

Information technology

The WSIB relies on several technology systems in the delivery of its services. The WSIB actively manages risks associated with our IT environments in line with industry best practices and standards.

The WSIB's technology renewal strategy includes upgrading outdated software and hardware as part of IT infrastructure stabilization efforts. To take significant steps towards improving core IT system resiliency, security, and reliability, the WSIB initiated the multi-year process of migrating the current enterprise resource planning system and the current claims and payments management platforms to cloud-based solutions.

Cybersecurity

In 2024, there were notable cyber-attacks against Ontario public sector organizations. The WSIB remains vigilant and current in maintaining a strong cybersecurity posture by investing in technologies and expertise that protect our outward-facing web presence, our endpoints, and our operational systems supporting benefits payments for claimants.

To ensure we are handling customer data with the utmost care, the WSIB continued to enhance and adapt our cyber defenses to an ever-evolving cyber threat landscape. The WSIB also focuses resources on identifying and addressing IT security vulnerabilities to mitigate the risks of business interruptions resulting from potential IT-related security incidents.

Third-party risk

The WSIB leverages third-party vendors to deliver goods and services. Evolving our Third-Party Risk and Vendor Management ("TPRVM") function includes strengthening our governance and oversight capabilities of third-party activities across all lines of business, and further enhancing the WSIB TPRVM framework, the vendor risk assessment and onboarding processes, and ongoing third-party vendor risk monitoring.

Health and safety

The WSIB strives to promote a culture of workplace health and safety among all Ontario businesses to reduce workplace injuries and illnesses, and to manage the costs borne by covered businesses. Every year, as part of our legislated obligations, the WSIB provides the MLITSD with funds towards the province's prevention system.

The WSIB's Health and Safety Excellence program helps make workplaces safer while businesses can earn rebates on their WSIB premiums. More recently, the program has been enhanced to enable better access to safety information for businesses. The WSIB continues to engage with stakeholder organizations and fund initiatives aimed at promoting health and safety and improving health and safety outcomes in Ontario's workplaces.

15. 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 statements 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 and various assumptions and analyses made by us in light of our experience and our perceptions of historical trends, current conditions and 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.

These factors may cause our actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. Forward-looking statements do not take into account the effect that transactions or non-recurring or other special items announced or occurring after the statements are made have on our business. For example, they do not include the effect of asset impairments or other changes announced or occurring after the forward-looking statements are made. The financial impact of such transactions and non-recurring and other special items can be complex and necessarily depends on the facts particular to each of them.

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. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.

Management's report

Role of management

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") and the consolidated financial statements have been prepared by management and approved by the Board of Directors of the Workplace Safety and Insurance Board (the "WSIB"). The consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") and, where appropriate, reflect management's best estimates and judgment. Where alternative accounting methods exist, management has chosen those methods considered most appropriate in the circumstances. Management is responsible for the accuracy, integrity and objectivity of the consolidated financial statements within reasonable limits of materiality of internal controls. Additionally, management is responsible for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The WSIB's internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 consolidated financial statements.

The Board of Directors has established an Audit and Finance Committee to oversee that management fulfills these responsibilities. The Audit and Finance Committee meets with management as well as with the independent auditors to satisfy itself that management is properly discharging its financial reporting responsibilities and reviews the consolidated financial statements and the independent auditor's report. The Audit and Finance Committee also reports its findings to the Board of Directors for consideration in approving the WSIB's Annual Report and its submission to the Minister of Labour, Immigration, Training and Skills Development pursuant to section 170 of the *Workplace Safety and Insurance Act, 1997* and a Memorandum of Understanding between the Ministry of Labour, Immigration, Training and Skills Development of the Province of Ontario and the WSIB.

In this MD&A, the "WSIB" or the words "our", "us" or "we" refer to the WSIB. This MD&A is dated as of the date below, and all amounts herein are denominated in millions of Canadian dollars, unless otherwise stated.

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 forward-looking statements in cases in which future events and circumstances do not occur as expected.

The consolidated financial statements have been examined by the WSIB's independent auditors, Ernst & Young LLP, and their report is provided herein.

Role of the Chief Actuary

With respect to the preparation of the consolidated financial statements, the Chief Actuary works with the WSIB actuarial staff to prepare a valuation, including the selection of appropriate assumptions applicable to the WSIB's insurance contract liabilities at the consolidated statements of financial position date to determine the valuation of insurance contract liabilities. Additionally, the Chief Actuary provides an opinion to the Board of Directors regarding the appropriateness of the insurance contract liabilities recorded by management of the WSIB at the date of the consolidated statement of financial position. The work to form that opinion includes an examination of the sufficiency and reliability of data and a review of the valuation processes. The Chief Actuary is responsible for assessing whether the assumptions and methods used for the valuation of the insurance contract liabilities are in accordance with accepted actuarial practice, applicable legislation, and associated regulations and directives. In performing the

2024 Annual Report

valuation of these liabilities, which are by their very nature inherently variable, the Chief Actuary makes assumptions as to future interest and mortality rates, expenses, related trends, and other contingencies, taking into consideration the circumstances of the WSIB. It is certain that the insurance contract liabilities will not develop exactly as projected and may, in fact, vary significantly from the projections. Further, the projections make no provision for future claim categories not sufficiently recognized in the claims experience and inventories. The Chief Actuary's report outlines the scope of the valuation and her opinion.

Role of the external auditors

The external auditors, Ernst & Young LLP, working under the direction of the Auditor General of Ontario, have performed an independent and objective audit of the consolidated financial statements of the WSIB in accordance with Canadian generally accepted auditing standards. In carrying out their audit, the external auditors make use of the work of the Chief Actuary and her report on the insurance contract liabilities of the WSIB. The external auditors have full and unrestricted access to the Board of Directors and the Audit and Finance Committee to discuss audit, financial reporting, and related findings. The external auditor's report outlines the scope of their audit and their opinion on the consolidated financial statements of the WSIB.



Jeffery Lang

President and Chief Executive Officer



Karen Bailey

Chief Financial Officer (Interim)

Toronto, Ontario

April 23, 2025

Independent auditor's report

**To the Board of Directors of the Workplace Safety and Insurance Board,
The Minister of Labour, Immigration, Training and Skills Development and the Auditor General of
Ontario**

Opinion

Pursuant to the *Workplace Safety and Insurance Act, 1997* (Ontario), which provides that the accounts of the **Workplace Safety and Insurance Board** [the "WSIB"] shall be audited by the Auditor General of Ontario or under his or her direction by an auditor appointed by the Lieutenant Governor in Council for that purpose, we have audited the consolidated financial statements of the WSIB, which comprise the consolidated statements of financial position as at December 31, 2024 and December 31, 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in net assets, and consolidated statements of cash flows for the years then ended, and notes to consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the WSIB as at December 31, 2024 and December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ["IFRSs"].

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the WSIB in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the WSIB's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the WSIB or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the WSIB's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the WSIB's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the WSIB's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the WSIB to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

2024 Annual Report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads "Ernst & Young LLP". The signature is written in a cursive, flowing style.

Toronto, Canada
April 23, 2025

Actuarial statement of opinion

On the valuation of the insurance contract liabilities as at December 31, 2024 of the Workplace Safety and Insurance Board for its consolidated financial statements prepared in accordance with International Financial Reporting Standards

I have completed the actuarial valuation of the insurance contract liabilities of the Workplace Safety and Insurance Board (the “WSIB”) for its consolidated statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as at December 31, 2024 (the “valuation date”).

In my opinion, the insurance contract liabilities of \$27,443 million make appropriate provision for the liabilities for incurred claims of \$27,353 million and the loss component of the liabilities for remaining coverage of \$177 million. The liabilities for incurred claims provide for future payments for loss of earnings, other short and long-term disability, health care, survivor and retirement income benefits with respect to claims which occurred on or before the valuation date, and for occupational disease claims expected to arise after the valuation date as a result of exposures incurred in the workplace on or before the valuation date in respect of occupational diseases with a long latency period that are recognized by the WSIB. This amount provides for future claim administration costs, but does not include a provision for claims related to workers of Schedule 2 organizations.

The valuation was based on the provisions of the *Workplace Safety and Insurance Act, 1997* (Ontario) (the “WSIA”) and on the WSIB's policies and administrative practices in effect at the time of the valuation, including several changes that have been made since the last valuation with respect to presumptive coverage for firefighters.

The total liabilities for incurred claims include insurance related payables of \$40 million. This amount together with the provision for incurred claims of \$27,353 million resulted in total liabilities for incurred claims of \$27,393 million at valuation date. The liabilities for remaining coverage of \$50 million are composed of a loss component of \$177 million and a credit of \$127 million for insurance premium receivables.

The data on which the valuation is based were provided by the WSIB; I applied such checks of reasonableness of the data as I considered appropriate and have concluded that the data are sufficiently reliable to permit a realistic valuation of the liabilities and are consistent with the WSIB's consolidated financial statements. In my opinion, the data on which the valuation is based are sufficient and reliable for the purpose of the valuation.

The discount rate assumption used for computing the liabilities is consistent with the market data available as at December 31, 2024, reflecting the liquid risk-free rate of return and the liquidity characteristics associated with WSIB benefits. Other economic assumptions underlying the calculations include annual changes in the Consumer Price Index (“CPI”) of 2.5% in 2025 and 2.0% thereafter, resulting in indexing factors of 2.4% for January 1, 2026, 2.1% for January 1, 2027, and 2.0% thereafter. Similarly, the annual health care costs are assumed to change at a rate of 4.5% for 2025 and 4.0% thereafter while annual wage escalation rates are assumed at 3.5% for 2025 and 3.0% thereafter.

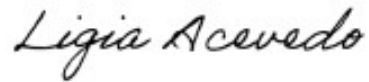
Other assumptions and methods employed in the valuation were consistent with those used in the previous valuation, after taking account changes in claim patterns. Projections of future claim payments and awards have been made using factors developed from the WSIB's claims experience, mortality, and other assumptions. Changes to the actuarial mortality assumptions caused liabilities to decrease by \$64 million and the discount rate update resulted in a \$20 million decrease. Legislative changes for firefighters increased liabilities by \$45M. In my opinion, the methods and assumptions employed in the valuation are appropriate for the purpose of the valuation.

The loss component of the liabilities for remaining coverage was determined using 2025 premium rate information and comparing, for businesses with onerous contracts, the insurance premium revenues and the projected costs.

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Details of the data, actuarial assumptions, valuation methods and analysis of results are set out in my actuarial report as at the valuation date, of which this statement of opinion forms part.

In my opinion, the amount of the insurance contract liabilities for the consolidated financial statements makes appropriate provision for all personal injury compensation obligations given WSIB's accounting and the consolidated financial statements fairly represent the results of the valuation. This report has been prepared, and my opinions given, in accordance with accepted actuarial practice in Canada.

A handwritten signature in black ink that reads "Ligia Acevedo". The script is cursive and fluid.

Ligia Acevedo, FCIA, FSA
Vice President and Chief Actuary
Workplace Safety and Insurance Board

April 23, 2025

2024 Annual Report**Consolidated Statements of Financial Position**
(millions of Canadian dollars)

	Note	December 31 2024	December 31 2023
Assets			
Cash and cash equivalents	4	364	335
Receivables and other assets	5	843	440
Public equity investments	6	11,104	9,729
Fixed income investments	6	9,954	9,057
Derivative assets	6,8	20	237
Investment properties	6	319	620
Investments in associates and joint ventures	10	2,220	2,717
Other invested assets	6	16,761	14,789
Property, equipment and intangible assets	12	189	240
Total assets		41,774	38,164
Liabilities			
Payables and other liabilities	13	2,369	305
Derivative liabilities	6,8	139	24
Securities sold under repurchase agreements	7	2,101	1,751
Long-term debt and lease liabilities	14	92	159
Loss of Retirement Income Fund liability	15	1,940	1,898
Employee benefit plans liability	16	849	1,193
Insurance contract liabilities	17	27,443	27,720
Total liabilities		34,933	33,050
Net assets			
Reserves		5,082	3,792
Accumulated other comprehensive income		1,538	1,071
Net assets attributable to WSIB stakeholders		6,620	4,863
Non-controlling interests	18	221	251
Total net assets		6,841	5,114
Total liabilities and net assets		41,774	38,164

Approved by the Board of Directors



Grant Walsh
Chair
April 23, 2025



Reagan Ruslim
Audit and Finance Committee (Chair)
April 23, 2025

2024 Annual Report
Consolidated Statements of Comprehensive Income
For the years ended December 31
(millions of Canadian dollars)

	Note	2024	2023
Insurance revenue	19	3,520	3,461
Insurance service expenses	21	(1,983)	(2,334)
Insurance service result		1,537	1,127
Insurance finance expense	20	(1,380)	(2,484)
Investment income	20	3,993	2,762
Investment expenses	20	(464)	(298)
Net investment income		3,529	2,464
Total insurance and investment result		3,686	1,107
Loss of Retirement Income Fund contributions	15	53	54
Administration and other expenses		154	139
Legislated obligations and funding commitments		295	295
Other income		(117)	(118)
Total expenses		385	370
Excess from operations		3,301	737
Surplus distribution expense	22	2,000	-
Excess of revenues over expenses		1,301	737
Other comprehensive income (loss)			
Item that will not be reclassified subsequently to income			
Remeasurements of employee benefit plans	16	380	(168)
Item that will be reclassified subsequently to income			
Translation gains (losses) from net foreign investments		88	(38)
Total other comprehensive income (loss)		468	(206)
Total comprehensive income		1,769	531

	Note	2024	2023
Excess (deficiency) of revenues over expenses attributable to:			
WSIB stakeholders		1,290	756
Non-controlling interests	18	11	(19)
		1,301	737
Total comprehensive income (loss) attributable to:			
WSIB stakeholders		1,757	550
Non-controlling interests	18	12	(19)
		1,769	531

2024 Annual Report
Consolidated Statements of Changes in Net Assets
For the years ended December 31
(millions of Canadian dollars)

	Note	2024	2023
Reserves			
Balance at beginning of year		3,792	3,036
Excess from operations		3,290	756
Surplus distribution	22	(2,000)	-
Balance at end of year		5,082	3,792
Accumulated other comprehensive income			
Balance at beginning of year		1,071	1,277
Remeasurements of employee benefit plans	16	380	(168)
Translation gains (losses) from net foreign investments		87	(38)
Balance at end of year		1,538	1,071
Net assets attributable to WSIB stakeholders		6,620	4,863
Non-controlling interests			
Balance at beginning of year	18	251	402
Excess (deficiency) of revenues over expenses	18	11	(19)
Translation gains from net foreign investments	18	1	-
Change in ownership share in investments	18	(42)	(132)
Balance at end of year		221	251
Total net assets		6,841	5,114

2024 Annual Report
Consolidated Statements of Cash Flows
For the years ended December 31
(millions of Canadian dollars)

	Note	2024	2023
Operating activities:			
Total comprehensive income		1,769	531
Adjustments for non-cash items:			
Gain on lease remeasurement		(16)	-
Depreciation and amortization of property, equipment and intangible assets	12	30	33
Changes in fair value of investments		(3,691)	(2,591)
Changes in fair value of investment properties	6	(6)	62
Translation losses (gains) from net foreign investments		(88)	38
Dividend income from investments		(68)	(65)
Loss from investments in associates and joint ventures	10	4	88
Surplus distribution expense	22	2,000	-
Interest income		(374)	(363)
Interest expense		244	46
Total comprehensive loss after adjustments		(196)	(2,221)
Changes in non-cash balances related to operations:			
Receivables and other assets, excluding those related to investing and financing activities		(1)	(43)
Payables and other liabilities, excluding those related to investing and financing activities		6	47
Loss of Retirement Income Fund liability	15	42	24
Employee benefit plans liability	16	(344)	176
Insurance contract liabilities	17	(277)	1,073
Total changes in non-cash balances related to operations		(574)	1,277
Net cash required by operating activities		(770)	(944)
Investing activities:			
Dividends received from investments		247	38
Interest received		334	359
Purchases of property, equipment and intangible assets	12	(22)	(39)
Purchases of investments		(11,175)	(12,532)
Proceeds on sales and maturities of investments		10,530	12,909
Net dispositions of (additions to) investment properties		306	(31)
Net dispositions of (additions to) investments in associates and joint ventures		501	(534)
Net cash provided by investing activities		721	170
Financing activities:			
Net redemptions related to non-controlling interests		(40)	(131)
Distributions paid by subsidiaries to non-controlling interests		(2)	(1)
Repayment of debt and lease liabilities		(11)	(7)
Interest received		20	-
Interest paid		(134)	(60)
Surplus distribution ¹		(14)	(52)
Change from securities sold under repurchase agreements		239	696
Change from securities purchased under resale agreements		20	-
Net cash provided by financing activities		78	445
Net increase (decrease) in cash and cash equivalents		29	(329)
Cash and cash equivalents, beginning of year		335	664
Cash and cash equivalents, end of year		364	335

1. Related to the surplus distribution approved in 2022 for businesses who requested cheques instead of credits to be applied to their accounts.

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Notes to Consolidated Financial Statements

December 31, 2024

(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”), Canada. As a board-governed trust agency, in accordance with the Agencies 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 people 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 businesses and people with work-related injuries or illnesses. The WSIB is funded by business 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 300 Tartan Drive, London, Ontario, N5V 4M9.

2. Material accounting policy information, estimates and assumptions

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, which are measured at fair value, as explained in the accounting policies below.

The consolidated financial statements for the year ended December 31, 2024 were authorized for issuance by the WSIB’s Board of Directors on April 23, 2025.

Use of estimates and assumptions

The WSIB is required to apply judgment when making estimates and assumptions that affect the reported amounts recognized in the consolidated financial statements. These estimates and assumptions have a direct effect on the measurement of transactions and balances recognized in the consolidated financial statements. The WSIB has based its estimates and assumptions on information available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the WSIB. Estimates are reviewed on an ongoing basis, with any related revisions recorded in the period in which they are adjusted.

The most significant estimation processes relate to the assumptions used in measuring insurance contract liabilities, assessing fair value of certain financial instruments and investment properties, and the determination of employee benefit obligations. Although some variability is inherent in these estimates, management believes that the amounts recorded are appropriate.

In addition, the WSIB has made judgments, aside from those that involve estimates, in the process of applying its accounting policies. These judgments can affect the amounts recognized in the consolidated financial statements.

Notes to Consolidated Financial Statements

December 31, 2024

(millions of Canadian dollars)

Basis of consolidation

(a) Subsidiaries and non-controlling interests

The majority of the WSIB's subsidiaries hold investments.

Subsidiaries, including structured entities, are entities that are controlled by the WSIB. The WSIB has control when it has the power to direct the relevant activities, has significant exposure to variable returns from these activities, and has the ability to use its power to affect these returns. Power may be determined on the basis of voting rights or based on contractual arrangements in the case of structured entities.

The financial statements of subsidiaries are included in the WSIB's consolidated financial statements from the date control commences until the date control ceases. Where necessary, adjustments are made to the financial statements of subsidiaries to reflect accounting policies consistent with those of the WSIB. All intercompany transactions and balances are eliminated.

Non-controlling interest exists when the WSIB directly or indirectly owns less than 100% of the subsidiary and is presented in the consolidated statements of financial position as a separate component, distinct from the net assets attributable to the WSIB stakeholders. The excess of revenues over expenses and total comprehensive income (loss) attributable to the non-controlling interests are also separately disclosed in the consolidated statements of comprehensive income (loss).

The WSIB Employees' Pension Plan (the "EPP") and other investors are the non-controlling interests in the majority of the WSIB's subsidiaries. See note 18 for further details.

(b) Investments in joint arrangements and associates

The majority of the WSIB's joint arrangements and associates hold private market investments in real estate, private equity or credit.

The WSIB's joint arrangements are investments over which it has joint control and can either be a joint venture or a joint operation. Joint control exists when the strategic, financial, and operating decisions related to the entity's relevant activities require unanimous consent of parties sharing control.

Joint ventures are investments over which the WSIB has joint control and has rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, investments are initially recognized at cost and adjusted for the WSIB's proportionate share of the joint venture's total comprehensive income and dividends received.

Joint operations are economic activities or entities over which the WSIB has joint control and has rights to specific assets and obligations for specific liabilities relating to the arrangement. Investments in joint operations are accounted for through proportionate consolidation. The WSIB's consolidated financial statements include its share of assets, liabilities, revenues and expenses related to the joint operations.

Associates are those investments over which the WSIB has significant influence over the financial and operating policies but not control or joint control of the entity. Investments in associates are accounted for using the equity method.

The WSIB assesses its investments accounted for using the equity method for events or changes in circumstances that may indicate that they are impaired at each reporting period. If there are indicators that an asset may be impaired, an impairment test is performed and any difference between the carrying amount and the recoverable amount is recognized as an impairment loss. An impairment loss is assessed and reversed if there are indicators that an asset is no longer impaired. Reversal of

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any impairment loss will not exceed the carrying amount that would have been determined had no impairment loss been recognized.

Foreign currency

The WSIB's functional and presentation currency is the Canadian dollar.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate at the consolidated statement of financial position date. Non-monetary assets and liabilities that are measured at fair value are also translated at the exchange rate at the consolidated statement of financial position date. Foreign exchange gains and losses are recognized in investment income or administration and other expenses.

Net foreign investments are foreign subsidiaries that hold other invested assets and whose functional currency is not the Canadian dollar. All assets and liabilities of these net foreign investments are translated at exchange rates at the consolidated statement of financial position date, and all income and expenses are translated using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses on translation are recognized as translation gains (losses) from net foreign investments in other comprehensive income. Upon disposal of a net foreign investment that includes a loss of control, significant influence or joint control, the cumulative translation gain or loss related to that net foreign investment is recognized in income.

Financial instruments

Financial instruments are contracts that give rise to a financial asset or financial liability when the WSIB becomes a party to the contractual provisions of the instrument. The WSIB records transactions relating to financial instruments on a trade date basis.

The WSIB's financial instruments are classified as follows:

Financial instrument	Classification
(a) Financial assets	
Cash and cash equivalents	FVTPL
Investment receivables	Amortized cost
Public equity investments	
Public equity pooled funds	FVTPL
Public equity securities	FVTPL
Fixed income investments	FVTPL
Derivative assets	FVTPL
Securities purchased under resale agreements	Amortized cost
Other invested assets	
Private market pooled funds	FVTPL
Other private market investments	FVTPL
(b) Financial liabilities	
Investment payables	Amortized cost
Administration payables	Amortized cost
Derivative liabilities	FVTPL
Securities sold under repurchase agreements	Amortized cost

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Long-term debt

Amortized cost

Loss of Retirement Income Fund liability

FVTPL

(a) Financial assets

The WSIB recognizes financial assets on a trade date basis and at fair value at inception. The financial assets are classified as amortized cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL"). Subsequent measurement is dependent on the nature of the financial asset as discussed below.

Measurement categories

The WSIB classifies all its financial assets based on the business model for managing the assets and whether the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding:

(i) Amortized cost

Financial assets are classified and subsequently measured at amortized cost if the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows (business model test) and the contractual cash flows pass the SPPI test.

(ii) Fair value through other comprehensive income

Financial assets are classified and subsequently measured at FVOCI if the assets are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual cash flows pass the SPPI test.

(iii) Fair value through profit or loss

Financial assets in this category are those financial assets that fail the business model and SPPI tests, have been designated by management upon initial recognition, or are mandatorily required to be measured at fair value under IFRS 9 *Financial Instruments* ("IFRS 9").

The WSIB's primary business model is to manage financial assets with the objective of realizing cash flows through the sale of assets, making decisions based on the assets' fair values and managing the assets to realize those fair values. Therefore, the majority of the WSIB's financial assets are classified as FVTPL.

Subsequent measurement

(i) Financial assets at amortized cost

Financial assets initially measured at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Due to the short-term nature of the assets held at amortized cost, the carrying amounts of such assets approximate fair value. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The effective interest method is a method of calculating the amortized cost of a financial instrument and allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all transaction costs and other premiums or discounts) through the expected life of the financial instrument to the net carrying amount on initial recognition.

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(ii) Financial assets at FVOCI**i. Debt instruments**

For debt instruments measured at FVOCI, the change in the fair value of the debt instrument is recognized in other comprehensive income. Interest income, foreign exchange revaluation and impairment losses or reversals are recognized in profit or loss and calculated in the same manner as financial assets measured at amortized cost. Upon derecognition, the cumulative fair value change recognized in other comprehensive income is recognized in profit or loss. The WSIB has no debt instruments that are classified as FVOCI.

ii. Equity instruments

Upon initial recognition, the WSIB can elect to irrevocably classify its equity investments as equity instruments designated as FVOCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as income in profit or loss when the right of payment has been established, except when the WSIB benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in other comprehensive income. Equity instruments designated as FVOCI are not subject to impairment assessment. The WSIB has no equity instruments that are classified as FVOCI.

(iii) Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the consolidated statements of financial position at fair value with net changes in fair value recognized in the consolidated statements of comprehensive income.

Impairment

The WSIB recognizes an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the WSIB expects to receive, discounted at the appropriate effective interest rate. Under the IFRS 9 ECL methodology, an allowance is recorded for ECLs on financial assets regardless of whether there has been an actual loss event. The WSIB recognizes an allowance at an amount equal to 12-month ECLs, if the credit risk at the reporting date has not increased significantly since initial recognition (Stage 1). When a financial asset experiences a significant increase in credit risk subsequent to origination but is not considered to be in default, it is included in Stage 2 and subject to lifetime ECLs. Financial assets that are in default are included in Stage 3. Similar to Stage 2, the allowance for credit losses for Stage 3 financial assets captures the lifetime ECLs.

Derecognition

Financial assets are derecognized when the rights to the contractual cash flows expire, when substantially all the risks and rewards of ownership are transferred, or when the WSIB no longer retains control.

(b) Financial liabilities

The financial liabilities are classified at amortized cost, except when at initial recognition, financial liabilities are designated at FVTPL. The WSIB designates financial liabilities at FVTPL at initial recognition if doing so either eliminates or significantly reduces an accounting mismatch with the supporting assets or when a group of financial liabilities and financial assets are managed together and their performance is evaluated on a fair value basis.

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(i) Financial liabilities at amortized cost

The WSIB measures these financial liabilities at amortized cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(ii) Financial liabilities at FVTPL

The WSIB measures these financial liabilities at fair value, where net gains and losses, including any interest expenses and foreign exchange gains and losses, are recognized in profit or loss. The Loss of Retirement Income Fund liability is designated as financial liabilities at FVTPL because its performance is evaluated on a fair value basis. Derivative liabilities are measured at FVTPL because they are held for trading. All other financial liabilities are measured at amortized cost.

Financial liabilities are derecognized when the obligation is discharged, cancelled, or expires.

Investment properties

Investment properties are properties held to earn rental income or for capital appreciation, or both. These are initially recognized at cost, including transaction costs, and subsequently remeasured at fair value at each reporting period with changes in fair value recognized as investment income during the period in which they arise. See note 6 for movements during the reporting period.

Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, that is, an exit value. Refer to note 6 for further details.

The carrying amounts of cash and cash equivalents, fixed income investments, derivative assets and derivative liabilities are their fair values. Due to their short-term nature, the carrying amounts (less allowance for impairment) of investment receivables, investment payables and administration payables approximate their fair values.

The fair values of public equity securities are based on quoted prices in active markets. The fair values of public equity pooled funds are based on the net asset values of the underlying investments held, as active markets are not available.

Where quoted prices in active markets are not available for financial instruments such as certain fixed income securities, the fair value is based on valuation models that use observable market inputs, broker quotes, consensus pricing and the fair value of other similar financial instruments.

Investment properties are valued based on periodic valuations performed by independent qualified appraisers using valuation models incorporating available market evidence, including discount and terminal capitalization rates, inflation rates, vacancy rates, and future net cash flows of the properties.

The fair values of private market pooled funds are based on unit prices provided by investment managers, which are based on net asset values of underlying investments. The valuations of other private market investments are provided by investment managers who use acceptable industry valuation methods, including net asset values, comparable transactions in the market or discounted cash flow models, which incorporate available market evidence and may require estimates for economic risks and projected cash flows.

Securities sold or purchased under repurchase and resale agreements are accounted for as collateralized borrowing or lending transactions, respectively, and initially measured at fair value. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method. Due to the short-

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term nature of these agreements, the carrying amounts of the securities sold or purchased under repurchase or resale agreements approximate fair value.

Investment income

Investment income is comprised of the following:

(a) Financial instruments

Realized gains and losses and changes in unrealized gains and losses on financial instruments are recognized in investment income in the period they arise.

Interest income is recognized in investment income as it accrues. Dividend income is recognized in investment income when the WSIB's right to receive payment has been established.

(b) Income from investments in associates and joint ventures

The WSIB's proportionate share of its associates and joint ventures' total comprehensive income is recognized in investment income in the period it is recognized by the associates and joint ventures. Impairment losses or the subsequent reversal of such losses in relation to the WSIB's investments in associates and joint ventures are also recognized in investment income.

(c) Income from investment properties

Changes in fair value, net rental income, and service charges from investment properties are recognized in investment income in the period they arise.

Loss of Retirement Income Fund liability

The Loss of Retirement Income Fund liability is designated as financial liabilities at FVTPL because its performance is evaluated on a fair value basis. The Loss of Retirement Income Fund liability represents the WSIB's obligation to provide retirement benefits to eligible injured workers equal to the total contributions plus income earned on those contributions. As such, the Loss of Retirement Income Fund liability is measured at an amount equivalent to the fair value of the assets in the Loss of Retirement Income Fund. At age 65 or upon death, the injured worker or their beneficiary receives a benefit from contributions made to their Loss of Retirement Income account plus any investment income earned.

Assets attributable to the Loss of Retirement Income Fund are included and managed as part of the WSIB's investment portfolio. See note 15 for more information.

The WSIB contributes 5% of the loss of earnings benefits to the Loss of Retirement Income Fund for injured workers of Schedule 1 businesses who have received loss of earnings benefits for 12 consecutive months. Schedule 2 organizations are required to contribute 5% of the loss of earnings benefits for their workers once loss of earnings benefits are received for 12 continuous months. Workers eligible for loss of retirement income benefits can choose to contribute a further 5% from their loss of earnings benefits. For claims incurred prior to January 1, 1998, the contribution from the WSIB and Schedule 2 organizations is 10% of every future economic loss payment made to injured workers.

The WSIB's contributions are recognized as the Loss of Retirement Income Fund contributions expense.

The changes related to the actuarial valuation of the WSIB's future contributions into the Loss of Retirement Income Fund are recognized in insurance contract liabilities in the consolidated statements of financial position. Refer to the changes in insurance contract liabilities table in note 17 for further information.

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Insurance contract liabilities

Insurance contracts are arrangements where the WSIB accepts significant insurance risk from another party. A contract is considered to have significant insurance risk if an insured event could cause the WSIB to pay significant amounts in any single scenario with commercial substance. Insurance contract liabilities represent the WSIB's liabilities related to insurance contracts with Schedule 1 businesses. The WSIB's insurance contract liabilities are comprised of two components: (i) liabilities for remaining coverage comprising the fulfillment cash flows related to future service allocated to each group of contracts at the end of the reporting period, and (ii) liabilities for incurred claims comprising the fulfillment cash flows related to past service allocated to each group of contracts at the end of the reporting period.

Recognition and measurement of insurance contracts:

a) Level of aggregation

The WSIB's arrangement with Schedule 1 businesses gives rise to a single portfolio as the insurance contracts with Schedule 1 businesses are subject to similar risks and are managed together. This portfolio is further disaggregated into groups of contracts that are issued within a calendar year and are (i) contracts that are onerous at initial recognition, and (ii) a group of remaining contracts. Note that given the not-for-profit nature of the WSIB's operations, the group of contracts with no significant risk of becoming onerous is not applicable to the WSIB.

b) Recognition

The WSIB recognizes groups of insurance contracts from the earliest of the following:

- The beginning of the coverage period of the group of contracts; and
- For a group of onerous contracts, when facts and circumstances indicate that the group is onerous.

c) Contract boundary

The WSIB includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the period in which the WSIB can compel the policyholder to pay the premiums, or in which the WSIB has a substantive obligation to provide the policyholder with insurance contract services. The WSIB has assessed the contract boundary for its insurance contracts to be one year as it only has the substantive right to compel Schedule 1 businesses to pay premiums annually and has the practical ability to reassess the risks and set a price that fully reflects these risks on an annual basis.

d) Measurement

Liabilities for remaining coverage

Liabilities for remaining coverage represent the WSIB's obligation related to the unexpired portion of the coverage period (i.e., insured events that have not yet occurred). The WSIB has determined the coverage period for its insurance contracts as one year in length. As a result, the WSIB has elected to apply the Premium Allocation Approach to measure its insurance contracts.

On initial recognition of each group of contracts, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition.

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Subsequently, the carrying amount for the liability for remaining coverage is increased by any further premiums received and decreased by the amount recognized as insurance revenue for the coverage provided. On initial recognition of each group of contracts, the WSIB expects that the time between providing each part of the coverage and the related premium due date is no more than a year. Accordingly, the WSIB has chosen not to adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the WSIB recognizes a loss in profit or loss and increases the liability for remaining coverage to the extent that the current estimates of fulfillment cash flows that relate to remaining coverage (including the risk adjustment for non-financial risk, which is de minimis) exceed the carrying amount of the liability for remaining coverage.

Liabilities for incurred claims

Liabilities for incurred claims represent the actuarially determined present value of the estimated future payments for reported and unreported claims incurred on or prior to the reporting date using best estimate assumptions related to workers of Schedule 1 businesses. These estimates and assumptions include claim duration, mortality rates, wage and health care escalations, general inflation, and discount rates. In addition, an obligation is estimated for claims in respect of occupational diseases currently recognized by the WSIB for which a claim has not yet been reported. The future payments are for estimated obligations for loss of earnings, labour market re-entry costs, short and long-term disability, health care, survivor benefits, retirement income benefits and claim administration costs. Changes in the estimates and assumptions can have a significant impact on the measurement of insurance contract liabilities and claim costs.

Insurance revenue

Insurance revenue is comprised of Schedule 1 premiums expected to be received during the coverage period. Insurance revenue is recognized by allocating Schedule 1 premiums to each reporting period on the basis of the passage of time, which is the coverage period of one year.

Insurance service expenses

Insurance service expenses are comprised of fulfillment cash flows that are included within the boundary of the WSIB's insurance contracts. These include payments to (or on behalf of) a policyholder, claims handling costs, policy administration and maintenance costs, and an allocation of fixed and variable overhead costs. These overhead costs are allocated to the WSIB's insurance contracts using methods that are systematic and rational, and are consistently applied to all costs that have similar characteristics.

Insurance finance income (expense)

Insurance finance income or expense is comprised of the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

Onerous contracts

An insurance contract is onerous at the date of initial recognition if the fulfillment cash flows allocated to the contract result in a total net outflow. IFRS 17 *Insurance Contracts* ("IFRS 17") requires entities to distinguish groups of insurance contracts expected to be onerous from those insurance contracts that are not.

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Under the Premium Allocation Approach, contracts are deemed not onerous unless facts and circumstances indicate otherwise. If the groups of contracts are deemed onerous at initial recognition, the WSIB recognizes a corresponding liability (loss component) to reflect the expected net outflow as applicable, and the related loss is recognized on the consolidated statements of comprehensive income in the period it arises immediately.

The WSIB has developed a methodology to identify the indicators of possible onerous contracts and to determine the onerous loss component at the Schedule 1 business level. Subsequent to initial recognition, the loss component is amortized through net income (insurance service expenses) over the coverage period such that the onerous loss liability will be nil at the end of the coverage period and a new onerous loss liability pertaining to the following premium year will be recognized in the year-end consolidated financial statements.

Use of estimates and judgements within insurance contracts:

Estimates of future cash flows

Cash flows within the boundary of an insurance contract relate directly to the fulfillment of the contract, including those for which the WSIB has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, and other costs that are incurred in fulfilling contracts.

The WSIB's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario are discounted and weighted by the estimated probability of that outcome to derive an expected present value. In estimating future cash flows, the WSIB incorporates in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

Discount rate

Cash flows for liabilities for incurred claims are discounted using risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity of the insurance contracts. The WSIB uses the hybrid bottom-up approach to determine a liquidity premium over risk-free rates based on the market spread of an asset reference portfolio adjusted to remove the credit losses and to account for the difference in liquidity between the asset reference portfolio and the insurance contract. The WSIB has determined a portfolio of credit rating A corporate bonds to be an appropriate reference portfolio for the insurance contract liabilities.

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The annual spot rates applied for discounting of future cash flows are listed below:

Year	Annual spot rates	
	2024	2023
1	3.82%	5.39%
2	3.90%	5.06%
3	3.97%	4.86%
4	4.08%	4.78%
5	4.20%	4.75%
10	4.73%	4.79%
15	5.01%	4.88%
20	5.07%	4.91%
30	4.97%	4.78%
50	5.06%	4.97%
Single-equivalent rate¹	4.83%	4.86%

1. Single-equivalent is a derived spot rate that allows for the comparison or aggregation of cash flows that occur at different points in time.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the discounted cash flows and reflects the compensation the WSIB requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the WSIB fulfills insurance contracts. Due to the not-for-profit nature of the WSIB's operations, the WSIB does not require compensation for bearing uncertainty from any non-financial risk. Therefore, the WSIB's risk adjustment is determined to be de minimis and corresponds to a 50% confidence level.

Employee benefit plans

The EPP is a defined benefit pension plan that is jointly sponsored by the WSIB and the Ontario Compensation Employees Union. A Board of Trustees, known as WISE Trust, administers the EPP.

The WSIB also sponsors a supplemental defined benefit pension plan and other benefits. Other benefits include post-retirement benefits for health, dental, vision and life insurance benefits and other employment benefits for disability income, vacation and attendance programs. Refer to note 16 for more information on these plans.

The cost of employee benefit plans is recognized as the employees provide services to the WSIB. The obligations for these plans are measured as the present value of the employee benefit obligations less the fair value of plan assets and are included in the employee benefit plans liability. The employee benefit plans liability represents the combined deficit of the plans at the reporting date.

The cost of the employee benefit plans is actuarially determined using the projected unit credit method and includes management's estimates and assumptions of compensation increases, health care cost, trend rates, mortality, retirement ages of employees, and discount rates. The discount rate used to value the obligations is based on high-quality corporate bonds that have approximately the same term as the obligation. These estimates are reviewed annually with the WSIB's external actuaries. Changes in these estimates may have an impact on the employee benefit plans liability and total comprehensive income.

The changes in the employee benefit obligations and plan assets are recognized when they occur as follows:

- (a) Service costs and the net interest cost are recognized in administration and other expenses; and

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- (b) Remeasurements and actual experience that differs from assumptions that result in actuarial gains or losses are recognized in other comprehensive income.

Property, equipment and intangible assets

Property, equipment and intangible assets are measured at cost less accumulated depreciation and amortization and any accumulated impairment losses. When significant components of an item of property and equipment have different useful lives, they are accounted for as separate items.

Intangible assets include both internally developed and acquired software. Development costs associated with internally developed software are recognized as an intangible asset when certain criteria are met. The criteria to capitalize development costs include the WSIB's intention and ability to complete the development of the software from which it is probable that expected future economic benefits will flow to the WSIB.

Depreciation of property and equipment and amortization of intangible assets are included in administration and other expenses on the consolidated statements of comprehensive income. Property, equipment and intangible assets are depreciated and amortized on a straight-line basis over their estimated useful lives as follows:

Land	Not depreciated
Buildings	
Primary structure	50 – 60 years
Components with different useful lives	10 – 30 years
Leasehold improvements	Lesser of the lease term or 10 years
Office and computer equipment	3 – 5 years
Intangible assets	3 – 8 years

Impairment on property, equipment and intangible assets

The WSIB evaluates its property, equipment and intangible assets for indicators of impairment such as obsolescence, redundancy, deterioration, loss or reduction in future service potential, or when there is a change in intended use at each reporting period. If there are indicators that an asset may be impaired, an impairment test is performed by comparing the asset's carrying value to its recoverable amount. An impairment charge is recorded to the extent that the recoverable amount is less than its carrying value. If an impairment is later reversed, the carrying amount of the asset is adjusted to the lower of the asset's recoverable amount and the carrying amount that would have been determined (net of depreciation) had there been no prior impairment loss.

Schedule 2 organizations administration fees

Schedule 2 organizations are organizations that self-insure the provision of benefits under the WSIA. Schedule 2 organizations are liable to pay all benefit compensation and administration costs for their workers' claims.

The WSIB administers the payment of the claims for workers of Schedule 2 organizations and recovers the cost of these claims plus administration fees from the organizations. The administration fees are recognized as the services are provided. The claims paid on behalf of Schedule 2 organizations and the amounts collected to recover the claims paid are not included in the WSIB's revenues or expenses.

Administration fees from Schedule 2 organizations are included in other income.

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Legislated obligations and funding commitments

(a) Legislated obligations

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 ("WSIAT") and the costs that may be incurred by the Office of the Worker Adviser and the Office of the Employer Adviser. The expenses related to these legislated obligations are recognized as an expense in the period to which the funding relates.

(b) Funding commitments

The WSIB provides grant funding to carry on investigations, research and training. The expenses related to these funding commitments are included in the legislated obligations and funding commitments expense and are recognized as an expense in the period to which the funding relates.

(c) Voluntary business health and safety recognition programs

The WSIB provides financial incentives to Schedule 1 businesses who undertake specific measures to improve workplace health and safety. The cost of these incentive programs is recognized as an expense in legislated obligations and funding commitments in the period the measures are undertaken by the business.

Leases

A lease is a contract, or part of a contract, that conveys the right to an asset for a period of time in exchange for consideration. The WSIB can either be a lessor or a lessee. Upon lease commencement, the WSIB as a lessee recognizes a right-of-use ("ROU") asset and a lease liability. The WSIB has commercial lease agreements relating to Simcoe Place land, office premises, leases relating to investment properties, and computer equipment.

The ROU assets are initially measured based on the present value of lease payments, plus other adjustments including initial direct costs, lease incentives, and an estimate of asset retirement costs to be incurred by the WSIB at the end of the lease. The ROU assets are included in property, equipment and intangible assets or investment properties for leases relating to investment properties. The ROU assets are depreciated over either the asset's useful life or the lease term, whichever comes earlier, and are assessed for impairment if there is any indication of impairment. In addition, ROU assets related to investment properties are included in investment properties and are measured at fair value at each reporting period, with changes in fair value recognized as investment income or loss, as applicable, during the period in which they arise.

The lease liability is measured at the present value of lease payments that are outstanding as at the reporting period and subsequently measured using the effective interest method. With the effective interest method, the carrying amount of the lease liability is measured on an amortized cost basis and the interest expense is allocated over the lease term. Lease liabilities are included in long-term debt and lease liabilities.

For leases where the total lease term is less than 12 months or for leases of low value, the WSIB has elected not to recognize an ROU asset and lease liability. The expenses for such leases are recognized in administration and other expenses on a straight-line basis over the term of the lease.

For leases where the WSIB acts as a lessor, the WSIB assesses whether the lease is classified as a finance or operating lease. WSIB leases are all classified as operating leases. Income generated from operating leases is recognized as income on a straight-line basis.

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3. Changes in accounting policies

Future changes in accounting standards:

(a) IFRS 18 *Presentation and Disclosure in Financial Statements*

IFRS 18 *Presentation and Disclosure in Financial Statements* ("IFRS 18") was issued in April 2024, which replaces IAS 1 *Presentation of Financial Statements* ("IAS 1") while carrying forward many elements of IAS 1 unchanged. IFRS 18 introduces three sets of new requirements for presentation of financial statements and disclosures within financial statements: i) present specified categories and defined subtotals in the statement of profit or loss, ii) provide disclosures on management-defined performance measures in the notes to the financial statements, and iii) improve aggregation and disaggregation of financial information in the financial statements and notes. IFRS 18 will be effective for annual reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively. The WSIB is currently assessing the impact of this standard on its consolidated financial statements.

(b) Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*

Amendments to IFRS 9 and IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7") were issued in May 2024 and are effective for annual reporting periods beginning or after January 1, 2026 and are to be applied retrospectively. The amendments to IFRS 9 address the following: i) derecognition of a financial liability settled through electronic transfer, and ii) classification of certain requirements of the following financial assets: a) contractual terms that are consistent with a basic lending arrangement, b) financial assets with non-recourse features, and c) contractually linked instruments. The amendments to IFRS 7 include: i) disclosure requirements for investments in equity instruments designated at FVOCI, and ii) disclosure requirements for contractual terms that could change the timing or amount of contractual cash flows. These amendments are not expected to have a significant impact on the WSIB's consolidated financial statements.

4. Cash and cash equivalents

Highly liquid investments are considered to be cash equivalents. Cash and cash equivalents are comprised of the following:

	2024	2023
Cash	190	95
Short-term money market securities	168	204
Restricted cash ¹	6	36
Total cash and cash equivalents	364	335

1. The restricted cash balance consists of funds received from the Government of Ontario for the purposes of administering the COVID-19 Worker Income Protection Benefit Program on behalf of the Government of Ontario.

As at December 31, 2024, the WSIB held \$364 (2023 – \$335) of cash and cash equivalents, of which \$180 (2023 – \$103) was maintained for operating purposes and \$184 (2023 – \$232) was maintained for investing purposes.

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5. Receivables and other assets

Receivables and other assets are comprised of the following:

	2024	2023
Investment receivables	710	308
Other assets	133	132
Total receivables and other assets	843	440

6. Fair value measurement and disclosures

Fair value hierarchy

The WSIB uses a fair value hierarchy to categorize the inputs used in valuation techniques to estimate the fair values of assets and liabilities.

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 based on unadjusted quoted market prices in active markets for identical assets or liabilities that the WSIB has the ability to access at the measurement date.
Level 2	Fair value is based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or model inputs that are either observable or can be corroborated by observable market data for the assets or liabilities.
Level 3	Fair value is measured using significant non-market observable inputs. These include valuations for assets and liabilities that are derived using information, some or all of which are not market-observable, including assumptions about risk.

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.

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The following table provides the fair value hierarchy classifications for assets and liabilities:

	December 31, 2024				December 31, 2023			
	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	196	168	-	364	131	204	-	335
Public equity investments								
Public equity pooled funds	-	11,103	-	11,103	-	9,728	-	9,728
Public equity securities	1	-	-	1	1	-	-	1
Fixed income investments	-	9,954	-	9,954	-	9,057	-	9,057
Derivative assets	-	20	-	20	14	223	-	237
Investment properties	-	-	319	319	-	-	620	620
Other invested assets								
Private market pooled funds	-	-	14,855	14,855	-	-	10,221	10,221
Other private market investments	-	-	1,906	1,906	-	85	4,483	4,568
Derivative liabilities	(1)	(138)	-	(139)	(2)	(22)	-	(24)
Loss of Retirement Income Fund liability (note 15)	-	-	(1,940)	(1,940)	-	-	(1,898)	(1,898)
Assets and liabilities for which fair value is disclosed								
Long-term debt ²	-	(69)	-	(69)	-	(65)	-	(65)

1. The carrying amount of cash and cash equivalents approximates its fair value.

2. Carrying amount as at December 31, 2024 was \$70 (December 31, 2023 – \$70).

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

During the years ended December 31, 2024 and December 31, 2023, there were no transfers between levels within the hierarchy.

During the year ended December 31, 2024, the WSIB participated in the IMCO Private Equity Pool ("Private Equity Pool") and the IMCO Real Estate Pool ("Real Estate Pool"), contributing assets previously presented in the other private market investments line.

The WSIB's investments in the Private Equity Pool and the Real Estate Pool are recorded as private market pooled funds within other invested assets in the consolidated statements of financial position. The WSIB's contributions of investments into these pools were at fair value and were recorded as non-cash transactions.

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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:

	Other invested assets		Subtotal	Investment properties	Total
	Private market pooled funds	Other private market investments			
For the year ended December 31, 2024					
Balance as at January 1, 2024	10,221	4,483	14,704	620	15,324
Net gains recognized in net investment income	1,966	65	2,031	6	2,037
Translation gains recognized in other comprehensive income	-	18	18	-	18
Purchases	4,814	192	5,006	-	5,006
Sales	(2,146)	(2,852)	(4,998)	(309)	(5,307)
Capital expenditures	-	-	-	2	2
Balance as at December 31, 2024	14,855	1,906	16,761	319	17,080
Changes in unrealized gains (losses) included in income (loss) for positions still held	1,781	(641)	1,140	6	1,146

	Other invested assets		Subtotal	Investment properties	Total
	Private market pooled funds	Other private market investments			
For the year ended December 31, 2023					
Balance as at January 1, 2023	7,070	5,782	12,852	653	13,505
Reclassification upon adoption of IFRS 9 ¹	-	33	33	-	33
Net gains (losses) recognized in net investment income (loss)	337	(18)	319	(62)	257
Translation losses recognized in other comprehensive income (loss)	-	(6)	(6)	-	(6)
Purchases	3,024	1,276	4,300	24	4,324
Sales	(882)	(1,912)	(2,794)	(7)	(2,801)
Capital expenditures	-	-	-	12	12
Other ²	672	(672)	-	-	-
Balance as at December 31, 2023	10,221	4,483	14,704	620	15,324
Changes in unrealized gains (losses) included in income (loss) for positions still held	185	(39)	146	(58)	88

1. Certain reclassifications have been made upon adoption of IFRS 9.

2. This amount includes certain transfers of private market assets into the Global Credit Pool.

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The following table summarizes the valuation methods and quantitative information about the significant unobservable inputs used in Level 3 financial instruments:

	Valuation methods	Key unobservable inputs	2024 Range of inputs		2023 Range of inputs	
			Low	High	Low	High
Private market pooled funds	Net asset value	Net asset value provided by manager	n/a	n/a	n/a	n/a
Other private market investments	Net asset value	Net asset value provided by manager	n/a	n/a	n/a	n/a
	Discounted cash flow and market comparable	Discount rate Terminal capitalization rate	5.5% 4.9%	8.3% 6.5%	5.5% 4.9%	7.5% 6.0%
Investment properties	Discounted cash flow and market comparable	Discount rate Terminal capitalization rate	7.3% 6.5%	8.8% 7.8%	7.0% 5.8%	9.0% 7.8%
Loss of Retirement Income Fund liability	Net asset value	Net asset value provided by administrator	n/a	n/a	n/a	n/a

Sensitivity of Level 3 financial instruments

Fair values of private market pooled funds are based on unit prices provided by investment managers, which are based on net asset values of underlying investments.

Fair values of other private market investments are based on valuations obtained from investment managers. The valuations obtained from investment managers are based on net asset values, comparable transactions in the market or discounted cash flow models using unobservable inputs such as discount rates, terminal values and expected future cash flows. Holding other factors constant, an increase to terminal values or expected future cash flows would tend to increase the fair value, while an increase in the discount rate would have the opposite effect.

Fair values of investment properties are obtained from qualified appraisers who apply a discounted cash flow model to determine property values. The valuation technique is applied consistently unless another valuation technique (e.g., sale price) is a better representative of fair value. Key unobservable inputs include discount and terminal capitalization rates, projected rental income and expenses, inflation rates and vacancy 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.

The fair value of the Loss of Retirement Income Fund liability is determined based on the fair values of the underlying assets included in the Loss of Retirement Income Fund. The method of determining the fair value of those assets is consistent with the approach used by the WSIB and described herein.

The WSIB has 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.

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7. Transferred financial assets not derecognized**Securities lending**

The WSIB participates in a securities lending program through an intermediary for the purpose of generating fee income. Non-cash collateral, the fair value of which represents at least 102% of the fair value of the loaned securities, is maintained until the underlying securities have been returned to the WSIB. The fair value of the loaned securities is monitored on a daily basis by an intermediary financial institution with additional collateral obtained or refunded as the fair value of the underlying securities fluctuates. The intermediary indemnifies the WSIB against any shortfalls in collateral in the event of default by the counterparty. These transactions are conducted under terms that are usual and customary to security lending activities, as well as requirements determined by exchanges where a financial institution acts as an intermediary.

Under the terms of the securities lending program, the WSIB retains substantially all the risks and rewards of ownership of the loaned securities and also retains contractual rights to the cash flows. These securities are not derecognized from the consolidated statements of financial position.

As at December 31, 2024, the fair value of investments loaned under the securities lending program was \$160 (2023 – \$3,239) and the fair value of securities maintained as collateral was approximately \$174 (2023 – \$3,487).

Repurchase agreements

The WSIB enters into repurchase agreements, which represent short-term funding transactions where the WSIB sells securities and subsequently repurchases them at a specified price on a specified date in the future. The fair value of the collateralized securities and margin requirements are monitored on a daily basis by WSIB's investment manager, IMCO, with additional collateral obtained or refunded as the fair value of the underlying securities fluctuates, minimizing shortfalls. These securities, for which the WSIB retains substantially all the risks and rewards and continues to recognize on the consolidated statements of financial position, form the collateral for the WSIB's obligation to repurchase them. The repurchase agreement transactions are conducted under terms that are usual and customary.

As at December 31, 2024, the net carrying amount of securities purchased under resale agreements was \$2,101, (2023 – \$1,751). The fair value of financial assets pledged as collateral was \$2,127 (2023 – \$1,766). For any collateral pledged, the counterparty has the right to re-pledge, loan, or use it under repurchase agreements in the absence of default by the owner of the collateral.

8. Derivative financial instruments

Derivatives are financial contracts whose value is derived from, referenced to or based on an underlying interest, which may include stocks, bonds, interest rates, currencies and market indices. Across the WSIB's portfolios, derivatives are primarily used in hedging investment risks, including liquidity, credit, market, interest rate or currency risk, altering the risk and return profile of investments, improving efficiency of achieving investment objectives, and creating unique risk and return payoffs.

Forward contracts and futures agreements are contractual obligations to buy or sell a financial instrument or foreign currency on a predetermined future date at a specific price. Forward contracts are over-the-counter contracts that are negotiated between IMCO, on behalf of the WSIB, and the counterparty, whereas futures are contracts that are traded on a regulated exchange with standard amounts and settlement dates.

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Some derivatives are collateralized with cash and treasury bills. As at December 31, 2024, the fair value of the securities maintained as collateral was approximately \$10 (2023 – \$11).

Certain derivative assets and derivative liabilities are subject to netting arrangements but do not meet the criteria to be presented on a net basis. As such, the derivative assets and derivative liabilities are presented separately in the consolidated statements of financial position.

The WSIB does not designate any of the derivatives in a qualifying hedge accounting relationship but uses derivatives for economic hedging purposes. The notional amounts in the table below are not recorded as assets or liabilities in the WSIB's annual consolidated financial statements as they represent the reference amounts to which a rate or a price is applied to determine the amount of cash flows to be exchanged. Notional amounts do not represent the potential gains or losses associated with market risks and are not indicative of the credit risks associated with derivative financial instruments.

The notional amounts and the fair values of the derivative assets and derivative liabilities as at December 31 are as follows:

	2024			2023		
	Notional amount	Fair value		Notional amount	Fair value	
		Assets	Liabilities		Assets	Liabilities
Forward exchange contracts	13,995	20	138	14,905	223	22
Fixed income futures	-	-	-	112	5	-
Equity index futures	-	-	-	248	9	-
Foreign currency futures	68	-	1	230	-	2
Total	14,063	20	139	15,495	237	24

9. Interests in structured entities

A structured entity is an entity that is designed whereby voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created with a narrow and well-defined objective with relevant activities being directed by means of contractual arrangements. The WSIB has an interest in a structured entity when there is a contractual or non-contractual involvement that exposes the WSIB to variable returns from the structured entity. The WSIB consolidates a structured entity when the WSIB controls the entity in accordance with the accounting policy described in note 2. The WSIB's consolidated structured entities are private market investments in the investment portfolios where the WSIB has substantive rights to direct relevant activities of the entity to affect the variable returns the WSIB is exposed to. Consolidated subsidiaries are detailed further in note 18. The WSIB also has interests in structured entities that are joint ventures and associates, which are detailed further in note 10. The WSIB's maximum exposure to loss related to its interests in structured entities is limited to the amounts presented on the WSIB's consolidated statements of financial position.

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10. Joint arrangements and associates

Investments in joint arrangements and associates, accounted for under the equity method, that are considered material to the consolidated financial statements as at December 31, 2024 have been disclosed separately below.

The following table summarizes the carrying value of the WSIB's interests in joint ventures and associates.

	2024	2023
Vancouver properties	822	832
Associates	279	600
Other joint ventures	1,119	1,285
Total	2,220	2,717

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"). The WSIB accounts for this investment using the equity method of accounting and holds it for investment purposes to earn rental income and capital appreciation.

Summarized financial information of the Vancouver properties, based on their IFRS financial statements, and reconciliation with the carrying amount of the investment in the annual consolidated financial statements as at December 31 are set out below:

	2024	2023
Current assets	14	12
Non-current assets	1,683	1,695
Current liabilities	(48)	(37)
Non-current liabilities	(5)	(5)
Net assets	1,644	1,665
WSIB's share of net assets	822	832

The above amounts of assets and liabilities include the following:

	2024	2023
Cash and cash equivalents	9	6
Current financial liabilities (excluding trade and other payables)	(2)	(2)
Non-current financial liabilities (excluding trade and other payables)	(5)	(5)

Summarized below is the statement of comprehensive loss of the Vancouver properties:

	2024	2023
Income	146	161
Losses from decreases in fair values	(39)	(202)
Expenses	(58)	(59)
Total comprehensive income (loss)	49	(100)
WSIB's share of total comprehensive income (loss)	25	(50)

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The Vancouver properties have no contingent liabilities or capital commitments as at December 31, 2024 (2023 – nil). During 2024, the WSIB received dividends from the Vancouver properties of \$44 (2023 – \$56).

Investments in other joint arrangements and associates

The following table summarizes the carrying value of the WSIB's interests in other joint arrangements and associates that are not individually material as well as the WSIB's share of income (loss) of those entities.

	Associates		Joint ventures		Joint operations	
	2024	2023	2024	2023	2024	2023
WSIB's share of net assets¹	279	600	1,119	1,285	166	160
WSIB's share of:						
Net income (loss)	41	32	(70)	(70)	2	(16)
Other comprehensive income (loss)	22	(6)	64	(26)	-	-

1. In 2024, investments in other joint arrangements and associates of \$279M and \$410M were transferred into the Real Estate Pool and Private Equity Pool, respectively. Refer to note 6 for details.
In 2023, investments in other joint arrangements and associates of \$74 were transferred into the Global Credit Pool.

11. Risk management

The WSIB is exposed to a number of risks and uncertainties related to its financial instruments, insurance contract liabilities and employee benefit plans. Refer to note 16 for the risks related to employee benefit plans.

Investment risk

The Board of Directors of the WSIB has established Statements of Investment Policies and Procedures ("SIPPs"), which establish the policies governing the WSIB's investment portfolio. The WSIB's investment portfolio is diversified amongst various investment asset classes in accordance with the SIPPs. The WSIB manages investment risk as follows:

- Conducting periodic asset-liability studies to ensure that the long-term investment objective, policy asset mix, and other provisions of the SIPPs remain relevant in the context of the WSIB's risk appetite, insurance contract liabilities, premium rate levels, and capital market assumptions;
- Monitoring IMCO's performance;
- Monitoring the capital markets and assessing actual investment performance relative to the WSIB's long-term investment return objective and policy asset mix; and
- Managing other financial risks that could impact revenues, specifically liquidity risk, credit risk and market risk. These risks are discussed below.

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Liquidity risk

Liquidity risk is the risk that the WSIB will encounter difficulty in meeting payment obligations when due resulting from insufficient operational cash flows or liquid assets. This risk is mitigated by:

- Monitoring and assessing operational cash flows and payment obligations and ensuring funds are available at appropriate times;
- Maintaining a portion of the WSIB's investments in high-quality, government fixed income securities as well as cash and money market securities;
- Appointing IMCO to manage the WSIB's repurchase agreements, including monitoring of liquidity requirements and availability of liquid assets; and
- Maintaining a \$150 unsecured credit facility.

As at December 31, 2024, 54.9% (2023 – 53.2%) of the WSIB's investment portfolio was invested in cash and readily marketable money market securities, fixed income investments and publicly traded equities.

The following tables provide the carrying values of all financial instruments by contractual maturity or expected cash flow:

	Within 1 year	1 – 5 years	5 – 10 years	Over 10 years	No fixed maturity	2024
Cash and cash equivalents	364	-	-	-	-	364
Investment receivables	710	-	-	-	-	710
Public equity investments	-	-	-	-	11,104	11,104
Fixed income investments	501	2,308	1,631	5,473	41	9,954
Derivative assets	20	-	-	-	-	20
Other invested assets	-	-	-	-	16,761	16,761
Administration payables	(2,181)	-	-	-	-	(2,181)
Investment payables	(120)	-	-	-	-	(120)
Derivative liabilities	(139)	-	-	-	-	(139)
Securities sold under repurchase agreements	(2,101)	-	-	-	-	(2,101)
Long-term debt	-	(70)	-	-	-	(70)
Loss of Retirement Income Fund liability	-	-	-	-	(1,940)	(1,940)

	Within 1 year	1 – 5 years	5 – 10 years	Over 10 years	No fixed maturity	2023
Cash and cash equivalents	335	-	-	-	-	335
Investment receivables ¹	308	-	-	-	-	308
Public equity investments	-	-	-	-	9,729	9,729
Fixed income investments	545	1,136	916	6,414	46	9,057
Derivative assets	237	-	-	-	-	237
Other invested assets	-	-	-	-	14,789	14,789
Administration payables	(161)	-	-	-	-	(161)
Investment payables	(45)	-	-	-	-	(45)
Derivative liabilities	(24)	-	-	-	-	(24)
Securities sold under repurchase agreements	(1,744)	(7)	-	-	-	(1,751)
Long-term debt	-	(70)	-	-	-	(70)
Loss of Retirement Income Fund liability	-	-	-	-	(1,898)	(1,898)

1. Certain comparative amounts have been reclassified to be consistent with the current year's presentation.

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The liquidity risk of insurance contract liabilities is discussed in note 17.

The WSIB maintains and uses a \$150 unsecured line of credit with a commercial bank for general operating purposes. As at December 31, 2024, there were no outstanding borrowings (2023 – \$5).

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The WSIB is exposed to credit risk in several ways including:

- Risk that the WSIB's fixed income investments may become impaired;
- Counterparty risk relating to the WSIB's securities lending, repurchase agreements, foreign currency hedging and derivatives in various asset classes, and annuity agreements; and
- Risk due to Schedule 1 businesses not settling their premium receivables and Schedule 2 organizations not reimbursing the WSIB for their respective claim costs.

The WSIB manages its credit risk by:

- Allocating a predominant component of fixed income assets to investments in high-quality government bonds;
- Appointing an experienced agent to manage the securities lending program including the management of borrower credit risk through daily marking-to-market and full collateralization with an additional margin for safety, and receiving an indemnity from the financial institution that manages the securities lending program;
- Appointing IMCO to manage the WSIB's repurchase agreements, including ensuring the repurchase agreements entered into by the WSIB are diversified across a minimum number of highly rated counterparties;
- Minimum requirements for counterparties' credit ratings, diversification of counterparties, and monitoring of counterparties and exposures; and
- Monitoring premium receivables from Schedule 1 businesses and holding collateral from some Schedule 2 organizations in the form of either letters of credit issued by highly rated financial institutions or surety bonds issued by highly rated insurance companies.

(a) Fixed income investments

The WSIB's fixed income investments consist primarily of high-quality, investment-grade debt instruments. An investment-grade debt instrument is one that is rated BBB and above.

The following table provides information regarding the credit rating of the WSIB's fixed income securities:

	2024		2023 ¹	
AAA	1,926	19.3%	3,073	33.9%
AA	7,600	76.4%	5,528	61.1%
A	387	3.9%	410	4.5%
Not rated	41	0.4%	46	0.5%
Total fixed income investments	9,954	100.0%	9,057	100.0%

1. Certain comparative amounts have been reclassified to be consistent with the current year's presentation.

Credit risk associated with fixed income investments also includes concentration risk. Concentration risk arises from the exposure of investments from one particular issuer, a group of issuers, a geographic region, or a sector. These groups share similar characteristics such as type of industry,

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regulatory compliance, and economic and political conditions, which may impact the issuers' ability to meet their contractual commitments.

The WSIB manages concentration risks through its diversified mix of assets. IMCO maintains limits for each investment strategy across companies, managers, geographies, sectors, credit ratings, and investment vehicles as applicable to prevent concentration risks.

The following table provides information regarding the concentration of fixed income investments:

	2024		2023 ¹	
Federal government and agencies	5,718	57.4%	4,802	53.0%
Provincial and municipal governments and agencies	4,047	40.7%	4,122	45.5%
Financial services	189	1.9%	133	1.5%
Total fixed income investments	9,954	100.0%	9,057	100.0%

1. Certain comparative amounts have been reclassified to be consistent with the current year's presentation.

(b) Securities lending program and repurchase agreements

Counterparty risk relating to the securities lending program is managed by an intermediary financial institution in accordance with a written agreement, investment policy and procedures on securities lending. Non-cash collateral is comprised primarily of government bonds and major bank short-term notes. Counterparty risk relating to repurchase agreements is managed by IMCO, who works with an intermediary financial institution to manage all aspects of the program, including exchanging collateral to minimize counterparty exposure where necessary. Refer to note 7 for further details.

(c) Receivables from Schedule 1 businesses and Schedule 2 organizations

Credit risk associated with premium receivables from Schedule 1 businesses is mitigated through risk management policies and procedures, which include close monitoring of premium payment status and follow-up measures with the business. Premium receivables, which are recorded within the liability for remaining coverage, are measured based on the cash flows expected to be received.

Credit risk related to receivables from Schedule 2 organizations is mitigated by holding collateral in the form of letters of credit and surety bonds. At December 31, 2024, the WSIB held collateral in the total amount of \$271 (2023 – \$269) with Schedule 2 organizations.

Market risk

There are three types of market risk to which the WSIB is exposed:

- Currency risk is the risk of loss due to adverse movements in foreign currency rates relative to the Canadian dollar;
- Interest rate risk is the potential for financial loss arising from changes in interest rates; and
- Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

These risks are mitigated through various measures, which include:

- IMCO's policy to hedge currency exchange rate risk associated with certain foreign investment holdings;
- Reviewing interest rate risk through periodic asset-liability studies to determine the appropriate duration for fixed income investments in view of the impact of different interest rate scenarios on the WSIB's assets and liabilities over a period of time; and

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- Reviewing price risk through periodic asset-liability studies to determine the appropriate policy asset mix, in view of the level of risk the WSIB is willing to assume. The policy asset mix is the primary determinant of the portfolio's level of market risk. The WSIB's investment portfolio is further diversified in accordance with the WSIB's investment policies to reduce the portfolio's exposure to a change in price in any particular issuer, group of issuers, geographic region, or sector of the market.

(a) Currency risk

The following provides a sensitivity analysis of the effect on investment income of a one percent change in the Canadian dollar compared to significant foreign currency exposures in the WSIB's investment portfolio:

	2024		2023	
	Net exposure	Effect of +/- 1% change	Net exposure	Effect of +/- 1% change
United States dollar	(3,606)	36/(36)	(1,856)	19/(19)
Euro	(1,080)	11/(11)	(157)	2/(2)
Australian dollar	(479)	5/(5)	(451)	5/(5)
British pound sterling	(360)	4/(4)	(296)	3/(3)
Total	(5,525)	55/(55)	(2,760)	28/(28)

(b) Interest rate risk

The WSIB uses effective duration to measure the sensitivity of the fair value of fixed income investments to a change in interest rates. Parallel shifts in the yield curve of 1%, with all other variables held constant, would result in an increase or decrease in the fair value of fixed income investments of approximately \$1,068 (2023 – \$1,185). This information is based on the assumption that the fixed income investments are not impaired and interest rates and equity prices move independently.

(c) Price risk

The WSIB is exposed to price risk through its investments in public equity investments. The estimated effect on the fair value of public equity investments resulting from a 10% change in market prices, holding all other factors constant, is \$1,110 (2023 – \$973).

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Insurance funding risk – insurance contract liabilities

The WSIB provides workplace injury insurance for all Schedule 1 businesses with workers in Ontario. Insured events can occur at any time during the coverage period and can generate losses of variable amounts. The WSIB is exposed to the risk that the actual obligations for claim payments exceed its estimate of insurance contract liabilities. Insurance contract liabilities are influenced by factors such as:

- The discount rate used to value future claims;
- Expected inflation;
- Availability, utilization and cost of health care services;
- Injury severity, return-to-work programs and re-employment opportunities at pre-injury employers;
- Wage growth;
- New medical findings that affect the recognition of occupational diseases;
- Legislated changes to benefit rates or modification of the recognition of workplace injuries, which are sometimes applied retroactively; and
- Precedents established through various claims appeals processes.

The WSIB mitigates these risks by utilizing both proprietary and commercially available actuarial models and assessing historical loss development patterns and other predictive analytics. These risks are also mitigated by engaging independent actuaries annually to review actuarial assumptions and methodologies in establishing insurance contract liabilities.

Note 17 provides further information regarding the nature of insurance risk associated with the insurance contract liabilities.

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12. Property, equipment and intangible assets

	Property and equipment				Intangible assets		
	Land	Buildings ¹	Leasehold improvements	Office and computer equipment	Internally developed software ²	Acquired software	Total
Cost							
Balance as at December 31, 2022	40	249	28	30	342	16	705
Additions	10	18	3	3	12	-	46
Disposal	-	(2)	-	-	-	-	(2)
Balance as at December 31, 2023	50	265	31	33	354	16	749
Additions	-	2	1	2	17	-	22
Disposal	-	(100)	-	-	-	-	(100)
Balance as at December 31, 2024	50	167	32	35	371	16	671
Accumulated depreciation and amortization							
Balance as at December 31, 2022	-	138	24	27	273	15	477
Depreciation and amortization	-	7	2	1	22	1	33
Disposal	-	(1)	-	-	-	-	(1)
Balance as at December 31, 2023	-	144	26	28	295	16	509
Depreciation and amortization	-	5	2	2	21	-	30
Disposal	-	(57)	-	-	-	-	(57)
Balance as at December 31, 2024	-	92	28	30	316	16	482
Carrying amounts							
At December 31, 2023	50	121	5	5	59	-	240
At December 31, 2024	50	75	4	5	55	-	189

1. Buildings include ROU assets of \$10 (2023 – \$55), net of accumulated depreciation of \$41 (2023 – \$96).

2. The carrying amount for internally developed software as at December 31, 2024 includes \$21 (2023 – \$10) of costs for software that was not yet available for use and therefore was not yet subject to amortization.

The WSIB has determined that there was no impairment of property, equipment and intangible assets as at December 31, 2024.

2024 Annual Report**Notes to Consolidated Financial Statements****December 31, 2024****(millions of Canadian dollars)****13. Payables and other liabilities**

	2024	2023
Administration payables ¹	2,181	161
Investment payables	120	45
Short-term payable – Worker Income Protection Benefit Program	6	33
Other liabilities	62	66
Total payables and other liabilities	2,369	305

1. Administration payables include \$2,000 surplus distribution liability (2023 – nil). Refer to note 22 for further details.

Total payables and other liabilities are expected to be paid within 12 months from the reporting date.

14. Long-term debt and lease liabilities

Long-term debt and lease liabilities are comprised of the following:

	2024	2023
Mortgages payable	70	70
Lease liabilities	29	96
Less: Current portion of lease liabilities	(7)	(7)
Total long-term debt and lease liabilities	92	159

15. Loss of Retirement Income Fund liability

The reconciliation of carrying amounts for the Loss of Retirement Income Fund liability is set forth below:

	2024	2023
Balance at beginning of year	1,898	1,874
Contributions from the WSIB	53	54
Optional contributions from injured workers	8	8
Contributions from Schedule 2 organizations	15	13
Income earned on contributions	164	128
Benefits paid in cash	(198)	(179)
Balance at end of year	1,940	1,898

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The following provides a summary of the net assets by category included in the Loss of Retirement Income Fund:

	2024		2023	
Cash and cash equivalents	105	5.4%	168	8.9%
Public equity investments	356	18.5%	338	17.8%
Fixed income investments	795	41.0%	700	36.9%
Derivative financial instruments	(5)	(0.3%)	10	0.5%
Investment properties	14	0.7%	26	1.4%
Investments in associates and joint ventures	91	4.7%	113	5.9%
Other invested assets	606	31.2%	592	31.2%
Securities sold under repurchase agreements	(34)	(1.8%)	(54)	(2.9%)
Other	12	0.6%	5	0.3%
Total Loss of Retirement Income Fund assets	1,940	100.0%	1,898	100.0%

16. Employee benefit plans

The WSIB sponsors defined benefit pension plans and other benefits for WSIB employees.

Pension plans**(a) WSIB Employees' Pension Plan**

The EPP provides for partially indexed pensions based on years of service and the best consecutive five of the last ten years of earnings. The EPP is a registered pension plan under Ontario's *Pension Benefits Act* ("PBA") and the Canada Revenue Agency ("CRA").

On July 1, 2020, the EPP was converted from a single-employer pension plan to a jointly sponsored pension plan. However, there was no impact to the EPP obligation as a result of the conversion. The WSIB and the Ontario Compensation Employees Union are the plan sponsors. The Board of Trustees is the EPP administrator. The participating employers of the EPP include the WSIB, the Board of Trustees, and four Safe Workplace Associations ("SWAs") whose employees are deemed employees of the WSIB for pension purposes. The EPP is open to new entrants, and the WSIB, the Board of Trustees and the SWAs are currently responsible for their own funding for current service costs, less any required employee contributions. Employee contribution requirements are gradually increasing until the employers and employees are each contributing 50% of the normal cost (the "Phase-in Period"). Thereafter, the participating employers will be responsible for only 50% of the total costs of the EPP and its associated liability. It is currently estimated that the 50%/50% cost-sharing target will be reached by 2032.

Additional contributions to the EPP were potentially required by the WSIB based on a pre-determined calculation as of December 31, 2024 dependent on the investment performance of plan assets and subject to a fixed upper bound. However, due to the investment performance of plan assets, no additional contributions were required by the WSIB. During the Phase-In Period, the WSIB is responsible for funding the balance of the normal cost of the EPP and any going concern special payments that arise. The Board of Trustees and the SWAs are not required to pay a share of any special payments that may arise during the Phase-In Period.

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(b) The Employees' Supplementary Pension Plan ("ESPP")

The ESPP is a single-employer pension plan, with five participating employers, the WSIB and the four SWAs. The ESPP generally has the same benefit plan provisions as the EPP, except that it provides for benefits that are earned above the maximum pension benefits permitted under the *Income Tax Act* (Canada). Employee contributions are currently 7% of earnings above the contribution earnings limit under the EPP. Participating employers match the employees' contributions. The WSIB makes additional contributions when required. The SWAs make additional year-end contributions, as required. The ESPP is registered with the CRA as a Retirement Compensation Arrangement.

Other benefits**(a) The Post-Retirement Benefit Plan**

The Post-Retirement Benefit Plan provides extended health, dental, vision, and life insurance benefits for employees who meet the eligibility requirements. Employees must be entitled to a WSIB pension and meet a service requirement to qualify for benefits. The plan is funded on a pay-as-you-go basis.

(b) Other employment benefits

Other employment benefits include vacation and attendance credits, which are payable upon termination of employment or upon retirement, and disability benefits payable up to age 65.

Governance of the plans

The EPP Board of Trustees, known as WISE Trust, performs the governance and the administration of the EPP. This includes such tasks as approval of the actuarial valuation reports and audited plan financial statements, appointment and termination of key service providers, approval of asset-liability studies, determining the EPP's SIPP and asset mix, as well as performing any regulatory and legislative pension plan compliance. The WSIB Board of Directors and the Ontario Compensation Employees Union bear joint responsibility in the determination of the plan design and the selection of the EPP Board of Trustees.

The WSIB Board of Directors oversees the administration of all the other employee benefit plans in accordance with applicable legislation and approves the governance structure, including the mandates of those to whom administrative duties and responsibilities are delegated.

The WSIB Board of Directors receives assistance in the fulfillment of its responsibilities related to the employee benefit plans through various committees, including the Audit and Finance Committee, the Service Excellence Committee and the Governance Committee.

Risks

Given that employee contributions to the employee benefit plans (if any) are fixed in the short term, the WSIB generally bears the risks associated with the employee benefit plans. For the EPP, employee contributions will increase until they are equal to the WSIB contributions. Once employee and the WSIB contributions are equal, all EPP funding risks will be shared equally between the WSIB and employees.

The most significant sources of risk for the WSIB include:

- a) A decline in discount rates that increases the obligation and expense;
- b) An increase in inflation;
- c) Investment returns which are lower than expected;
- d) Lower-than-expected rates of mortality; and
- e) Health care cost inflation being higher than assumed.

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In general, risks are managed through plan design reviews, the EPP's funding policy and, in relation to investment risks, through risk control mechanisms in the EPP's SIPP. The SIPP is determined and monitored by the EPP Board of Trustees in accordance with the PBA, and the review of plan design is conducted jointly by the plan sponsors.

Employee benefit plans expense

The cost of the employee benefit plans recognized in administration and other expenses is as follows:

	Pension plans		Other benefits		Total	
	2024	2023	2024	2023	2024	2023
Current service cost	91	83	18	15	109	98
Net interest on the employee benefit plans liability	23	22	33	33	56	55
Past service cost (recovery)	-	-	4	(14)	4	(14)
Long-term employee benefit gains	-	-	(5)	(4)	(5)	(4)
Administrative expenses	12	14	-	-	12	14
Employee benefit plans expense	126	119	50	30	176	149

Amounts recognized in other comprehensive income (loss) are as follows:

	Pension plans		Other benefits		Total	
	2024	2023	2024	2023	2024	2023
Actuarial gains (losses) arising from:						
Financial assumptions	96	(209)	8	(36)	104	(245)
Demographic assumptions	-	(11)	-	(3)	-	(14)
Plan experience	7	-	5	(17)	12	(17)
Return on plan assets excluding interest income	264	108	-	-	264	108
Remeasurements of employee benefit plans	367	(112)	13	(56)	380	(168)

Employee benefit plans liability

The employee benefit plans liability as at December 31 is comprised of the following:

	Pension plans		Other benefits		Total	
	2024	2023	2024	2023	2024	2023
Present value of obligations ¹	4,641	4,582	711	703	5,352	5,285
Fair value of plan assets	(4,503)	(4,092)	-	-	(4,503)	(4,092)
Employee benefit plans liability	138	490	711	703	849	1,193

1. The WSIB's pension plans are wholly or partly funded whereas the WSIB's other benefits are wholly unfunded.

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The movement in the total present value of employee benefit obligations is as follows:

	Pension plans		Other benefits		Total	
	2024	2023	2024	2023	2024	2023
Balance, beginning of year	4,582	4,198	703	644	5,285	4,842
Current service cost	91	83	18	15	109	98
Employee contributions	44	41	-	-	44	41
Interest expense on the employee benefit obligations	215	214	33	33	248	247
Past service cost (recovery)	-	-	4	(14)	4	(14)
Gain/Losses	-	-	(5)	(4)	(5)	(4)
Actuarial losses (gains) arising from:						
Financial assumptions	(96)	209	(8)	36	(104)	245
Demographic assumptions	-	11	-	3	-	14
Plan experience	(7)	-	(5)	17	(12)	17
Benefits paid	(194)	(181)	(29)	(27)	(223)	(208)
Transfer/adjustments	6	7	-	-	6	7
Balance, end of year	4,641	4,582	711	703	5,352	5,285

As at December 31, 2024, the EPP was 99.3% of the pension plans obligation (2023 – 99.3%), and the Post-Retirement Benefit Plan was 83.8% of the other benefits obligation (2023 – 83.9%).

The weighted average duration of the defined benefit pension plans and the other benefit plans' obligations as at December 31, 2024 is 14.6 and 14.1 years, respectively (2023 – 14.6 and 14.5 years, respectively).

Fair value of plan assets

The movement in the total fair value of plan assets is as follows:

	Pension plans		Other benefits		Total	
	2024	2023	2024	2023	2024	2023
Balance, beginning of year	4,092	3,825	-	-	4,092	3,825
Interest income on plan assets	192	192	-	-	192	192
Return in excess of interest income on plan assets	264	108	-	-	264	108
Employer contributions	111	114	29	27	140	141
Employee contributions	44	41	-	-	44	41
Transfer/adjustments	6	7	-	-	6	7
Benefits paid	(194)	(181)	(29)	(27)	(223)	(208)
Administrative costs paid	(12)	(14)	-	-	(12)	(14)
Balance, end of year	4,503	4,092	-	-	4,503	4,092

Employers' contributions to the pension plans are projected to be \$95 for 2025.

Benefits to be paid from pension plan assets, during 2025, are projected to be \$204, and other benefits to be paid directly by the employer are projected to be \$36.

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Pension plan assets as at December 31 are comprised of the following:

	2024		2023	
Pension plan assets				
Public equities	1,461	32.5%	1,455	35.5%
Fixed income	1,193	26.5%	967	23.6%
Credit	409	9.1%	285	7.0%
Public market alternatives	150	3.3%	380	9.3%
Securities sold under repurchase agreements	(157)	(3.5%)	(195)	(4.8%)
Real estate	497	11.0%	454	11.1%
Infrastructure	639	14.2%	533	13.0%
Private equity	212	4.7%	101	2.5%
Cash and cash equivalents	87	1.9%	85	2.1%
Other	12	0.3%	27	0.7%
Total¹	4,503	100.0%	4,092	100.0%

1. Includes \$6 net assets of the ESPP (2023 – \$5).

Actuarial assumptions

The significant actuarial assumptions used in the determination of the present value of the employee benefit obligations are as follows:

	2024	2023
Discount rate ¹		
Benefit plan expense	4.65%	5.05%
Accrued benefit obligation at end of year	4.75%	4.65%
Rate of pension increase at beginning of year ²		
2025	2.00%	2.25%
2026	1.50%	2.25%
2027	1.50%	1.75%
2028 and thereafter	1.50%	1.50%
Rate of compensation increase at end of year ³	3.50%	3.50%
Health care trends at end of year ⁴		
Initial trend rate	5.00%	5.00%
Ultimate trend rate	4.00%	4.00%
Year initial trend rate is applied	2023	2023
Year ultimate trend rate is reached	2025	2025
Dental care trend rate at beginning of year		
2023	8.00%	8.00%
2024	5.00%	5.00%
2025 and thereafter	3.00%	3.00%
Mortality		
Base table ⁵	100% of CPM (Public)	100% of CPM (Public)
Projection scale ⁶	MI-2017	MI-2017

1. Weighted average based on obligation (rounded to the nearest 5 basis points).

2. Pension benefits are increased annually, every January 1, equal to 75% of the Consumer Price Index (i.e., inflation) for pre-July 2025 services. Service post-July 2025 will be indexed at 50% of inflation.

3. This is an approximation. Actual assumption is based on long-term inflation of 2% per annum plus unisex pay merit scale.

4. Health care trend rates are for drugs only. The trend for semi-private hospital and vision are 2% and other medical costs is 3%.

5. 2014 Canadian Pensioners' Sector Mortality Table ("CPM").

6. Scale MI-2017 modified to have an ultimate rate of 0.8%.

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The current longevities underlying the measurement of the employee benefit obligations as at December 31 are as follows:

	2024	2023
Longevity for those currently at age 65		
Males	23.2 years	23.2 years
Females	25.3 years	25.2 years
Longevity at age 65 for those currently at age 45		
Males	24.3 years	24.3 years
Females	26.3 years	26.3 years

Sensitivity of the actuarial assumptions

Changes in the actuarial assumptions used have a significant effect on the employee benefit plans obligation. The sensitivity analysis below provides an estimate of the potential impact of changes in key assumptions as at December 31, 2024, with all other assumptions held constant:

Sensitivity in assumptions	Increase (decrease) in the obligations		
	Pension plans	Other benefits	Total
Discount rate			
1% increase in discount rate	(579)	(88)	(667)
1% decrease in discount rate	735	112	847
Rate of compensation increase			
1% increase in compensation rate	136	7	143
1% decrease in compensation rate	(119)	(6)	(125)
Rate of pension increase			
1% increase in pension benefits	433	n/a	433
1% decrease in pension benefits	(377)	n/a	(377)
Health and dental care trend rates			
1% increase in trend rates	n/a	124	124
1% decrease in trend rates	n/a	(97)	(97)
Mortality rates			
10% increase in mortality rates ¹	(83)	(13)	(96)
10% decrease in mortality rates ²	91	15	106

1. The increase in the mortality rates results in a decrease of the average life expectancy of a female aged 65 years by 0.7 years.
2. The decrease in the mortality rates results in an increase of the average life expectancy of a female aged 65 years by 0.8 years.

2024 Annual Report**Notes to Consolidated Financial Statements****December 31, 2024****(millions of Canadian dollars)****17. Insurance contract liabilities**

The roll-forward of the insurance contract liabilities showing the liabilities for remaining coverage and the liabilities for incurred claims as of December 31, 2024 is as follows:

	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	
Insurance contract liabilities as at January 1, 2024	(95)	210	27,605	27,720
Insurance revenue	(3,520)	-	-	(3,520)
Insurance service expenses				
Incurred claims and other expenses	-	(210)	2,643	2,433
Losses on onerous contracts and reversals of those losses ¹	-	177	-	177
Changes in liabilities for incurred claims	-	-	(627)	(627)
Total insurance service (income) expenses	-	(33)	2,016	1,983
Insurance service result	(3,520)	(33)	2,016	(1,537)
Insurance finance expense	-	-	1,380	1,380
Total changes in the statement of comprehensive (income) loss	(3,520)	(33)	3,396	(157)
Cash flows				
Premiums received	3,488	-	-	3,488
Claims and other expenses paid	-	-	(3,608)	(3,608)
Total cash flows	3,488	-	(3,608)	(120)
Insurance contract liabilities as at December 31, 2024	(127)	177	27,393	27,443

1. Reflects any subsequent changes in actuarial assumptions used in determination of the losses on onerous contracts and reversals of those losses.

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The roll-forward of the insurance contract liabilities showing the liabilities for remaining coverage and the liabilities for incurred claims as of December 31, 2023 is as follows:

	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	
Insurance contract liabilities as at January 1, 2023	97	190	26,360	26,647
Insurance revenue	(3,461)	-	-	(3,461)
Insurance service expenses				
Incurred claims and other expenses	-	(190)	2,566	2,376
Losses on onerous contracts and reversals of those losses ¹	-	210	-	210
Changes in liabilities for incurred claims	-	-	(252)	(252)
Total insurance service expenses	-	20	2,314	2,334
Insurance service result	(3,461)	20	2,314	(1,127)
Insurance finance expense	-	-	2,484	2,484
Total changes in the statement of comprehensive (income) loss	(3,461)	20	4,798	1,357
Cash flows				
Premiums received	3,269	-	-	3,269
Claims and other expenses paid	-	-	(3,553)	(3,553)
Total cash flows	3,269	-	(3,553)	(284)
Insurance contract liabilities as at December 31, 2023	(95)	210	27,605	27,720

1. Reflects any subsequent changes in actuarial assumptions used in determination of the losses on onerous contracts and reversals of those losses.

2024 Annual Report**Notes to Consolidated Financial Statements****December 31, 2024****(millions of Canadian dollars)****Actuarial assumptions and methods****(a) Economic assumptions**

The following provides a summary of the primary economic assumptions used in the actuarial valuation of insurance contract liabilities:

	2024¹	2023¹
Single-equivalent discount rate	4.83%	4.86%
Inflation (CPI)	2.5% for 2025 2.0% thereafter	3.0% for 2024 2.5% for 2025 2.0% thereafter
Benefits indexation rates	2.4% for 2026 2.1% for 2027 2.0% thereafter	3.0% for 2025 2.6% for 2026 2.0% thereafter
Wage growth rate	3.5% (CPI + 1.0%) for 2025 3.0% (CPI + 1.0%) thereafter	4.0% (CPI + 1.0%) for 2024 3.5% (CPI + 1.0%) for 2025 3.0% (CPI + 1.0%) thereafter
Health care cost escalation rate	4.5% (CPI + 2%) for 2025 4.0% (CPI + 2%) thereafter	6.0% (CPI + 3.0%) for 2024 4.5% (CPI + 2.0%) for 2025 4.0% (CPI + 2.0%) thereafter

1. All percentages are on a per annum basis.

(b) Wage loss

Wage loss refers to the proportion of a worker's wages that is lost due to an injury. Most benefits influenced by wage loss are based on historical experience and limits in the WSIA.

(c) Mortality

Mortality rates are used to estimate the duration for which the WSIB will continue to be required to make payments to injured workers or survivors receiving monthly pension amounts. The mortality assumptions are determined separately for injured workers and survivors as follows:

- (i) The mortality assumption for injured workers is based on an actuarial study of the mortality levels by age and gender experienced by the WSIB disability income recipients from 2019 to 2023, adjusted to reflect any prevailing improvements (or otherwise) in the experience of the WSIB injured workers up to and including 2024;
- (ii) The mortality assumption for those receiving survivor benefits is based on an actuarial study of mortality levels experienced by the WSIB survivors, and the 2017–2019 Province of Ontario population mortality table developed by Statistics Canada, adjusted to reflect any prevailing improvements (or otherwise) in the experience of the WSIB survivors up to and including 2024; and
- (iii) The mortality rates for both injured workers and survivors are projected for future years using the Canada Pension Plan's mortality improvement factors. As such, future mortality rates are reduced to allow for greater future longevity expected for injured workers and survivors.

(d) Claims incidence, return to work and exposure index

Claims incidence refers to the number of claims incurred during the year and requires actuarial assumptions for the number of claims expected to have been incurred but not reported at December 31, 2024. Return to work refers to the actuarial assumptions regarding the future duration of claims. Exposure index refers to the indicator used to assist in predicting certain future costs for different injury years and represents, on a relative basis, the level of risk insured by the WSIB.

The assumptions regarding claims incidence are determined based on the number of claims incurred

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in past years. The return to work assumption is determined using average return to work experience of the WSIB from five recent injury years ending in 2022 and modified for the existing claims expected to be of longer duration. The exposure index has been developed using the number of lost-time injuries incurred up to injury year 1998, and for subsequent years, the number of workers covered by the WSIB, adjusted by the variation in the average risk associated with these workers. The return to work rates and the projected number of loss of earnings future lock-in claims and their profiles were updated in 2024 to reflect recent experience.

(e) Expenses

The average claim administration cost per unit of exposure index for each claims duration is determined based on the experience from 2021 to 2023. The 2024 exposure index and the wage escalation are applied to these factors to determine the future claim administration cost liability.

(f) Long latency occupational diseases

Long latency occupational diseases refer to future occupational disease claims arising from exposures up to the valuation date to hazardous substances or conditions, such as asbestos and excessive noise.

Sensitivity of actuarial assumptions

Changes in the actuarial assumptions used have a significant effect on the claim costs recognized. The following provides an estimate of the potential impact of a change in the more significant assumptions:

Changes in assumptions	Decrease in net assets/total comprehensive income 2024 ¹	Decrease in net assets/total comprehensive income 2023 ¹
100 basis point decrease in the discount rate	2,878	2,922
100 basis point increase in the inflation rate:		
Impact of benefits indexation rate	1,510	1,494
Impact of wage growth	899	720
Impact of health care cost escalation	769	609

1. Note that an equivalent impact was recognized to net assets attributable to the WSIB's stakeholders.

The method used for deriving sensitivity information and significant assumptions did not change from the previous year.

2024 Annual Report**Notes to Consolidated Financial Statements****December 31, 2024****(millions of Canadian dollars)****Claims development**

Liabilities for incurred claims include the current estimate of future payments related to claims incurred during 2024 and prior years. Each reporting period, liabilities for incurred claims are adjusted for changes in the estimate of the future payments, and the change in estimate is recognized in claim costs. The table below provides the development of the estimates related to claims incurred from 2015 to 2024.

Year of estimate	Year of injury										Total
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
2015	2,317										
2016	2,071	2,210									
2017	1,970	2,274	2,371								
2018	1,925	2,208	2,405	2,604							
2019	1,897	2,126	2,351	2,494	2,614						
2020	1,858	2,085	2,325	2,449	2,663	2,618					
2021	1,863	2,102	2,333	2,472	2,627	2,545	3,054				
2022	1,809	2,008	2,247	2,366	2,501	2,318	2,668	2,985			
2023	1,778	1,967	2,216	2,324	2,428	2,236	2,539	2,788	3,001		
2024	1,772	2,007	2,233	2,340	2,445	2,246	2,544	2,817	2,996	3,077	
Current estimate of cumulative claims costs	1,772	2,007	2,233	2,340	2,445	2,246	2,544	2,817	2,996	3,077	24,477
Cumulative payments made	(764)	(865)	(876)	(923)	(894)	(740)	(771)	(700)	(559)	(259)	(7,351)
Outstanding claims (undiscounted)	1,008	1,142	1,357	1,417	1,551	1,506	1,773	2,117	2,437	2,818	17,126
Effect of discounting	(501)	(550)	(671)	(686)	(760)	(755)	(871)	(1,028)	(1,150)	(1,191)	(8,163)
Liabilities for incurred claims (discounted outstanding claims)	507	592	686	731	791	751	902	1,089	1,287	1,627	8,963
Liabilities for incurred claims (discounted outstanding claims) prior to 2015 injury year											13,788
Claim administration costs											1,936
Long latency occupational diseases											2,666
Other											40
Total liabilities for incurred claims											27,393

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Rate setting

In accordance with the WSIA, the WSIB's obligations are satisfied by charging annual premiums to all Schedule 1 businesses. The WSIB introduced a rate setting model and North American Industry Classification System based classification structure effective January 1, 2020. The rate setting model is a prospective premium rate setting framework that is applied to all businesses. The model includes built-in dynamic risk banding, which allows a range of business premium rates within a class/subclass and for individual business premium rates to change year over year within limits to better reflect changes in a business' claims cost experience. The premium rate for each business reflects the rate of the class/subclass and its risk in relation to other businesses in that class considering their size. Each class/subclass has a series of risk bands, and each risk band has an associated rate either above or below the class rate. The premium rate for each class reflects costs associated with claims, administration and legislative obligations.

There is a two-step approach to set and adjust premium rates for businesses:

- (a) Set class rate for each industry class based on its risk profile and share of responsibility to maintain the insurance fund. The class rate is a collective rate that represents the class's share of responsibility for its WSIB costs; and
- (b) Compare individual insurable earnings and claims history to the businesses in the class. This means that a business's overall rate under this model reflects its individual experience and risk.

Liquidity of insurance contract liabilities risks

The following table provides an estimate of the expected timing of undiscounted cash flows for claim payments:

	2024	2023
Up to one year	6%	6%
Over one year and up to five years	17%	18%
Over five years and up to ten years	17%	17%
Over ten years and up to fifteen years	14%	14%
Over fifteen years	46%	45%
	100%	100%

2024 Annual Report**Notes to Consolidated Financial Statements****December 31, 2024****(millions of Canadian dollars)****18. Information on subsidiaries and non-controlling interests**

The WSIB's consolidated financial statements include the financial statements of all its subsidiaries.

(a) Directly or indirectly owned subsidiaries

The majority of the WSIB's assets are held directly or indirectly by the following subsidiaries:

	WSIB's ownership		Country of incorporation and operation
	2024	2023	
Wholly owned subsidiaries			
2742267 Ontario Ltd.	100.0%	100.0%	Canada
2742268 Ontario Ltd.	100.0%	100.0%	Canada
2778374 Ontario Inc.	100.0%	100.0%	Canada
2778376 Ontario Inc.	100.0%	100.0%	Canada
2859927 Ontario Inc.	100.0%	100.0%	Canada
2859928 Ontario Inc.	100.0%	100.0%	Canada
799549 Ontario Inc.	100.0%	100.0%	Canada
Simcoe INS OTC Collateral Fund LP	100.0%	100.0%	Canada
Simcoe INS PE Pool Ltd.	100.0%	100.0%	Canada
Simcoe INS RE Public REIT Ltd.	100.0%	100.0%	Canada
Simcoe INS Real Estate Pool AIV 1 Ltd. ¹	100.0%	-	Canada
Simcoe INS Real Estate Pool AIV 2 Ltd. ¹	100.0%	-	Canada
Simcoe INS Real Estate Pool Ltd. ¹	100.0%	-	Canada
Simcoe LRI OTC Collateral Fund LP	100.0%	100.0%	Canada
Simcoe LRI PE Pool Ltd.	100.0%	100.0%	Canada
Simcoe LRI RE Public REIT Ltd.	100.0%	100.0%	Canada
Simcoe LRI Real Estate Pool AIV 1 Ltd. ¹	100.0%	-	Canada
Simcoe LRI Real Estate Pool AIV 2 Ltd. ¹	100.0%	-	Canada
Simcoe LRI Real Estate Pool Ltd. ¹	100.0%	-	Canada
Simcoe PE C2 Ltd.	100.0%	100.0%	Canada
Simcoe RES (Non-Pension) C Ltd.	100.0%	100.0%	Canada
WSIB INS Infra A Pool Ltd.	100.0%	100.0%	Canada
WSIB Investments (International Infrastructure Non-Pension) Limited	100.0%	100.0%	Canada
WSIB Investments (International Realty Non-Pension) Limited	100.0%	100.0%	Canada
WSIB Investments (Private Equity Non-Pension) Limited	100.0%	100.0%	Canada
WSIB LRI Infra A Pool Ltd.	100.0%	100.0%	Canada
WSIB VanIF GP Holdings Ltd.	100.0%	100.0%	Canada
WSIB VanLRI GP Holdings Ltd.	100.0%	100.0%	Canada
Partly owned subsidiaries			
2742266 Ontario Ltd.	85.3%	85.3%	Canada
Absolute Return (2012) Pooled Fund Trust	90.5%	90.5%	Canada
Simcoe Pacific Pooled Fund Trust	91.0%	90.8%	Canada
WSIB Investments (Fixed Income) Pooled Fund Trust	90.8%	90.8%	Canada
WSIB Investments (Infrastructure) Pooled Fund Trust	90.8%	90.8%	Canada
WSIB Investments (International Realty) Limited	91.2%	91.2%	Canada
WSIB Investments (Realty) Limited	91.2%	91.2%	Canada
WSIB Investments (Total Return) Pooled Fund Trust	89.7%	89.7%	Canada

1. These entities were established during the year ended December 31, 2024.

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During the year ended December 31, 2024, the following entities were dissolved: Simcoe Infra A Insurance Fund Ltd. (WSIB ownership in 2023 – 100.0%), Simcoe Infra A LRI Ltd. (WSIB ownership in 2023 – 100.0%), Simcoe INS GC DL Aggregator Ltd. (WSIB ownership in 2023 – 100.0%), and Simcoe LRI GC DL Aggregator Ltd. (WSIB ownership in 2023 – 100.0%).

The WSIB's EPP and other investors are the non-controlling interests in each of the partly owned subsidiaries listed above. The following provides aggregated summary financial information for the partly owned subsidiaries, before intercompany eliminations:

Summary information from statements of financial position	2024	2023
Total assets	2,058	2,380
Total liabilities	-	(3)
Surplus of assets	2,058	2,377
Attributable to the WSIB Employees' Pension Plan	183	212
Summary information from statements of comprehensive income	2024	2023
Investment income (loss)	140	(90)
Investment expenses	(1)	(5)
Net investment income (loss)	139	(95)
Translation gains (losses) from net foreign investments	16	(1)
Attributable to the WSIB Employees' Pension Plan	14	(8)

(b) Reconciliation of non-controlling interests

The following provides a reconciliation of the non-controlling interests, including the effect of changes in ownership:

Balance as at December 31, 2022	402
Deficiency of revenues over expenses	(19)
Distributions paid by subsidiaries to non-controlling interests	(1)
Net redemptions related to non-controlling interests ¹	(131)
Balance as at December 31, 2023	251
Excess of revenues over expenses	11
Translation gains from net foreign investments	1
Distributions paid by subsidiaries to non-controlling interests	(2)
Net redemptions related to non-controlling interests ¹	(40)
Balance as at December 31, 2024	221

1. Includes the derecognition of \$28 (2023 – \$143), representing the EPP's proportionate share of net assets, as a result of strategic changes in the WSIB's investment portfolio during the year, including the pooling of certain investments.

2024 Annual Report**Notes to Consolidated Financial Statements****December 31, 2024****(millions of Canadian dollars)****19. Insurance revenue**

A summary of premiums for the years ended December 31 is as follows:

	2024	2023
Schedule 1 premiums	3,459	3,437
Interest and penalties	34	31
Schedule 1 premiums	3,493	3,468
Net mandatory business incentive programs	27	(7)
Insurance revenue	3,520	3,461

20. Net investment income and insurance finance expense

Net investment income by nature of invested assets for the years ended December 31 is as follows:

	2024	2023
Cash and cash equivalents	33	32
Public equity investments	2,420	1,804
Fixed income investments	329	533
Securities purchased under resale agreements	40	-
Derivative financial instruments	(816)	175
Investment properties	28	(40)
Investments in associates and joint ventures	(4)	(88)
Other invested assets	2,124	474
Less: Income attributable to Loss of Retirement Income Fund	(161)	(128)
Investment income	3,993	2,762
Less: Investment expenses ¹	(464)	(298)
Net investment income	3,529	2,464
Net insurance finance expense	(1,380)	(2,484)

1. Includes \$72 of management fees paid to investment managers for the year ended December 31, 2024 (2023 – \$94). It also includes \$127 of interest expenses related to the securities sold under repurchase agreements and securities purchased under resale agreements for the year ended December 31, 2024 (2023 – \$65).

2024 Annual Report**Notes to Consolidated Financial Statements****December 31, 2024****(millions of Canadian dollars)****21. Insurance service expenses**

	2024	2023
Loss of earnings	854	849
Health care	617	594
Survivor benefits	135	143
External providers	32	28
Non-economic loss	66	67
Total incurred claims	1,704	1,681
Insurance service expenses allocated from administration and other expenses	913	876
Insurance service expenses allocated from legislated obligations and funding commitments expenses	26	9
Other insurance service expenses¹	939	885
Total incurred claims and other insurance service expenses	2,643	2,566
Impact of change to onerous loss component	(33)	20
Changes in liabilities for incurred claims	(627)	(252)
Insurance service expenses	1,983	2,334

1. Comprised of the allocation of administration and other expenses and legislated obligations and funding commitment expenses related to the current injury year.

22. Surplus distribution

On November 15, 2024, the WSIB's Board of Directors approved a distribution of surplus funds of \$2,000 to eligible Schedule 1 businesses. The WSIB's strong financial and operational management, along with its positive investment returns, resulted in a surplus in its insurance fund beyond the needed reserve. The surplus distribution was applied to eligible businesses' accounts by March 2025.

23. Commitments and contingent liabilities**(a) Investment commitments**

The WSIB's commitments for capital calls as at December 31, 2024 related to its investment portfolio were \$6,109. There is no specific timing requirement to fulfill these commitments during the investment period.

(b) Legislated obligations and funding commitments

Known commitments related to legislated obligations and funding commitments as at December 31, 2024 were approximately \$331 for the period from January 1, 2025 to December 31, 2025.

(c) Other commitments

As at December 31, 2024, the WSIB had additional commitments going forward under non-cancellable contracts for purchases of goods and services with future minimum payments of approximately \$248.

(d) 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 that adequate provisions have been made for cases where it is reasonably possible that a payment will be made and that the probable ultimate resolution

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of all existing legal proceedings and claims will not have a material effect on the WSIB's financial position.

24. Funding and capital management

As the board-governed trust agency under the Agencies and Appointments Directive for administering the Province's workplace compensation system, the WSIB's capital management objective is to ensure sufficient funding to provide compensation and other benefits to injured workers and to the survivors of deceased workers. The WSIA requires the WSIB to make payments for current benefits as they come due and to provide for future benefits. Further, the WSIA requires the WSIB to maintain sufficient funding so as not to burden unduly or unfairly any class of Schedule 1 businesses with payments, in any year in respect of current benefits, or in future years in respect of future benefits.

The capital resources available to the WSIB are comprised of its total assets less total liabilities, excluding those attributable to non-controlling interests. As at December 31, 2024, the WSIB's capital is represented by net assets attributable to WSIB stakeholders of \$6,620 (2023 – \$4,863).

Ontario Regulation 141/12 under the WSIA came into force on January 1, 2013 and required the WSIB to achieve a Sufficiency Ratio of 100% by 2027. Having achieved a Sufficiency Ratio of over 100% in 2018, *Ontario Regulation 141/12* was amended by *Ontario Regulation 864/21* (collectively, the "Ontario Regulations") effective January 1, 2022 as follows:

- The criteria to be regarded in determining eligibility for a distribution of amounts to Schedule 1 businesses;
- Discretion of amount of disbursements; and
- Timing of disbursements.

More specifically, should a decision be made to distribute surplus when the Sufficiency Ratio is above 115% and below 125%, any surplus distributions shall be distributed within 90 days of the WSIB determining that it will distribute a surplus to eligible Schedule 1 businesses, with the amount of the distribution within the discretion of the WSIB.

Based on the annual audited Sufficiency Statement, should the Sufficiency Ratio be equal to or above 125%, any surplus distributions shall be distributed to eligible Schedule 1 businesses within 30 days to return to a Sufficiency Ratio of 115.1%.

The Ontario Regulations state that the Sufficiency Ratio shall be calculated by dividing the value of the insurance fund assets by the value of the insurance fund liabilities, as determined by the WSIB using methods and assumptions that are consistent with accepted actuarial practice for going concern valuations. Going concern valuations are based on the assumption that the WSIB will continue to operate in the future indefinitely.

As at December 31, 2024, the Sufficiency Ratio was 121.2% (2023 – 122.5%).

25. Related party transactions

The WSIB's related parties include the Government of Ontario and related entities, key management personnel, subsidiaries, associates, joint ventures, and post-retirement benefit plans for the WSIB's employees. The transactions are in the ordinary course of business.

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

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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 OHSA and the regulations made under the OHSA. The WSIB is also required to pay for the operating costs of the WSIAT 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 and funding to carry on investigations, research and training. The total of this funding for the year ended December 31, 2024 was \$304 (2023 – \$302) and is included in legislated obligations and funding commitments expenses.

In addition to the above, the 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 at December 31, 2024 are \$1,831 of marketable fixed income investments issued by the Government of Ontario and related entities (2023 – \$1,645).

Reimbursements paid to the Ministry of Health (“MOH”) for physicians’ fees for services to people with work-related injuries or illnesses are included in claim payments. Administrative fees paid to the MOH are included in administration and other expenses.

Investment Management Corporation of Ontario

In 2016, the WSIB was named in *Ontario Regulation 251/16* as one of the initial members of IMCO. Created by the Ontario government and enacted by legislation, IMCO provides investment management and advisory services to participating organizations in Ontario’s public sector.

On July 24, 2017, IMCO officially began managing the WSIB’s invested assets, and subsequent to IMCO becoming operational, the WSIB’s share of IMCO’s operating expenses is paid by the WSIB on a cost recovery basis.

Key management remuneration

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the WSIB, directly or indirectly. The remuneration of key management, which includes the Board of Directors, is included in administration and other expenses.

	Appointees to the Board of Directors ¹		Executive personnel ²		Total	
	2024	2023	2024	2023	2024	2023
Salaries and short-term benefits	0.9	1.0	3.7	4.2	4.6	5.2
Long-term employee benefit plans	-	-	0.6	0.7	0.6	0.7
	0.9	1.0	4.3	4.9	5.2	5.9

1. Includes the Chair and the President and CEO.

2. Includes the Chiefs, General Counsel and Advisor to the President and CEO.

Employee benefit plans

The WSIB’s defined benefit pension plans and the other benefit plans are considered related parties. Note 16 provides details of transactions with these employee benefit plans.

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26. Subsequent events

To further support Ontario businesses facing ongoing economic uncertainty, on March 11, 2025, the WSIB's Board of Directors approved an additional \$2,000 of surplus distribution to be applied to eligible Schedule 1 businesses' accounts during Q2 2025.