



2024 ANNUAL REPORT

Year at a glance

Note		2024	2023
1	Workers covered	28,090	27,210
2	Open claims (all years)	2,833	3,037
1, 2	Filed claims (current year)	893	879
1, 2	Accepted claims	703	692
1, 2	Lost-time claims	377	387
1	Lost-time injury rate (<i>per 100 covered workers</i>)	1.3	1.4
1	Permanent impairment payments	14	14
5	Worker fatalities	2	1
	Decisions rendered by reconsideration officer	35	22
	Decisions rendered by the Appeal Tribunal	4	4
1	Registered employers	4,131	4,054
	Maximum annual earnings	\$102,017	\$98,093
1	Assessable payroll (<i>millions</i>)	\$1,881	\$1,757
4	Assessment revenue (<i>millions</i>)	\$38.8	\$36.8
	Average estimated premium rate (<i>per \$100 of insurable earnings</i>)	\$2.11	\$2.07
1, 3	Average collected premium rate (<i>per \$100 of insurable earnings</i>)	\$2.06	\$2.09
4	Net investment income (<i>millions</i>)	\$37.2	\$29.6
	Investments market return	15.0%	13.7%
4	Funds held by investment custodians (<i>millions</i>) (<i>formerly Investments</i>)	\$288.3	\$253.2
6	Funded position	138%	142%
6	Funded position (<i>including target reserves</i>)	112%	114%
	Number of Access to Information and Protection of Privacy Act (ATIPP) requests	15	17
	Number of Public Interest Disclosure of Wrongdoing Act (PIDWA) disclosures	0	0

Notes:

Data may include revisions to prior releases.

1. Revised based on most recent data.
2. Figures may include counts of duplicate occurrences.
3. Based on assessment revenue as reported in the Financial Statements section.
4. In accordance with the Financial Statements section.
5. Fatalities are reported during the year in which the fatality occurred.
6. Funded position is based on numbers from Funding Policy.

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Message from the Board of Directors

When people think of workers' compensation, it's easy to fall back on familiar images. A construction worker injuring their back while lifting a heavy load. Safety officers conducting inspections around worksites. The sign outside our building in Whitehorse, updating the number of injuries in our territory as the year progresses.

Yes, workers' compensation is all of those things. But the heart of our work at the Workers' Safety and Compensation Board (the board) goes much deeper—to the roots of what it means to be a healthy, thriving territory. Building a culture where safety and prevention are priorities for every Yukoner drives what we do here at the board, every single day.

Yet, we know that expanding our safety culture cannot be done alone. This year, we came together as a community to share our vision of safety—not just as a practice, but a way of life. From our Partners in Safety BBQ to our Workplace Solutions training sessions, these experiences brought our community closer together and reminded us why safety matters in the first place: to ensure every single worker returns home to their family and friends at the end of the day.

During National Occupational Health and Safety Week, we were proud to see our community reunited at our Partners in Safety BBQ for the first time since the pandemic. Nearly 800 Yukoners braved cooler temperatures to celebrate our shared commitment to safety. Families enjoyed burgers, kids learned tips about everything from bear safety to working in confined spaces, and local businesses, firefighters and safety experts delivered interactive demonstrations.

At the Workplace Solutions training at the Kwanlin Dün Cultural Centre, workers and employers from across the territory learned about hazard assessments, health and safety management systems, workplace investigations and workplace violence and harassment prevention. These sessions sparked inspiring conversations allowing Yukoners to share their expertise from their unique experiences and perspectives.

In 2024, our staff made it a priority to travel across the Yukon delivering education, resources and guidance directly to employers, workers and schools. From mental wellness to tailored support for businesses, these visits strengthened connections and helped make safety accessible to everyone.

We know that partnerships are at the heart of these efforts. Whether working with Yukon University to develop new safety programs, collaborating with the Canadian Centre for Occupational Health and Safety or engaging with Northern Safety Network Yukon to provide training, these relationships have shown us the power of working together to make safety a way of life.

When we reflect on this year, it's not the programs or policies that stand out, but the people. It's the students learning about concussion safety at school and sharing that knowledge with their friends and families. It's the employers prioritizing prevention and creating safer workplaces where every worker feels empowered, knowing their health is what matters most.

Speaking of the power of people, we want to take a moment to recognize one person who has profoundly shaped our work at the board over the last 25 years. This year marks the retirement of our President Kurt Dieckmann. Kurt's legacy of care and commitment to safety will continue to inspire us. On behalf of the Board of Directors and everyone at the board, we thank Kurt for his unwavering dedication to our mission and his support for our community. We wish him all the best in this new chapter.

Looking ahead, we are motivated by the work yet to be done, as we strive to embed safety culture at the heart of every workplace. We are proud to be part of this journey alongside our neighbours, friends and families. It's your commitment to the health and safety of every single Yukoner that truly drives us forward.





Mark Pike

Chair
Appointed November 5, 2010
Current term ends March 29, 2026



Vicki Hancock

Vice Chair
Appointed August 15, 2006
Current term ends January 11, 2025



Lisa Martin

Representative of Employers
Appointed April 19, 2017
Current term ends April 23, 2026



Carl Schulze

Representative of Employers
Appointed March 30, 2023
Current term ends March 29, 2026



Keith Ellert

Representative of Workers
Appointed August 28, 2019
Current term ends November 16, 2025



Warren Mpofu

Representative of Workers
Appointed April 18, 2024
Current term ends April 17, 2027



Kurt Dieckmann

President/CEO
Appointed July 8, 2016
Retired December 2024



Catherine Jones

President/CEO
Appointed December 2, 2024

Charting our future: 2025 to 2029 Strategic Plan

In 2024, the Board announced its 2025 to 2029 Strategic Plan, which focuses on enhancing workplace safety, improving services and supporting the community. Built on feedback from stakeholders, this plan charts a clear path for the next five years.

Read more about our plan: wcb.yk.ca/strategic-plan

Who we are

The Workers' Safety and Compensation Board (the board) administers the *Workers' Safety and Compensation Act*, provides compensation, service and support to Yukon workers injured on the job and promotes workplace safety through education, training, inspections and investigations.

Our mandate is to prevent disability. We do so in a number of ways. We provide a range of services to Yukon workers and employers. We work towards changing societal attitudes about safety and risk management by communicating strategically, engaging in social marketing and educating Yukoners to embrace the belief that all injuries can be prevented.

We strive to reduce the incidence of injuries in Yukon workplaces through education, prevention initiatives and compliance and enforcement strategies. When injuries do occur, we provide proactive, innovative and compassionate services related to return to work, medical management and vocational rehabilitation as needed.

The board is made up of three core branches that work collaboratively to prevent workplace disability. All branches are guided by the board's corporate values of partnership, accountability and compassion.

Claimant Services

The Claimant Services Branch supports injured workers as they navigate a challenging time in their lives. The workers' compensation system provides a range of benefits and services to injured workers appropriate to their circumstances. The board accepted 703 claims in 2024, compared with 692 in 2023. Most of the claims in 2024 were for injuries caused by bodily reaction and exertion (237), contact with objects and equipment (220) and falls (146). A key principle of the system is to help workers return to their pre-injury lives as quickly and safely as possible. Branch staff collaborate with workers, employers and health care providers to support the continued employment of injured workers or promote a healthy transition back to work. In 2024, 76.4% of claimants were able to return to work within 90 days of injury.

Workplace Health and Safety

The Workplace Health and Safety Branch (WHS) promotes and enforces health and safety in the workplace. Safety officers visit workplaces throughout the Yukon to help employers and workers comply with the *Workers' Safety and Compensation Act* and *Workplace Health and Safety Regulations*. WHS partners with local and national health and safety organizations to provide training, share up-to-date workplace safety information and support national safety initiatives that strengthen workplace safety in the Yukon. In 2024, WHS conducted 399 inspections and safety officers issued 880 orders and 33 administrative penalties.

Employer and Client Services

The Employer and Client Services Branch works to continuously improve processes with the goal of delivering effective and efficient service to the board's clients. The branch includes two units: Employer Services and the Centralized Services Team.

Employer Services works with employers to ensure they are registered and classified appropriately in compliance with reporting and payment obligations. The Centralized Services Team provides a variety of services, including helping clients navigate the compensation process, answering phone and email inquiries and assisting clients in person.

The branch also administers the CHOICES incentive program. CHOICES is a voluntary program that provides registered employers with rebates in exchange for training investments in workplace health and safety and return-to-work practices. In 2024, the CHOICES program rebated over \$824,800 to employers.

Thanks to the board's strong financial position, the Board of Directors approved a \$10 million rebate to employers from surplus reserves. Employers with an active account in 2023 and in compliance with legislative requirements had the rebate credited to their accounts. The rebate was calculated based on assessment premiums paid in 2021, 2022 and 2023. See the Management's Discussion and Analysis section on page 25 for more information.

The board is also supported by the following services:

Executive

The Executive Branch works with the Board of Directors and all branches and maintains strong relationships with stakeholders, the Government of Yukon and workers' compensation and health and safety organizations across the country. The Executive Branch also includes our Investigations Unit.

Human Resources

The Health, Safety and Human Resources Branch focuses on recruiting, training and supporting board employees to create a skilled workforce. The branch runs wellness programs to help employee well-being and takes care of workplace safety at the board. The branch manages the Health and Safety Management System (HSMS) to maintain safety standards and encourage a health and safety culture.

Legal Services

The Legal Services Branch supports the Board of Directors and staff by providing legal advice and other assistance required to deliver services to our clients and meet the needs of our organization. The branch also includes our Reconsiderations Unit. Injured workers or employers who disagree with a board decision may have a right to request an internal review of the decision, also known as a reconsideration, conducted by a reconsideration officer.

Corporate Services

The Corporate Services Branch connects the Yukon public with the board to improve workplace safety. It includes the Social Marketing and Communications, Outreach and Education and Policy units, which focus on providing safety information, engaging the community and developing policies that support workplace safety and return to work. These efforts help raise awareness, strengthen connections with the public and promote a culture of safety across the territory.

Operations

The Operations Branch includes the following units: Finance, Information Management, Information Systems and Facilities Management. Services range from financial reporting, overseeing investments, providing systems infrastructure, and managing *Access to Information and Protection of Privacy Act* (ATIPP) requests from the public.

Work shouldn't hurt.

Workers'
Safety and
Compensation
Board

— Yukon —



Commission de
la sécurité et de
l'indemnisation
des travailleurs

A full blast commitment to safety



Ongoing education and training are key to prevention. As workplaces evolve, safety standards change and new technologies emerge, staying current is essential, especially in high-risk industries like blasting. In the Yukon, where mining and construction are major industries, it's critical that safety officers, workers and employers understand the hazards and regulations that keep worksites safe.

Hands-on safety training

Workplace Health and Safety officers regularly take part in blasting training to stay up to date with industry best practices and evolving safety standards. Most recently, they participated in an intensive session led by Cary Moffat, President of Muck Pile Services Inc. Over two days in the classroom, officers reviewed regulations, site inspections and best practices for handling explosives.

On the third day, they applied their knowledge in the field inspecting a blasting site and magazine, asking questions and seeing safety protocols in action. They also reviewed blasting patterns and identified key safety elements at an active site. This hands-on experience helps them assess worksites that are blasting or preparing to blast, strengthening their ability to keep workplaces safe.

A new blasting certification program

To further strengthen workplace safety, the board is partnering with Yukon University to develop a new blasting certification program. This program will ensure that workers not only meet regulatory requirements but also gain practical experience and a strong understanding of blasting safety in the Yukon.

The initiative builds on the success of the First Line Supervisor certification, which the board developed with Yukon University in 2023 and has been well received. Creating a new blasting certification program will be a thorough process, starting with reviewing existing regulations, assessing local industry needs and consulting with industry experts and community partners. These steps will help shape a program designed specifically for Yukon worksites.

Through partnerships with industry experts, training programs and ongoing education, the board is committed to reducing workplace injuries and strengthening safety culture across the territory. Well-trained workers mean safer workplaces, and when workers have the right knowledge and skills, employers can be confident they are taking the necessary steps to keep everyone safe.



Workplace Solutions

The good, the bad and the hazardous



The Workers' Safety and Compensation Board proudly hosts Workplace Solutions, an annual event dedicated to helping Yukon employers and workers create safer, healthier workplaces. This year's theme, "The Good, the Bad and the Hazardous," focused on hazard assessments and creating health and safety management systems (HSMS). These systems empower organizations to make informed decisions that align with the *Workers' Safety and Compensation Act*.

Creating strong safety systems

The event got underway at the Kwanlin Dün Cultural Centre at the end of February and drew a healthy sized crowd. The first day kicked off with an inspiring keynote address by Sonya Tonkovich and Emma Ashurst from the Canadian Centre for Occupational Health and Safety (CCOHS). Their insights set the tone for a series of training sessions and workshops led by CCOHS and the Northern Safety Network Yukon (NSNY). Topics ranged from building effective HSMS to preventing violence and harassment and mastering workplace investigations.

Each session was packed with strategies and real-world examples, offering participants practical tools to transform their safety practices and procedures.

Practical training for employers

During the two-day event, more than 100 employers participated in hands-on workshops and training sessions, collaborating with peers and asking questions to enhance workplace safety. Each session delivered by CCOHS built on the previous one, equipping employers with the necessary tools to enhance their HSMS, comply with legislation and enforce safety measures within their workplaces. NSNY's sessions focused on training employers to identify key factors when investigating workplace injuries and how to create a workplace free from violence and harassment.

As we look ahead to Workplace Solutions 2025, we're already planning new ways to expand our reach and provide even greater value to employers across the territory. Together, we're building a safer future, one workplace at a time.

Spot, assess and control

the role of hazard assessments



What would you do if...

you noticed ice on a walkway, a coworker being yelled at or a machine making an unusual noise?

Workplace hazards can come from a wide range of sources. It is important to identify hazards through the hazard assessment process in order to create a safer and healthier workplace.

A **hazard assessment** helps identify hazards in the workplace and assess risks to prevent injuries and incidents. It's an important step in meeting safety requirements and protecting worker health.

A **health and safety management system (HSMS)** provides a structured approach to managing workplace safety. It includes policies and procedures to identify hazards and control risks.

Why they matter:



Prevent injuries and incidents



Support legal compliance



Improve workplace safety

Together, hazard assessments and HSMS create safer workplaces and promote continuous safety improvement.

STEP-BY-STEP HAZARD ASSESSMENT

The size and type of your organization will influence how you carry out these steps, so adjust them as needed.

Be sure that everyone involved understands their role and the tasks being reviewed.



1

IDENTIFY HAZARDS

Talk about the tasks being done.

Look around and list anything that could cause harm.

Examples: slippery floors, aggressive behaviour, exposed wires, heavy objects, moving vehicles.



2

ASSESS THE RISK

How likely is the hazard to cause harm?

How serious could an injury be?



3

CONTROL THE HAZARD

Are current safety measures enough?

What else is needed?
Examples: training, signs, non-slip mats, safety gear.

Review safe work practices to make sure tasks are done safely.



4

DOCUMENT FINDINGS

Write down the hazards, risk levels and control measures.

Share this information with everyone on site.



5

MONITOR AND UPDATE

Regularly check tasks, hazards and controls.

Update as needed to keep the workplace safe.

Partners in Safety BBQ



The Partners in Safety BBQ, celebrating North American Occupational Safety and Health (NAOSH) week, returned in May 2024 after a multi-year hiatus due to the pandemic.

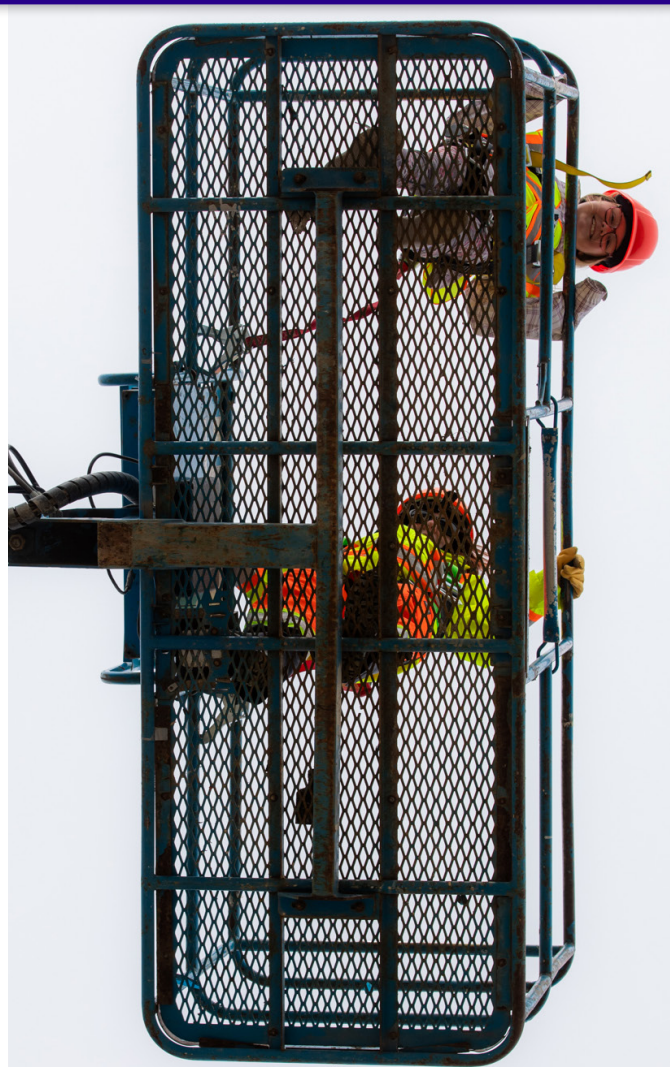
Hundreds of Yukoners braved the chilly weather to participate in safety demonstrations, visit outdoor tradeshow booths showcasing workplace health and safety and enjoy a free lunch.

Our generous partners delivered spectacular safety demonstrations and interactive tradeshow booths: ATCO Electric Yukon, Canadian Mental Health Association Yukon, City of Whitehorse, Concussion Café Yukon, Dimensions Tech Services, Government of Yukon, Nordique Fire Protection, Northern Safety Network Yukon, Northwestel, SHE Consulting Inc., Yukon Hospital Corporation and Yukon University.

Thanks to Senator Pat Duncan, Member of Parliament Brendan Hanley and Minister responsible for Workers' Safety and Compensation Board Richard Mostyn, for joining the festivities. The return of the Safety BBQ was a huge success and we're looking forward to 2025!



This page: (clockwise from upper left) City of Whitehorse firefighters offer tours of their fire truck; Sheila Sergy (NSNY) offering safety cupcakes; Partners in Safety logo; Nordique Fire Protection lets a student try out a fire extinguisher; and Northwestel shows safe work practices from heights.



This page: (clockwise from upper left) Northern Safety Network Yukon asks Yukoners to say "Why they want to be safe;" Northwestel shows safe work practices from heights; friendly faces from the Board of Directors greet the public; Maya Poirier from the Yukon government's Department of Environment; teaches a group of preschoolers about bear safety; and some tasty lunch offerings.

Bringing safety to Yukon communities

In addition to our regular visits to Whitehorse schools, we brought hands-on safety lessons to five community schools in 2024. We reached 354 students with practical tips they can use at home, at school and in their future workplaces. From building safer habits and protecting their mental wellness to staying safe online and preventing injuries at work and play, we gave students the tools to look out for themselves and others. Their excitement and curiosity showed us just how important these conversations are.

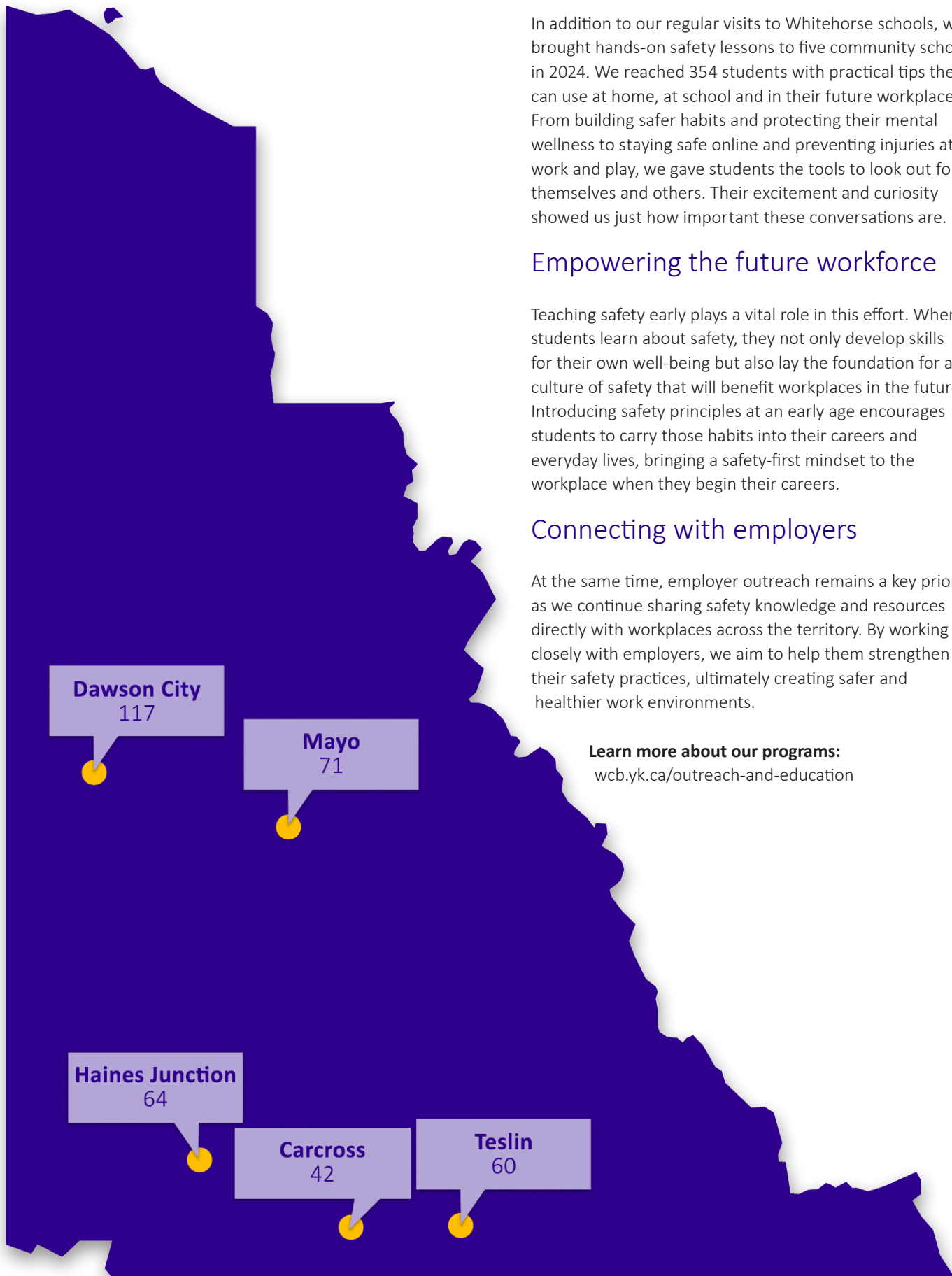
Empowering the future workforce

Teaching safety early plays a vital role in this effort. When students learn about safety, they not only develop skills for their own well-being but also lay the foundation for a culture of safety that will benefit workplaces in the future. Introducing safety principles at an early age encourages students to carry those habits into their careers and everyday lives, bringing a safety-first mindset to the workplace when they begin their careers.

Connecting with employers

At the same time, employer outreach remains a key priority as we continue sharing safety knowledge and resources directly with workplaces across the territory. By working closely with employers, we aim to help them strengthen their safety practices, ultimately creating safer and healthier work environments.

Learn more about our programs:
wcb.yk.ca/outreach-and-education





Dr. Noah Silverberg

A slip on ice, a hard hit during a game or a fall from a ladder—head injuries can happen in a flash. But not every bump on the head is a concussion.

This spring, our Claimant Services Branch hosted its annual continuing medical education (CME) session led by Dr. Noah Silverberg,

a leading neuropsychologist from the University of British Columbia. More than 40 healthcare providers gathered in downtown Whitehorse to address and discuss the complexities of concussion management.

Sorting out the symptoms

Dr. Silverberg's presentation emphasized that early and accurate diagnosis is one of the biggest challenges in treating concussions. He introduced a framework to classify symptoms, helping to distinguish between concussion symptoms and other causes.

"The framework has been very helpful in the claims process," said Director of Claimant Services, Susanne Wirth.

"For example, if you're still feeling dizzy three weeks after an event, it's harder to say the cause was the concussion—it could be a bad night's sleep or even the flu."

Recognizing mental health

Dr. Silverberg emphasizes the significant impact of mental health on concussion recovery. He explains that pre-existing conditions, such as anxiety or depression, can worsen symptoms. In addition, he stresses the need to assess for new mental health concerns within one to two weeks after the injury.

Dr. Allon Reddoch, the board's medical advisor, reviews injury claims and provides expert guidance on treatment. He points to the importance of considering both the physical and mental effects of a concussion. "Conditions like these are often difficult to treat effectively if the focus remains solely on a diagnosed concussion."

This can lead to extra focus on the physical symptoms of concussion, potentially overlooking psychological concerns.

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Supporting workers and employers

Dr. Silverberg cautions that prolonged rest can sometimes worsen symptoms, emphasizing the importance of a timely and gradual return to activity supported by workplace accommodations. Dr. Reddoch agrees, highlighting the critical role of employers in the process.

"The relationship between workers and their employer plays a huge role in how someone adjusts after an injury," he says.

Early accommodations, such as allowing the injured worker to try short work periods, can facilitate a successful return to work.

"For example, have them come in for one hour to see if they can work or handle small tasks," states Wirth.

Starting prevention early

Treating concussions is important, but preventing them is best. Dr. Silverberg's research prompted the board to update our school programs, aimed to educate young people about head injuries.

"We've updated our program to reflect the new research on concussions," said Vanessa Stewart, safety communications consultant. "Students learn that, in many cases, they can return to daily activities if symptoms are mild, but should take it easy if they feel worse."

The updated program includes hands-on demonstrations and new materials to help kids understand their bodies and speak up if they need help.

"Just like we teach young workers to speak up if they feel something is unsafe at work, we encourage youth to do the same at home, school or sports," Stewart added.

Concussions are complex, but new research offers hope for the future. As we improve how we prevent and treat concussions, we can help people better manage the challenges of these injuries.

Jim Stephens retires

Over 20 years of service and dedication



After 22 years of dedicated service, Jim Stephens, Chief Financial Officer (CFO) and Vice President of Operations of the Workers' Safety and Compensation Board has retired. Jim's thoughtful leadership and unwavering commitment have left a lasting legacy within the organization and the community.

Jim's journey to the board was far from direct. In 1981, he and his wife, Sue, moved from Kitchener-Waterloo, Ontario, to the Yukon. Their first experience of the territory was less than welcoming—a muddy, snowy October weekend in Faro. Over time, Jim grew to deeply appreciate the Yukon's vast open spaces, small-town charm and strong sense of community—qualities that have kept him firmly rooted here.

Jim began his professional life in accounting and steadily broadened his experience through a variety of roles. After a decade with White Pass and Yukon Route Railway, he transitioned to consulting during the 1990s, contributing to First Nations' investment strategies at a pivotal time in the Yukon's history when many First Nations' land settlements were underway.

In 1998, Jim joined the Government of Yukon as a project manager, which eventually led to his secondment at the board in 2002. What started as a temporary role soon became a long and meaningful career when Jim stepped into the CFO position later that year.

A strong leader and mentor

Colleagues who have worked with Jim often praise his strong work ethic, perseverance and talent for fostering collaboration. Mark Pike, Chair of the Board of Directors, highlights Jim's dedication and leadership, noting that he consistently went above and beyond his role, leading with credibility and determination.

"Jim has always been a straight shooter—his opinions are honest and direct," says Pike. "We've relied heavily on his integrity to navigate both good times and challenging ones."

Former President and CEO Kurt Dieckmann recalls how Jim approached leadership with both strength and care.

"Jim helped me navigate some tough decisions over the years. He always kept a steady focus on what mattered most—the well-being of the organization. Even when we disagreed, we found common ground."

According to Dieckmann, Jim's strategic thinking helped strengthen the board's financial position. A funding policy implemented in 2005 became a cornerstone of the organization's stability, providing resilience through economic challenges like the 2008 recession and the COVID-19 pandemic.

Jim's lasting impact

Jim's approach to leadership extended beyond the numbers. He was a mentor and a teacher, often taking the time to support others.

Dieckmann shares one such memory: "When I was working on my MBA, I struggled with some of the accounting coursework. Jim was there to patiently explain concepts until they made sense to me. He didn't just help me get through it—he made me better at what I do."

As Jim enters retirement, he leaves behind an important lesson: great leadership is about empowering others. Whether through a kind word, celebrating a team's success, or leading by example, Jim's ability to bring out the best in others was at the heart of his work.

When asked if he has any parting wisdom, Jim offers a simple yet powerful insight: "Make sure you have great staff." He reflects, "One of the most important things I've learned in my career is that instead of just managing people, you need to engage with them and motivate them."

Thank you, Jim, for your many years of service and the positive impact you've had on the workers' compensation community. We wish you all the best in this next chapter of your life.

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A legacy of leadership and safety

Celebrating Kurt Dieckmann's 25 years of public service



For 25 years, Kurt Dieckmann worked to make the Yukon a safer place, not just for workers, but for the whole community. Now retired, his dedication to protecting people, supporting businesses and mentoring others has left a lasting impact that will continue for years to come.

The journey to workplace safety

Kurt's journey started long before he joined the Workers' Safety and Compensation Board. A lifelong Yukoner, Kurt started his career in mining as a teenager, spending decades working on mining projects, drilling and road construction. Though safety was part of the job, it wasn't until an injury during his time in road construction that his path changed forever.

"I knew nothing about the workers' compensation system until I got injured," Kurt recalls. "As a supervisor, I was familiar with occupational health and safety, but this was a whole new world."

With the support of his family, Kurt decided to change direction. He joined the board as a safety officer, determined to help others navigate the system that had once been unfamiliar to him. That decision shaped not just his career, but the future of workplace safety in the Yukon.

Leading safety efforts

Throughout his career, Kurt has championed a culture of safety across the Yukon and Canada. He played a key role in developing the Certificate of Recognition (COR) program in the territory, partnering with the Yukon Contractors Association to establish the Yukon Construction Safety Association (now the Northern Safety Network Yukon). As a result, COR certification has since become a vital tool for Yukon businesses to help improve workplace safety and operations.

Beyond the Yukon, Kurt's leadership extended across Canada. He served as Chair of the Board of Directors for the Association of Workers' Compensation Boards of Canada (AWCBC) and as a Governor for the Canadian Centre for Occupational Health and Safety (CCOHS). His influence helped shape national conversations about workplace health and safety.

A lasting legacy

One of the biggest milestones of his career was the passing of the *Workers' Safety and Compensation Act*. With its modern approach, the law ensures better protection for Yukon workers and employers, laying the foundation for safety for many years to come.

When asked what makes for a long career in this field, Kurt is quick to say, "It's all about believing in what we do. Preventing injuries isn't just vital for workers, but for employers and the economy too. Everyone in this organization believes in what we do, and we all lead by example."

Kurt's dedication to mentoring has left a lasting legacy, guiding others to embrace new challenges and positively impacting many lives.

"I am grateful to Kurt for his leadership and the impact it has had on my career," says Kristy Olson, who worked with him for nearly 15 years. "He consistently served as a trusted source of guidance and support, encouraging my growth and helping me build confidence in my own abilities."

Looking ahead

Now retired, Kurt is looking forward to more travel, hunting, fishing and watching as many Oilers games as possible – but he hopes to continue giving back to the community.

"Serving my fellow Yukoners while doing a job I truly believe in has been a privilege. Not many people get such an opportunity," he says.

Over the years, Kurt led through significant changes, always putting workers, employers, and his team first. "Kurt steered the organization through it all," says Vicki Hancock, Vice Chair of the Board of Directors. "His belief in his staff and the importance of serving workers and employers never wavered. He was open and candid, spoke with pride of his staff, and we all benefited from his strong and stellar leadership."

Kurt's commitment to the organization's values, staff development and workplace health and safety has made his retirement bittersweet. "I wouldn't do anything differently," he reflects. Though retired, the foundation he built for workplace safety remains stronger than ever.



**NORTHERN
SAFETY
NETWORK
YUKON**

Northern Safety Network Yukon (NSNY)

Northern Safety Network Yukon (NSNY) helps Yukon businesses make their workplaces safer. They offer training, workshops and advice to meet local needs. NSNY administers the COR and SECOR programs, working with employers to develop strong safety programs that follow safety standards and protect workers.



Certificate of Recognition (COR) Program

The COR program recognizes businesses that keep their workplaces safe. This program helps businesses improve safety practices, reduce injuries and build a strong reputation for caring about their workers. There's also a version of the program for small employers with fewer than ten employees (SECOR). Employers who complete these programs show they are committed to workplace safety and creating a culture of care.

Find out more: yukonsafety.com

Reconsiderations and appeals



Injured workers or employers who disagree with decisions made by the board can request a review of those decisions within legislated timelines. The Workers' Advocate Office, independent of the board, often plays a role in helping injured workers understand the system and navigate the appeal process.

With the adoption of the *Workers' Safety and Compensation Act*, all appeals follow the same process: initial decision, internal reconsideration and, finally, external appeal to the Yukon Workers' Safety Compensation Appeal Tribunal. These decisions are final and binding. The Appeal Tribunal is an independent body whose members are appointed by the Government of Yukon.

Board reconsideration officers reviewed 35 decisions in 2024, 20 were confirmed, 11 were reversed and 4 were varied. The Appeal Tribunal reviewed 4 decisions, 0 were confirmed, 3 were reversed and 1 was varied.



Workers' Advocate Office

The Workers' Advocate Office helps injured workers understand and navigate the appeal process. Their office provides free, confidential support to workers on compensation matters, which may include review of board decisions, preparation of necessary documents and representation at hearings. The office is independent from the board and is dedicated to assisting workers through the steps of challenging compensation decisions and ensuring their voices are heard. The goal is to provide clear, helpful information to make the appeal process easier for workers.

Find out more: yukon.ca/en/learn-about-workers-advocate-office

Privacy and security

Privacy and security are an integral part of the board's culture. To fulfill our responsibilities set out in our legislation, we collect a broad range of information from employers, injured workers, health care providers and other individuals and organizations. This information is often personal and confidential. We are committed to protecting personal information and ensuring it is used, disclosed and stored in compliance with the ATIPP Act.





We understand privacy and security, especially cybersecurity, are intertwined. As we continue with the digital transformation of our business, our Information Management and Information Technology units work closely with other branches and external business partners to ensure best practices are established and followed.

The board continues to work diligently to ensure our systems are protected and secured properly. It is critical to keep systems up to date, conduct regular security reviews and implement proper security measures. Threats such as malware and ransomware pose risks to both system availability and privacy.

We conduct security Threat Risk Assessments and Privacy Impact Assessments to identify risks and propose mitigations as required under the ATIPP Act.

We mitigate identified risks through the application of technology, user education and incident response planning.

Some of the highlights include:

 <p>We require the use of multi-factor authentication for our systems to ensure a more secure user sign in.</p>	 <p>Users are only allowed to access sensitive information on a need-to-know basis.</p>	 <p>Training in IT security and on the ATIPP Act is mandatory for all staff.</p>
	 <p>Throughout the year, we use external triggers such as privacy related news items or Data Privacy Week as educational opportunities to emphasize the importance of security and protection of privacy.</p>	

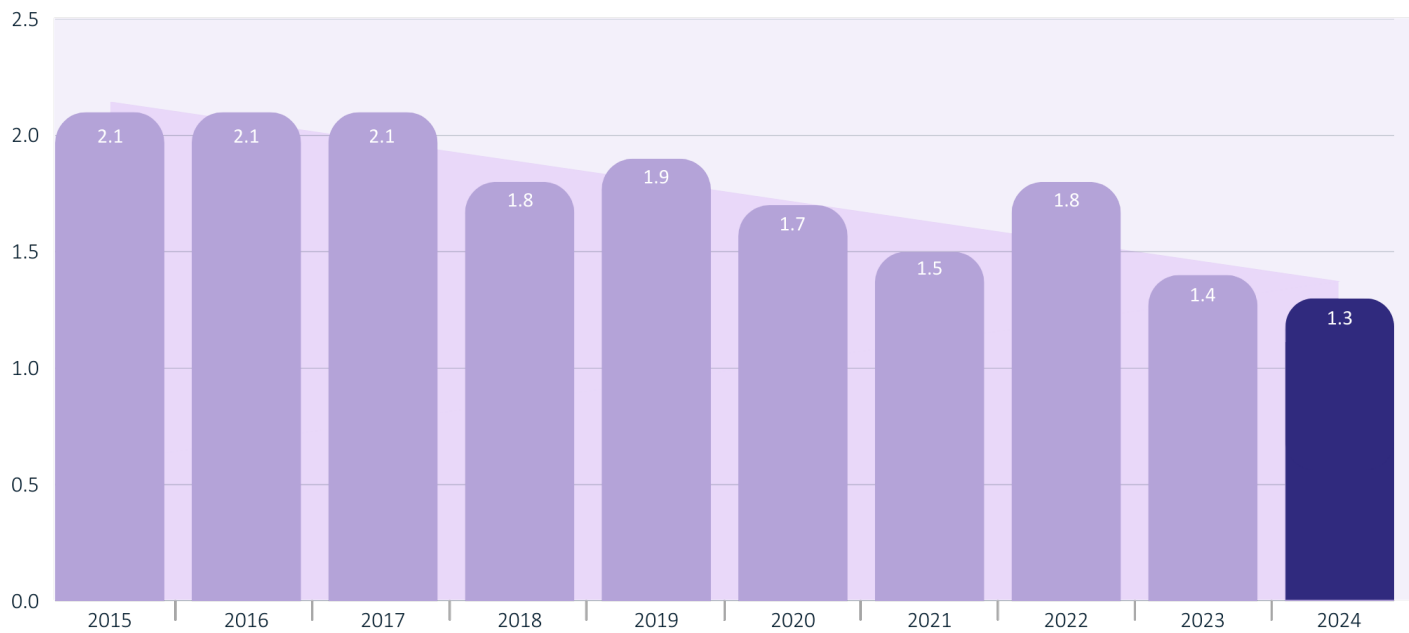
ATIPP requests

The board received 15 requests for access to information under the ATIPP Act. There were no disclosures or complaints made under the *Public Interest Disclosure of Wrongdoing Act*.

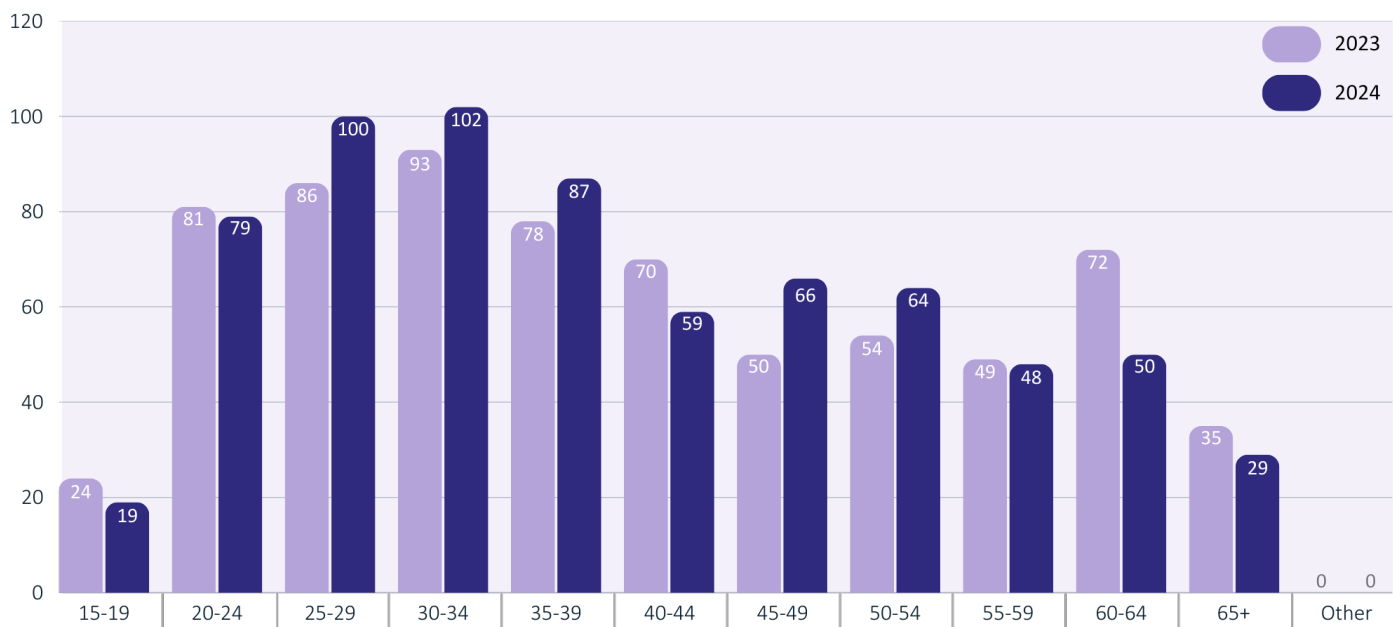


Charts

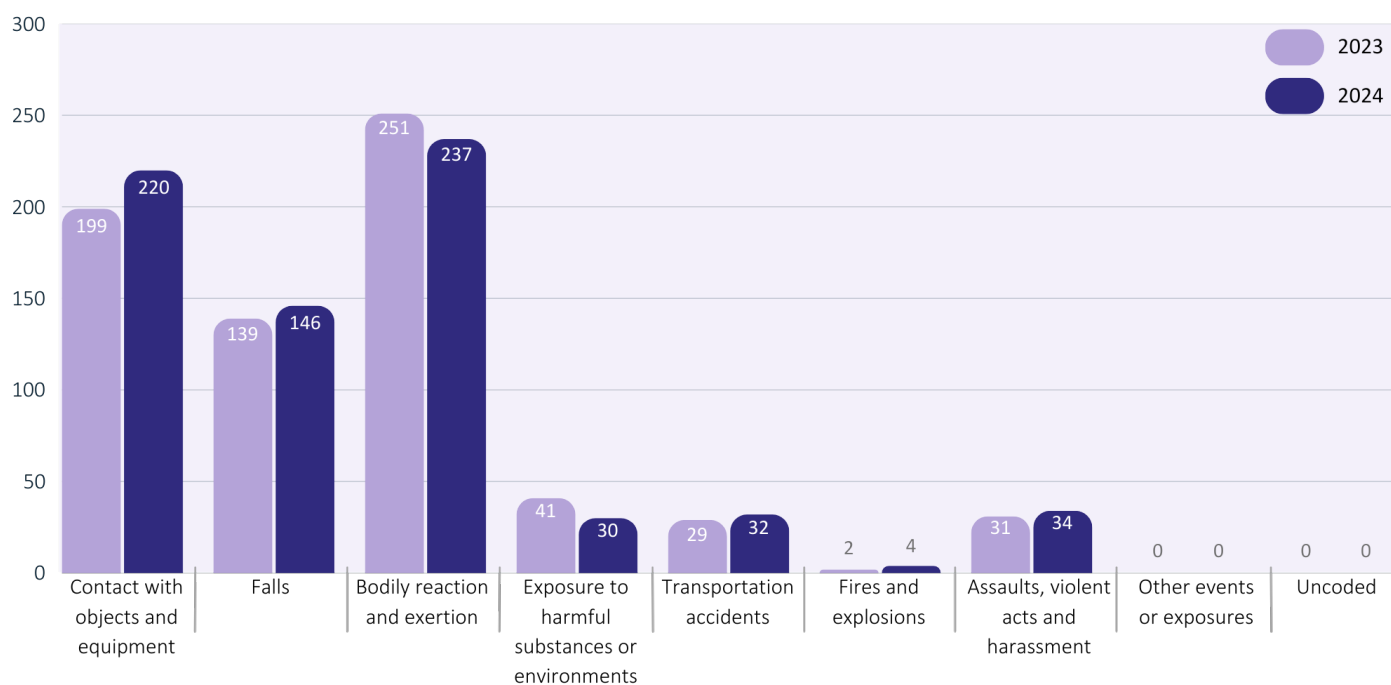
Lost-time injury rate per 100 covered workers



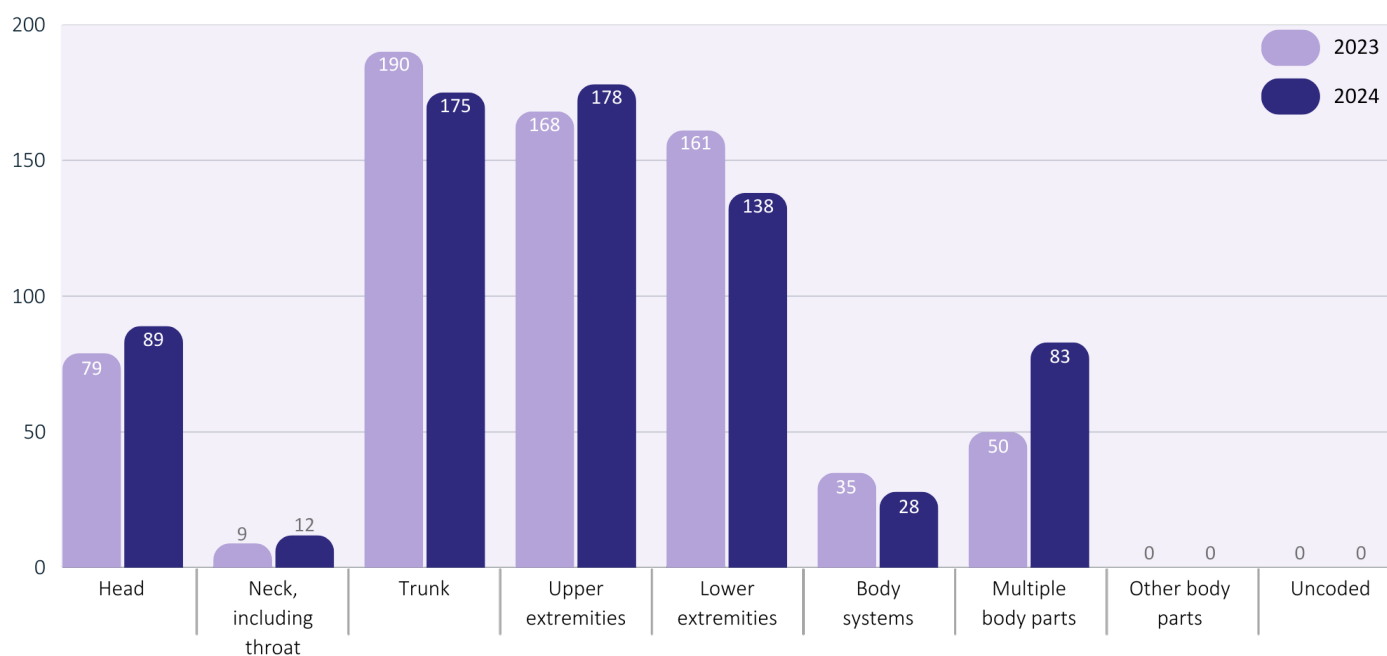
Accepted claims by age group



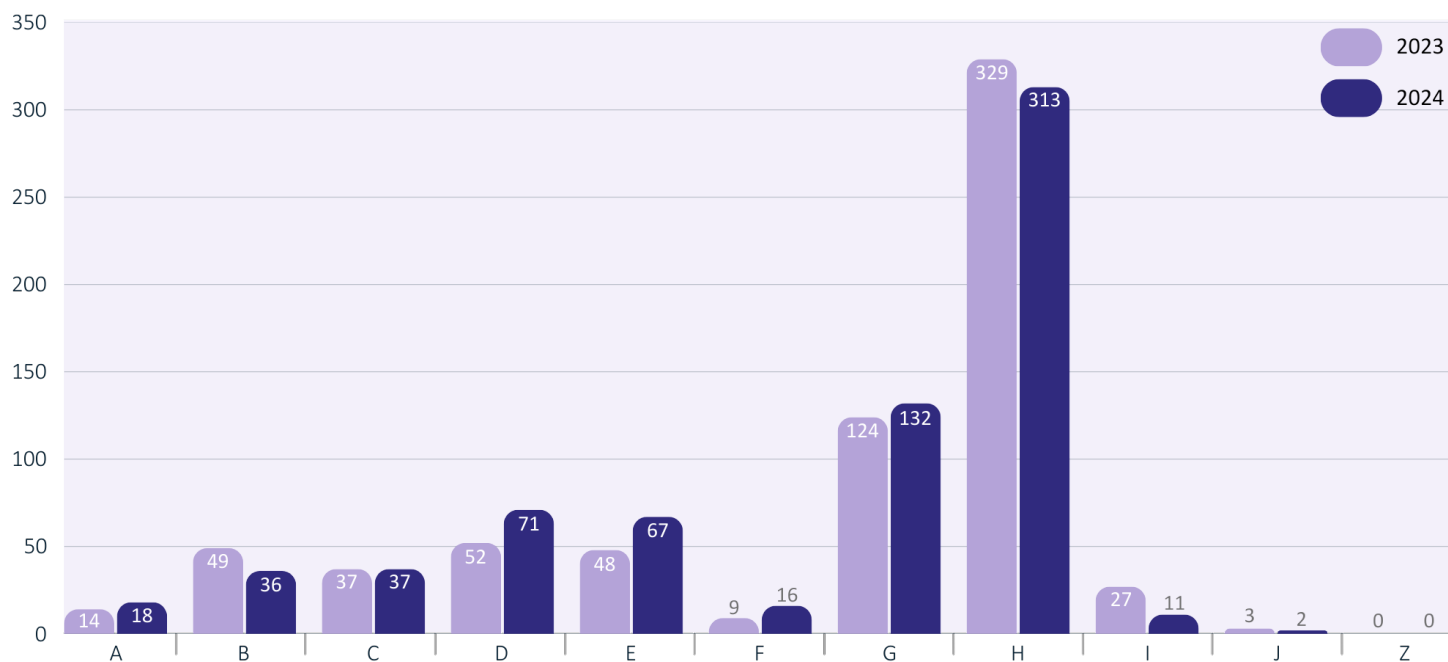
Accepted claims by event or exposure



Accepted claims by part of body affected



Accepted claims by occupation



- A** Management Occupations
- B** Business, Finance and Administration Occupations
- C** Natural and Applied Sciences and Related Occupations
- D** Health Occupations
- E** Occupations in Social Science, Education, Government Service and Religion
- F** Occupations in Art, Culture, Recreation and Sport
- G** Sales and Service Occupations
- H** Trades, Transport and Equipment Operators and Related Occupations
- I** Occupations Unique to Primary Industry
- J** Occupations Unique to Processing, Manufacturing and Utilities
- Z** Unknown or Uncoded

Management's Discussion and Analysis

Management's Discussion and Analysis provides further insight into the financial performance of the Compensation Fund (the Fund), as managed by the Workers' Safety and Compensation Board (the board), for the year ended December 31, 2024. This section provides management's perspective on our financial results and position for the year.

Forward-looking information

Any forward-looking information in this document represent the views of management. Forward-looking information is subject to many risks and uncertainties, and may contain significant assumptions about the future. This information is presented to help stakeholders understand the Fund's financial position, priorities and anticipated financial performance.

Risk and uncertainties about future assumptions include, but are not limited to: the changing financial markets, the industry mix of the Yukon workforce, the general economy, legislation, accounting standards, appeals and court decisions, and other known or unknown risks. Readers are cautioned not to place undue reliance on forward-looking information as actual results may differ materially from those expressed or implied.

Basis of reporting

The audited financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

IFRS basis versus funding basis

The change to IFRS 17 significantly affects the Fund's reported IFRS Basis financial results. IFRS 17 does not affect how the Fund operates, the funding position, the investment portfolio, the assessment rates employers pay or workers' benefits. This is because the Fund manages its funding position using a *funding basis of accounting* (funding basis), a method approved by the Board and the method used prior to the adoption of IFRS 17.

Funding basis method, uses the discount rate based on the long-term expected rate of return and reflects a more long-term financial strategy providing the Fund with more stability in its funding management. The funding basis ensures a long-term perspective on the sufficiency of funding to sustain benefits for injured workers and their dependents, while reducing the volatility of financial results used in setting assessment rates for employers.

Note that the financial results from the unaudited funding basis financial statements can be materially different from the results based on IFRS 17 in any given year due to the reasons discussed above.

Financial position (funding basis versus IFRS basis)

as at December 31 (\$ thousands)	Funding basis		IFRS basis	
	2024	2023	2024	2023
Total assets	314,620	280,504	313,006	277,633
Total liabilities	227,963	197,651	234,080	208,187
Equity	86,657	82,853	78,926	69,446
Assets/liabilities	138%	142%	134%	133%

Benefits liability (funding basis) versus insurance contract liability (IFRS basis)

as at December 31 (\$ thousands)	Funding basis		IFRS basis	
	2024	2023	2024	2023
Benefits Liability/Insurance Contract Liability	210,866	185,918	220,875	199,864

Under IFRS basis, all insurance contract related balances, including assessments receivable and assessments refundable, are aggregated and presented as part of the insurance contract liability, see Note 11 for details. Under funding basis, assessments receivable are included in accounts receivable and assessments refundable are included in accounts payable.

The main factor that causes the difference between the Financial Position of the Fund when reporting under the funding basis versus IFRS basis, is the use of different discount rates to calculate the benefits liability (funding basis) versus insurance contract liability (IFRS basis). To clarify, IFRS basis now refers to the benefits liability as insurance contract liability.

Under funding basis, the discount rate is based on the anticipated returns of the underlying assets of the Fund, which takes a longer-term view and tends to provide more stability when measuring the benefits liability over time. IFRS basis uses a market rate based on a select cohort of long-term bonds that is calculated at a point in time and is not based on the expected long-term rates of return on the Fund's investments. IFRS basis calculation for liabilities for incurred claims can be much more volatile especially when interest rates change quickly.

Equity reconciliation (funding basis versus IFRS basis)

as at December 31 (\$ thousands)	2024	2023
Equity funding basis	86,657	82,853
Difference Benefits Liability (Funding Basis) versus Insurance Contract Liability (IFRS Basis)	-10,010	-13,946
Accounts receivable difference - IFRS reclassification to Insurance Contract Liability	-1,614	-2,871
Accounts payable difference - IFRS reclassification to Insurance Contract Liability	3,893	3,410
Equity IFRS Basis	78,926	69,446

The above reconciliation illustrates the equity differences of the funding basis versus IFRS basis. Again, the main reconciling item is the difference in benefits liability (funding basis) versus insurance contract liability (IFRS basis) due to different discount rates. The other reconciling items involve reclassifications of accounts receivable and accounts payable related to insurance contracts. These items are shown separately on the funding basis financial position, but are reclassified under the IFRS basis financial position and included in the insurance contract liability.

Change in presentation of IFRS basis financial statements

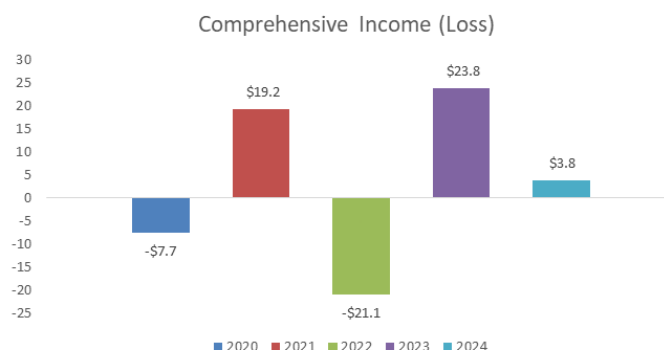
IFRS 17 fundamentally changes how assets, liabilities and earnings related to insurance are presented in IFRS basis published financial statements. On the Statement of Financial Position, all assets and liabilities related to the insurance contract are grouped together and presented as “insurance contract liability.” On the Statement of Comprehensive Income, insurance finance income or loss and net investment income or loss are presented separately from insurance service result. Further information on the IFRS insurance contract liability and expenses are provided in the notes to the audited IFRS basis financial statements.

How to read the Management Discussion and Analysis

As funding basis financial results are used to manage the Fund’s financial position, unless otherwise noted, the Fund’s financial position and results are discussed on the funding basis here in the Management Discussion and Analysis.

Operating results

In 2024, the Fund’s funding basis financial statements (unaudited), incurred an operating surplus of \$3.9 million compared to \$24.0 million in 2023. The decrease is primarily due to three factors. In July 2024, the Board approved a surplus distribution of \$10 million to bring the funding ratio closer to target, compared to no distribution in 2023.



The 2024 benefit liability also increased by \$24.9 million, up from a \$7.9 million increase in 2023. Additionally, the Fund achieved a net investment gain of \$37.2 million in 2024, compared to a gain of \$29.6 million in 2023.

In 2024, under the funding basis, the Fund had total comprehensive income of \$3.8 million, compared to \$23.8 million in 2023. This included a surplus distribution expense of \$10.0 million, compared to no distribution in 2023.

In 2024, under the IFRS basis, the Fund reported a net profit before other comprehensive loss and surplus distribution of \$19.6 million, an increase from \$16.1 million in 2023. The surplus distribution expense for 2024 was \$10.0 million, compared to no distribution in 2023. The net profit before comprehensive loss was \$9.5 million, a decrease from \$16.1 million in 2023. The Fund also recognized an actuarial loss on post-employment benefits of \$42 thousand down from \$203 thousand in 2023. Total comprehensive income for 2024 amounted to \$9.5 million, compared to \$15.9 million in 2023.

The main difference in total comprehensive income is due to the difference in benefits liability versus insurance contract liability.

Revenues

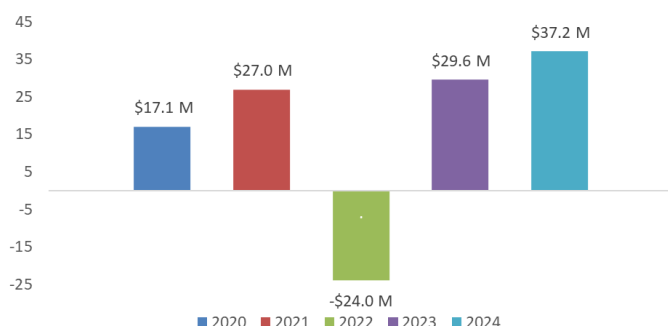
The Fund's revenue and income, which includes net investment income, totalled \$77.8 million versus \$67.8 million in 2023. The increase in revenue was mainly due to the increase in net investment income in 2024.

The revenue figures are no longer grouped together under IFRS, and two of them have different titles.

- Insurance revenue under IFRS was previously called "assessment revenue" (funding basis); and
- Government grants and miscellaneous income under IFRS was previously called "Recoveries and other receipts" under the funding basis.

Net investment income in 2024 was \$37.2 million versus \$29.6 million in 2023, an increase of \$7.6 million.

Net Investment Income (Loss)



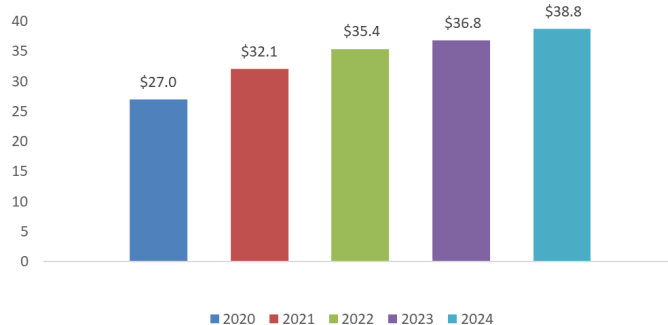
In 2024, the Fund's investments increased due to strong equity markets and solid fixed income returns, ending the year with an overall return of 15.0%. The four-year annualized return increased from 5.9% to 7.5%. As of December 31, 2024, the investment portfolio's asset mix was 44.3% fixed income and 55.7% equities.

Market Return (%)



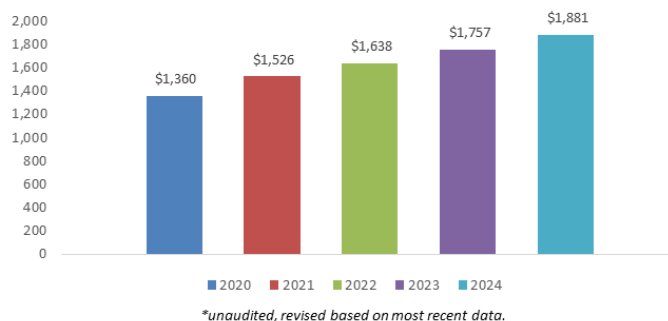
Assessment revenue (or insurance revenue) in 2024 was \$38.8 million versus \$36.8 million in 2023. This increase was mainly due to an overall increase in assessable payroll and an increase in the maximum annual earnings (MAE). The average collected assessment premium rate (per \$100 of insurable earnings) has remained relatively stable year over year, as in 2024 it was \$2.06 versus \$2.09 in 2023.

Assessment Revenue



The increase in assessable payroll (7.0%) was due to an overall increase in economic activity and an increase in the MAE in 2024. The MAE went from \$98,093 to \$102,017 due to indexing that is based on the Consumer Price Index (CPI). The number of employers increased to 4,131 from 4,054 in 2023.

Assessable Payroll*

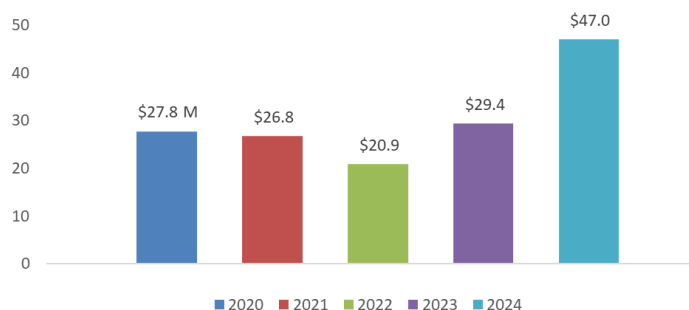


Expenses

IFRS basis expenses are shown under three main categories as opposed to multiple expenses under the funding basis. As noted above, the IFRS basis discount rate resulted in higher total expenses as compared to the funding basis total expenses. The three expenses categories under IFRS basis are:

- insurance service expense (see Note 17 for details) of \$48.0 million in 2024 versus \$33.0 million in 2023;
- insurance finance loss (see Note 17 for details) of \$6.9 million in 2024 versus \$16.0 million in 2023;
- other general and administration expenses (see Note 16 for details) of \$3.3 million in 2024 versus \$2.7 million in 2023.

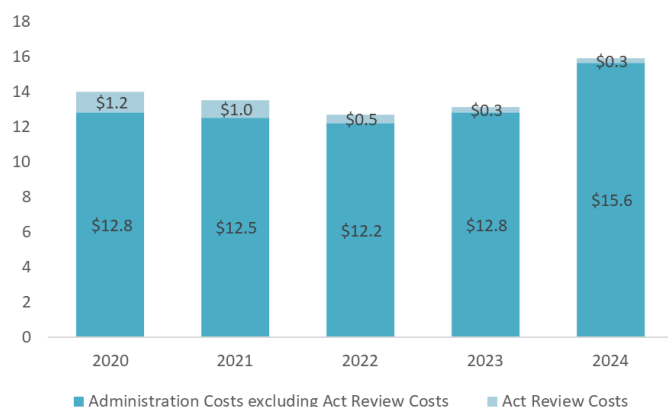
Claims Expenses



Total claims expenses for funding basis increased to \$47.0 million in 2024 versus \$29.4 in 2023. The increase was mainly driven by a \$24.9 million increase in the benefit liability number for 2024.

Administration costs for funding basis increased to \$15.9 million in 2024 versus \$13.1 million in 2023 and the increase was due mainly to the hiring of vacant positions.

Administration Costs



Balance sheet

At the end of each fiscal year, the board's actuary calculates the benefits liability for all injuries that have occurred to date. The benefits liability represents the actuarial present value of all future benefits and related administration costs. As at December 31, 2024, this liability under the funding basis was \$210.9 million compared to \$185.9 million the previous year. Under IFRS basis, this liability was \$220.9 million in 2024 versus \$199.9 in 2023.

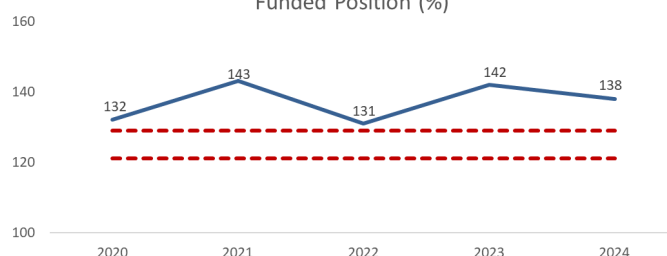
The total assets of the Fund as at December 31, 2024, increased under both bases of reporting. Under the funding basis, assets rose by \$35.4 million, compared to \$33.8 million in 2023, a 12% increase over the prior year (14% in 2023). Under the IFRS basis, assets increased by \$35.4 million, compared to \$34.0 million in 2023, a 13% increase over the prior year (14% in 2023). The growth was primarily attributable to strong investment performance, particularly in equities.

Funded position

The funding ratio is calculated by dividing the total assets by the total liabilities. Like a pension plan, the Fund must have adequate assets to ensure that benefits can be provided to injured workers both now and well into the future. Reserves are necessary to ensure that the board can minimize rate volatility, protect the Fund from unforeseen catastrophic events and preserve capital during large downturns in financial markets.

As at December 31, 2024, the funding basis funding ratio decreased to 138% (142% in 2023), due to increase in benefits liability, 2024 surplus distribution and offset by strong investment returns in 2024.

Funded Position (%)



Risk management

In order to identify and manage the many risks that the Fund faces, an enterprise risk management system (ERMS) has been implemented. The ERMS's purpose is to identify risks that could impede the board's ability to carry out its mandate of preventing injuries and helping injured workers and their families. Risks are identified and ranked by probability and impact. Risk owners are assigned, and mitigation measures are identified, implemented and monitored throughout the year. These measures are reviewed through the internal audit process to assure the organization that measures are functioning as anticipated. Annually, management formally reviews the risks and corresponding mitigation strategies with the Board.

The top risks for 2024 were identified as outdated legislation (regulations), the disruption of operations by cyber attacks and adverse changes in economies. Ongoing mitigation of these risks include the continued work related to implementing of the *Workers Safety and Compensation Act*, which was effective in July 2022, information technology security enhancements and continued commitment to business process improvements.

Economic review

The Yukon economy remained relatively stable in 2024. Population growth, continued economic strength and solid employment levels contributed to increased demand for the board's services.

Psychological injuries continue to present complex and long-term challenges. These types of claims are often long in duration, and the longer a claim remains open, the higher the associated costs. The board continues to work closely with workers, service providers and employers to support safe and timely return-to-work outcomes.

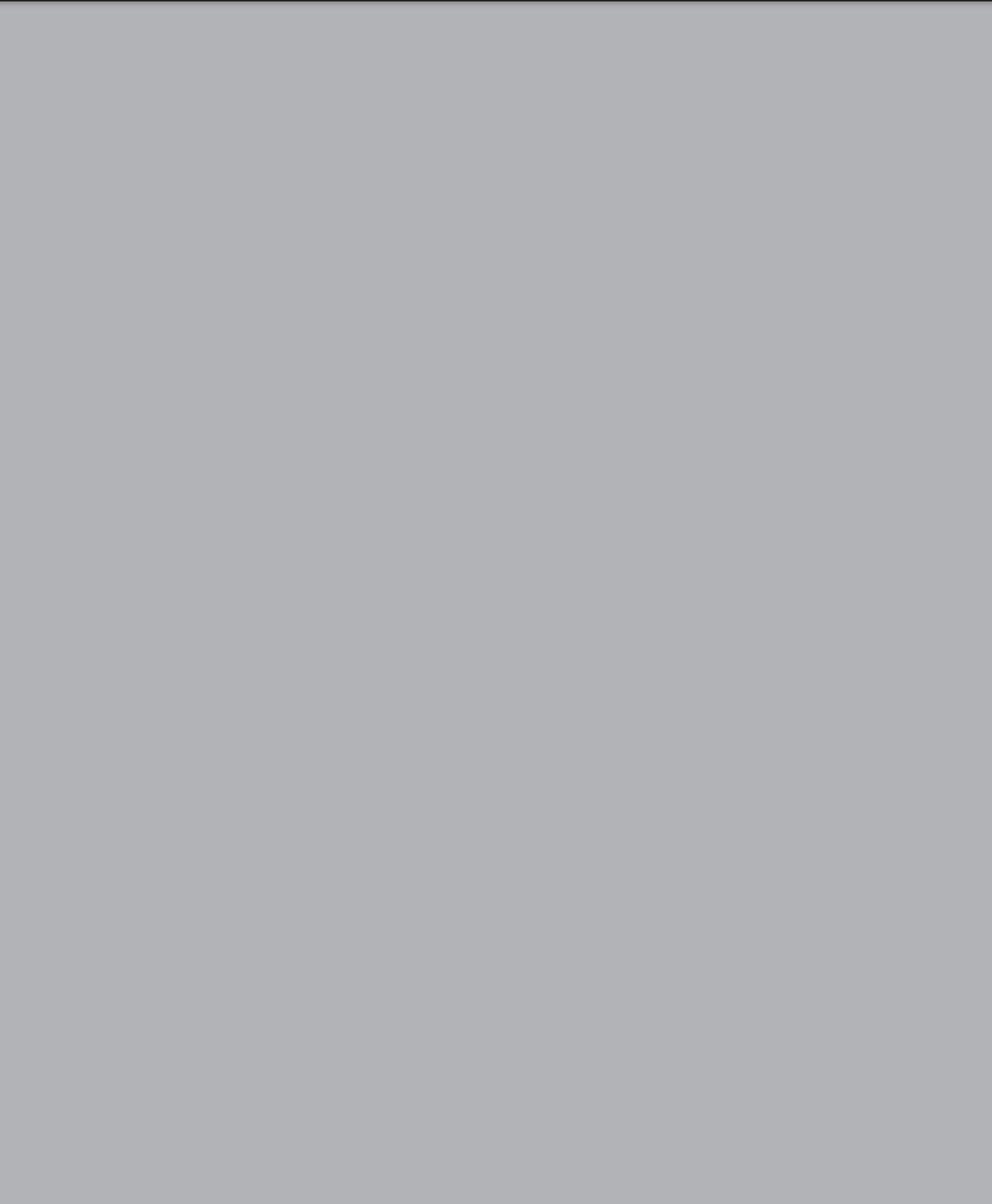
The board is also exploring how technology can enhance service quality, security and efficiency. In 2024, the board focused on continuing to create online forms, with further work planned to advance service delivery through technology.

Future outlook

Looking ahead to 2025, the board will continue to navigate a rapidly evolving and uncertain economic environment. In times like these, having the resilience and resources to adapt is essential. Challenges may arise quickly and in unexpected ways, making a strong financial foundation more important than ever.

This strong financial base helps maintain relatively stable employer assessment rates, making it possible for future obligations to injured workers can be met. It also supports ongoing investments in service improvements, collaborative initiatives and effective return-to-work programs.

From a prevention perspective, this stability enables continued investment in initiatives aimed at improving and monitoring workplace safety across the Yukon.



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

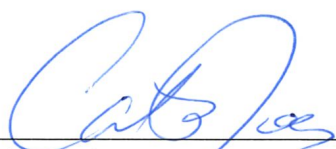
The management of the Workers' Safety and Compensation Board - Yukon (the "Board") is responsible for establishing and maintaining a system of books, records, internal controls and management practices designed to provide reasonable assurance that reliable financial information is produced on a timely basis; Compensation Fund (the "Fund") assets are safeguarded and controlled; transactions of the Fund are in accordance with relevant legislation, regulations and Board policies; the Fund's resources are managed efficiently and economically and the operations of the Board are carried out effectively.

Management is also responsible for the integrity and objectivity of the financial statements of the Fund, including any amounts that must of necessity be based on management's best estimates, experience and judgement. Management is responsible for preparing the accompanying financial statements in accordance with International Financial Reporting Standards. Other financial information included in the Annual Report is consistent with these financial statements.

Members of the Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board of Directors exercises its responsibilities through the Finance, Investment, and Audit Committee (the "Committee"). The Committee meets with management and the external auditors on a regular basis. The Committee has reviewed the financial statements and has submitted its report to the Board of Directors, which has approved these financial statements.

The Auditor General of Canada conducts an independent audit for the purpose of expressing her opinion on the financial statements.

Telus Health, an independent consulting actuarial firm, has completed an actuarial valuation of the insurance contract liability of the Fund included in the financial statements and reported thereon in accordance with accepted actuarial practice.



Catherine Jones
A/President and Chief Executive Officer



Maureen Thompson, CPA, CA
A/Vice President, Finance and Strategy

April 28, 2025

Actuarial Statement of Opinion

I have completed the IFRS17 actuarial valuation of the insurance contract liability of the Yukon Workers' Compensation Health and Safety Board (the "Board") as at December 31, 2024 (the "valuation date"). Details of the data, actuarial assumptions, valuation methods and results are included in the actuarial valuation report as at the valuation date, of which this statement of opinion forms part. In my opinion:

1. The data on which the valuation is based were supplied by the board in accordance with specifications provided by us. We applied such checks of reasonableness of the data as we considered appropriate and have concluded that the data are sufficient and reliable for the purpose of the valuation.
2. The actuarial assumptions adopted in computing the liability are adequate and appropriate for the purpose of the valuation.
3. The methods used are appropriate for the purpose of the valuation and are in accordance with accepted actuarial practice for workers' compensation organizations in Canada.
4. The estimate of the actuarial liabilities as at the valuation date is \$218,597,000. This amount consists of \$218,414,000 for the liability and \$183,000 for the Other Provisional Pensioners Occupation Disease & Presumptive Firefighter liability. This includes provisions for benefits expected to be paid after the valuation date for claims that occurred on or before the valuation date. A provision for future claims arising from long latency occupational diseases is included in this valuation. This liability includes future administrative expenses for all benefits, with the exception of the Retirement benefit. It does not include any accrued liability for claims arising from self-insured accounts.
5. The liability as at the valuation date for Retirement contributions and interest already set aside by the board up to the valuation date for purposes of providing pension benefits to injured workers was obtained from the board's finance division and is included in item 4 above.
6. The amount of the actuarial liabilities makes appropriate provision for all personal injury compensation obligations given the plan's accounting.
7. This report has been prepared, and my opinions given, in accordance with accepted actuarial practice in Canada.
8. The valuation is based on the provisions of the Workers' Safety and Compensation Act and on the board's policies and practices in effect on the valuation date.



Sekayi Campbell, F.C.I.A.

This report has been peer reviewed by Jeff Queen, F.C.I.A.



INDEPENDENT AUDITOR'S REPORT

To the Workers' Safety and Compensation Board, the board of directors and the Minister responsible for the Compensation Fund

Opinion

We have audited the financial statements of the Compensation Fund, which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Compensation Fund as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

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 Financial Statements* section of our report. We are independent of the Compensation Fund in accordance with the ethical requirements that are relevant to our audit of the 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 the information included in the Workers' Safety and Compensation Board's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Compensation Fund'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 Compensation Fund or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Compensation Fund'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 Compensation Fund'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 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 Compensation Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



Lana Dar, CPA, CA
Principal
for the Auditor General of Canada

Vancouver, Canada
28 April 2025

Compensation Fund

Statement of Financial Position

As at December 31 (in thousands of Canadian dollars)

	2024	2023
Assets		
Cash	\$ 6,447	\$ 8,943
Accounts receivable (Note 6)	98	240
Prepaid expenses	469	509
Investments (Note 7)	288,131	252,813
Property and equipment (Note 8)	14,595	12,141
Intangible assets (Note 9)	3,266	2,987
Total assets	\$ 313,006	\$ 277,633
Liabilities		
Accounts payable and accrued liabilities	\$ 2,604	\$ 2,583
Surplus distributions payable (Note 13)	5,365	-
Other provisions (Note 10)	1,163	1,881
Insurance contract liability (Note 11)	220,875	199,864
Employee benefits (Note 12)	4,073	3,859
Total liabilities	234,080	208,187
Equity	78,926	69,446
Total liabilities and equity	\$ 313,006	\$ 277,633

Commitments, Contingencies and Subsequent Events (Notes 15, 18, and 19)

The accompanying notes are an integral part of these financial statements.

Approved by the Workers' Safety and Compensation Board



Mark Pike, Chair

Compensation Fund

Statement of Comprehensive Income

For the year ended December 31 (in thousands of Canadian dollars)

	2024	2023
Insurance Revenue and Expenses		
Insurance revenue	\$ 38,762	\$ 36,846
Insurance service expense (Note 17)	(48,010)	(33,007)
Insurance service result	(9,248)	3,839
Net investment income (Note 7)	37,211	29,614
Insurance finance loss (Note 17)	(6,910)	(16,002)
Net insurance financial result	21,053	17,451
Other income and expenses		
Government grants and miscellaneous income	1,857	1,304
Other general and administration expenses (Note 16)	(3,347)	(2,679)
Net other income and (expenses)	(1,490)	(1,375)
Net income before other comprehensive loss and surplus distribution	19,563	16,076
Surplus distribution expense (Note 13)	(10,041)	-
Net income before other comprehensive loss	\$ 9,522	\$ 16,076
Other comprehensive loss		
All items presented in other comprehensive loss will not be reclassified to net income in subsequent periods:		
Actuarial loss on post-employment benefits (Note 12)	(42)	(203)
Total comprehensive income	\$ 9,480	\$ 15,873

The accompanying notes are an integral part of these financial statements.

Compensation Fund

Statement of Changes in Equity

(in thousands of Canadian dollars)

	Total
Balance at January 1, 2023	\$ 53,573
Net income before comprehensive loss for 2023	16,076
Other comprehensive loss	(203)
Total comprehensive income for 2023	15,873
Balance at December 31, 2023	\$ 69,446
Net income before comprehensive loss for 2024	\$ 9,522
Other comprehensive loss	(42)
Total comprehensive income for 2024	9,480
Balance at December 31, 2024	\$ 78,926

The accompanying notes are an integral part of these financial statements.

Compensation Fund

Statement of Cash Flows

For the year ended December 31 (in thousands of Canadian dollars)

	2024	2023
Operating activities		
Cash received from:		
Employers, for insurance revenue	\$ 38,809	\$ 38,323
Investment income - interest	3,937	3,301
Investment income - dividends	3,241	2,916
Government grants and miscellaneous income ¹	1,226	1,304
	47,213	45,844
Cash paid:		
To employers, for surplus distributions	(2,984)	-
For insurance service expense	(34,548)	(32,066)
For other general and administration expenses	(2,641)	(2,383)
For investment fees	(843)	(930)
	(41,016)	(35,379)
Total cash provided by operating activities	6,197	10,465
Investing activities		
Net (purchases) sale of investments	(4,443)	(7,124)
Purchases of property and equipment	(3,074)	(2,258)
Purchases of intangible assets	(1,176)	(1,038)
Total cash used for investing activities	(8,693)	(10,420)
Net (decrease) increase in cash	(2,496)	45
Cash, beginning of year	8,943	8,898
Cash, end of year	\$ 6,447	\$ 8,943

The accompanying notes are an integral part of these financial statements.

¹ Bank interest received during the year was \$435 (2023 - \$563)

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

1. Reporting Entity

The Compensation Fund (the “Fund”) is continued by the *Workers’ Safety and Compensation Act* (the “Act”). This Act was passed on December 2, 2021 and came into effect July 1, 2022. The Act supersedes the *Workers’ Compensation Act* of Yukon and *Occupational Health and Safety Act* and regulations.

The Workers’ Safety and Compensation Board - Yukon (the “Board”) was continued under the Act. The Board’s mandate is to administer the Act and regulations and provide compensation benefits to workers who sustain work-related injuries. Annual assessments, called insurance revenue on the Statement of Comprehensive Income, are levied on employers by applying their industry assessment rate to their actual or estimated payrolls for the year. Insurance and investment revenues pay for all insurance service and other general and administration expenses.

The Board’s office is located at 401 Strickland Street, Whitehorse, Yukon, Canada, with operations exclusively within the Yukon. The Board is exempt from income tax and the goods and services tax.

2. Statement of Compliance and Basis of Preparation

These financial statements have been prepared by management in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). The Board of Directors approved and authorized for issue the 2024 financial statements on April 28, 2025.

Basis of measurement

These financial statements have been prepared on a historical cost basis, except for the following: investments classified as fair value through profit or loss that are measured at fair value, and the insurance contract liability, other provisions and employee benefits which are actuarially determined. The Fund’s functional currency is the Canadian dollar, which is the currency of the primary economic environment in which the Fund operates and is also the presentation currency of the financial statements.

Critical Accounting Estimates and Judgements

The Board makes estimates and judgements in respect of certain key assets and liabilities of the Fund. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are the following:

- Note 7 Investments – Valuation of financial instruments
- Note 11 Insurance Contract liability – Determination of discount rates and other assumptions
- Note 11 Insurance Contract liability – Determination of latent occupational disease provision

The major areas of judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are the following:

- Note 4(j) Material Accounting Policies - Insurance contract liability - Separation of components, aggregation of contracts, contract initial recognition date, determination of contract boundaries and determination of onerous contracts
- Note 4(j) Material Accounting Policies - Insurance contract liability, Note 16 Other General and Administration Expense - Allocation of general and administration expenses to insurance activities
- Note 7 Investments – Classification of financial instruments
- Note 8 Property and Equipment – The degree of componentization
- Note 9 Intangible Assets – The determination of development costs eligible for capitalization

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

3. Changes in Accounting Policies and Disclosures

New and revised IFRS issued but not yet effective

The Board reviewed new or revised standards that were issued but yet not effective for 2024 and concluded that there would be no significant impact on the Fund's financial statements in the future as a result of these new or revised standards, except as follows:

(a) IFRS 9 - Financial Instruments

Amendment to IFRS 9 addresses when a financial liability should be derecognized when it is settled through electronic payment systems. The amendment is effective for annual reporting periods beginning on or after January 1, 2026. The impact of applying this amendment is not expected to have a material impact on the Fund's financial statements.

(b) IFRS 18 - Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and disclosure in financial statements was issued in April 2024 to replace IAS 1 Presentation of financial statements. IFRS 18 introduces new categories and subtotals in the Statement of Comprehensive Income. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information. IFRS 18 requires retrospective application with specific transition provisions. The new standard is effective for annual periods beginning on or after January 1, 2027 and early adoption is allowed. The Board has not elected to early adopt this standard. The Board is still assessing the impact of applying IFRS 18 and the impact on the Fund's financial statements is unknown at this time.

4. Material Accounting Policies

The following is a summary of the Fund's material accounting policies:

(a) Cash

For the purposes of the Statement of Financial Position and Statement of Cash Flows, cash includes cash on hand, bank balances, net of any bank overdrafts and cash held by investment custodians for investment purposes.

Foreign currency transactions incurred within operating activities are translated based on the exchange rate at the time of the transaction. Any cash balances remaining in foreign currency bank accounts at year end are translated at the exchange rate in effect as of December 31 of that year. Any gains or losses incurred as a result of translations are recorded in the Statement of Comprehensive Income.

(b) Insurance revenue

At the beginning of each year, the Fund levies assessments on employers by applying their industry assessment rate to their estimated payrolls for the year. The assessment levy is payable by instalments during the year. At year end, employers file a statement of actual assessable payroll and the difference between the estimated assessment and the actual assessment is recognized either as an increase in insurance revenue and recognized as a receivable, or as a decrease in insurance revenue and recognized as assessment refundable. When an employer does not provide estimated payroll, the Fund estimates, and levies assessments based on prior experience with the employer and industry.

Insurance revenue recognized for the period is the amount of expected assessment receipts allocated to the calendar year.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

4. Material Accounting Policies (continued)

(c) Recoveries from third parties

Under section 129(1) of the *Act*, the Board is deemed to be an assignee of a cause of action in respect of a worker's injury that arose out of a work-related injury. If settled, or as a result of a Court decision, the legal costs and costs associated with the claim create the settlement. Out of the settlement are paid the legal costs, and legal disbursements, and all past, present and future costs. Any funds remaining are paid to the worker. The amount recovered for past, present and future costs is used to pay for future claims benefits, which were previously expensed in accordance with actuarial calculations, and which were previously incorporated in the insurance contract liability.

Recoveries from third parties are recognized when their receipt is virtually certain and the amount can be reliably measured. They are recorded as insurance revenue in the year they are recognized. No provision is made in the insurance contract liability for possible future third party recoveries because of their contingent nature.

(d) Financial instruments

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model than "hold to collect" or "hold to collect and sell" are categorized at FVTPL. Also, irrespective of the business model, financial assets whose contractual cash flows are not solely payment of principal and interest are accounted for at FVTPL. The Fund can also elect to classify assets at FVTPL if classifying them in another category would result in an accounting mismatch.

Assets in this category include the Fund's investment portfolio, including fixed income and equity investments.

These assets are measured at fair value with realized gains or losses as well as changes in unrealized gains and losses recognized in net income as investment income. The fair values of quoted investments are based on closing market prices. Transaction costs directly related to the fair value through profit or loss financial assets are expensed as incurred.

Financial assets at amortized cost

Financial assets are measured at amortized cost if the asset meets the following conditions:

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- The contractual terms of the financial assets give rise to cash flows that are solely payment of principal and interest on the principal amount outstanding.

These assets are recorded initially at fair value and subsequently measured at amortized cost using the effective interest rate method. Interest and realized gains or losses are included in net comprehensive income. Cash and accounts receivable fall into this category.

Receivables are recognized when owed pursuant to the terms of the related contract and are short-term; therefore, the net carrying value is considered to be a reasonable approximation of fair value.

Transaction costs are capitalized on initial recognition and are recognized in income using the effective interest rate method.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

4. Material Accounting Policies (continued)

(d) Financial instruments (continued)

Investments

Investments are classified and measured at fair value through profit or loss. The fair value of publicly traded investments is the quoted market price which approximates the bid price at the end of the reporting period. Pooled fund units are valued at their year end net asset value, as determined by the fund manager. Purchases and sales of investments are recognized on the trade date.

Net investment income is comprised of realized gains and losses earned in the period arising on the sale of investments; unrealized gains and losses arising from fluctuations in fair value in the period; and dividends and interest earned in the period; net of investment management fees and transaction costs.

Investments denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the end of the year. Income from investments is translated at the rate in effect at the time it is earned. Exchange gains and losses resulting from the translation of foreign currency balances and transactions are recognized in net investment income in the period in which they arise.

The Board does not enter into any financial derivative instruments as part of managing the Fund's investment portfolio.

Financial liabilities

Accounts payable and accrued liabilities, and surplus distributions payable are measured at amortized cost. All are initially measured at fair value, and subsequently measured at amortized cost using the effective interest rate method. Due to the short-term nature of accounts payable and accrued liabilities, and surplus distributions payable, their carrying values approximate their fair values.

Fair value hierarchy

The Board uses the following hierarchy for determining and disclosing the fair value of its financial instruments by valuation technique:

- Level 1 - Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2 - Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3 - Techniques that use inputs which have a significant effect on the recorded fair value which are not based on observable market data.

Changes in valuation methods may result in transfers into or out of an instrument's assigned level. The Board's policy is to recognize transfers as of the date of the event or change in circumstances that cause the transfer. There were no such transfers between levels in 2024 (2023 – no transfers).

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognize expected credit losses – the expected credit loss ("ECL") model. Instruments within the scope of the requirements include financial assets measured at amortized cost.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

4. Material Accounting Policies (continued)

(d) Financial instruments (continued)

Impairment of financial assets (continued)

The recognition of an impairment requires the Fund to consider a broad range of information when assessing credit risk and measuring expected credit losses including past events, current conditions and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. Accounts receivable include an estimate for the lifetime expected credit losses using the simplified method with a provision matrix in the expected credit loss accounts and are regularly reviewed to determine whether the account should be written-off. Accounts are written-off when there is no reasonable expectation of recovery.

Derecognition of financial assets and liabilities

A financial asset is derecognized when the contractual right to the cash flows from the asset expires or the financial asset and substantially all risk and rewards of ownership is transferred to another entity. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled, or expire.

(e) Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and accumulated impairment. Depreciation is calculated based on the straight-line method using rates based on the estimated useful lives of the assets as follows:

- | | |
|---------------------------|---------------|
| • Buildings and fixtures | 10 – 75 years |
| • Furniture and equipment | 5 – 15 years |
| • Computer equipment | 5 – 7 years |

Where an item of property and equipment is comprised of significant components with different useful lives, the components are accounted for separately. The estimated useful life, residual value and depreciation method are reviewed at each year end and any change in estimate is made on a prospective basis.

(f) Intangible assets

Intangible assets are comprised of purchased software and internally developed software systems.

Research costs are expensed as incurred. Development costs of internally developed software systems are capitalized when the system is technically feasible, resources are available, costs can be measured reliably, management intends to use the asset, and future economic benefits are probable. The asset is derecognized when it no longer meets these criteria. Salaries, wages and benefits directly related to internally developed software systems are included in the asset's cost. When the asset is substantially complete and is available for use, development costs are transferred to the related asset category and amortized.

Intangible assets are recorded at cost less accumulated amortization and accumulated impairment. Amortization is calculated based on the straight-line method using rates based on the estimated useful lives of the assets as follows:

- | | |
|------------------------|--------------|
| • Systems and software | 5 – 25 years |
|------------------------|--------------|

The estimated useful life and amortization period are reviewed at each year end and any change in estimate is made on a prospective basis.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

4. Material Accounting Policies (continued)

(g) Impairment of non-financial assets

IAS 36 *Impairment of Assets* requires an entity to test assets for impairment if indicators of impairment exist. The impairment review must be conducted for an individual asset, an asset group, or the cash-generating unit level, which is the smallest identifiable group of assets that generates cash inflows independent of cash inflows from other assets or groups of assets.

Based on an analysis of cash flows, the Board has established that the appropriate cash generating unit for impairment review is the entity. The Board has statutory power under the Act to increase premiums and/or charge a premium surcharge to ensure full funding into the foreseeable future and, therefore, the likelihood of impairment at the entity level is remote.

Individual assets that may have experienced impairment due to loss, damage, obsolescence or curtailed service potential are reviewed and the estimated useful life, depreciation method and residual value adjusted.

The Board assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Board estimates the asset's recoverable amount. As at December 31, 2024, management conducted an impairment review at the entity level, which confirmed that there were no indicators of impairment—changes in the legislative, economic or business environment—that would have a material impact on the Board's ability to generate future economic benefits from its operating (non-financial) assets.

(h) Government grants

There are two types of government grants which include government grants related to expenses and government grants related to assets. Government grants related to expenses are recognized as income when there is reasonable assurance that the conditions attached to the grant will be complied with and the grant will be received. When the grant relates to an asset, it is recognized as deferred income and is released into income in equal amounts over the expected useful life of the related asset.

In 2005, the Government of Yukon approved the reinstatement of ongoing funding for the Mine Safety Program (the "Program") through an annual grant to the Fund. The Program, which was transferred to the Board in 1993, provides mine rescue training and support services as well as mine safety inspection services. The funding is to be reviewed by the Government, at a minimum, every five years.

(i) Other provisions

Other provisions relate to certain claims that occurred prior to 1993, were transferred to the Fund, and were prepaid by the Government of Yukon. Provisions for these claims are determined annually and represent the actuarial present value of all future benefits expected to be paid. Claimants receive fixed monthly payments that are indexed on an annual basis. The estimated duration over which payments will be made is set based on the life expectancy of the claimants. Assumptions required to calculate other provisions include estimates of future inflation, interest rates and mortality rates. Experience adjustments are recognized as net income as incurred.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

4. Material Accounting Policies (continued)

(j) Insurance contract liability

Classification

Insurance contracts are contracts under which the Board accepts significant insurance risk from an employer, by agreeing to compensate the injured worker if a workplace injury occurs. The Board determines whether it has significant insurance risk by comparing benefits payable after an insured event with benefits payable if the insured event did not occur.

Separating components

The Board has assessed its insurance contracts to determine whether they contain distinct components which must be accounted for under another IFRS. The Board has recognized all insurance contracts as one component to be accounted for under IFRS 17.

Level of aggregation

IFRS 17 requires the Board to determine the level of aggregation for applying its requirements. Groups of contracts with similar risks that are managed together are aggregated into portfolios. The Board has determined all insurance contracts issued in a fiscal year are a single portfolio. All of the Board's insurance contracts are issued at the same time annually or within the same annual coverage period; they share similar risks and are managed together. As a result, the insurance contract liabilities and assets are grouped together and presented as one amount on the Statement of Financial Position. The single portfolio consists of individual insurance contracts to provide insurance benefits to injured workers. The portfolio of contracts must then be divided by profitability. Within each year, the portfolio of contracts must be divided into the following:

- Group of insurance contracts that are onerous at initial recognition (if any);
- Group of insurance contracts that at initial recognition have no significant possibility of becoming onerous subsequently (if any); and
- Group of remaining insurance contracts within the group (if any).

The Board performs an annual assessment of the profitability of its portfolio to determine the expected profitability. The Board has determined that all contracts within each annual portfolio fall within the same profitability grouping as a result of the Board's pricing and risk management strategies which are based on the collective risk of all insured employers.

Recognition

The Board recognizes groups of insurance contracts it issues from at the earliest of the following:

- The beginning of the coverage period of the group of insurance contracts;
- The date when the first payment is due from an employer or when the first payment is received; or
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous.

The Board's insurance contracts are recognized on a calendar basis with initial recognition generally being January 1, aside from new employers to the Board. The Board's contracts become effective on January 1 annually for existing employers which coincides with the beginning of the coverage period and when the premium rates are considered binding. New employers are added to the insurance contract portfolio when one of the above conditions are met.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

4. Material Accounting Policies (continued)

(j) Insurance contract liability (continued)

Contract boundary

The contract boundary is used to determine the cash flows to be included in the groups of insurance contracts. A substantive obligation to provide insurance contract service ends when the Board has the ability to reassess risks of the employer and as a result can set a price that reflects those risks, or both of the following criteria are satisfied:

- The Board has the ability to price the group of contracts so that the price reflects the reassessed risk of the group of insurance contracts, and
- The pricing of premiums related to coverage to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

The Board has determined that the insurance contracts have annual terms that are guaranteed to be renewable each year; however, the Board has the ability to re-price the premiums based on risk, experience and historical information annually. As the substantive obligation to provide the employer with insurance coverage ends when the Board has the ability to reprice the risks of the employer, the contract boundary and related cash flows are those associated with that one year coverage period.

Measurement

The Board uses the Premium Allocation Approach (PAA) for all groups of insurance contracts that it issues to employers due to the fact that the coverage period of each insurance contract is one year or less, including insurance contract services arising from all premiums within the contract boundary.

Initial measurement

For groups of insurance contracts that are not onerous at initial recognition, the Board measures the liability for remaining coverage at inception as the premiums, if any, received at initial recognition. The Board has elected to immediately expense any acquisition costs and does not incur any other cash flows prior to the contract commencement date; therefore, no other adjustments are made to the liability for remaining coverage at initial recognition. Where the contract boundary is one year, there is no adjustment required for accretion of interest on the liability for remaining coverage.

For insurance contracts that facts and circumstances indicate that the group of insurance contracts is onerous at initial recognition, the Board separately groups the onerous contracts from other contracts and recognizes a loss in the Statement of Comprehensive Income. The Board would also establish a loss component for the liability for remaining coverage for such onerous contracts on initial measurement.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Board requires for bearing the uncertainty about the amount and timing of the cash flow of insurance contracts. Although non-financial risks are inherent in the operations of the Board, due to the nature of operations, the Board does not seek compensation for the uncertainty around the amount and timing of cash flows that arise from the non-financial risks. As the Board generates sufficient premiums and income from investments to fully fund the operations of the insurance business and other administrative activities, there is no compensation required or earned by the Fund for such risk and as such, the risk adjustment was determined to be approximately nil or negligible.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

4. Material Accounting Policies (continued)

(j) Insurance contract liability (continued)

Measurement (continued)

Risk adjustment for non-financial risk (continued)

The Board estimated the risk adjustment using a 50% confidence level, which is the probability that the actual outcome of future cash flows associated with the Funds claims and expenses will be less than the liability.

Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at the sum of a risk-free yield curve derived from Government of Canada bonds and an illiquidity premium derived from a reference portfolio. The bottom-up approach was applied in the determination of the discount rate using the Fiera Capital Corporation IFRS 17 reference curve.

Fulfillment cash flows

Fulfillment cash flows comprise the probability-weighted estimates of future cash flows, discounted to reflect the time value of money and the associated financial risks, plus a risk adjustment for non-financial risk which is determined to be negligible. Fulfillment cash flows are comprised of direct expenditures related to insurance activities plus an allocation of indirect expenditures. Management has applied judgement as to the allocation of general and administrative expenses in the determination of the amounts attributable to insurance activities.

Subsequent measurement

Liability for remaining coverage

The Board measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period, plus premiums received in the period, and minus the amount recognized as insurance revenue for the services provided in the period.

Where the Board's insurance contracts all align to the Board's annual reporting period, the liability for remaining coverage at the end of each annual reporting period is \$nil.

Liability for incurred claims

The Board estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, reflect current estimates from the Board, and include an explicit adjustment for non-financial risk. The Board adjusts all future cash flows for the time value of money and the effect of financial risk.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

4. Material Accounting Policies (continued)

(j) Insurance contract liability (continued)

Measurement (continued)

Subsequent measurement (continued)

Liability for incurred claims (continued)

The liability for incurred claims represents the present value of expected future payments in respect of claims arising from accidents that occurred prior to the end of the fiscal year as well as an allowance for all recognized latent occupational disease claims expected to arise in the future as a result of past exposures. Occupational diseases differ from other types of occupational injuries in that there can be a considerable time lag between the exposure, the manifestation of the disease and the identification of the ensuing disability as a claim. Further, it may be difficult to establish a link between an occupational disease and the workplace. A portion of the total liability is held based on the accumulated exposure up to the valuation date relative to total exposure before manifestation of the occupational disease. The liability for incurred claims also includes an allowance for future claims management costs.

The liability for incurred claims includes provision for all benefits provided by current legislation, policies, and administrative practices.

During the normal course of business, the Board will enter into agreements with other workers compensation boards or other parties as listed in section 9(1) of the Act. Under section 9.10 of the Interjurisdictional Agreement on Worker's Compensation Consolidation, the Adjudicating Board shall notify a Reimbursing Board of a potential reimbursement claim within two years of the date the claim is accepted by the Adjudicating Board.

As such, it is possible for the Fund to not be aware of liabilities for accidents that occurred in the Yukon but are adjudicated by another board at year-end.

Onerous contracts

If, during the contract period, facts and circumstances indicate that a group of insurance contracts is onerous, the Board recognizes a loss in comprehensive income for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Board for the liability for remaining coverage for the onerous group showing the losses recognized.

Under the PAA, contracts are not considered onerous unless indicated by certain facts and circumstances. A contract becomes onerous if it's expected to generate losses over its coverage period. The determination of whether a contract is onerous at initial recognition involves comparing the expected return from assessment premiums, less premium rate adjustments related to funding surpluses and deficits, and the present value of the expected benefit payments and administration costs.

Modification and derecognition

The Board derecognizes insurance contracts when the rights and obligations relating to the contract are extinguished or the contract is modified such that the modification results in a change in the measurement model, substantially changes the contract boundary or requires the modified contract to be included in a different group. As a result, the Board derecognizes the initial contract and recognizes the modified contract as a new contract. When a modification does not result in derecognition, the Board recognizes amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

4. Material Accounting Policies (continued)

(j) Insurance contract liability (continued)

Measurement (continued)

Insurance finance income and loss

Insurance finance income or loss comprise the change in the carrying amount of the 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.

The Board recognizes all insurance finance income and loss through total comprehensive income.

(k) Employee benefits

Short-term employee benefits

Employee benefits that are expected to be settled within twelve months of the reporting date are measured on an undiscounted basis. These benefits include annual vacation leave earned but not yet used.

Other long-term employee benefits

Benefits that are expected to be settled beyond twelve months are determined based on an actuarial valuation as the best estimate of future cash flows discounted to present value with actuarial gains and losses recognized in total comprehensive income as incurred. These benefits include long service vacation leave, sick leave and special leave benefits earned but not used.

Post-employment benefits

(i) Retirement and severance benefits

Retirement or severance benefits are available to employees who have completed five years of service with the Board. Payments are made upon retirement or termination, with benefits increasing with additional length of service. The benefit obligation is determined based on an actuarial valuation using estimates of future inflation and interest rates. Actuarial gains and losses are recognized in other comprehensive income as incurred. The obligation is calculated using the projected unit credit method prorated on service.

(ii) Public Service Pension Plan

Substantially all of the employees of the Board are covered by the Public Service Pension Plan (the "Plan"), a multi-employer contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both employees and the Fund to cover current service cost. Pursuant to legislation currently in place, the Fund has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Fund.

(l) Funding policy surplus distributions

The Board may issue surplus distributions in accordance with its Funding Policy. These are recorded as an expense in the period in which they are approved by the Board of Directors. Surplus distributions that are approved but not issued are recorded as credit to eligible employers' 2024 assessments when an obligation exists, when the amount of such distributions can be reliably estimated, and when it is probable a payment will be issued in the future to settle the obligation.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

5. Risk Management

The Fund has exposure to the following financial risks: credit risk, liquidity risk and market risk (which also includes inflation risk, interest rate risk and currency risk). The Fund's exposure to these risks arises primarily in relation to its investment portfolio, but also in relation to its other financial assets and financial liabilities.

The Board's management is responsible for monitoring performance and recommending changes to the Investment Policy. The Board of Directors is ultimately responsible for governance and strategic direction of the investment portfolio through its review and approval of the Investment Policy and selection of investment managers. The investment managers' compliance with this Investment Policy is monitored on a regular basis. Quarterly, independent consultants benchmark the performance of the Fund's investment managers and advise on the appropriateness and effectiveness of the Fund's Investment Policy and practices.

The following sections present information about the Fund's exposure to each of the above risks and the Board's objectives, policies and processes for measuring and managing each risk. There were no changes to these risks or the Board's objectives, policies and process for managing them during the year ended December 31, 2024.

Credit risk

Credit risk on financial instruments arises from the possibility that the issuer of a fixed-term instrument fails to meet its obligations. Short-term deposits are rated as R-1 (high). To manage this risk, the Board, as prescribed in the Investment Policy, has determined that short-term investments must have a credit rating of at least R1L, and long-term investments require a rating of BBB or higher by the Dominion Bond Rating Service or the equivalent rating by Moody's, in order to be eligible for consideration as an investment. Diversification of credit risk is managed by limiting the exposure in a single private institution to 15% of the portfolio. The Board has stayed within these guidelines during the year.

The table below presents the Fund's fixed income bond credit ratings:

Ratings	AAA	AA	A	BBB	31-Dec-24	31-Dec-23
Fixed Income Securities	\$ 42,782	\$ 42,548	\$ 28,888	\$ 9,357	\$ 123,575	\$ 106,565

The Fund's exposure to credit risk associated with its receivables is the risk that an employer or a cost recovery customer (the "customer") will be unable to pay amounts due to the Fund. The Fund's maximum exposure to credit risk associated with its accounts receivable and insurance contract assets is \$1,712,000 (2023 – \$3,111,000).

An estimated expected credit loss has been recorded for accounts receivable and insurance contract assets that may not be collectible as at the reporting date. The amounts disclosed on the Statement of Financial Position are net of these expected credit losses. At December 31, 2024, there were no significant accounts receivable or insurance contract assets that were past due but not impaired. The Board takes into consideration payment and collections history, and the current economic environment in which the Board operates to assess expected credit losses. The Board recognizes an expected credit losses when management considers that the expected recovery is less than the carrying amount.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

5. Risk Management (continued)

Credit risk (continued)

The Board believes that the credit risk associated with receivables is mitigated by the following:

- The employer base is dispersed across various industries, with government comprising a significant concentration. The non-government-based employers may be affected by any downturns due to prevailing economic conditions.
- As at December 31, 2024, approximately 75% (2023 – 81%) of accounts receivable and insurance contract assets were outstanding for less than 90 days. The Board does not require collateral or other security from employers or customers for accounts receivable.
- The Board has the power and remedies to enforce payment owing to the Fund.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Fund's operations are financed through a combination of the cash flows from operations and investments. One of management's primary goals is to maintain an optimal level of liquidity through the active management of the assets and liabilities as well as the cash flows.

The Fund has access to the Government of Yukon's overall line of credit facility with the Government's banker. This access provides the Fund with overdraft coverage of \$10,000,000 if needed. The Fund has not used the overdraft coverage.

The Fund's accounts payable and accrued liabilities and surplus distributions payable had a carrying value of \$7,969,000 as at December 31, 2024 (2023 – \$2,583,000) and were all payable within a year.

Liquidity risk related to the insurance contract liability is included in note 11(e).

Market risk

The Fund is exposed to market risk which is the risk that the fair value or future cash flows of its investments will fluctuate in the future because of economic conditions. Market risk is managed through diversification between different asset classes and geographic locations, and by limiting the concentration in any single entity to 15 per cent or less of the fair value of the investment fund (note 7).

The table below presents the Fund's investment targets and actual asset mix at fair value:

	Target		Actual	
	Minimum	Maximum	31-Dec-24	31-Dec-23
Equities				
Canadian	0 %	25 %	18.6 %	17.9 %
United States	0 %	25 %	20.3 %	20.4 %
International	0 %	25 %	16.8 %	17.0 %
Fixed income				
Short-term investments	0 %	10 %	1.2 %	2.3 %
Bonds	35 %	85 %	43.1 %	42.4 %
			100.0 %	100.0 %

Compensation Fund

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December 31, 2024 (tabular amounts in thousands of Canadian dollars)

5. Risk Management (continued)

Market risk (continued)

The table below presents the effect on the investment portfolio of a material adverse change in the fair value of each of the categories of equities in the Fund's investments portfolio:

	31-Dec-24		31-Dec-23	
	-10%	-20%	-10%	-20%
Equities				
Canadian	\$ (5,340)	\$ (10,679)	\$ (4,514)	\$ (9,029)
United States	(5,843)	(11,685)	(5,154)	(10,308)
International	(4,831)	(9,662)	(4,293)	(8,586)
Total impact on investment portfolio	\$ (16,014)	\$ (32,026)	\$ (13,961)	\$ (27,923)

Inflation risk

Inflation risk is the risk that a general increase in price level may result in loss of future purchasing power of current monetary assets. The Board manages inflation risk through its investment allocation between equities and fixed income investments.

Interest rate risk

Interest rate risk is the risk that the value of a financial security will fluctuate due to changes in market interest rates. The Fund's investment portfolio is exposed to interest rate risk through its holdings of short- and long-term fixed income investments. Interest rate risk is minimized by actively managing the duration of the fixed income investments.

The table below presents the effects on the investment portfolio of a 50 and 100 basis point ("bp")¹ adverse change in the nominal interest rate on the fair value of the bond portfolio:

Positive bp change in nominal interest rate	31-Dec-24		31-Dec-23	
	+50bp	+100bp	+50bp	+100bp
Bonds	\$ (4,479)	\$ (8,957)	\$ (3,788)	\$ (7,576)
Total impact on the investment portfolio	\$ (4,479)	\$ (8,957)	\$ (3,788)	\$ (7,576)

(1) One basis point (bp) equals 1/100 of 1%; 50 bps = 50/100 of 1%, or 0.5%.

In the event the nominal interest rates decrease by 50 and 100 basis points, the impact will be equal and opposite to the above stated values.

Compensation Fund

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December 31, 2024 (tabular amounts in thousands of Canadian dollars)

5. Risk Management (continued)

Interest rate risk (continued)

The table below presents the remaining terms to maturity at fair value, along with the average effective yields for each maturity, for fixed income investments exposed to inflation and interest rate risk:

	Remaining term to maturity ¹				31-Dec-24	31-Dec-23
	< 1 year	1 - 5 years	5 - 10 years	> 10 years		
Bonds	\$ 14,761	\$ 43,308	\$ 27,962	\$ 37,544	\$ 123,575	\$ 106,565
Average effective yield	1.99%	7.23%	4.15%	4.07%	4.95%	5.71%

(1) Maturity is defined as the earliest a bond can be redeemed without penalty by the bond issuer.

The Fund is also exposed to the risk that interest rate movements may materially impact the value of its insurance contract liability (note 11(d)).

Currency risk

Currency risk is the risk that the value of financial assets and financial liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates relative to the Canadian dollar.

The Fund is exposed to exchange rate volatility that is managed by the contracted fund managers. The Board does not undertake long-term hedging strategies for the currency risk of foreign investments. The Fund's most significant exposure is to the US dollar, Euro, British pound, Swiss franc, Japanese yen and Hong Kong dollar.

The Fund held foreign currency denominated holdings, at fair value, as follows:

Currency	31-Dec-24	31-Dec-23
US Dollar	\$ 65,412	\$ 59,492
Euro	\$ 18,304	\$ 16,312
British Pound	\$ 10,845	\$ 8,283
Swiss Franc	\$ 5,964	\$ 5,160
Japanese Yen	\$ 5,466	\$ 5,229
Hong Kong Dollar	\$ 1,256	\$ 1,071

The sensitivity analysis below presents the effect on the investment portfolio of a 10 per cent appreciation in the Canadian dollar as compared to the Fund's most significant currencies:

Currency	31-Dec-24	31-Dec-23
US Dollar	\$ (5,947)	\$ (5,408)
Euro	\$ (1,664)	\$ (1,483)
British Pound	\$ (986)	\$ (753)
Swiss Franc	\$ (542)	\$ (469)
Japanese Yen	\$ (497)	\$ (475)
Hong Kong Dollar	\$ (114)	\$ (97)

In the event there is a 10 per cent depreciation in the Canadian dollar, the impact will be equal and opposite to the above stated values.

Compensation Fund

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December 31, 2024 (tabular amounts in thousands of Canadian dollars)

6. Accounts Receivable

	31-Dec-24	31-Dec-23
Accounts receivable		
Other receivables and recoveries	\$ 194	\$ 274
Expected credit loss	(96)	(34)
Total accounts receivable	\$ 98	\$ 240

Included in other receivables and recoveries are amounts due from related parties, which are disclosed in note 14.

Reconciliation of expected credit loss

The provision for potential credit losses and amounts are subsequently written off once reasonable collection efforts have been made. The reconciliation details are as follows:

	31-Dec-24	31-Dec-23
Balance, beginning of year	\$ 34	\$ 28
Allowance written off	(3)	(13)
Recoveries and other adjustments	(8)	(8)
Current year provision	73	27
Balance, end of year	\$ 96	\$ 34

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

7. Investments

	31-Dec-24 Fair Value	31-Dec-23 Fair Value
Fixed-term securities		
Corporate bonds	\$ 45,559	\$ 44,779
Federal bonds	39,948	32,618
Provincial bonds	36,487	28,994
Municipal bonds	1,581	173
	123,575	106,564
Equities		
United States	58,426	51,539
Canadian	53,396	45,172
International	48,312	42,932
	160,134	139,643
Other investments		
Short-term investments	3,571	5,860
Accrued interest receivable	851	754
	4,422	6,614
Investments, subtotal	288,131	252,821
Investment fees accrual	-	(8)
Total investments	\$ 288,131	\$ 252,813

The total funds held by investment custodians is \$288,323,000 (2023 - \$253,278,000) which includes the investments above and cash on account of \$192,000 (2023 - \$465,000).

Net investment income:

	31-Dec-24	31-Dec-23
Interest revenue calculated using the fair value through profit and loss	\$ 4,025	\$ 3,485
Other interest and similar income	3,241	2,916
Net fair value gains on financial assets at fair value through profit and loss	12,580	5,452
Net fair value gains on derecognition of financial assets at fair value through profit and loss	18,200	18,524
Investment fees	(835)	(763)
Total net investment income	\$ 37,211	\$ 29,614

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

7. Investments (continued)

Fair value hierarchy

The Fund's investments are categorized into the fair value hierarchy based, on type, frequency and visibility of pricing, source of pricing and liquidity. There are three levels of classification:

- Level 1 classification reflects public daily market or quote pricing in active markets.
- Level 2 classification is used when pricing is:
 - a) model or matrix based (using observable inputs and/or market information);
 - b) based on closely-related securities;
 - c) derived pricing (when no public quote exists); or
 - d) from a broker quote on less active markets.
- Level 3 classification is used when a security has no public pricing and poor to non-existent liquidity.

As at December 31, 2024, the Fund held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
Accrued interest, net of investment fee accrual	\$ 851	\$ -	\$ -	\$ 851
Short-term investments	3,571	-	-	3,571
Bonds	12,524	111,051	-	123,575
Equities	75,139	-	-	75,139
Pooled funds	-	84,995	-	84,995
Total investments	\$ 92,085	\$ 196,046	\$ -	\$ 288,131

As at December 31, 2023, the Fund held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
Accrued interest, net of investment fee accrual	\$ 745	\$ -	\$ -	\$ 745
Short-term investments	13,134	-	-	13,134
Bonds	3,714	81,747	-	85,461
Equities	63,594	-	-	63,594
Pooled funds	-	89,879	-	89,879
Total investments	\$ 81,187	\$ 171,626	\$ -	\$ 252,813

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

8. Property and Equipment

A reconciliation of the changes in the carrying amount of property, plant and equipment is as follows:

	Land	Buildings & Fixtures	Furniture & Equipment	Computer & Equipment	Assets Under Construction	Total
Cost						
At January 1, 2024	\$ 1,804	\$ 11,056	\$ 1,638	\$ 1,765	\$ 2,349	\$ 18,612
Additions	-	-	133	123	2,749	3,005
Disposals	-	-	(56)	(80)	-	(136)
At December 31, 2024	\$ 1,804	\$ 11,056	\$ 1,715	\$ 1,808	\$ 5,098	\$ 21,481
Depreciation						
At January 1, 2024	\$ -	\$ 3,974	\$ 1,245	\$ 1,252	\$ -	\$ 6,471
Depreciation	-	263	73	207	-	543
Disposals	-	-	(55)	(73)	-	(128)
At December 31, 2024	\$ -	\$ 4,237	\$ 1,263	\$ 1,386	\$ -	\$ 6,886
Net Book Value						
At December 31, 2024	\$ 1,804	\$ 6,819	\$ 452	\$ 422	\$ 5,098	\$ 14,595

	Land	Buildings & Fixtures	Furniture & Equipment	Computer & Equipment	Assets Under Construction	Total
Cost						
At January 1, 2023	\$ 1,804	\$ 10,903	\$ 1,542	\$ 1,613	\$ 154	\$ 16,016
Additions	-	12	101	152	2,336	2,601
Disposals	-	-	(5)	-	-	(5)
Transfers	-	141	-	-	(141)	-
At December 31, 2023	\$ 1,804	\$ 11,056	\$ 1,638	\$ 1,765	\$ 2,349	\$ 18,612
Depreciation						
At January 1, 2023	\$ -	\$ 3,694	\$ 1,185	\$ 1,014	\$ -	\$ 5,893
Depreciation	-	280	65	238	-	583
Disposals	-	-	(5)	-	-	(5)
At December 31, 2023	\$ -	\$ 3,974	\$ 1,245	\$ 1,252	\$ -	\$ 6,471
Net Book Value						
At December 31, 2023	\$ 1,804	\$ 7,082	\$ 393	\$ 513	\$ 2,349	\$ 12,141

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

9. Intangible Assets

A reconciliation of the changes in the carrying amount of intangible assets is as follows:

	Internal Software Development Costs ⁽¹⁾	Software Systems Under Development	Software Costs	Total
Cost				
At January 1, 2024	\$ 11,261	\$ 272	\$ 1,445	\$ 12,978
Additions	78	858	71	1,007
At December 31, 2024	\$ 11,339	\$ 1,130	\$ 1,516	\$ 13,985
Amortization				
At January 1, 2024	\$ 8,683	\$ -	\$ 1,308	\$ 9,991
Amortization	623	-	105	728
At December 31, 2024	\$ 9,306	\$ -	\$ 1,413	\$ 10,719
Net Book Value				
At December 31, 2024	\$ 2,033	\$ 1,130	\$ 103	\$ 3,266

	Internal Software Development Costs ⁽¹⁾	Software Systems Under Development	Software Costs	Total
Cost				
At January 1, 2023	\$ 10,742	\$ -	\$ 1,403	\$ 12,145
Additions	-	1,223	42	1,265
Disposals	(432)	-	-	(432)
Transfers	951	(951)	-	-
At December 31, 2023	\$ 11,261	\$ 272	\$ 1,445	\$ 12,978
Amortization				
At January 1, 2023	\$ 8,479	\$ -	\$ 1,172	\$ 9,651
Amortization	636	-	136	772
Disposals	(432)	-	-	(432)
At December 31, 2023	\$ 8,683	\$ -	\$ 1,308	\$ 9,991
Net Book Value				
At December 31, 2023	\$ 2,578	\$ 272	\$ 137	\$ 2,987

⁽¹⁾ Included in internal software development costs is the claims management system which has a net book value of \$981,000 (2023 – \$1,226,000) and a remaining amortization period of 3 years.

System research and analysis costs expensed in 2024 were \$Nil (2023 – \$24,775)

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

10. Other Provisions

Prior to 1993, the Government of Yukon did not pay assessment fees and prepaid certain claims. The amount prepaid was equal to the estimated lifetime cost of the claims. The claimants receive fixed monthly payments that are indexed on an annual basis. The estimated duration over which payments will be made is set based on the life expectancy of the claimants.

	31-Dec-24
Balance, beginning of year	\$ 1,881
Amount charged against the provision during the year	87
Effect of discounting	(805)
Balance, end of year	\$ 1,163

The net change in other provisions of \$718,000 is recognized in Government grants and miscellaneous income on the Statement of Comprehensive Income.

11. Insurance Contract Liability

The reconciliation of the net asset or liability for insurance contracts issued, which shows the liabilities for remaining coverage and the liabilities for incurred claims is disclosed as follows:

	<u>Liabilities for remaining coverage</u>		<u>Liabilities for incurred claims</u>	
	<u>Excluding loss component</u>	<u>Loss component</u>	<u>Present value of future cash flows</u>	<u>2024 Total</u>
Insurance contract liabilities, balance January 1, 2024	\$ 3,411	\$ -	\$ 199,324	\$ 202,735
Insurance contract assets, balance January 1, 2024	(2,871)	-	-	(2,871)
Net insurance contract liability, balance January 1, 2024	\$ 540	\$ -	\$ 199,324	\$ 199,864
Insurance revenue	\$ (38,762)	\$ -	\$ -	\$ (38,762)
Insurance service expenses:				
Insurance administrative expenses	-	-	16,564	16,564
Incurred claims expenses	-	-	19,084	19,084
Changes to liabilities for incurred claims	-	-	12,362	12,362
Total insurance service expenses	-	-	48,010	48,010
Insurance service result	(38,762)	-	48,010	9,248
Insurance finance (income) loss	-	-	6,910	6,910
Total changes in the Statement of Comprehensive Income	\$ (38,762)	\$ -	\$ 54,920	\$ 16,158

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

11. Insurance Contract Liability (continued)

	<u>Liabilities for remaining coverage</u>		<u>Liabilities for incurred claims</u>	
	<u>Excluding loss component</u>	<u>Loss component</u>	<u>Present value of future cash flows</u>	<u>2024 Total</u>
Cash flows:				
Insurance revenue received	\$ 38,809	\$ -	\$ -	\$ 38,809
Insurance service payments	-	-	(34,548)	(34,548)
Net cash flows before non-cash adjustments	\$ 38,809	\$ -	\$ (34,548)	\$ 4,261
Adjustments for non-cash surplus distribution applied	1,692	-	-	1,692
Adjustments for non-cash insurance administration	-	-	(1,100)	(1,100)
Closing insurance contract liabilities, balance December 31	\$ 3,894	\$ -	\$ 218,596	\$ 222,490
Closing insurance contract assets, balance December 31	(1,615)	-	-	(1,615)
Net insurance contract liability, as at December 31	\$ 2,279	\$ -	\$ 218,596	\$ 220,875

	<u>Liabilities for remaining coverage</u>		<u>Liabilities for incurred claims</u>	
	<u>Excluding loss component</u>	<u>Loss component</u>	<u>Present value of future cash flows</u>	<u>2023 Total</u>
Insurance contract liabilities, balance January 1, 2023	\$ 2,161	\$ -	\$ 183,471	\$ 185,632
Insurance contract assets, balance January 1, 2023	(3,098)	-	-	(3,098)
Net insurance contract liability, balance January 1, 2023	\$ (937)	\$ -	\$ 183,471	\$ 182,534
Insurance revenue	\$ (36,846)	\$ -	\$ -	\$ (36,846)
Insurance service expenses:				
Insurance administrative expenses	-	-	14,642	14,642
Incurred claims expenses	-	-	18,514	18,514
Losses on onerous contracts	-	989	-	989
Reversal of losses on onerous contracts	-	(989)	-	(989)
Changes to liabilities for incurred claims	-	-	(149)	(149)
Total insurance service expenses	-	-	33,007	33,007
Insurance service result	(36,846)	-	33,007	(3,839)
Insurance finance (income) loss	-	-	16,002	16,002
Total changes in the Statement of Comprehensive Income	\$ (36,846)	\$ -	\$ 49,009	\$ 12,163

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

11. Insurance Contract Liability (continued)

	<u>Liabilities for remaining coverage</u>		<u>Liabilities for incurred claims</u>	
	Excluding loss component	Loss component	Present value of future cash flows	2023 Total
Cash flows:				
Insurance revenue received	\$ 38,323	\$ -	\$ -	\$ 38,323
Insurance service payments	-	-	(32,066)	(32,066)
Net cash flows before non-cash adjustments	\$ 38,323	\$ -	\$ (32,066)	\$ 6,257
Adjustment for non-cash insurance administration	-	-	(1,090)	(1,090)
Closing insurance contract liabilities, balance December 31	\$ 3,411	\$ -	\$ 199,324	\$ 202,735
Closing insurance contract assets, balance December 31	(2,871)	-	-	(2,871)
Net insurance contract liability, as at December 31	\$ 540	\$ -	\$ 199,324	\$ 199,864

(a) Objectives in managing risks arising from insurance contracts and policies for mitigating those risks

The Board has an objective to control insurance risk, thus reducing the volatility of operating results. In addition, due to the inherent uncertainty of insurance risk, which can lead to significant variability in the loss experience, operating results from the Fund's workers' compensation business are affected by market factors, particularly movements in asset values. Short-term variability is, to some extent, a feature of the workers' compensation business.

Key aspects of processes established to mitigate insurance risks include:

- The maintenance and use of management information systems, which provides data on the risks that the Fund is exposed to at any point in time;
- Actuarial models, using information from the management information system, are used to monitor claims patterns and calculate assessment premiums. Past experience and statistical methods are used as part of the process; and
- The asset mix of the Fund investments is driven by the nature and term of insurance liabilities. The management of assets and liabilities is closely monitored to attempt to match maturity dates of assets with the expected pattern of claim payments.

(b) Terms and conditions of the Act

The terms and conditions attaching to the Act affect the level of insurance risk accepted by the Fund. All workers' compensation coverage entered into is subject to substantially the same terms and conditions under the Act.

(c) Development of claims

There is a possibility that changes may occur in the estimate of the Fund's obligations over time. The tables in part (i) of this note show the estimates of total net and gross claims outstanding for each underwriting year at successive year ends.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

11. Insurance Contract Liability (continued)

(d) Market risk - Interest rate risk

The Fund is exposed to market risk, more specifically to the risk that movements in interest rates may impact the discount rate selected to perform the valuation of the insurance contract liability. A small change in the discount rate can cause a material impact in the valuation of the insurance contract liability as disclosed in part (g) of this note.

(e) Liquidity risk

The Fund's exposure to liquidity risk is set out in note 5.

The following table estimates the expected amounts and timing of future benefit payments for the provision of outstanding claims. The expected timing of payments from the provision for outstanding claims involves considerable uncertainty. The projections presented below do not include a provision for future administration expenses or latent occupational diseases.

Expected timing of future payments for outstanding claims:

	31-Dec-24	31-Dec-23
Up to 1 year	5 %	5 %
Over 1 year and up to 5 years	15 %	16 %
Over 5 years and up to 10 years	18 %	19 %
Over 10 years	62 %	60 %
	100 %	100 %

(f) Actuarial assumptions and methods

The insurance contract liability was determined using accepted actuarial practice in accordance with standards established by the Canadian Institute of Actuaries. The actuarial present value of future benefits reflects management's and the actuary's best estimates of long-term economic and actuarial assumptions.

The overall valuation approach is designed to reflect emerging trends without placing too much emphasis on temporary fluctuations. The factors used in the valuation have been developed on a best-estimate basis by taking the Board's historical experience into consideration along with recent trends in that experience. The general philosophy is to avoid reacting too strongly to temporary fluctuations until there is sufficient evidence that a change in assumption is required.

The degree to which the valuation reflects trends is partly impacted by formulas intended to place the appropriate amount of weight on observed experience for each recent year and partly affected by professional judgement based on observation of payment and claiming trends, including discussions with the Board's staff about the underlying factors that might be causing an observed trend.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

11. Insurance Contract Liability (continued)

(f) Actuarial assumptions and methods (continued)

The following economic assumptions are used in the valuation of the insurance contract liability: discount rate 4.87% (2023 - 4.85%), long-term inflation rate for compensation 2.25% (2023 - 2.25%), and inflation rate for medical benefits 4.50% (2023 - 4.75%). The discount rate net of inflation is used to calculate the present value of expected future payments.

The administration rate represents the present value of the expected future costs required to provide administrative services for the continuation of claims management and maintenance of existing claims. The administration rate applied at December 31, 2024 is 17% (2023 - 17%).

As these assumptions may change over time to reflect underlying economic or legislated conditions, it is possible that such changes could cause a material change to the actuarial present value of future benefit payments.

(g) Liability sensitivity

The most significant assumption in the determination of the insurance contract liability is the net discount rate. The net discount rate is the assumed rate of return in excess of the assumed inflation rate. A reduction in the net discount rate would increase the actuarial present value of the insurance contract liability resulting in an increase in the insurance service expense and insurance contract liability. An increase in the discount rate would decrease the actuarial present value, resulting in a decrease in the insurance service expense and insurance contract liability.

Medical benefits represent approximately 13% (2023 - 14%) of the insurance contract liability. A change in the assumed excess medical inflation rate (above the assumed inflation rate) and the net discount rate would result in a change in insurance service expense and the insurance contract liability as follows:

Percentage change in assumed rates	31-Dec-24		31-Dec-23	
	+1%	-1%	+1%	-1%
Increase (decrease) from change in net discount rate	\$ (18,176)	\$ 21,703	\$ (16,802)	\$ 19,349
Increase (decrease) from change in general inflation	\$ 20,039	\$ (17,031)	\$ 17,590	\$ (14,647)
Increase (decrease) from change in excess medical inflation rate	\$ 3,027	\$ (2,530)	\$ 3,701	\$ (2,700)

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

11. Insurance Contract Liability (continued)

(h) Claims development

The following table shows the development of claims cost estimates for the nine most recent injury years:

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Estimate of Ultimate Claim Payments:											
At end of accident year	19,067	18,600	21,347	25,921	21,877	21,869	28,488	26,858	28,616	33,332	
One year later	19,126	25,298	21,507	26,159	23,627	20,864	29,145	27,867	29,564		
Two years later	20,206	25,960	21,396	26,454	24,671	21,429	30,071	30,683			
Three years later	17,997	25,536	21,396	27,147	24,900	24,293	32,991				
Four years later	17,221	25,446	21,578	27,060	22,255	23,591					
Five years later	16,992	26,207	24,240	27,106	26,614						
Six years later	18,297	29,758	23,868	30,854							
Seven years later	17,918	29,921	23,325								
Eight years later	17,720	28,765									
Nine years later	18,989										
Total Estimate of Ultimate Claims Payments	183,533	235,491	178,657	190,701	143,944	112,046	120,695	85,408	58,180	33,332	
Cumulative Payments:											
At end of accident year	3,801	3,879	4,129	4,094	3,821	3,319	4,226	4,827	4,178	4,551	
One year later	6,081	6,673	6,654	6,662	6,323	5,256	7,127	8,453	6,804		
Two years later	6,773	7,856	7,717	7,959	7,614	6,107	8,757	10,260			
Three years later	7,225	8,478	8,332	8,644	8,164	6,770	9,878				
Four years later	7,590	9,340	8,843	9,364	8,822	7,163					
Five years later	7,899	9,971	9,451	9,874	9,073						
Six years later	8,205	10,468	9,945	10,301							
Seven years later	8,481	10,963	10,362								
Eight years later	8,750	11,493									
Nine years later	9,099										
Total Cumulative Payments	73,904	79,121	65,433	56,898	43,817	28,615	29,988	23,540	10,982	4,551	
Estimate of Future Payments	9,891	17,272	12,962	20,553	17,540	16,428	23,114	20,423	22,759	28,781	189,723
2014 and prior claims											110,945
Effect of Discounting											(136,880)
Effect of Admin Expenses											24,907
Effect of Occupational Disease Liability											29,717
Effect of Occupational Disease Liability for Other Provisional											184
Liability for Incurred Claims											\$ 218,596

During the year ended December 31, 2024, the Investigations Unit continued to monitor ongoing investigations. The outcome of the investigations is not determinable at this time and therefore, the potential future effect of these claims is not reflected in the insurance contract liability.

12. Employee Benefits

	31-Dec-24	31-Dec-23
Short-term employee benefits	\$ 691	\$ 792
Other long-term employee benefits (a)	1,252	1,163
Post-employment benefits (b)	2,130	1,904
	\$ 4,073	\$ 3,859

Short-term benefits included in the above amounts are expected to be paid within the next 12 months.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

12. Employee Benefits (continued)

(a) Other long-term employee benefits

Long service vacation leave is an additional five days of vacation leave available to employees who have completed five years of continuous service with the Board and on each five year anniversary date thereafter.

Employees receive six days of special leave credits for each year of service up to a maximum of 30 days. Unused special leave is not payable upon termination or retirement.

Unused sick leave credits accumulate and are carried forward to a maximum of 180 days. A retiring employee may convert up to one third as pre-retirement leave.

The balance in the liability accrual for accumulating sick and special leave benefits and long service vacation for the year was:

	31-Dec-24	31-Dec-23
Long service vacation benefits	\$ 49	\$ 52
Accumulating sick and special leave benefits	1,203	1,111
	<u>\$ 1,252</u>	<u>\$ 1,163</u>

The movement in the accrual for other long-term benefits for the year was:

	31-Dec-24	31-Dec-23
Benefits, beginning of year	\$ 1,163	\$ 1,159
Current service cost	94	89
Payments made during the year	(273)	(207)
Interest cost	49	55
Other changes	169	(16)
Actuarial loss	50	83
Benefits, end of year	<u>\$ 1,252</u>	<u>\$ 1,163</u>

Actuarial loss remeasurements:

	31-Dec-24	31-Dec-23
Effect of changes in financial assumptions	\$ 25	\$ 73
Effect of changes in demographic assumptions	25	10
Remeasurement in loss in net income before other comprehensive loss	<u>\$ 50</u>	<u>\$ 83</u>

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

12. Employee Benefits (continued)

(b) Post-employment Benefits

(i) Retirement and Severance Benefit

Retirement or severance benefits are available to employees who have completed five years of service with the Board. Retirement benefits are one week of pay for each year of service. Severance benefits are half a week of pay for each year of service to a maximum of twenty-eight weeks.

Beginning January 1, 2020, management employees are no longer eligible to receive any further accruals related to severance payable on resignation or retirement. Severance entitlements accrued up to December 31, 2019, are payable upon resignation or retirement.

The movement in the accrual for retirement and severance benefits for the year was:

	31-Dec-24	31-Dec-23
Benefits, beginning of year	\$ 1,904	\$ 1,782
Current service cost	96	89
Payments made during the year	(143)	(355)
Interest cost	89	85
Other changes	142	100
Actuarial loss	42	203
Benefits, end of year	\$ 2,130	\$ 1,904

Actuarial loss remeasurements:

	31-Dec-24	31-Dec-23
Effect of changes in financial assumptions	\$ 42	\$ 203
Remeasurement loss in other comprehensive loss	\$ 42	\$ 203

The plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. The risk of default is low as the Fund is in a strong financial position.

The key assumptions used to calculate the retirement and severance benefit are the discount rate and the wage inflation rate. The discount rate of 4.40% (2023 – 4.60%) is selected by reference to a spot curve at the valuation date of high-quality corporate and provincial debt instruments with cash flows that match the timing and amount of the expected benefit payments. The annual rate of general escalation in wages for the bargaining unit is 3.00% for 2025 and 2024 (2023 - 3.00%) and 2.25% for 2026 and beyond (2023 - 2.25% for 2025 and beyond) based on management's best estimate. The annual rate of general escalation in wages for the management group is 4.75% for 2024 and 1.50% for 2025 (2023 - 2.00%) and 2.25% for 2026 and beyond (2023 - 2.25% for 2025 and beyond) based on management's best estimate.

The expected Fund contributions for retirement and severance for the next year are \$687,000 (2023 – \$336,000). The weighted average duration of the retirement and severance benefit is 6.9 years (2023 – 6.1 years).

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

12. Employee Benefits (continued)

(b) Post-employment Benefits (continued)

(ii) Retirement and Severance Benefit Risks and Sensitivity

The retirement and severance benefit is indirectly exposed to measurement risk from assumptions based on economic factors and uncertainty of future economic conditions, such as discount rates affected by volatile bond markets and inflation risk due to payment timing uncertainty. Demographic factors such as workforce average age and earnings levels, attrition and retirement rates affect current and future benefit costs due to the amount and timing of expected payments.

A change in the key assumptions used to calculate these benefits would result in a change in the obligation and benefit expense as follows:

Percentage change in assumed rates	31-Dec-24		31-Dec-23	
	+1%	-1%	+1%	-1%
Increase (decrease) from change in discount rate	\$ (112)	\$ 128	\$ (111)	\$ 126
Increase (decrease) from change in wage inflation rate	\$ 127	\$ (114)	\$ 125	\$ (113)

The above sensitivity analysis is based on a change in an assumption while keeping all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. The same method of calculation has been applied to the sensitivity analysis as to the calculation of the retirement and severance benefit obligation, the projected unit credit method, and did not change compared to the prior year.

(iii) Public Service Pension Plan

Substantially all of the employees of the Board are covered by the Public Service Pension Plan (the "Plan"), a multi-employer contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both employees and the Fund. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution.

The employer contribution rates effective for the year were as follows:

Contribution rate for the year	31-Dec-24		31-Dec-23	
	Up to Maximum	Above Maximum	Up to Maximum	Above Maximum
For employees eligible before January 1, 2013	1.02	4.63	1.02	5.29
For employees eligible after January 1, 2013	1.00	4.63	1.00	5.29
Maximum salary limit	\$ 202,000	No limit	\$ 196,200	No limit

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of two per cent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation. For employees joining the plan after January 1, 2013, the normal retirement age has been raised from age 60 to age 65.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

12. Employee Benefits (continued)

(b) Post-employment Benefits (continued)

(iii) Public Service Pension Plan (continued)

Contributions made to the Public Service Pension Plan by the Fund and the employees for the year were as follows:

	31-Dec-24	31-Dec-23
Employees' contributions	\$ 953	\$ 782
Fund contributions	\$ 963	\$ 792

The expected contributions to the Plan for the next year are \$921,000 (2023 – \$834,000) employee contributions and \$955,000 (2023 – \$870,000) Fund contributions.

(c) Benefit expense

Benefit expense recognized in salaries and benefits within other general and administration expenses (Note 16) in the Statement of Comprehensive Income for other long-term employee benefits and post-employment benefits was \$1,602,000 in 2024 (2023 – \$1,194,000).

13. Capital Management and Surplus Distributions

(a) Capital management

The Workers' Safety and Compensation Act establishes that one of the purposes of the Act is to maintain a solvent Compensation Fund managed in the interest of workers and employers. To ensure that the Fund is able to meet its financial obligations, premiums charged to employers over time must be sufficient to cover current and future costs of all claims incurred by injured workers. These insurance revenues, combined with investment returns, are designed to provide the foundation for the Fund to meet all current and future obligations for injured workers.

The Board of Directors uses the Funding Policy to manage capital, which is the net difference between assets and liabilities or equity. The Funding Policy provides guidance to maintain a financially sustainable system. The Policy directs the Board to ensure sufficient equity is maintained in the Fund to stabilize the effect of fluctuations in the employer assessment rates and investment returns. The Fund is considered fully funded when there are sufficient funds for the payment of all present and future compensation, and other liabilities, including the cost of administration.

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

13. Capital Management and Surplus Distributions (continued)

(b) Surplus Distributions

In July 2024, in order to bring the funding ratio closer to target, the Board of Directors approved a surplus distribution of \$10,041,000 (2023 - \$Nil), which was credited to eligible employers and to be deducted from eligible employers' 2024 assessments. Surplus distributions are conditional upon employers being compliant with the Act.

Surplus distribution payable at the end of the year represents the balance in customer accounts that relate to the surplus distribution that were not utilized in 2024 and will be applied to the 2025 assessment.

Reconciliation of surplus distributions payable:

	31-Dec-24	31-Dec-23
Surplus distributions payable, beginning of year	\$ -	\$ -
Current year surplus distributions approved	10,041	-
Current year surplus distributions paid out	(4,676)	-
Surplus distributions payable, end of year	\$ 5,365	\$ -

14. Related Party Transactions

(a) Government of Yukon

The Board is a territorial entity with delegated powers on behalf of the Government of Yukon (the "Government") and is related to its departments, agencies and corporations. The Board enters into transactions with the Government and its related entities in the normal course of business, and the transactions are recorded at fair value.

Included in the Fund's accounts receivable, insurance contract assets, insurance contract liabilities and accounts payable, are amounts owing to and from the Government and its related entities as follows:

	31-Dec-24	31-Dec-23
Due to the Government and its related entities	\$ (1,296)	\$ (1,036)
Due from the Government and its related entities	438	532
Due to the Government and its related entities for surplus distribution	261	-
Net amount due	\$ (597)	\$ (504)

During 2024, the Compensation Fund paid the Government and its related entities \$362,000 (2023 – \$382,000) for computer, office supplies, payroll processing, recruitment and training. The Fund also reimbursed the Government for payroll costs of \$11,915,000 (2023 – \$10,374,000).

Revenues and miscellaneous income from the Government and its related entities for the year ended December 31, 2024, totalled \$12,289,000 (2023 – \$11,144,000), including assessment premiums of \$11,613,000 (2023 – \$10,475,000), the Mine Safety Program Grant of \$330,000 (2023 – \$330,000), and reimbursements for claims costs received from the Government of \$290,000 (2023 – \$311,000).

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

14. Related Party Transactions (continued)

(a) Government of Yukon (continued)

The Workers' Advocate Office operates independently from the Board and assists workers or dependants of workers in respect of claims for compensation. The approved budget of the Workers' Advocate shall be paid out of the Compensation Fund. In 2024, the Fund reimbursed the Government \$373,000 (2023 – \$360,000) for the Workers' Advocate Office expenses.

(b) Key management personnel

The remuneration of key management personnel, which includes the members of the Board of Directors and the senior management team, recognized as an expense during the period was:

	31-Dec-24	31-Dec-23
Short-term employee compensation and benefits	\$ 1,847	\$ 1,513
Other long-term employee benefits	69	20
Post employment benefits	232	203
Total remuneration	\$ 2,148	\$ 1,736

Contributions made to the Public Service Pension Plan by the Fund for key management personnel were \$139,000 (2023 – \$143,000) and are included in post-employment benefits.

As at the reporting date, there were no business relationships, outstanding amounts or transactions other than compensation between the Fund and its key management personnel.

15. Commitments

As of December 31, 2024, the Fund had entered into the following contractual commitments for the next five years:

	Contribution agreements	Computer systems support	Professional services	Building construction & maintenance	Other	Total
2025	\$ 1,044	\$ 178	\$ 690	\$ 528	\$ 13	\$ 2,453
2026	642	-	342	46	-	1,030
2027	655	-	294	31	-	980
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
Total	\$ 2,341	\$ 178	\$ 1,326	\$ 605	\$ 13	\$ 4,463

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

16. Other General and Administration Expenses

The table below presents expenditures by type:

	31-Dec-24	31-Dec-23
Salaries and benefits	\$ 12,081	\$ 10,058
Consulting and professional	1,782	1,262
Computer systems support and licences	1,338	1,015
Prevention	856	1,020
Amortization - intangible assets	728	772
Statutory funding obligations	690	568
Depreciation - property and equipment	543	582
Building maintenance	491	472
General administration	439	824
Automobile and travel	249	122
Communications	225	181
Staff and recruitment	148	92
Board expenses	90	63
Other provisions	87	124
Printing and publications	84	54
Supplies and stationery	45	35
Furniture and equipment	35	77
	\$ 19,911	\$ 17,321
less allocation to insurance administrative expenses (Note 17)	(16,564)	(14,642)
Other general and administration expenses	\$ 3,347	\$ 2,679

The table below presents expenditures by program cost center:

	31-Dec-24	31-Dec-23
Administration	\$ 14,793	\$ 13,027
Occupational health and safety	3,040	2,056
Prevention	856	1,020
Workers' advocate	373	360
Appeal tribunal	364	207
Act and regulation amendments	273	355
Employer advisor	125	172
Other provisions	87	124
	19,911	\$ 17,321
less allocation to insurance administrative expenses (Note 17)	(16,564)	(14,642)
Other general and administration expenses	\$ 3,347	\$ 2,679

Compensation Fund

Notes to Financial Statements

December 31, 2024 (tabular amounts in thousands of Canadian dollars)

17. Insurance Service Expense and Insurance Finance Loss

The breakdown of insurance service expense is presented below:

	31-Dec-24	31-Dec-23
Incurred claim expenses	\$ 19,084	\$ 18,514
Insurance administrative expenses (Note 16)	16,564	14,642
Incurred claims and other expenses	\$ 35,648	\$ 33,156
Loss on onerous contracts	-	989
Reversal of losses on onerous contracts	-	(989)
Change to liability for incurred claims	12,362	(149)
Insurance service expense	\$ 48,010	\$ 33,007

	31-Dec-24	31-Dec-23
Insurance finance income (loss) from insurance contracts issued:		
Interest accreted to insurance contracts using current financial assumptions	\$ (9,082)	\$ (9,097)
Due to changes in discount rate	331	(6,138)
Due to changes in other financial assumptions	1,841	(767)
Total insurance finance loss from insurance contracts issued	\$ (6,910)	\$ (16,002)

18. Contingencies

Due to the nature of the Board's operations, various legal matters are pending. In the opinion of management, these matters are not expected to have a material effect on the Fund's financial position or results of operations. These various legal matters include certain confidentiality clauses; to avoid prejudicing these claims, no further information is disclosed.

19. Subsequent Event

Subsequent to December 31, 2024 the United States has implemented wide ranging tariffs on international trade which have had significant financial market impact. At this time these factors present uncertainty over future cash flows and may cause significant changes to the Fund's investments. Potential impacts on the Fund's operations could include impairment of investments or a reduction in investment income. As the situation is dynamic and the ultimate duration and magnitude of the impact on the economy are not known, an estimate of the financial effects on the Fund cannot be made at this time.



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