

# 2025

## ANNUAL REPORT



# Year at a glance

Note		2025	2024
1	Workers covered	<b>28,010</b>	28,090
2	Open claims (all years)	<b>2,867</b>	2,833
1, 2	Filed claims (current year)	<b>814</b>	893
1, 2	Accepted claims	<b>629</b>	706
1, 2	Lost-time claims	<b>344</b>	377
1	Lost-time injury rate ( <i>per 100 covered workers</i> )	<b>1.2</b>	1.3
1	Permanent impairment payments	<b>26</b>	14
5	Worker fatalities	<b>4</b>	2
	Decisions rendered by reconsideration officer	<b>47</b>	35
	Decisions rendered by the Appeal Tribunal	<b>2</b>	4
1	Registered employers	<b>4,155</b>	4,131
	Maximum annual earnings	<b>\$104,975</b>	\$102,017
1	Assessable payroll ( <i>millions</i> )	<b>\$1,966</b>	\$1,881
4	Assessment revenue ( <i>millions</i> )	<b>\$39.3</b>	\$38.8
	Average estimated premium rate ( <i>per \$100 of insurable earnings</i> )	<b>\$1.92</b>	\$2.11
1, 3	Average collected premium rate ( <i>per \$100 of insurable earnings</i> )	<b>\$2.00</b>	\$2.06
4	Net investment income ( <i>millions</i> )	<b>\$21.8</b>	\$37.2
	Investments market return	<b>7.9%</b>	15.0%
4	Funds held by investment custodians ( <i>millions</i> ) ( <i>formerly Investments</i> )	<b>\$309.8</b>	\$288.3
6	Funded position	<b>156%</b>	138%
6	Funded position ( <i>including target reserves</i> )	<b>126%</b>	112%
	Number of <i>Access to Information and Protection of Privacy Act</i> (ATIPP) requests	<b>23</b>	15
	Number of <i>Public Interest Disclosure of Wrongdoing Act</i> (PIDWA) disclosures	<b>0</b>	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.

<b>4</b>	Message from the Board of Directors
<b>6</b>	Who we are
<b>8</b>	A future-ready plan
<b>10</b>	Injured worker urges youth to speak up
<b>12</b>	A true collaboration for return-to-work
<b>14</b>	Remembering Pauli Gabb
<b>16</b>	2025 Highlights
<b>20</b>	Charts
<b>23</b>	Management's Discussion and Analysis
<b>29</b>	Financials

# Message from the Board of Directors



**Mark Pike**

Chair  
Appointed November 5, 2010  
Current term ends May 28, 2026



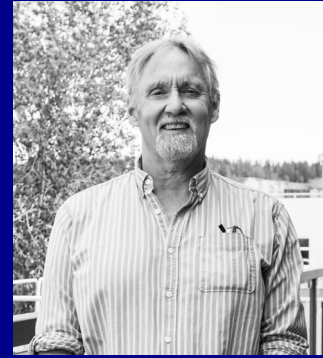
**Vicki Hancock**

Vice Chair  
Appointed August 15, 2006  
Current term ends May 7, 2028



**Lisa Martin**

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



**Carl Schulze**

Representative of Employers  
Appointed March 30, 2023  
Current term ends May 28, 2026

At the Workers' Safety and Compensation Board (WSCB), we know the old saying is true: if you fail to plan, you plan to fail.

For us, planning means fine-tuning our focus to the whole landscape of workplace health and safety and compensation in the Yukon. We look at what's working, what's not, and how we can continually improve the work we do to better the lives of every Yukoner: the teenager starting their first day on the construction site, the paramedic healing from PTSD and preparing to go back to work, and the owner of a small restaurant who wants nothing more than to keep their staff healthy and safe.

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In 2025, we are proud to have launched our 2025-2029 strategic plan. The plan was a collaborative effort and came to life thanks to hard work from staff, stakeholders and the Executive Committee.

By focusing on priorities like helping workers recover and return to work in a sustainable way, and continually strengthening our relationships with stakeholders, the plan is a roadmap towards a healthier, safer Yukon.

One of the five key priorities is a word that is near and dear to our hearts. It's a word that motivates our every action: prevention.

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In 2025, we launched new prevention initiatives like our hazard assessment display at the Yukon Public Library, and continued to host annual traditions like our Partners in Safety Barbeque. The barbeque was attended by over 500 Yukoners and dozens of community partners who all gathered for the outdoor safety trade show at Shipyards Park during

North American Occupational Safety and Health Week. Organizations shared their safety expertise using engaging activities and fun giveaways, proving that strengthening our culture of prevention is not an individual act; it requires the willpower and action of an entire community.

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Sharing personal stories is one of the most powerful ways to incite change. Our Workplace Solutions event in October featured keynote speaker Curtis Weber. Curtis was severely injured in a farming accident when he was 17 years old. He spoke to hundreds of high school students and Yukon workers about the wisdom he has gained since the accident. He talked about how employers can create a safe workplace culture where open dialogue is encouraged, and how workers, no matter their age or how long they have been on the job, should feel empowered to speak up when they have questions or know something isn't safe.

Curtis also reminded the audience about how entire communities are shaken when a worker gets injured or killed on the job.

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The ripple effect of a workplace incident is something we know all too well in our tight-knit communities. Our hearts go out to those who were severely injured or killed on the job in 2025, and to everyone who was affected by these incidents; the pain felt by family members, friends and neighbours goes beyond what words can describe.

Every time an incident happens, we stand even stronger in our conviction to lead with prevention. In 2025, our outreach and education team travelled the territory to



**Keith Ellert**  
 Representative of Workers  
 Appointed August 28, 2019  
 Current term ends November 16, 2028



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



**Catherine Jones**  
 President/CEO  
 Appointed December 2, 2024

visit workplaces, attend trade shows and teach in school classrooms. Our safety consultants, who have extensive knowledge in both educational programming and workplace health and safety, visited 154 classrooms and reached a total of 2859 students. Whether it’s teaching students about concussion prevention or inspiring them to build their own safety scenes with LEGO, we know that instilling a culture of safety from a young age is the key to a healthier future.

WSCB also continued working on developing our new prevention unit. By collaborating with Yukon workers and employers to prevent workplace injuries, the new unit will significantly expand our outreach efforts and give us a greater presence in our territory’s workplaces.



**Every time an incident happens, we stand even stronger in our conviction to lead with prevention.”**

As we look outwards to our community to strengthen the Yukon’s culture of prevention, we must look inwards too. In 2025, the very structure of our organization changed to meet the needs of our rapidly changing world and to promote collaboration between all of our branches, streamlining our prevention efforts for the benefit of all Yukoners.

We have two new vice president positions and a new President leading the way with a fresh vision and energy. We also have a new director of information services position to ensure we’re embracing rapidly developing technologies

like AI while at the same time working diligently on digital security to prevent cyber-attacks.

With a solid foundation beneath our feet and a new strategic plan to guide us for the next five years, we are facing the future with greater clarity, integrity and a steadfast commitment to continually improve the work we do.

Yet, achieving our goals requires more than just opening our new roadmap, tying our laces tight and sprinting into the future. True success requires balance. As we look ahead, armed with our strategic plan and backed by a community that truly cares, we know how important it is to reflect on the past and every lesson we have learned from it.

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Someone who left a lasting legacy within WSCB is former Board of Directors’ Manager, Pauli Gabb, who passed away in 2025 after a battle with cancer. Pauli dedicated 22 years to WSCB. She was truly beloved within the organization for her selflessness and her ability to always have the interest of our organization and its people at the heart of everything she did. Pauli embraced humility. She was known for her generosity in lifting people up and helping them achieve their goals. For many of us, she was so much more than a colleague. Pauli is someone who we will carry in our hearts as we continue to do the work she so deeply believed in.

Thank you, Pauli.

And thank you everyone who works tirelessly to make this territory a safer, healthier place for all.

# Who we are

The Workers' Safety and Compensation 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 perspective 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 organization is made up of three core program branches—Claimant Services, Workplace Health and Safety and Employer Services—that work collaboratively to prevent workplace disability. All branches are guided by the organization'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.



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.



## 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*.

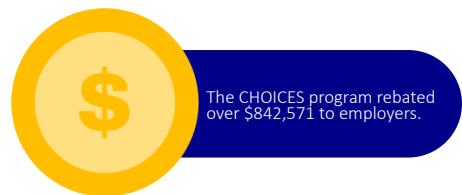


WHS partners with local and national health and safety organizations that provide training to Yukoners. These partnerships allow WHS to share up-to-date workplace safety information and support national initiatives that strengthen workplace safety in the Yukon.



## Employer and Client Services

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

WSCB is also supported by the following services:

### Executive

The Executive Branch works with the Board of Directors and all WSCB branches. The branch 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.

### Finance and Strategy

Finance and Strategy is divided into two branches. The Operations Branch includes the Finance and Facilities Management Units. The Information Services Branch oversees the organization's information and technical assets. Services in Finance and Strategy range from financial reporting, overseeing investments, system infrastructure, and application provisioning and maintenance. Finance and Strategy is also responsible for records management and managing *Access to Information and Protection of Privacy Act* (ATIPP) requests.



There were 23 requests for access to information under the ATIPP.

### Health, Safety and Human Resources

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

### Corporate Services

The Corporate Services Branch connects the Yukon public with WSCB to improve workplace safety. The branch includes the Social Marketing and Communications, Outreach and Education, and Policy units. These units 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.

Safety consultants visited:

**154** classrooms  
**2859** students



### 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 WSCB decision may have a right to request an internal review of the decision, also known as a reconsideration, conducted by a reconsideration officer.

**47**

requests for reconsideration were reviewed by WSCB in 2025. The Appeal Tribunal issued 2 decisions in 2025.

WSCB Decisions		
Confirmed	Reversed	Varied
31	11	5
Appeal Tribunal Decisions		
Confirmed	Reversed	Varied
1	1	0



### The appeal process

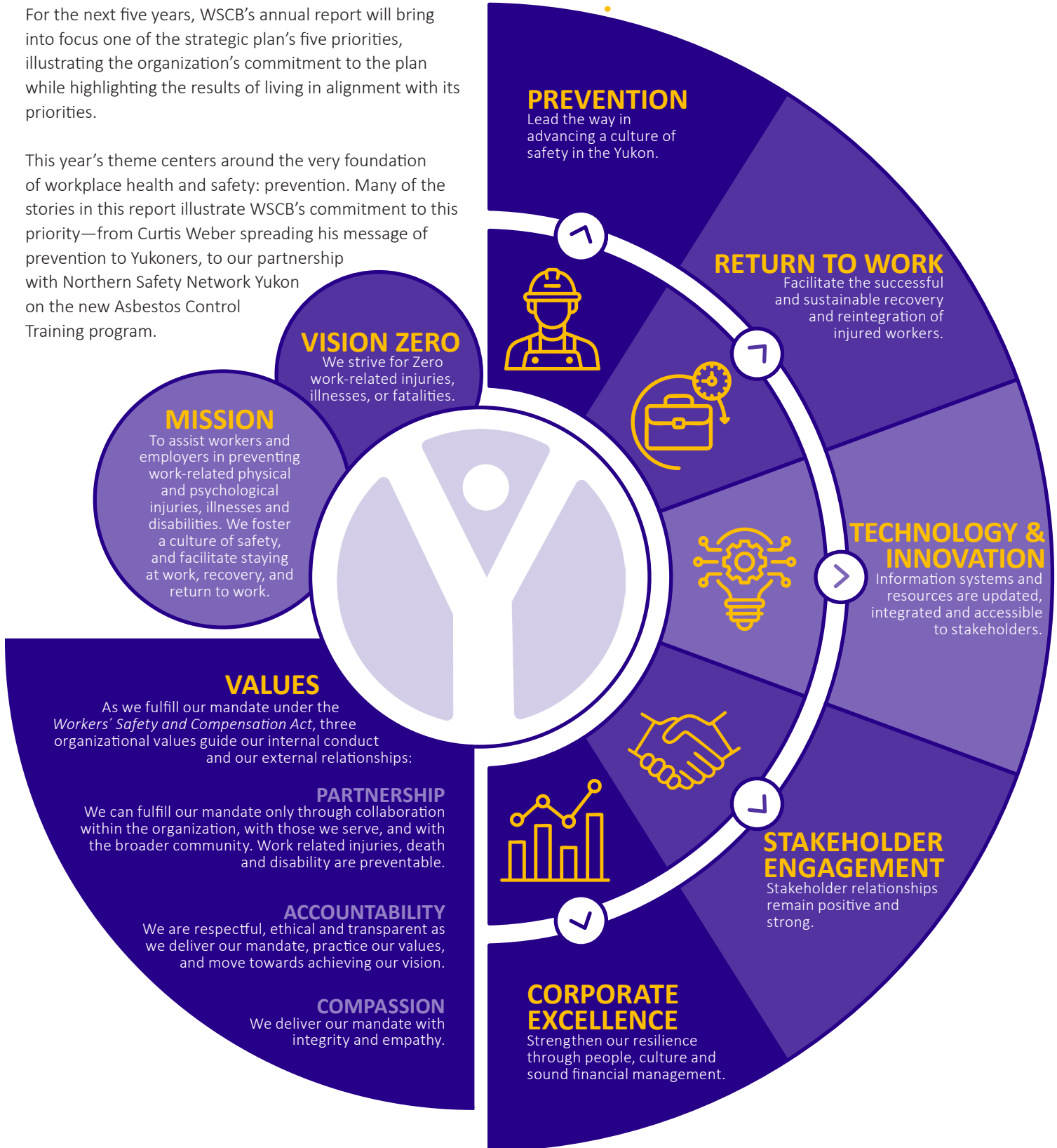
Injured workers or employers who disagree with decisions made by WSCB can request a review of those decisions within legislated timelines. The Workers' Advocate Office, independent of WSCB, often plays a role in helping injured workers understand the system and navigate the appeal process. All appeals follow the same process: initial decision, internal reconsideration by a reconsideration officer 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.

# A future-ready plan

In early 2025, WSCB released its 2025-2029 strategic plan. The plan lays out the organization's goals for the next five years, which focuses on themes of prevention, return-to-work, technology and innovation, stakeholder relationships and corporate excellence.

For the next five years, WSCB's annual report will bring into focus one of the strategic plan's five priorities, illustrating the organization's commitment to the plan while highlighting the results of living in alignment with its priorities.

This year's theme centers around the very foundation of workplace health and safety: prevention. Many of the stories in this report illustrate WSCB's commitment to this priority—from Curtis Weber spreading his message of prevention to Yukoners, to our partnership with Northern Safety Network Yukon on the new Asbestos Control Training program.





## PREVENTION

- Effective training and education is available to workers and employers taking into account the dynamic needs of the Yukon workforce in today's evolving landscape.
- Promote awareness and implementation of prevention initiatives.
- Influence behavioural change and promote safety leadership.

### Creating the plan

As the Board of Directors began the process of creating the new plan, they reviewed the outlook for the territory as a whole, which is buoyed by a busy construction sector, new workers joining the workforce and growth in the tourism sector.

Creating the plan involved gathering input from various stakeholders, including WSCB staff, senior management, the Board of Directors and external partners. From these discussions, WSCB heard several key themes emerge, including the need to prioritize prevention, adapt to shifting workplace demographics and keep abreast of rapid technological changes.

The Board of Directors carefully considered these invaluable insights, along with various factors and trends that would impact its implementation, ensuring the plan reflected a sound path forward to continue to meet the needs of the organization and all the people who rely on WSCB.

### A plan in action

Now that the plan has been put into action, every branch in the organization uses the foundational blueprint to set their own priorities and continually improve the work they do.

Yet, the new strategic plan is anything but rigid. It is a living document. It represents the continuation of an ongoing review and renewal process, allowing the organization to adapt to emerging issues and take advantage of new opportunities. From helping injured workers receive timely and individualized support to discovering how emerging technologies like artificial intelligence can help WSCB continuously improve the organization's day-to-day work, the new plan sets the organization on course to adapt to an ever-changing future.

With a steadfast commitment to living in alignment with WSCB's vision, goals and priorities, the 2025-2029 strategic plan will move our territory closer to the overarching goal of Vision Zero: zero work-related injuries, illness or fatalities.

#### RETURN TO WORK

- Workers and employers understand the value of remaining at work, and of early and safe return to work.
- Injured workers receive timely support for their recovery and return to work.
- Employers receive timely support in helping injured workers remain at work and safely return to work.

#### TECHNOLOGY & INNOVATION

- Improve the accessibility and usability of information and services.
- Protect privacy and maintain the confidentiality of personal information.
- Leverage new and emerging technologies to enhance service delivery.

#### STAKEHOLDER ENGAGEMENT

- Remain responsive to the needs of our stakeholders.
- Continue to build our relationships with Yukon First Nation governments and organizations.
- Stakeholders are motivated by and committed to our mission and vision.

#### CORPORATE EXCELLENCE

- Demonstrate fiscal responsibility, remaining in a fully funded position and operating in an ethical, efficient and compliant matter.
- Remain a workplace of choice that nurtures and protects the physical and psychological wellbeing of its staff.
- Attract, develop, and retain skilled, adaptable people to carry out our strategic priorities.

# Injured worker urges youth to speak up



Although Curtis Weber has no memory of his workplace incident when he was 17 years old, he knows exactly what happened earlier that day.

“It was a Friday of a long weekend. Our crew was supposed to be home by lunchtime,” Weber said during an interview with WSCB. “We had two jobs that day and our first job went sideways, so we got to that second job of the day, realizing, holy smokes, we might not even be done by the end of the day.”

## The day that changed everything

It was Weber’s third day on the job in small-town Saskatchewan, where he grew up, and he and his crew were building steel grain bins. This particular job required the crew to build a bin, raise it and put it on a hopper bottom. As the hopper bottom was being lifted off the ground, it hit a low-lying power line, sending 14,400 volts of electricity through Weber’s body in three separate cycles. There was a massive fireball and, as Weber explained it, “complete chaos everywhere.”

Weber spent seven weeks in a coma. Third-and fourth-degree burns covered 65 per cent of his body. The next five years—years where he should have been going to school, playing hockey and dating, like any other young person—were dedicated to surgeries, healing and beginning to carve a new life for himself.

## Spreading the message of prevention

Weber, now in his 40s, speaks to thousands of people every year about the wisdom he has gained since his accident. He was the speaker for this year’s Workplace Solutions event, “Safety Culture – What YOU Can Do,” which took place in late October at the Kwanlin Dün Cultural Centre and online. He talked about how employers have the responsibility to create a safe and open culture where workers feel empowered to speak up.

While visiting the territory, Weber also spoke directly to over 800 students at F.H. Collins Secondary School, Porter Creek Secondary School and St. Francis of Assisi Catholic Secondary School, as well as students who joined online from Yukon’s rural communities.

He explained how, on that fateful day of his accident, he knew that there were safer ways to complete the job, but he was a teenager and reluctant to stand out and slow down his crew's work day.

"The worst decision that I ever made in my life was not taking that opportunity to approach someone and say *hey, I don't like what we're doing here,*" he said.



**The only guarantee that would have stopped my accident was me: my voice and my questions."**

Decades later, this decision still weighs heavily on him. That's why he's so passionate about workers—especially young workers—finding their voice and speaking up when they have a question or see something that's potentially unsafe.

"The easy part is to identify something isn't right," he said.  
"The hard part is to actually step in and say something."

## The role of employers

Weber knows employers have a vital role in helping workers feel comfortable to use their voice. They can set a precedent by explaining to workers that they expect them to slow the job down when they have questions. They can also assure workers that they would never be reprimanded for not being productive enough if it's in the name of safety. Overall, employers have an opportunity to help instill a safety-first mindset in young or new workers; a mindset they will carry with them throughout their careers.

In the end, Weber knows that real change happens when the community stands together in the name of prevention and workers feel empowered and confident to speak up.

"The only guarantee that would have stopped my accident was me: my voice and my questions," he said.



# A true collaboration for return-to-work



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**The training reinforces the idea that sustainable return-to-work outcomes are more likely when workers understand their role, have meaningful input and see themselves as participants, rather than subjects, of decisions.”**

The return-to-work process involves a collaboration between the injured worker, the employer, healthcare providers and WSCB. For the injured worker, navigating it can be complex and can, in some cases, lead to frustration or disengagement.

But what if injured workers realized they were the authors of their own recovery and return-to-work story?

## The worker-centric model

In early 2025, staff from the Claimant Services Branch trained in the worker-centric model of return-to-work. The model helps case workers become more attuned to an injured worker’s personal goals, concerns and motivation related to recovery and re-employment. It encourages a shift in thinking—positioning return-to-work as a health outcome and recognizing the worker as an active decision-maker in their recovery process.

The training was delivered over a two-month period by Jason Parker, Founder & CEO of Centrix Work Disability Solutions, who returned to the Yukon to help staff build on their existing experience with this model.

“Our goal with this training was to build a deeper understanding of how injured workers experience the system,” said Tara Wardle, Director of the Claimant Services Branch. “That includes the uncertainty, fear, loss of identity and perceived power imbalance that can come with a workplace injury. The training reinforces the idea that sustainable return-to-work outcomes are more likely when

workers understand their role, have meaningful input and see themselves as participants, rather than subjects, of decisions.”

As part of this learning, staff continued to strengthen their practical skills such as clearer communication, improved listening and the use of intentional, recovery-oriented language.

## A true collaboration

An early focus of the training was called Compassionate Navigation—a non-judgmental approach that blends empathetic understanding with practical, compassionate action to help reduce distress following injury or illness. The goal is to help Claimant Services staff continue to build trust, encourage reflection and collaborate with workers to make informed decisions about their recovery.

Through Compassionate Navigation, staff create conditions that actively engage and support workers, while clearly communicating why returning to work is an important part of the worker’s recovery and well-being.

WSCB staff are continuing to see positive shifts in their relationships with injured workers. This includes an understanding of how early interactions with injured workers influence the tone and trajectory of an entire claim, and the subtle, yet powerful difference between solving problems *for* the worker and solving problems *with* the worker.

## Process of Compassionate Navigation

Non-judgmental approach that blends empathetic understanding with practical, compassionate action to help reduce distress following injury or illness.

### BE CURIOUS

Be curious without judgement, recognize diversity, seek understanding of context, avoid assumptions and moralizing.



### STEP BACK

Step back and consider the impact of the worker's situation.



### CREATE

Create a foundation of trust and safety, enabling open dialogue and a supportive environment.



### RESPOND

Respond with active empathetic understanding.



### ACT

Act with compassionate action to prevent the human, social, and economic harm of unnecessary work disability.



# Remembering Pauli Gabb



Pauli Gabb was WSCB's Board Manager for over two decades. She was known for her passion for workplace health and safety, her selflessness and her integrity. She truly believed in the organization—not as a single entity but as the sum of all the people who make it a success.

Pauli passed away in August 2025 after a battle with cancer. The Board of Directors, and everyone at WSCB, deeply feels the loss of Pauli's presence every day.

## Smart, bright and incredibly hardworking

Pauli was born and raised in Whitehorse, and worked several different jobs before landing at WSCB where she found her true calling.

Mark Pike, who has been the Chair of the Board of Directors for the past 16 years, first met Pauli in the 1970s when she was just out of high school and working down the hall from him for an insurance company on Main Street. They connected with each other several more times throughout their careers, but it wasn't until their work at WSCB that he understood Pauli's full potential.

"She was smart, bright and incredibly hardworking," said Mark. "Our board is high-functioning and a huge amount of that is due to the organizational structure that Pauli developed. Every board member that I have ever known has a great appreciation for the fact that our board is able to operate at this level."

Outside of work, Mark remembers Pauli for her steadfast commitment in showing up for those she loved. Mark, who plays on the same old timers' league hockey team as Pauli's husband, thinks back fondly to their games, and how there was a single person always cheering them on from the stands. That was Pauli.

## A true nurturer

Vicki Hancock, who has been the Vice Chair of the Board of Directors since 2006 and a close friend of Pauli's for many decades, spoke about her admirable capacity to take care of those around her.

"No matter what it was, a work project or personal dilemma, she had this incredible attention to detail," said Vicki. "It didn't matter who you were, if you were connected to Pauli you were tucked under her wing and looked after."

One of the things Kurt Dieckmann—president of WSCB from 2016 to 2024—appreciated most about Pauli was that no matter what project they were working on, she would always ask why they were doing it and how it would benefit those involved.

"Once she understood what we were doing, she would go all in. But if she didn't understand, she would continue to push. What I found really beneficial was it made me think and re-think what it was we were doing, and why, in order to have a clear vision going forward," said Kurt.

Kurt admires that Pauli was one hundred percent committed to the organization, its mandate of preventing disability and everyone who worked at WSCB.

Pauli was known as someone who was dedicated to everyone else's career, just as much as her own. Kurt said that Pauli helped him succeed in ways that he likely still doesn't fully understand or appreciate. One thing he knows for certain: his rise from being a safety officer to president would have been much harder without Pauli in his corner.

## A phenomenal, kind-hearted human being

Catherine Jones, the current President of WSCB, agrees. She sat next to Pauli when she started at WSCB in 2018. It didn't matter how many times Catherine asked Pauli the same question, Pauli would always give a response that made the now-President feel seen and respected.



**It didn't matter who you were, if you were connected to Pauli you were tucked under her wing and looked after."**

She calls Pauli a phenomenal, kind-hearted human being. Catherine said that she was incredibly professional, but if you were lucky enough to get to know her outside of work, that's where she truly shone.

Catherine remembers visiting Pauli during the last few months of her life. It was a warm, northern evening and the pair sat outside in Pauli's garden. She spoke at length about the history of her flowers and her house, and asked about work and all the staff she had developed close relationships with over her two decades at WSCB. Catherine said that even in her deepest health struggles, Pauli genuinely cared about the well-being of everyone around her.

"Pauli realized a lot of life is out of her control," said Catherine. "She knew the best thing she could do was react with dignity and grace, and that's what she always did."

# 2025 Highlights

## Policy engagement on administrative penalties

In August, WSCB asked for stakeholder input on the organization's administrative penalty policy framework in order to create a fair, consistent and effective system for all. Administrative penalties are one of the tools used to encourage compliance with workplace health and safety laws.

During the engagement, Yukoners were asked for their input through stakeholder and public meetings, as well as an online survey and written submissions.

The organization found that Yukoners support safer workplaces through strengthening the administrative penalty framework. A recurring theme that came out of the policy engagement was that fairness and transparency are of utmost importance. Clear guidance, plain-language explanations and proactive outreach were seen as critical to building trust and ensuring penalties are appropriately issued, promote and ensure workplace health and safety, uphold public interests and deter violations.

Throughout 2025, WSCB staff worked in collaboration with the Board of Directors to develop a new administrative penalty policy, which was finalized in early 2026.



## A new unit dedicated to prevention

Every year, WSCB staff visit hundreds of classrooms, participate in trade shows and put on events like Workplace Solutions and the Partners in Safety BBQ—all in the name of fostering a culture of safety and prevention in Yukoners from all walks of life.

In 2025, work began on the development of a dedicated prevention unit at WSCB. Through the new strategic initiative, staff will expand their reach by having a greater presence in Yukon's workplaces. The unit will work with Yukon workers and employers directly with the goal of enhancing workplace safety and reducing injury rates.

Prevention is a top priority in WSCB's new strategic plan, which sets out the organization's goals for the next five years. The new prevention unit will help WSCB lead the way by strengthening our territory's culture of safety and prevention and bringing us closer to Vision Zero: zero work-related injuries, illnesses or fatalities.



## The complex landscape of medical cannabis

The 2025 Continuing Medical Education session explored the complex landscape of medical cannabis, from how it affects pain to best practices when it comes to harm reduction. The educational session, offered to Yukon physicians, health care providers and WSCB's Claimant Services staff in April, featured Dr. Launette Rieb, a family physician, researcher and Clinical Associate Professor at the University of British Columbia.

Rieb shared that there is still uncertainty whether cannabis products have pain relieving effects. If these products are used, they should be reserved for severe neuropathic pain that has failed conventional treatment. Before using cannabis, injured workers should be screened for medical, mental health and addiction issues. During use, doses should be calculated properly and harm reduction should be a top priority. This includes educating users on risks and benefits, suggesting cannabis with a high-level of CBD and low THC and delaying the age of use to older adults.

Staying up-to-date on the latest research through WSCB's annual Continuing Medical Education sessions means Claimant Services staff, physicians and health care providers can continue to support injured workers with an educated, efficient and empathetic approach.

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## New mine rescue station now in operation

WSCB's new mine rescue station officially started operating in August. The new station, located near the Erik Nielsen Whitehorse International Airport, safely stores and deploys rescue equipment as well as facilitates rescue training and exercises. The mine rescue station replaces the old facility on Range Road, which was built in the 1960s.

WSCB built the new station with the future in mind. It uses heat pump technology, which electronically transfers heat from the air outside to the building's interior, increasing energy efficiency and reducing the organization's carbon footprint. The facility was built to withstand earthquakes and has a backup generator. In emergencies, it serves as an alternate site for WSCB's operations.

The new larger space also has room for more training exercises. The building allows for interior, temperature-regulated storage of the mine-rescue trailer, which means equipment is stored in a rescue-ready state and response to emergencies can happen rapidly.



# 2025 Highlights

## Partnering with NSNY on new asbestos control training

In 2025, WSCB continued their long-standing partnership with the Northern Safety Network Yukon (NSNY) to provide a rebate on the new Asbestos Control Training program offered locally in the Yukon. By removing cost barriers to training and growing the pool of asbestos-educated Yukoners, NSNY's new training program is creating safer workplaces while helping build industry capacity to address territory-wide challenges.

Prior to the launch of the program in 2025, this kind of training and certification was not available in the Yukon. Employers sent their workers out of territory to become certified, resulting in substantial costs for employers, or Yukoners not having the opportunity to receive training at all.

The Asbestos Control Training program is the result of true interjurisdictional collaboration. Northern Safety Network Yukon has partnered with the BC Construction Safety Alliance, WorkSafe BC and WSCB to offer a training program that combines an online self-paced format with an in-person assessment and final examination. This model offers quality, flexibility and—with WSCB's rebate of 75 per cent of the program's cost—affordability. In 2025, 34 Yukoners received the certification.



## A restructured organization

WSCB's organizational structure has evolved in order to promote collaboration between branches, streamline prevention efforts and allow the organization to face new challenges with efficiency and resiliency.

WSCB now has two vice president positions: one leading Programs and the other leading Finance and Strategy. This change will allow the organization to continuously improve operations while simultaneously focusing on organizational priorities set out in the 2025-2029 strategic plan.

Our new President, Catherine Jones, replaces outgoing president Kurt Dieckmann, who held the position from 2016 to 2024. Jones began working for WSCB in 2018 as the Director of Legislative Development and then moved onto becoming Director of Corporate Services. She brings with her a fresh energy, a wealth of experience and a steadfast commitment to making our territory a safer and healthier place for all.

## A future-ready branch

The newly-formed Information Services Branch brings all of WSCB's information-focused units into a single, service-oriented branch. This strategic move means WSCB is now in an ideal position to modernize operations and adopt emerging technologies.

With this shift, the organization created a new Director of Information Services position to oversee all information programming, including Information Systems, Information Technology, Information Management, Information Security, and Data and Analytics.

The branch achieved several milestones in 2025, including the first information system deployment in WSCB's managed cloud environment, signaling a shift toward scalable, secure and future-ready technologies. The branch also invested significant efforts towards upgrading existing systems, which will allow WSCB to unlock new workplace collaboration capabilities in the coming years.



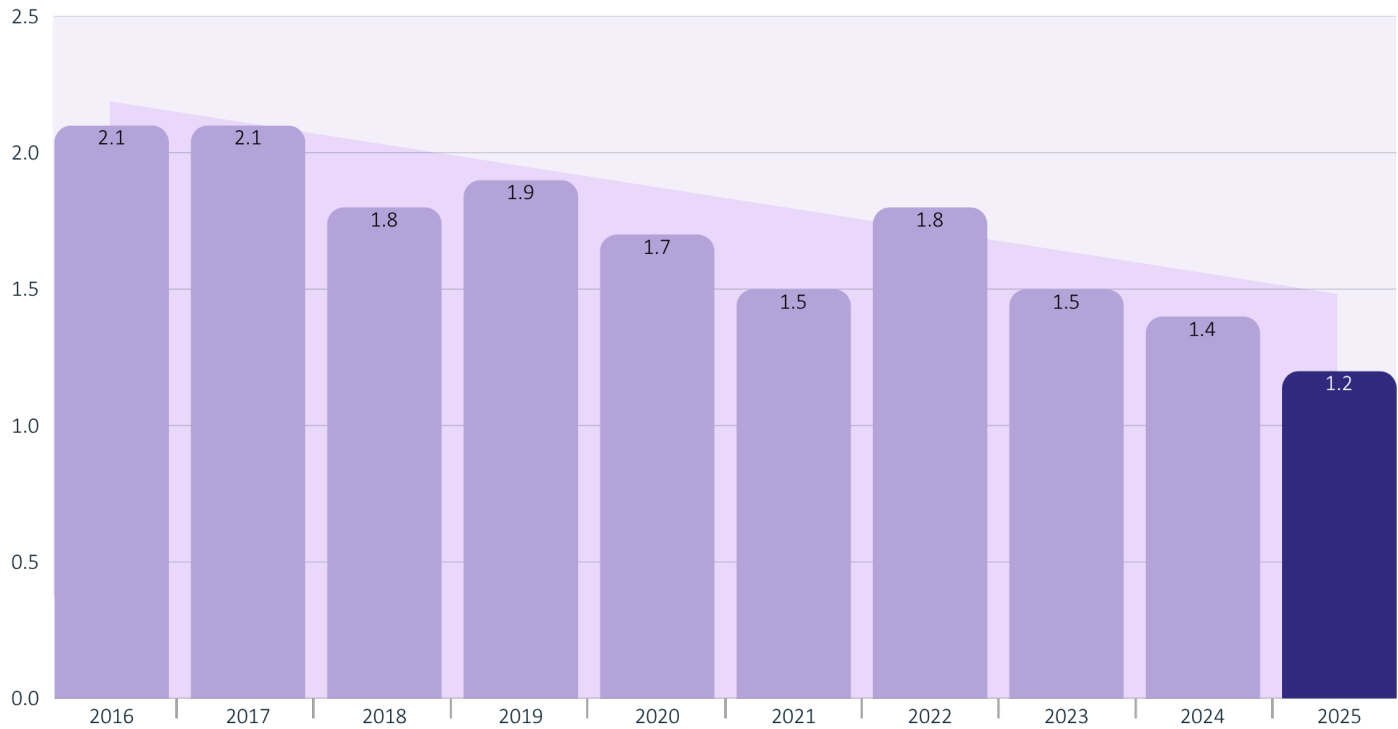
## Over five hundred Yukoners participate in Partners in Safety BBQ

It was a cold and blustery day for the annual Partners in Safety BBQ, but that didn't stop over 500 Yukoners from making their way down to Shipyards Park for the outdoor safety trade show to mark North American Occupational Safety and Health week. The event, which took place on May 7 and included over a dozen community partners, consisted of a barbecue lunch, safety demonstrations and outreach booths.

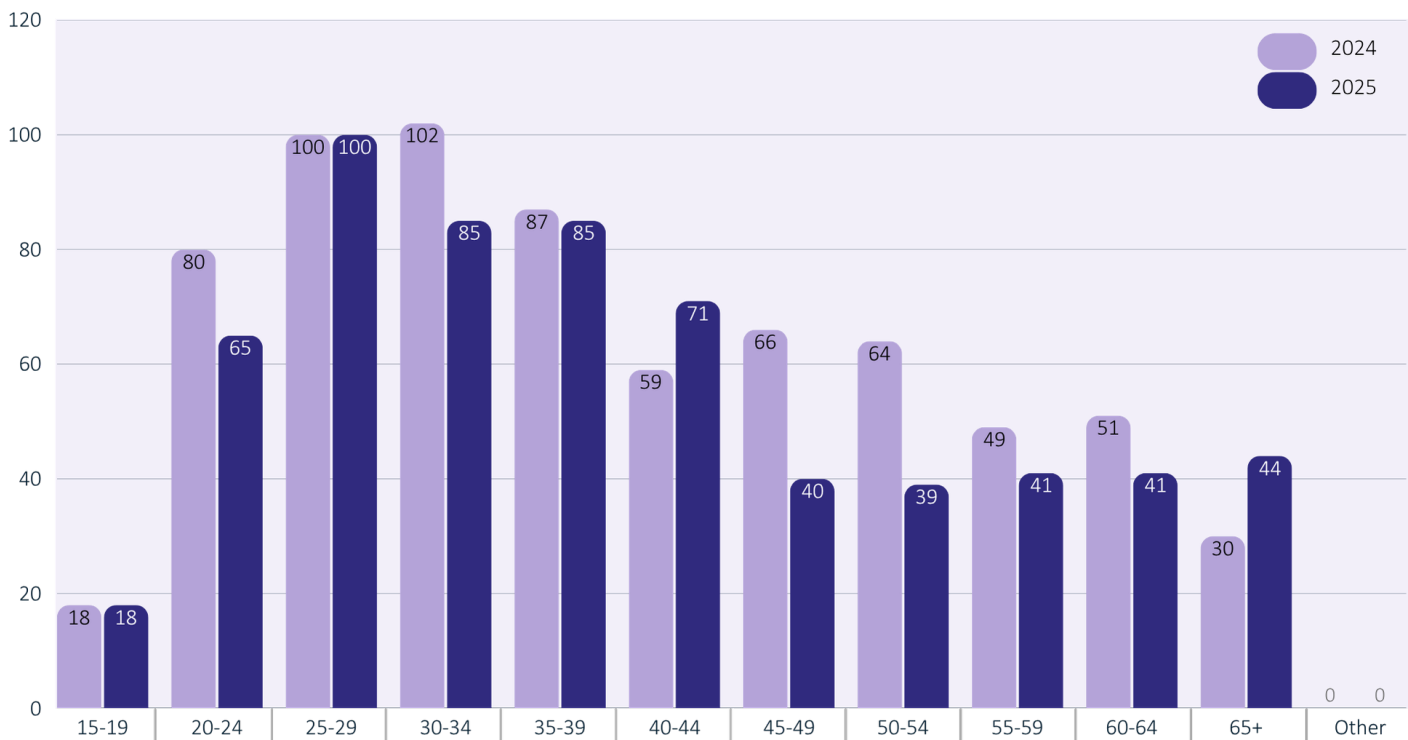
Highlights included the opportunity for participants to practice using a fire extinguisher on a real fire and to experience all the safety equipment necessary to ride high in an aerial lift. Emergency Medical Services and the City of Whitehorse were present and offered tours of the interior of a fire truck and an ambulance. WSCB had many hands-on engaging activities, using the opportunity to show Yukoners of all ages and backgrounds how safety can be integrated in their day-to-day lives.



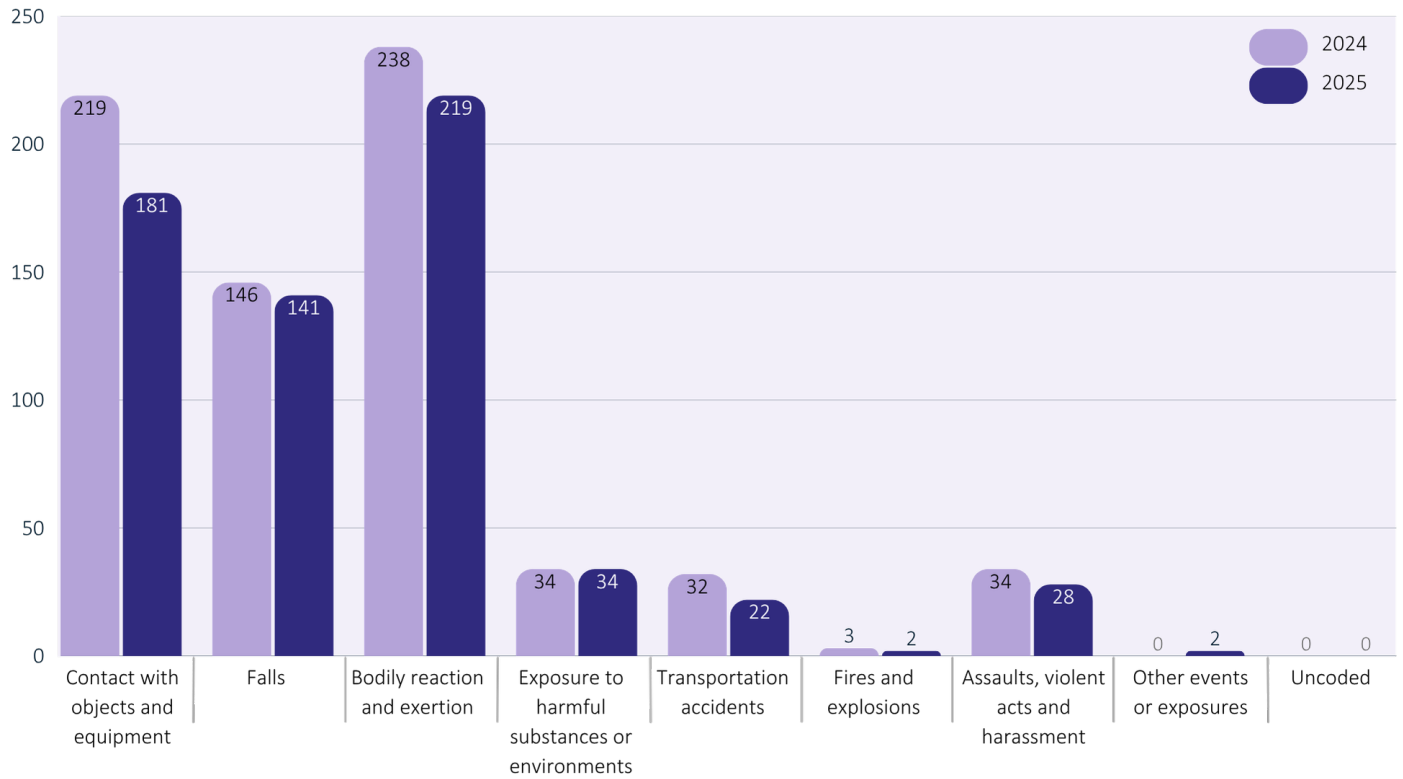
## Lost-time injury rate per 100 covered workers



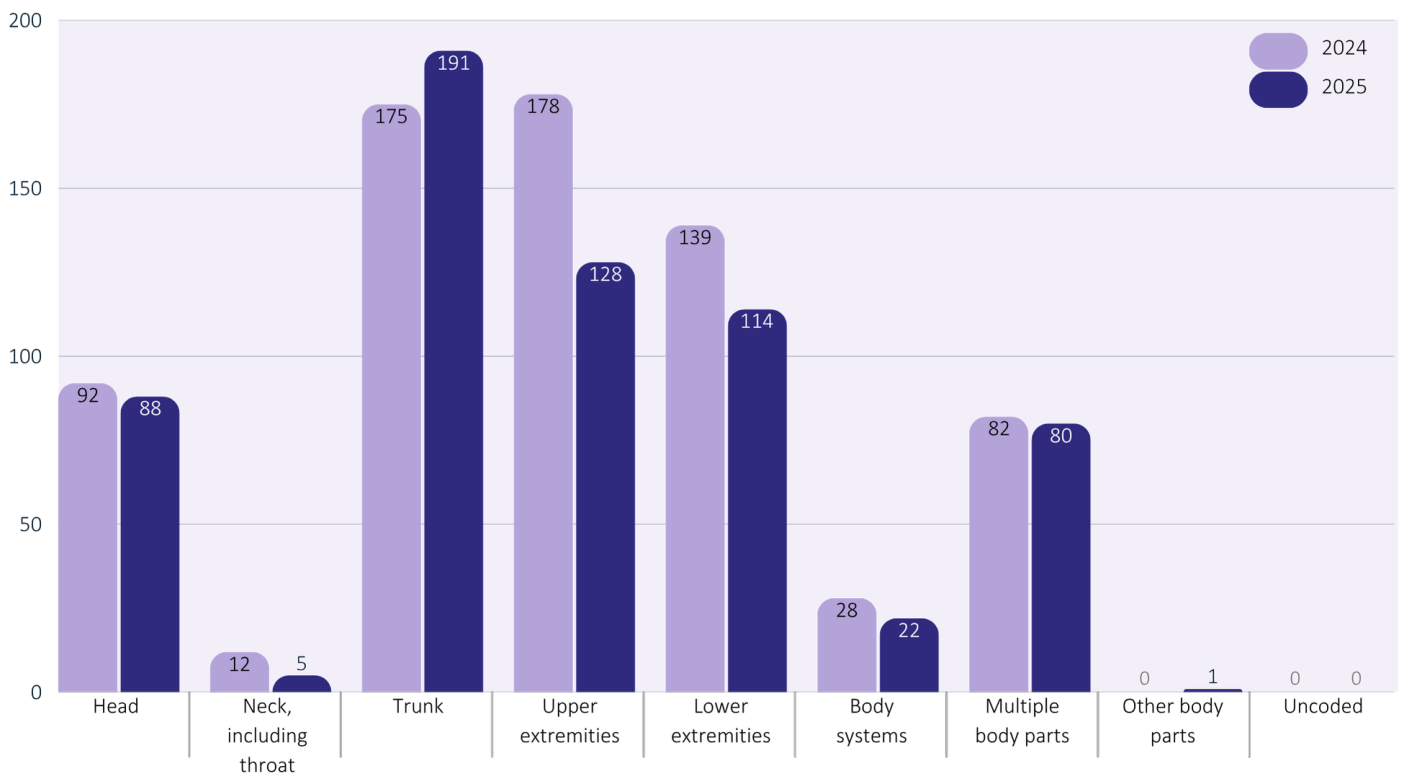
## Accepted claims by age group



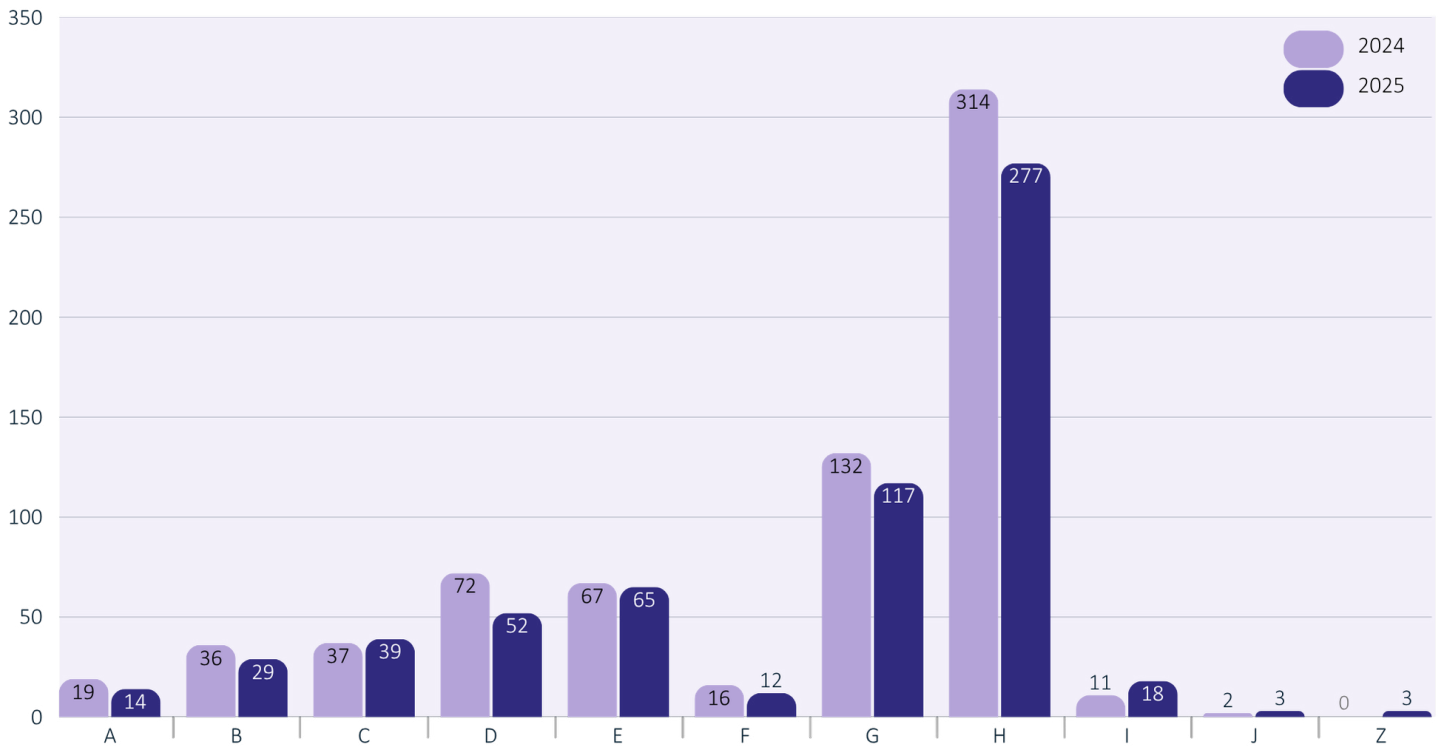
## Accepted claims by event or exposure



## 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 (WSCB), for the year ended December 31, 2025. 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 of Directors 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	
	2025	2024	2025	2024
Total assets	333,379	314,620	330,259	313,006
Total liabilities	213,220	227,963	213,306	234,080
Equity	120,159	86,657	116,953	78,926
Assets/liabilities	156%	138%	155%	134%

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

as at December 31 (\$ thousands)	Funding basis		IFRS basis	
	2025	2024	2025	2024
Benefits Liability/Insurance Contract Liability	200,870	210,866	204,820	220,875

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)

The following 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.

as at December 31 (\$ thousands)	2025	2024
Equity funding basis	120,159	86,657
Difference Benefits Liability (Funding Basis) versus Insurance Contract Liability (IFRS Basis)	-3,950	-10,010
Accounts receivable difference - IFRS reclassification to Insurance Contract Liability	-3,120	-1,614
Accounts payable difference - IFRS reclassification to Insurance Contract Liability	3,864	3,893
Equity IFRS Basis	116,953	78,926

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.

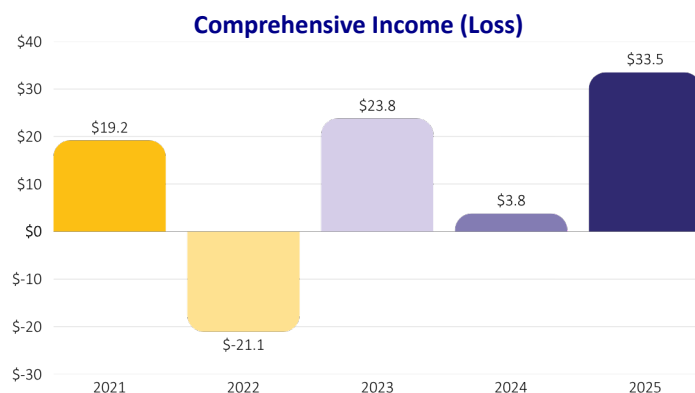
### How to read the Management Discussion and Analysis

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 2025, the Fund’s funding basis financial statements (unaudited), incurred a net operating surplus of \$33.5 million compared to \$3.9 million in 2024. The increase is due to several 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 2025.

The 2024 benefit liability also increased by \$24.9 million, and decreased by \$10.0 million in 2025. The decrease in the benefit liability resulted in the claims expenses for 2025 being \$9.9 million compared to \$47.1 million in 2024. Additionally, the Fund achieved a net investment gain of \$37.2 million in 2024, compared to a gain of \$21.8 million in 2025.



In 2025, under the funding basis, the Fund had total comprehensive income of \$33.5 million, compared to \$3.8 million in 2024. This included no surplus distribution in 2025 and a surplus distribution expense of \$10.0 million in 2024.

In 2025, under the IFRS basis, the Fund reported a net income before other comprehensive loss and surplus distribution of \$38.0 million, an increase from \$19.6 million in 2024. There was no surplus distribution for 2025, compared to a \$10.0 million distribution in 2024.

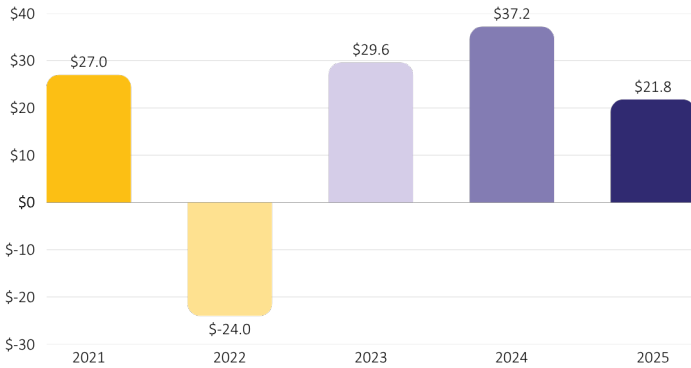
The net income before comprehensive loss was \$38.0 million, an increase from \$9.5 million in 2024. The Fund also recognized an actuarial loss on post-employment benefits of \$11 thousand, up from \$42 thousand in 2024. Total comprehensive income for 2025 amounted to \$38 million, compared to \$9.5 million in 2024.

The main difference between the funding statements and the IFRS statements is due to the difference in benefits liability versus insurance contract liability.

### Revenues

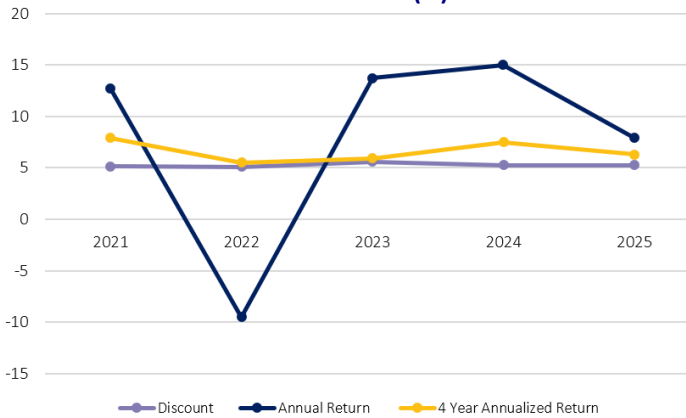
The Fund’s revenue and income, which includes net investment income, totalled \$61.9 million versus \$77.8 million in 2024. The decrease in revenue was mainly due to the decrease in net investment income in 2025. Net investment income in 2025 was \$21.8 million versus \$37.2 million in 2024, a decrease of \$15.4 million.

### Net Investment Income (Loss)



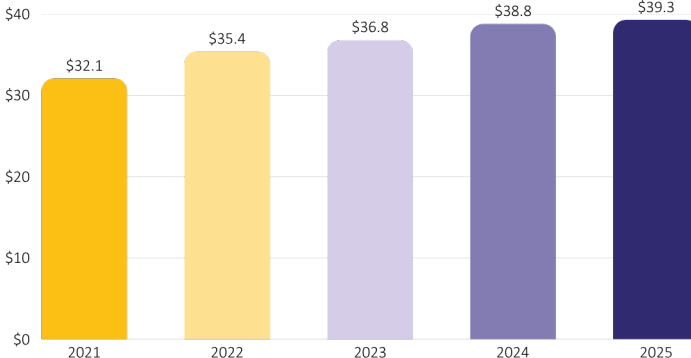
In 2025, the Fund's investments increased due to continuing strong equity markets ending the year with an overall return of 7.9%. The four-year annualized return decreased from 7.5% to 6.3%. As of December 31, 2025, the investment portfolio's asset mix was 42.9% fixed income and 57.1% equities.

### Market Return (%)



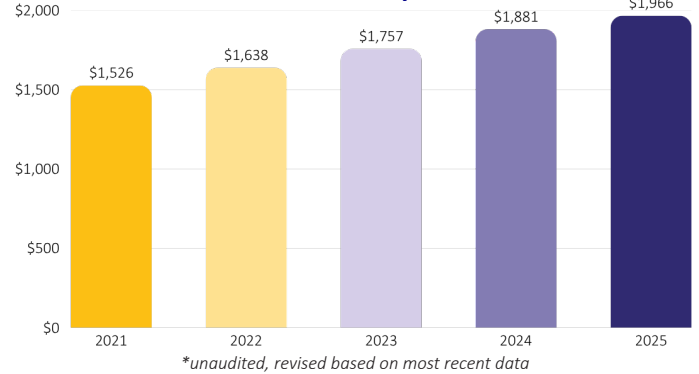
Assessment revenue (or insurance revenue) in 2025 was \$39.3 million versus \$38.8 million in 2024. This increase was mainly due to an overall increase in assessable payroll and an increase in the maximum annual earnings (MAE). The average collected assessment premium rate (per \$100 of insurable earnings) decreased in 2025 to \$1.92 versus \$2.06 in 2024.

### Assessment Revenue



The increase in assessable payroll (4.5%) was due to an overall increase in economic activity and an increase in the MAE in 2025. The MAE went from \$102,017 to \$104,975 due to indexing that is based on the Consumer Price Index (CPI). The number of employers increased to 4,155 from 4,131 in 2024.

### Assessable Payroll\*

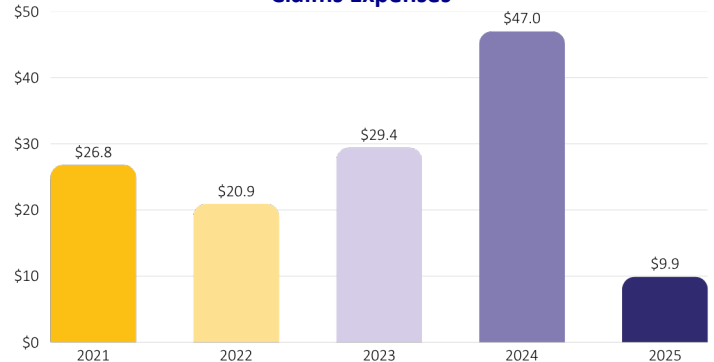


### Expenses

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:

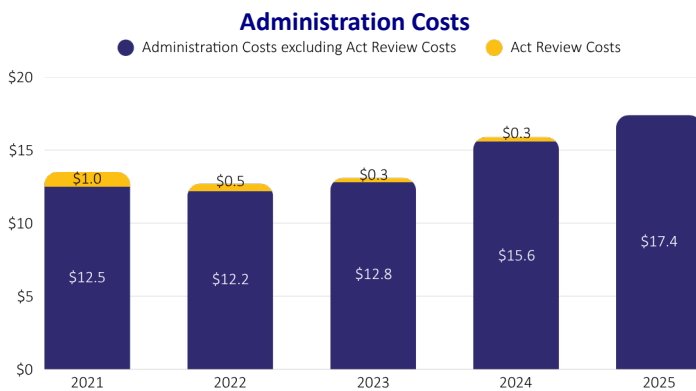
- insurance service expense (see Note 17 for details) of \$12.8 million in 2025 versus \$48.0 million in 2024;
- insurance finance loss (see Note 17 for details) of \$7.2 million in 2025 versus \$6.9 million in 2024;
- other general and administration expenses (see Note 16 for details) of \$3.9 million in 2025 versus \$3.3 million in 2024.

### Claims Expenses



Total claims expenses for funding basis decreased to \$9.9 million in 2025 versus \$47.0 in 2024. The decrease was driven by a decrease in the benefit liability number for 2025.

Administration costs for funding basis increased to \$17.4 million in 2025 versus \$15.9 million in 2024 and the increase was due mainly to the hiring of vacant positions.



### Balance sheet

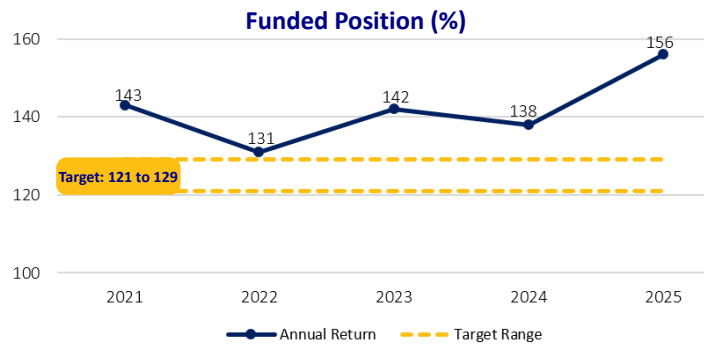
At the end of each fiscal year, WSCB’s actuary calculates the benefits liability for all injuries that have occurred to date. The benefits liability represents the actuarial present value of all future benefits and related administration costs. As at December 31, 2025, this liability under the funding basis was \$200.9 million compared to \$210.9 million the previous year. Under IFRS basis, this liability was \$204.8 million in 2025 versus \$220.9 in 2024.

The total assets of the Fund as at December 31, 2024, increased under both reporting basis. Under the funding basis, assets rose by \$18.8 million, compared to \$35.4 million in 2024, a 6% increase over the prior year (12% in 2024). Under the IFRS basis, assets increased by \$17.3 million, compared to \$35.4 million in 2024, a 6% increase over the prior year (13% in 2024). 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 WSCB can minimize rate volatility, protect the Fund from unforeseen catastrophic events and preserve capital during large downturns in financial markets.

As at December 31, 2025, the funding basis funding ratio increased to 156% (138% in 2024), due to a decrease in benefits liability, and relatively strong investment returns in 2025.



### 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 WSCB’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 of Directors.

The top risks for 2025 were identified as outdated legislation regulations, the disruption of operations by cyberattacks and adverse changes in economies. Ongoing mitigation of these risks include the continued work on regulations, information technology enhancements and continued commitment to business process improvements.

### Economic review

The Yukon continues to experience economic stability, supported by a growing population and sustained strength in employment. Over the past year, WSCB has seen steady investment income, which has contributed to strengthening our financial position. While markets have been somewhat unpredictable, we have remained steadfast in our financial investment practices and delivered solid results.

The overall volume of claims has remained relatively stable year over year. However, some claims are becoming increasingly complex and more challenging to manage, which often results in longer durations. While these kinds of claims can be more costly, WSCB places great importance on the human impact that are a result of injury. Our priority is to support workers in recovering and returning to work safely and in a timely manner.

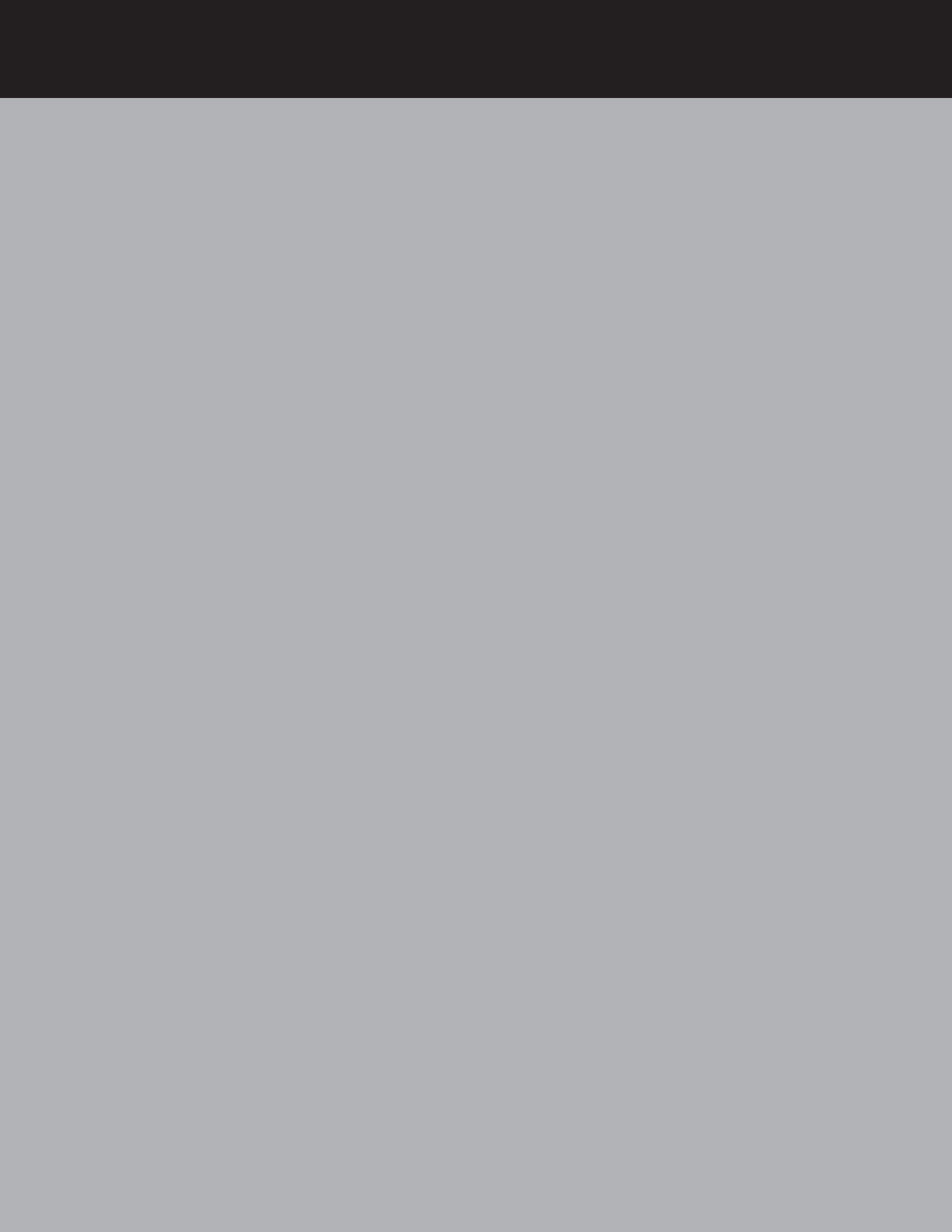
To achieve this, WSCB continues to collaborate with workers, service providers and employers to effectively manage these cases and promote positive return-to-work outcomes.

Growing concerns around cybersecurity and the rapid evolution of artificial intelligence have prompted WSCB to explore how technology can enhance service quality, strengthen security and improve operational efficiency. In 2025, WSCB actively examined opportunities to modernize and streamline service delivery through the strategic use of technology.

### **Future outlook**

As we look ahead to 2026, WSCB remains focused on navigating a rapidly evolving and, at times, uncertain economic environment. Emerging challenges can arise quickly and unexpectedly. This underscores the importance of embracing resiliency and adaptability while maintaining a strong and stable financial foundation to support our long-term objectives.

A stable financial foundation will ensure that WSCB will meet future obligations to injured workers while providing employers with predictable and sustainable assessment rates. It allows the organization to invest in enhancing client experience and allocate resources that will result in safer workplaces in the Yukon. This financial strength also positions WSCB to advance key client service initiatives that improve accessibility, responsiveness and overall service quality.







## 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 IFRS Accounting Standards. Management is responsible for ensuring that the 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.



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Catherine Jones  
President and Chief Executive Officer



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

April 28, 2026

## 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, 2025 (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 \$204,076,000. This amount consists of \$203,896,000 for the liability and \$180,000 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 2025, 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 2025, 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 2026

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## Compensation Fund

### Statement of Financial Position

As at December 31 (in thousands of Canadian dollars)

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	2025	2024
<b>Assets</b>		
Cash	\$ 1,186	\$ 6,447
Accounts receivable (Note 6)	439	98
Prepaid expenses	377	469
Investments (Note 7)	309,760	288,131
Property and equipment (Note 8)	15,156	14,595
Intangible assets (Note 9)	3,341	3,266
<b>Total assets</b>	<b>\$ 330,259</b>	<b>\$ 313,006</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 2,962	\$ 2,604
Surplus distributions payable (Note 13)	304	5,365
Other provisions (Note 10)	1,143	1,163
Insurance contract liability (Note 11)	204,820	220,875
Employee benefits (Note 12)	4,077	4,073
<b>Total liabilities</b>	<b>213,306</b>	<b>234,080</b>
<b>Equity</b>	<b>116,953</b>	<b>78,926</b>
<b>Total liabilities and equity</b>	<b>\$ 330,259</b>	<b>\$ 313,006</b>

Commitments and Contingencies (Notes 15 and 18)

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

Approved by the Workers' Safety and Compensation Board



Mark Pike, Chair

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## Compensation Fund

### Statement of Comprehensive Income

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

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	2025	2024
<b>Insurance revenue and expenses</b>		
Insurance revenue	\$ 39,305	\$ 38,762
Insurance service expense (Note 17)	(12,785)	(48,010)
Insurance service result	26,520	(9,248)
Net investment income (Note 7)	21,754	37,211
Insurance finance loss (Note 17)	(7,207)	(6,910)
<b>Net insurance financial result</b>	<b>41,067</b>	21,053
<b>Other income and expenses</b>		
Government grants and miscellaneous income	826	1,857
Other general and administration expenses (Note 16)	(3,855)	(3,347)
Net other expenses	(3,029)	(1,490)
<b>Net income before other comprehensive income (loss) and surplus distribution</b>	<b>38,038</b>	19,563
Surplus distribution expense (Note 13)	-	(10,041)
<b>Net income before other comprehensive income (loss)</b>	<b>\$ 38,038</b>	\$ 9,522
<b>Other comprehensive income (loss)</b>		
All items presented in other comprehensive income (loss) will not be reclassified to net income in subsequent periods:		
Actuarial loss on post-employment benefits (Note 12)	(11)	(42)
<b>Total comprehensive income</b>	<b>\$ 38,027</b>	\$ 9,480

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

**Compensation Fund**  
**Statement of Changes in Equity**  
(in thousands of Canadian dollars)

	<b>Total</b>
<b>Equity, Balance at January 1, 2024</b>	<b>\$ 69,446</b>
Net income before comprehensive income (loss) for 2024	9,522
Other comprehensive income (loss)	(42)
Total comprehensive income (loss) for 2024	9,480
<b>Equity, Balance at December 31, 2024</b>	<b>\$ 78,926</b>
Net income before comprehensive income (loss) for 2025	\$ 38,038
Other comprehensive income (loss)	(11)
Total comprehensive income (loss) for 2025	38,027
<b>Equity, Balance at December 31, 2025</b>	<b>\$ 116,953</b>

*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)

	2025	2024
<b>Operating activities</b>		
Cash received from:		
Employers, for insurance revenue	\$ 32,709	\$ 38,809
Investment income - interest	4,575	3,937
Investment income - dividends	3,471	3,241
Government grants and miscellaneous income <sup>1</sup>	806	1,226
	41,561	47,213
Cash paid:		
To employers, for surplus distributions	-	(2,984)
For insurance service expense	(32,626)	(34,548)
For other general and administration expenses	(3,930)	(2,641)
For investment fees	(886)	(843)
	(37,442)	(41,016)
<b>Total cash provided by operating activities</b>	<b>4,119</b>	<b>6,197</b>
<b>Investing activities</b>		
Net (purchases) sale of investments	(7,022)	(4,443)
Purchases of property and equipment	(1,356)	(3,074)
Purchases of intangible assets	(1,002)	(1,176)
<b>Total cash used for investing activities</b>	<b>(9,380)</b>	<b>(8,693)</b>
Net (decrease) in cash	(5,261)	(2,496)
Cash, beginning of year	6,447	8,943
<b>Cash, end of year</b>	<b>\$ 1,186</b>	<b>\$ 6,447</b>

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

<sup>1</sup> Bank interest received during the year was \$159 (2024 - \$435)

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

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#### 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 2025 financial statements on April 28, 2026.

##### 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:

- 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

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

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## 2. Statement of Compliance and Basis of Preparation (continued)

### Critical Accounting Estimates and Judgements (continued)

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

- Note 4(j) Material Accounting Policy Information – 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 Policy Information – 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

## 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 2025 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 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.

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

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#### 4. Material Accounting Policy Information

The Fund's material accounting policy information:

##### (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.

##### (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.

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

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#### 4. Material Accounting Policy Information (continued)

##### (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.

###### 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.

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

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#### 4. Material Accounting Policy Information (continued)

##### (d) Financial instruments (continued)

###### Investments (continued)

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

For determining and disclosing the fair value hierarchy of its financial instruments by valuation technique, the Board uses:

- 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 2025 (2024 – no transfers).

###### Impairment of financial assets

IFRS 9 - Financial Instruments (IFRS 9) 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.

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

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#### 4. Material Accounting Policy Information (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 partially written-down or fully 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:

- 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 on disposal or when no future economic benefit is expected from its use or disposal. 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.

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

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#### 4. Material Accounting Policy Information (continued)

##### (f) Intangible assets (continued)

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:

- 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.

##### (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, 2025, 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.

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

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#### 4. Material Accounting Policy Information (continued)

##### (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.

##### (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 - Insurance Contracts (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 portfolio (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.

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

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#### 4. Material Accounting Policy Information (continued)

##### (j) Insurance contract liability (continued)

###### *Recognition*

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

- 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.

###### *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 these 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.

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

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#### 4. Material Accounting Policy Information (continued)

##### (j) Insurance contract liability (continued)

###### *Measurement (continued)*

###### *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.

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.

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

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#### 4. Material Accounting Policy Information (continued)

##### (j) Insurance contract liability (continued)

###### *Measurement (continued)*

###### *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.

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.

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

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#### 4. Material Accounting Policy Information (continued)

##### (j) Insurance contract liability (continued)

###### *Measurement (continued)*

*Subsequent measurement (continued)*

###### Liability for incurred claims (continued)

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.

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

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#### 4. Material Accounting Policy Information (continued)

##### (j) Insurance contract liability (continued)

###### *Measurement (continued)*

###### *Insurance finance income or 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 or 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.

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

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#### 4. Material Accounting Information Policy (continued)

##### (I) 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' 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.

#### 5. Risk Management

The Fund has exposure to the following financial risks:

- (a) credit risk,
- (b) liquidity risk, and
- (c) market risk, which includes: (d) inflation risk, (e) interest rate risk, and (f) currency risk.

The Fund's exposure to these financial 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.

There were no changes to these financial risks or the Board's objectives, policies and process for managing the financial risks during the year ended December 31, 2025. The following sections present information about the Fund's exposure to financial risks and the Board's objectives, policies and processes for measuring and managing these financial risks.

##### (a) 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 credit 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.

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

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#### 5. Risk Management (continued)

##### (a) Credit risk (continued)

The Fund's fixed income bond credit ratings:

Ratings	AAA	AA	A	BBB	31-Dec-25	31-Dec-24
Fixed Income Securities	\$ 50,435	\$ 36,694	\$ 29,944	\$ 13,838	\$130,911	\$123,575

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 \$3,559,000 (2024 – \$1,712,000).

The Fund's exposure to credit risk differs depending on whether it arises from financial assets or the insurance contract liability. IFRS 9 addresses credit risk associated with accounts receivable measured through expected credit loss. IFRS 17 addresses credit risk associated with insurance contract assets measured using current, market-based assumptions.

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, 2025, 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 expected credit losses when management considers that the expected recovery is less than the carrying amount.

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

- 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, 2025, approximately 80% (2024 – 75%) 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.

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

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#### 5. Risk Management (continued)

##### (b) 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 active management of assets, liabilities and cash flows.

The Fund has access to the Government of Yukon's overall line of credit facility with the Government's banker; which 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 \$3,266,000 (2024 – \$7,969,000) and were all payable within a year. Liquidity risk related to the insurance contract liability is included in note 11(e).

##### (c) 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 Fund's investment target and actual asset mix at fair value:

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	Target		Actual	
	Minimum	Maximum	31-Dec-25	31-Dec-24
<b>Equities</b>				
Canadian	0 %	25 %	19.0 %	18.6 %
United States	0 %	25 %	19.5 %	20.3 %
International	0 %	25 %	18.0 %	16.8 %
<b>Fixed income</b>				
Short-term investments	0 %	10 %	1.1 %	1.2 %
Bonds	35 %	85 %	42.4 %	43.1 %
			100.0 %	100.0 %

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

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#### 5. Risk Management (continued)

##### (c) Market risk

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

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	31-Dec-25		31-Dec-24	
	-10%	-20%	-10%	-20%
<b>Equities</b>				
Canadian	\$ (5,860)	\$ (11,719)	\$ (5,340)	\$ (10,679)
United States	(6,011)	(12,022)	(5,843)	(11,685)
International	(5,570)	(11,141)	(4,831)	(9,662)
Total impact on investment portfolio	\$ (17,441)	\$ (34,882)	\$ (16,014)	\$ (32,026)

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##### (d) 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.

##### (e) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows 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 effects on the investment portfolio of a 50 and 100 basis point ("bp")<sup>1</sup> adverse change in the market interest rate on the fair value of the bonds portfolio:

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Positive bp change in market interest rate	31-Dec-25		31-Dec-24	
	+50bp	+100bp	+50bp	+100bp
Bonds	\$ (4,492)	\$ (8,984)	\$ (4,479)	\$ (8,957)
Total impact on the investment portfolio	\$ (4,492)	\$ (8,984)	\$ (4,479)	\$ (8,957)

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

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

## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

#### 5. Risk Management (continued)

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 <sup>1</sup>				31-Dec-25	31-Dec-24
	< 1 year	1 - 5 years	5 - 10 years	> 10 years		
Bonds	\$ 3,259	\$ 54,842	\$ 35,548	\$ 37,262	\$130,911	\$123,575
Average effective yield	2.75%	3.49%	3.51%	4.22%	3.68%	4.95%

(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 financial risk that interest rate movements may materially impact the value of its insurance contract liability (note 11(d)).

#### (f) Currency risk

Currency risk is the risk that the fair value or future cash flows 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.

At fair value, the Fund held foreign currency denominated holdings:

Currency	31-Dec-25	31-Dec-24
US Dollar	\$ 65,232	\$ 65,412
Euro	\$ 22,988	\$ 18,304
British Pound	\$ 14,342	\$ 10,845
Japanese Yen	\$ 5,526	\$ 5,466
Swiss Franc	\$ 5,636	\$ 5,964
Hong Kong Dollar	\$ 940	\$ 1,256

The sensitivity analysis presents the effect on fair value of 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-25	31-Dec-24
US Dollar	\$ (5,930)	\$ (5,947)
Euro	\$ (2,090)	\$ (1,664)
British Pound	\$ (1,304)	\$ (986)
Swiss Franc	\$ (512)	\$ (542)
Japanese Yen	\$ (502)	\$ (497)
Hong Kong Dollar	\$ (85)	\$ (114)

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

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

#### 6. Accounts Receivable

	31-Dec-25	31-Dec-24
Accounts receivable		
Other receivables and recoveries	\$ 555	\$ 194
Expected credit loss	(116)	(96)
Total accounts receivable	\$ 439	\$ 98

#### *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 movement in the expected credit loss:

	31-Dec-25	31-Dec-24
Expected credit loss, balance beginning of year	\$ 96	\$ 34
Allowance written off	(6)	(3)
Recoveries and other adjustments	(18)	(8)
Current year provision	44	73
Expected credit loss, balance end of year	\$ 116	\$ 96

#### 7. Investments

	31-Dec-25 Fair Value	31-Dec-24 Fair Value
<b>Fixed-term securities:</b>		
Corporate bonds	\$ 48,179	\$ 45,559
Federal bonds	46,157	39,948
Provincial bonds	33,765	36,487
Municipal bonds	2,810	1,581
	130,911	123,575
<b>Equities and pooled funds:<sup>1</sup></b>		
United States	60,112	58,426
Canadian	58,597	53,396
International	55,704	48,312
	174,413	160,134
<b>Other investments:</b>		
Short-term investments	3,382	3,571
Accrued interest receivable	1,054	851
	4,436	4,422
Total investments	\$ 309,760	\$ 288,131

(1) Pooled funds are exclusively comprised of equity investments.

## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

#### 7. Investments (continued)

The total funds held by investment custodians is \$309,976,000 (2024 – \$288,323,000) which includes the investments above and cash on account of \$216,000 (2024 – \$192,000).

Net investment income:

	31-Dec-25	31-Dec-24
Interest revenue calculated using the fair value through profit and loss	\$ 4,647	\$ 4,025
Other interest and similar income	3,471	3,241
Net fair value gains on financial assets at fair value through profit and loss	12,550	12,580
Net fair value gains on derecognition of financial assets at fair value through profit and loss	1,985	18,200
Investment fees	(899)	(835)
Total net investment income	\$ 21,754	\$ 37,211

#### *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 - reflects public daily market or quote pricing in active markets.
- Level 2 - 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 - is used when a security has no public pricing and poor to non-existent liquidity.

As at December 31, 2025, the Fund held financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
Short-term investments	\$ 3,382	\$ -	\$ -	\$ 3,382
Bonds	15,400	116,336	-	131,736
Equities	78,672	-	-	78,672
Pooled funds	-	95,970	-	95,970
Total investments	\$ 97,454	\$ 212,306	\$ -	\$ 309,760

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

	Level 1	Level 2	Level 3	Total
Short-term investments	\$ 3,571	\$ -	\$ -	\$ 3,571
Bonds	12,524	111,804	-	124,328
Equities	75,237	-	-	75,237
Pooled funds	-	84,995	-	84,995
Total investments	\$ 91,332	\$ 196,799	\$ -	\$ 288,131

## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

#### 7. Investments (continued)

In the current year, the Fund included accrued interest with the related investment rather than disclosing the accrued interest separately as had been done in the past. The comparative information has therefore been reclassified to conform to the current year's disclosure approach. The reclassification did not impact the main statements or any other note disclosures. The impacts on the December 31, 2024 comparative figures of the levels of classification:

	Previously Reported	Change	Reclassified
Accrued interest, net of investment fee accrual - Level 1	\$ 851	(851)	\$ -
Equities - Level 1	\$ 75,139	98	\$ 75,237
Total investments - Level 1	\$ 92,085	(753)	\$ 91,332
Bonds - Level 2	\$ 111,051	753	\$ 111,804
Total investments - Level 2	\$ 196,046	753	\$ 196,799
Bonds - Total	\$ 123,575	753	\$ 124,328

#### 8. Property and Equipment

For the year-ended December 31, 2025, a reconciliation of the changes in property and equipment:

	Land	Buildings & Fixtures	Furniture & Equipment	Computer Equipment	Assets Under Construction	Total
<b>Cost</b>						
At January 1, 2025	\$ 1,804	\$11,056	\$ 1,715	\$ 1,808	\$ 5,098	\$21,481
Additions	-	216	262	134	627	1,239
Disposals	-	(139)	(173)	(32)	-	(344)
Transfers	-	5,586	-	-	(5,586)	-
At December 31, 2025	\$ 1,804	\$16,719	\$ 1,804	\$ 1,910	\$ 139	\$22,376
<b>Depreciation</b>						
At January 1, 2025	\$ -	\$ 4,237	\$ 1,263	\$ 1,386	\$ -	\$ 6,886
Depreciation	-	328	98	195	-	621
Disposals	-	(138)	(117)	(32)	-	(287)
At December 31, 2025	\$ -	\$ 4,427	\$ 1,244	\$ 1,549	\$ -	\$ 7,220
<b>Net Book Value</b>						
At December 31, 2025	\$ 1,804	\$12,292	\$ 560	\$ 361	\$ 139	\$15,156

## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

#### 8. Property and Equipment (continued)

For the year-ended December 31, 2024, a reconciliation of the changes in property and equipment:

	Land	Buildings & Fixtures	Furniture & Equipment	Computer Equipment	Assets Under Construction	Total
<b>Cost</b>						
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
<b>Depreciation</b>						
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
<b>Net Book Value</b>						
At December 31, 2024	\$ 1,804	\$ 6,819	\$ 452	\$ 422	\$ 5,098	\$14,595

#### 9. Intangible Assets

For the year-ended December 31, 2025, a reconciliation of the changes in intangible assets:

	Internal Software Development Costs <sup>(1)</sup>	Software Systems Under Development	Software Costs	Total
<b>Cost</b>				
At January 1, 2025	\$ 11,339	\$ 1,130	\$ 1,516	\$ 13,985
Additions	768	284	55	1,107
Disposals	(1,165)	(71)	-	(1,236)
Transfers	952	(952)	-	-
At December 31, 2025	\$ 11,894	\$ 391	\$ 1,571	\$ 13,856
<b>Amortization</b>				
At January 1, 2025	\$ 9,306	\$ -	\$ 1,413	\$ 10,719
Amortization	848	-	113	961
Disposals	(1,165)	-	-	(1,165)
At December 31, 2025	\$ 8,989	\$ -	\$ 1,526	\$ 10,515
<b>Net Book Value</b>				
At December 31, 2025	\$ 2,905	\$ 391	\$ 45	\$ 3,341

## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

#### 9. Intangible Assets (continued)

For the year-ended December 31, 2024, a reconciliation of the changes in intangible assets:

	Internal Software Development Costs <sup>(1)</sup>	Software Systems Under Development	Software Costs	Total
<b>Cost</b>				
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
<b>Amortization</b>				
At January 1, 2024	\$ 8,683	\$ -	\$ 1,308	\$ 9,991
Amortization	623	-	105	728
At December 31, 2024	\$ 9,306	\$ -	\$ 1,413	\$ 10,719
<b>Net Book Value</b>				
At December 31, 2024	\$ 2,033	\$ 1,130	\$ 103	\$ 3,266

<sup>(1)</sup> Included in internal software development costs is the claims management system which has a net book value of \$736,000 (2024 – \$981,000) and a remaining amortization period of 2 years.

System research and analysis costs expensed in 2025 were \$574,000 (2024 – \$Nil).

#### 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-25
Other provisions, balance beginning of year	\$ 1,163
Amount charged against the provision during the year	52
Effect of discounting	(72)
Other provisions, balance end of year	\$ 1,143

The net change in other provisions of \$(20,000) is recognized in Government grants and miscellaneous income on the Statement of Comprehensive income.

## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

#### 11. Insurance Contract Liability

For the year-ended December 31, 2025, a reconciliation of the net asset or liability for insurance contracts issued, which shows the liabilities for remaining coverage and the liabilities for incurred claims:

	<u>Liabilities for</u> <u>remaining coverage</u>		<u>Liabilities for</u> <u>incurred</u> <u>claims</u>	
	<u>Excluding</u> <u>loss</u> <u>component</u>	<u>Loss</u> <u>component</u>	<u>Present value</u> <u>of future</u> <u>cash flows</u>	<u>2025</u> <u>Total</u>
Insurance contract liabilities, balance January 1, 2025	\$ 3,894	\$ -	\$ 218,596	\$ 222,490
Insurance contract assets, balance January 1, 2025	(1,615)	-	-	(1,615)
Net insurance contract liability, balance January 1, 2025	\$ 2,279	\$ -	\$ 218,596	\$ 220,875
Insurance revenue	\$ (39,305)	\$ -	\$ -	\$ (39,305)
Insurance service expenses:				
Insurance administrative expenses	-	-	17,497	17,497
Incurred claims expenses	-	-	17,015	17,015
Losses on onerous contracts	-	1,304	-	1,304
Reversal of losses on onerous contracts	-	(1,304)	-	(1,304)
Changes to liabilities for incurred claims	-	-	(21,727)	(21,727)
Total insurance service expenses	-	-	12,785	12,785
Insurance service result	(39,305)	-	12,785	(26,520)
Insurance finance (income) loss	-	-	7,207	7,207
Total changes in the Statement of Comprehensive Income	\$ (39,305)	\$ -	\$ 19,992	\$ (19,313)
	<u>Liabilities for</u> <u>remaining coverage</u>		<u>Liabilities for</u> <u>incurred</u> <u>claims</u>	
	<u>Excluding</u> <u>loss</u> <u>component</u>	<u>Loss</u> <u>component</u>	<u>Present value</u> <u>of future</u> <u>cash flows</u>	<u>2025</u> <u>Total</u>
Cash flows:				
Insurance revenue received	\$ 32,709	\$ -	\$ -	\$ 32,709
Insurance service payments	-	-	(32,626)	(32,626)
Net cash flows before non-cash adjustments	\$ 32,709	\$ -	\$ (32,626)	\$ 83
Adjustments for non-cash surplus distribution applied	5,060	-	-	5,060
Adjustments for non-cash insurance administration	-	-	(1,886)	(1,886)
Closing insurance contract liabilities, balance December 31	\$ 3,864	\$ -	\$ 204,076	\$ 207,940
Closing insurance contract assets, balance December 31	(3,120)	-	-	(3,120)
Net insurance contract liability, as at December 31	\$ 744	\$ -	\$ 204,076	\$ 204,820

## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

#### 11. Insurance Contract Liability (continued)

For the year-ended December 31, 2024, a reconciliation of the net asset or liability for insurance contracts issued, which shows the liabilities for remaining coverage and the liabilities for incurred claims:

	<u>Liabilities for</u> <u>remaining coverage</u>		<u>Liabilities for</u> <u>incurred</u> <u>claims</u>		
	<u>Excluding</u> <u>loss</u> <u>component</u>	<u>Loss</u> <u>component</u>	<u>Present value</u> <u>of future</u> <u>cash flows</u>		<u>2024</u> <u>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

	<u>Liabilities for</u> <u>remaining coverage</u>		<u>Liabilities for</u> <u>incurred</u> <u>claims</u>		
	<u>Excluding</u> <u>loss</u> <u>component</u>	<u>Loss</u> <u>component</u>	<u>Present value</u> <u>of future</u> <u>cash flows</u>		<u>2024</u> <u>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
Adjustment 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

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

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#### 11. Insurance Contract Liability (continued)

##### (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.

##### (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.

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

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#### 11. Insurance Contract Liability (continued)

##### (e) Liquidity risk (continued)

Expected timing of future payments for outstanding claims:

	31-Dec-25	31-Dec-24
Up to 1 year	5 %	5 %
Over 1 year and up to 5 years	15 %	15 %
Over 5 years and up to 10 years	18 %	18 %
Over 10 years	62 %	62 %
	100 %	100 %

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##### (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.

The economic assumptions used in the valuation of the insurance contract liability are: discount rate 5.08% (2024 – 4.87%), long-term inflation rate for compensation 2.25% (2024 – 2.25%), and inflation rate for medical benefits 4.50% (2024 – 4.50%). 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, 2025 is 17% (2024 – 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 the insurance contract liability.

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

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#### 11. Insurance Contract Liability (continued)

##### (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 14% (2024 – 13%) 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:

---

Percentage change in assumed rates	31-Dec-25		31-Dec-24	
	+1%	-1%	+1%	-1%
Increase (decrease) from change in net discount rate	\$ (17,572)	\$ 20,993	\$ (18,176)	\$ 21,703
Increase (decrease) from change in general inflation	\$ 20,179	\$ (17,114)	\$ 20,039	\$ (17,031)
Increase (decrease) from change in excess medical inflation rate	\$ 3,309	\$ (2,755)	\$ 3,027	\$ (2,530)

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

#### 11. Insurance Contract Liability (continued)

##### (h) Claims development

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Estimate of Ultimate Claim Payments:											
At end of accident year	18,600	21,347	25,921	21,877	21,869	28,488	26,858	28,616	33,332	34,010	
One year later	25,298	21,507	26,159	23,627	20,864	29,145	27,867	29,564	31,298		
Two years later	25,960	21,396	26,454	24,671	21,429	30,071	30,683	26,948			
Three years later	25,536	21,396	27,147	24,900	24,293	32,991	29,095				
Four years later	25,446	21,578	27,060	22,255	23,591	29,874					
Five years later	26,207	24,240	27,106	26,614	20,987						
Six years later	29,758	23,868	30,854	18,446							
Seven years later	29,921	23,325	27,971								
Eight years later	28,765	22,083									
Nine years later	27,547										
Current Estimate of Ultimate Claims Payments	27,547	22,083	27,971	18,446	20,987	29,874	29,095	26,948	31,298	34,010	268,259
Cumulative Payments:											
At end of accident year	3,879	4,129	4,094	3,821	3,319	4,226	4,827	4,178	4,551	3,992	
One year later	6,673	6,654	6,662	6,323	5,256	7,127	8,453	6,804	7,552		
Two years later	7,856	7,717	7,959	7,614	6,107	8,757	10,260	7,892			
Three years later	8,478	8,332	8,644	8,164	6,770	9,878	11,148				
Four years later	9,340	8,843	9,364	8,822	7,163	10,448					
Five years later	9,971	9,451	9,874	9,073	7,530						
Six years later	10,468	9,945	10,301	9,708							
Seven years later	10,963	10,362	10,738								
Eight years later	11,493	10,685									
Nine years later	12,008										
Total Cumulative Payments	12,008	10,685	10,738	9,708	7,530	10,448	11,148	7,892	7,552	3,992	91,701
Estimate of Future Payments											
2015 and prior claims	15,539	11,398	17,233	8,738	13,457	19,426	17,947	19,056	23,746	30,018	176,558
Effect of Discounting											110,320
Effect of Admin Expenses											(133,913)
Effect of Occupational Disease Liability											23,187
Effect of Occupational Disease Liability for Other Provisional											27,744
Liability for Incurred Claims											180
											\$ 204,076

During the year ended December 31, 2025, 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.

## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

#### 12. Employee Benefits

	31-Dec-25	31-Dec-24
Short-term employee benefits	\$ 659	\$ 691
Other long-term employee benefits (a)	1,310	1,252
Post-employment benefits (b)	2,108	2,130
	\$ 4,077	\$ 4,073

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

##### (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.

Balance in other long-term employee benefits:

	31-Dec-25	31-Dec-24
Long service vacation benefits	\$ 51	\$ 49
Accumulating sick and special leave benefits	1,259	1,203
	\$ 1,310	\$ 1,252

Movement in other long-term employee benefits:

	31-Dec-25	31-Dec-24
Other long-term employee benefits, beginning of year	\$ 1,252	\$ 1,163
Current service cost	122	94
Payments made during the year	(102)	(273)
Interest cost	56	49
Other changes	36	169
Actuarial (gain) loss	(54)	50
Other long-term employee benefits, end of year	\$ 1,310	\$ 1,252

Actuarial (gain) loss remeasurements:

	31-Dec-25	31-Dec-24
Effect of changes in financial assumptions	\$ (3)	\$ 25
Effect of changes in demographic assumptions	(51)	25
Remeasurement in (gain) loss in net income before other comprehensive (gain) loss	\$ (54)	\$ 50

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

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#### 12. Employee Benefits (continued)

##### (b) 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. 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.

Movement in post-employment benefits:

	31-Dec-25	31-Dec-24
Post-employment benefits, beginning of year	\$ 2,130	\$ 1,904
Current service cost	121	96
Payments made during the year	(252)	(143)
Interest cost	94	89
Other changes	4	142
Actuarial loss	11	42
Post-employment benefits, end of year	\$ 2,108	\$ 2,130

Actuarial loss remeasurements:

	31-Dec-25	31-Dec-24
Effect of changes in financial assumptions	\$ (5)	\$ 42
Effect of changes in demographic assumptions	16	-
Remeasurement loss in other comprehensive (gain) loss	\$ 11	\$ 42

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% (2024 – 4.40%) 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 (2024 - 3.00%) and 2.25% for 2026 and beyond (2024 – 3.00% for 2025 and 2.25% for 2026 beyond) based on management’s best estimate. The annual rate of general escalation in wages for the management group is 1.50% for 2025 (2024 – 4.75%) and 2.25% for 2026 and beyond (2024 – 1.50% for 2025 and 2.25% for 2026 and beyond) based on management’s best estimate.

The expected Fund contributions for retirement and severance for the next year are \$700,000 (2024 – \$687,000). The weighted average duration of the retirement and severance benefit is 7.0 years (2024 – 6.9 years).

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

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#### 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:

---

Percentage change in assumed rates	31-Dec-25		31-Dec-24	
	+1%	-1%	+1%	-1%
Increase (decrease) from change in discount rate	\$ (111)	\$ 227	\$ (112)	\$ 128
Increase (decrease) from change in wage inflation rate	\$ 126	\$ (112)	\$ 127	\$ (114)

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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.

Employer contribution rates effective for the year:

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Contribution rate for the year	31-Dec-25		31-Dec-24	
	Up to Maximum	Above Maximum	Up to Maximum	Above Maximum
For employees eligible before January 1, 2013	1.01	5.09	1.02	4.63
For employees eligible after January 1, 2013	1.00	5.09	1.00	4.63
Maximum salary limit	\$ 210,200	No limit	\$ 202,000	No limit

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

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#### 12. Employee Benefits (continued)

##### (b) Post-employment benefits (continued)

##### (iii) Public Service Pension Plan (continued)

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.

Contributions made to the Plan for the year:

	31-Dec-25	31-Dec-24
Employees' contributions	\$ 906	\$ 953
Fund contributions	\$ 908	\$ 963

The expected contributions to the Plan for the next year are \$908,000 (2024 – \$921,000) employee contributions and \$912,000 (2024 – \$955,000) 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 \$1,341,000 (2024 – \$1,602,000).

#### 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.

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

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#### 13. Capital Management and Surplus Distributions (continued)

##### (b) Surplus distributions

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

Surplus distribution payable at the end of 2024 represented the balance in customer accounts that relate to the surplus distribution that was not utilized in 2024 and was applied to the eligible employers' 2025 assessment.

Surplus distribution payable at the end of 2025 represent amounts held in customer accounts for distribution to employers.

Reconciliation of surplus distributions payable:

	31-Dec-25	31-Dec-24
Surplus distributions payable, balance beginning of year	\$ 5,365	\$ -
Current year surplus distributions approved	-	10,041
Current year surplus distributions paid out	-	(4,676)
Prior year surplus distributions applied	(5,061)	-
Surplus distributions payable, balance end of year	\$ 304	\$ 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 by virtue of common control by the Government. 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. The Board has elected to take a partial exemption under IAS 24, *Related Party Disclosures*, which allows government related entities to limit the extent of disclosures about related party transactions with government or other government related entities.

Insurance revenue from the Government and its related entities was \$11,661,000 (2024 – \$11,613,000). The Fund reimbursed the Government for payroll costs of \$12,930,000 (2024 – \$11,915,000).

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 is paid by the Fund. The Fund reimbursed the Government \$411,000 (2024 – \$373,000) for the Workers' Advocate Office expenses.

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

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#### 14. Related Party Transactions (continued)

##### (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:

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	31-Dec-25	31-Dec-24
Short-term employee compensation and benefits	\$ 1,953	\$ 1,847
Other long-term employee benefits	60	69
Post employment benefits	171	232
Total remuneration	\$ 2,184	\$ 2,148

---

Contributions made to the Plan by the Fund for key management personnel were \$147,000 (2024 – \$139,000) 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, 2025, the Fund had entered into the following contractual commitments for the next five years:

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	Contribution agreements	Computer systems support	Professional services	Building maintenance	Other	Total
2026	\$ 1,243	\$ 651	\$ 955	\$ 288	\$ 74	\$ 3,211
2027	746	-	583	41	66	1,436
2028	-	-	179	-	13	192
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
Total	\$ 1,989	\$ 651	\$ 1,717	\$ 329	\$ 153	\$ 4,839

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

#### 16. Other General and Administration Expenses

Expenditures by type:

	31-Dec-25	31-Dec-24
Salaries and benefits	\$ 12,631	\$ 12,081
Computer systems support and licences	2,028	1,338
Consulting and professional	1,516	1,782
Prevention	1,100	856
Amortization - intangible assets	961	728
Statutory funding obligations	746	690
Depreciation - property and equipment	621	543
Building maintenance	521	491
General administration	319	439
Automobile and travel	272	249
Communications	228	225
Staff and recruitment	133	148
Board expenses	91	90
Other provisions	52	87
Furniture and equipment	52	35
Printing and publications	49	84
Supplies and stationery	32	45
	\$ 21,352	\$ 19,911
less allocation to insurance administrative expenses (Note 17)	(17,497)	(16,564)
Other general and administration expenses	\$ 3,855	\$ 3,347

Expenditures by program cost center:

	31-Dec-25	31-Dec-24
Administration	\$16,125	\$ 14,793
Occupational health and safety	3,244	3,040
Prevention	1,100	856
Workers' advocate	411	373
Appeal tribunal	335	364
Act and regulation amendments	65	273
Other provisions	52	87
Employer advisor	20	125
	\$ 21,352	\$19,911
less allocation to insurance administrative expenses (Note 17)	(17,497)	(16,564)
Other general and administration expenses	\$ 3,855	\$ 3,347

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## Compensation Fund

### Notes to Financial Statements

December 31, 2025 (tabular amounts in thousands of Canadian dollars)

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#### 17. Insurance Service Expense and Insurance Finance Loss

Breakdown of insurance service expense:

	31-Dec-25	31-Dec-24
Incurred claim expenses	\$ 17,015	\$ 19,084
Insurance administrative expenses (Note 16)	17,497	16,564
Incurred claims and other expenses	\$ 34,512	\$ 35,648
Loss on onerous contracts	1,304	-
Reversal of losses on onerous contracts	(1,304)	-
Change to liability for incurred claims	(21,727)	12,362
Insurance service expense	\$ 12,785	\$ 48,010

Breakdown of insurance finance loss:

	31-Dec-25	31-Dec-24
Insurance finance income (loss) from insurance contracts issued:		
Interest accreted to insurance contracts using current financial assumptions	\$ (10,109)	\$ (9,082)
Due to changes in discount rate	3,186	331
Due to changes in other financial assumptions	(284)	1,841
Total insurance finance loss from insurance contracts issued	\$ (7,207)	\$ (6,910)

#### 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.



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