



Workplace Safety and Insurance Board

Third Quarter 2024 Results

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Workplace Safety and Insurance Board
Third Quarter 2024 Results

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

	Note	September 30 2024	December 31 2023
Assets			
Cash and cash equivalents	5	325	335
Receivables and other assets	6	955	440
Public equity investments	7	11,222	9,729
Fixed income investments	7	9,574	9,057
Derivative assets	7	21	237
Securities purchased under resale agreements		191	-
Investment properties	7	636	620
Investments in associates and joint ventures		2,451	2,717
Other invested assets	7	15,743	14,789
Property, equipment and intangible assets		185	240
Total assets		41,303	38,164
Liabilities			
Payables and other liabilities	8	429	305
Derivative liabilities	7	53	24
Securities sold under repurchase agreements		2,390	1,751
Long-term debt and lease liabilities		94	159
Loss of Retirement Income Fund liability	7,9	1,931	1,898
Employee benefit plans liability	10	979	1,193
Insurance contract liabilities	11	27,897	27,720
Total liabilities		33,773	33,050
Net assets			
Reserves		5,933	3,792
Accumulated other comprehensive income		1,348	1,071
Net assets attributable to WSIB stakeholders		7,281	4,863
Non-controlling interests		249	251
Total net assets		7,530	5,114
Total liabilities and net assets		41,303	38,164

Approved by the Board of Directors



Grant Walsh
Chair
December 13, 2024



Reagan Ruslim
Audit and Finance Committee (Chair)
December 13, 2024

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

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

	Note	Three months ended September 30		Nine months ended September 30	
		2024	2023 ¹	2024	2023 ¹
Insurance revenue	12	881	902	2,739	2,696
Insurance service expenses	14	(504)	(443)	(1,726)	(1,815)
Insurance service result		377	459	1,013	881
Insurance finance income (expense)	13	(1,422)	1,302	(1,264)	120
Investment income (loss)	13	1,161	(622)	2,968	861
Investment expenses	13	(80)	(103)	(295)	(244)
Net investment income (loss)		1,081	(725)	2,673	617
Total insurance and investment result		36	1,036	2,422	1,618
Loss of Retirement Income Fund contributions	9	12	13	39	41
Administration and other expenses	15	40	33	114	119
Legislated obligations and funding commitments		68	81	217	211
Other income		(31)	(30)	(96)	(89)
Total expenses		89	97	274	282
Excess (deficiency) of revenues over expenses		(53)	939	2,148	1,336
Other comprehensive income (loss)					
Item that will not be reclassified subsequently to income					
Remeasurements of employee benefit plans	10	(131)	451	243	311
Item that will be reclassified subsequently to income					
Translation gains (losses) from net foreign investments		(19)	29	34	2
Total other comprehensive income (loss)		(150)	480	277	313
Total comprehensive income (loss)		(203)	1,419	2,425	1,649

	Note	Three months ended September 30		Nine months ended September 30	
		2024	2023	2024	2023
Excess (deficiency) of revenues over expenses attributable to:					
WSIB stakeholders		(54)	946	2,141	1,350
Non-controlling interests		1	(7)	7	(14)
		(53)	939	2,148	1,336
Total comprehensive income (loss) attributable to:					
WSIB stakeholders		(203)	1,426	2,418	1,663
Non-controlling interests		-	(7)	7	(14)
		(203)	1,419	2,425	1,649

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

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

Workplace Safety and Insurance Board
Third Quarter 2024 Results

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

		Nine months ended September 30	
	Note	2024	2023
Reserves			
Balance at beginning of period		3,792	3,036
Excess from operations		2,141	1,350
Balance at end of period		5,933	4,386
Accumulated other comprehensive income			
Balance at beginning of period		1,071	1,277
Remeasurements of employee benefit plans	10	243	311
Translation gains from net foreign investments		34	2
Balance at end of period		1,348	1,590
Net assets attributable to WSIB stakeholders		7,281	5,976
Non-controlling interests			
Balance at beginning of period		251	402
Excess (deficiency) of revenues over expenses		7	(14)
Change in ownership share in investments		(9)	(129)
Balance at end of period		249	259
Total net assets		7,530	6,235

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

Workplace Safety and Insurance Board
Third Quarter 2024 Results

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

		Nine months ended September 30	
	Note	2024	2023
Operating activities:			
Total comprehensive income		2,425	1,649
Adjustments for non-cash items:			
Gain on lease remeasurement		(16)	-
Depreciation and amortization of property, equipment and intangible assets		23	26
Changes in fair value of investments		(2,705)	(641)
Changes in fair value of investment properties		(14)	46
Translation gains from net foreign investments		(34)	(2)
Dividend income from public equity investments		(54)	(54)
Loss (income) from investments in associates and joint ventures		(10)	39
Interest income		(296)	(286)
Interest expense		142	53
Total comprehensive income (loss) after adjustments		(539)	830
Changes in non-cash balances related to operations:			
Receivables and other assets, excluding those related to investing and financing activities		13	(29)
Payables and other liabilities, excluding those related to investing and financing activities		(19)	79
Loss of Retirement Income Fund liability	9	33	(27)
Employee benefit plans liability	10	(214)	(293)
Insurance contract liabilities	11	177	(1,163)
Total changes in non-cash balances related to operations		(10)	(1,433)
Net cash required by operating activities		(549)	(603)
Investing activities:			
Dividends received from investments		214	129
Interest received		228	242
Purchases of property, equipment and intangible assets		(10)	(33)
Purchases of investments		(7,326)	(8,536)
Proceeds on sales and maturities of investments		6,864	8,755
Net additions to investment properties		(3)	(15)
Net dispositions of (additions to) investments in associates and joint ventures		259	(90)
Net cash provided by investing activities		226	452
Financing activities:			
Net redemptions related to non-controlling interests		(10)	(127)
Distributions paid by subsidiaries to non-controlling interests		1	(2)
Repayment of debt and lease liabilities		(9)	(5)
Interest received		19	-
Interest paid		(106)	(43)
Surplus distribution		(12)	(46)
Net increase in securities sold under repurchase agreements		602	501
Net increase in securities purchased under resale agreements		(172)	-
Net cash provided by financing activities		313	278
Net increase (decrease) in cash and cash equivalents		(10)	127
Cash and cash equivalents, beginning of period		335	664
Cash and cash equivalents, end of period		325	791

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

Notes to Condensed Interim Consolidated Financial Statements
September 30, 2024
Unaudited (millions of Canadian dollars)

1. Nature of operations

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

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

The WSIB’s registered office is located at 300 Tartan Drive, London, Ontario, N5V 4M9.

2. Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These unaudited condensed interim consolidated financial statements should be read in conjunction with the annual information available in the consolidated financial statements and the accompanying notes for the year ended December 31, 2023. These unaudited condensed interim consolidated financial statements have been prepared on a basis consistent with the policies and methods outlined in the notes to the consolidated financial statements for the year ended December 31, 2023.

These unaudited condensed interim consolidated financial statements were authorized for issuance by the WSIB’s Board of Directors on December 13, 2024.

3. Material accounting policy information, estimates and assumptions

The WSIB is required to apply judgment when making estimates and assumptions that affect the reported amounts recognized in these unaudited condensed interim consolidated financial statements. The accounting policies, estimates and assumptions that are significant in these unaudited condensed interim consolidated financial statements are consistent with those applied in the annual information provided in the consolidated financial statements for the year ended December 31, 2023, except as noted below.

During the current period, the WSIB entered into resale agreements where the WSIB purchases securities and subsequently resells them at a specified price on a specified date in the future. Securities purchased under resale agreements are accounted for as collateralized lending transactions initially measured at fair value and subsequently measured at amortized cost using the effective interest rate method. Due to the short-term nature of these agreements, the carrying amounts of the securities purchased under resale agreements approximate fair value.

Notes to Condensed Interim Consolidated Financial Statements
September 30, 2024
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4. Changes in accounting policies

Future changes in accounting standards:

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

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

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

Amendments to IFRS 9 *Financial Instruments* ("IFRS 9") and IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7") were issued in May 2024. The amendments to IFRS 9 address the following: i) derecognition of a financial liability settled through electronic transfer; and ii) classification of financial assets: a) contractual terms that are consistent with a basic lending arrangement, b) financial assets with non-recourse features, and c) contractually linked instruments. The amendments to IFRS 7 include: i) disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income; and ii) disclosure requirements for contractual terms that could change the timing or amount of contractual cash flows. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The WSIB currently is assessing the impact of this standard on its consolidated financial statements.

5. Cash and cash equivalents

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

	September 30 2024	December 31 2023
Cash	184	95
Short-term money market securities	135	204
Restricted cash ¹	6	36
Total cash and cash equivalents	325	335

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

As at September 30, 2024, the WSIB held \$325 (December 31, 2023 – \$335) of cash and cash equivalents, of which \$165 (December 31, 2023 – \$103) was maintained for operating purposes and \$160 (December 31, 2023 – \$232) was maintained for investing purposes.

Notes to Condensed Interim Consolidated Financial Statements
September 30, 2024
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6. Receivables and other assets

Receivables and other assets are comprised of the following:

	September 30 2024	December 31 2023
Investment receivables	835	308
Other assets	120	132
Total receivables and other assets	955	440

7. Fair value measurement and disclosures

Fair value hierarchy

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

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

Hierarchy level	Valuation methods
Level 1	Fair value is based on unadjusted quoted market prices in active markets for identical assets or liabilities that the WSIB has the ability to access at the measurement date.
Level 2	Fair value is based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or model inputs that are either observable or can be corroborated by observable market data for the assets or liabilities.
Level 3	Fair value is measured using significant non-market observable inputs. These include valuations for assets and liabilities that are derived using information, some or all of which are not market-observable, as well as assumptions about risk.

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

Notes to Condensed Interim Consolidated Financial Statements
September 30, 2024
Unaudited (millions of Canadian dollars)

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

	September 30, 2024				December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets and liabilities measured at fair value								
Cash and cash equivalents ¹	190	135	-	325	131	204	-	335
Public equity investments								
Public equity pooled funds	-	11,221	-	11,221	-	9,728	-	9,728
Public equity securities	1	-	-	1	1	-	-	1
Fixed income investments	-	9,574	-	9,574	-	9,057	-	9,057
Derivative assets	6	15	-	21	14	223	-	237
Investment properties ²	-	-	636	636	-	-	620	620
Other invested assets								
Private market pooled funds	-	-	13,807	13,807	-	-	10,221	10,221
Other private market investments	-	95	1,841	1,936	-	85	4,483	4,568
Derivative liabilities	(1)	(52)	-	(53)	(2)	(22)	-	(24)
Loss of Retirement Income Fund liability (note 9)	-	-	(1,931)	(1,931)	-	-	(1,898)	(1,898)
Assets and liabilities for which fair value is disclosed								
Long-term debt ³	-	(67)	-	(67)	-	(65)	-	(65)

1. The carrying amount of cash and cash equivalents approximates its fair value.
2. Investment properties include a right-of-use asset of \$7 (December 31, 2023 – \$7).
3. Carrying amount as at September 30, 2024 was \$70 (December 31, 2023 – \$70).

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

During the three months and nine months ended September 30, 2024 and September 30, 2023, there were no transfers between levels within the hierarchy.

Notes to Condensed Interim Consolidated Financial Statements
September 30, 2024
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Level 3 fair value measurements

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

For the three months ended September 30, 2024	Other invested assets		Subtotal	Investment properties	Total
	Private market pooled funds	Other private market investments			
Balance as at July 1, 2024	13,887	1,841	15,728	644	16,372
Net gains (losses) recognized in net investment income (loss)	239	(39)	200	(8)	192
Translation losses recognized in other comprehensive income	-	(2)	(2)	-	(2)
Purchases	-	50	50	-	50
Sales	(319)	(9)	(328)	-	(328)
Balance as at September 30, 2024	13,807	1,841	15,648	636	16,284
Changes in unrealized gains (losses) included in income (loss) for positions still held	207	(43)	164	(8)	156

For the nine months ended September 30, 2024	Other invested assets		Subtotal	Investment properties	Total
	Private market pooled funds	Other private market investments			
Balance as at January 1, 2024	10,221	4,483	14,704	620	15,324
Net gains (losses) recognized in net investment income (loss)	1,061	(26)	1,035	14	1,049
Translation gains recognized in other comprehensive income	-	5	5	-	5
Purchases	3,755	153	3,908	-	3,908
Sales	(1,230)	(2,774)	(4,004)	-	(4,004)
Capital expenditures	-	-	-	2	2
Balance as at September 30, 2024	13,807	1,841	15,648	636	16,284
Changes in unrealized gains (losses) included in income (loss) for positions still held	992	(755)	237	14	251

Notes to Condensed Interim Consolidated Financial Statements
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For the three months ended September 30, 2023	Other invested assets		Subtotal	Investment properties	Total
	Private market pooled funds	Other private market investments			
Balance as at July 1, 2023	7,333	6,360	13,693	635	14,328
Net gains (losses) recognized in net investment income (loss)	239	7	246	(18)	228
Translation gains recognized in other comprehensive income	-	4	4	-	4
Purchases	2,622	369	2,991	-	2,991
Sales	(455)	(1,665)	(2,120)	-	(2,120)
Capital expenditures	-	-	-	5	5
Other ²	672	(672)	-	-	-
Balance as at September 30, 2023	10,411	4,403	14,814	622	15,436
Changes in unrealized gains (losses) included in income (loss) for positions still held	176	(38)	138	(18)	120

For the nine months ended September 30, 2023	Other invested assets		Subtotal	Investment properties	Total
	Private market pooled funds	Other private market investments			
Balance as at January 1, 2023	7,070	5,782	12,852	653	13,505
Reclassification upon adoption of IFRS 9 ¹	-	33	33	-	33
Net gains (losses) recognized in net investment income (loss)	158	(30)	128	(41)	87
Translation losses recognized in other comprehensive income	-	(1)	(1)	-	(1)
Purchases	2,974	1,188	4,162	-	4,162
Sales	(463)	(1,897)	(2,360)	-	(2,360)
Capital expenditures	-	-	-	10	10
Other ²	672	(672)	-	-	-
Balance as at September 30, 2023	10,411	4,403	14,814	622	15,436
Changes in unrealized gains (losses) included in income (loss) for positions still held	96	(113)	(17)	(41)	(58)

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

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

Notes to Condensed Interim Consolidated Financial Statements
September 30, 2024
Unaudited (millions of Canadian dollars)

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

	Valuation methods	Key unobservable inputs	September 30, 2024 Range of inputs		December 31, 2023 Range of inputs	
			Low	High	Low	High
Private market pooled funds	Net asset value	Net asset value provided by manager	n/a	n/a	n/a	n/a
Other private market investments	Net asset value	Net asset value provided by manager	n/a	n/a	n/a	n/a
	Discounted cash flow and market comparable	Discount rate Terminal capitalization rate	5.5% 4.9%	8.3% 6.5%	5.5% 4.9%	7.5% 6.0%
Investment properties	Discounted cash flow and market comparable	Discount rate Terminal capitalization rate	7.0% 5.8%	8.8% 7.8%	7.0% 5.8%	9.0% 7.8%
Loss of Retirement Income Fund liability	Net asset value	Net asset value provided by administrator	n/a	n/a	n/a	n/a

Sensitivity of Level 3 financial instruments

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

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

Fair values of investment properties are obtained from qualified appraisers who apply a discounted cash flow model to determine property values. The valuation technique is applied consistently unless another valuation technique (e.g., sale price) is a better representative of fair value. Key unobservable inputs include discount and terminal capitalization rates, projected rental income and expenses, inflation rates and vacancy rates. Holding other factors constant, an increase to projected rental income would increase the fair values, while an increase in the inputs for the discount rates and terminal capitalization rates would have the opposite effect.

The fair value of the Loss of Retirement Income Fund liability is determined based on the fair values of the underlying assets included in the Loss of Retirement Income Fund.

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

Notes to Condensed Interim Consolidated Financial Statements
September 30, 2024
Unaudited (millions of Canadian dollars)

8. Payables and other liabilities

	September 30 2024	December 31 2023
Administration payables	161	161
Investment payables	201	45
Short-term payable – Worker Income Protection Benefit Program ¹	6	33
Other liabilities	61	66
Total payables and other liabilities	429	305

1. The short-term payable – Worker Income Protection Benefit Program balance consists of payables related to administering the COVID-19 Worker Income Protection Benefit Program on behalf of the Government of Ontario.

9. Loss of Retirement Income Fund liability

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

	September 30 2024	December 31 2023
Balance at beginning of period	1,898	1,874
Contributions from the WSIB	39	54
Optional contributions from injured workers	6	8
Contributions from Schedule 2 employers	11	13
Income earned on contributions	125	128
Benefits paid in cash	(148)	(179)
Balance at end of period	1,931	1,898

Notes to Condensed Interim Consolidated Financial Statements
September 30, 2024
Unaudited (millions of Canadian dollars)

10. Employee benefit plans

Employee benefit plans expense

The cost of the employee benefit plans recognized in administration and other expenses for the three months and nine months ended September 30 is as follows:

	Pension plans		Other benefits		Total	
For the three months ended September 30	2024	2023	2024	2023	2024	2023
Current service cost	23	20	4	4	27	24
Net interest on the employee benefit plans liability	6	5	8	9	14	14
Past service cost	-	-	-	(17)	-	(17)
Long-term employee benefit gains	-	-	1	(4)	1	(4)
Administrative expenses	3	3	-	-	3	3
Employee benefit plans expense	32	28	13	(8)	45	20

	Pension plans		Other benefits		Total	
For the nine months ended September 30	2024	2023	2024	2023	2024	2023
Current service cost	69	62	13	10	82	72
Net interest on the employee benefit plans liability	18	16	24	25	42	41
Past service cost	-	-	-	(4)	-	(4)
Long-term employee benefit gains	-	-	(1)	(4)	(1)	(4)
Administrative expenses	9	11	-	-	9	11
Employee benefit plans expense	96	89	36	27	132	116

Amounts recognized in other comprehensive income (loss) for the three months and nine months ended September 30 are as follows:

	Pension plans		Other benefits		Total	
For the three months ended September 30	2024	2023	2024	2023	2024	2023
Actuarial gains (losses) arising from:						
Financial assumptions	(198)	507	(29)	67	(227)	574
Demographic assumptions	-	-	-	-	-	-
Plan experience	-	-	-	3	-	3
Return on plan assets excluding interest income	96	(126)	-	-	96	(126)
Remeasurements of employee benefit plans	(102)	381	(29)	70	(131)	451

	Pension plans		Other benefits		Total	
For the nine months ended September 30	2024	2023	2024	2023	2024	2023
Actuarial gains (losses) arising from:						
Financial assumptions	30	358	2	46	32	404
Demographic assumptions	-	-	-	(3)	-	(3)
Plan experience	-	(9)	1	(16)	1	(25)
Return on plan assets excluding interest income	210	(65)	-	-	210	(65)
Remeasurements of employee benefit plans	240	284	3	27	243	311

Notes to Condensed Interim Consolidated Financial Statements
September 30, 2024
Unaudited (millions of Canadian dollars)

Employee benefit plans liability

The employee benefit plans liability is comprised of the following:

	Pension plans		Other benefits		Total	
	Sep. 30 2024	Dec. 31 2023	Sep. 30 2024	Dec. 31 2023	Sep. 30 2024	Dec. 31 2023
Present value of obligations ¹	4,669	4,582	715	703	5,384	5,285
Fair value of plan assets	(4,405)	(4,092)	-	-	(4,405)	(4,092)
Employee benefit plans liability	264	490	715	703	979	1,193

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

11. Insurance contract liabilities

Roll forward of the insurance contract liabilities showing the liabilities for remaining coverage and the liabilities for incurred claims as of September 30, 2024 is as follows:

	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	
Insurance contract liabilities as at January 1, 2024	(95)	210	27,605	27,720
Insurance revenue	(2,739)	-	-	(2,739)
Insurance service expenses				
Incurred claims and other expenses	-	(158)	2,180	2,022
Losses on onerous contracts and reversals of those losses ¹	-	5	-	5
Changes in liabilities for incurred claims	-	-	(301)	(301)
Total insurance service (income) expenses	-	(153)	1,879	1,726
Insurance service result	(2,739)	(153)	1,879	(1,013)
Insurance finance expense	-	-	1,264	1,264
Total changes in the consolidated statement of comprehensive income (loss)	(2,739)	(153)	3,143	251
Cash flows				
Premiums received	2,626	-	-	2,626
Claims and other expenses paid	-	-	(2,700)	(2,700)
Total cash flows	2,626	-	(2,700)	(74)
Insurance contract liabilities as at September 30, 2024	(208)	57	28,048	27,897

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

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

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

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

Sensitivity of actuarial assumptions

The liabilities for incurred claims' sensitivity to changes in discount rate is outlined below. The discount rate is the only key assumption that has changed significantly since December 31, 2023. All the other actuarial assumptions, such as claims duration, mortality rates, and inflation assumption, have not changed; therefore, the sensitivity analysis below shows the impact on net income of changes in the discount rate assumption with all other assumptions held constant.

Sensitivity analysis on liabilities for incurred claims:¹

	September 30 2024	December 31 2023
100 basis point increase in the discount rate	(2,392)	(2,400)
100 basis point decrease in the discount rate	2,902	2,922

1. The sensitivity analysis is only performed on the liabilities for incurred claims and not on the onerous loss liability as the impact of discounting on the onerous loss liability is not material.

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12. Insurance revenue

A summary of insurance revenue for the three months and nine months ended September 30 is as follows:

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Schedule 1 employer premiums	865	895	2,692	2,667
Interest and penalties	11	9	26	32
Schedule 1 employer premiums	876	904	2,718	2,699
Net mandatory employer incentive programs	5	(2)	21	(3)
Insurance revenue	881	902	2,739	2,696

13. Net investment income (loss) and insurance finance income (expense)

Net investment income by nature of invested assets for the three months and nine months ended September 30 is as follows:

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Cash and cash equivalents	10	7	28	22
Public equity investments	514	(110)	1,886	1,023
Fixed income investments	391	(621)	266	(315)
Derivative financial instruments	48	(187)	(255)	(12)
Securities purchased under resale agreements	18	-	37	-
Investment properties	(1)	(14)	32	(28)
Investments in associates and joint ventures	(5)	(9)	10	(39)
Other invested assets	235	293	1,089	260
<i>Add (Less): Loss (income) attributable to</i>				
Loss of Retirement Income Fund	(49)	19	(125)	(50)
Investment income (loss)	1,161	(622)	2,968	861
<i>Less: Investment expenses¹</i>	<i>(80)</i>	<i>(103)</i>	<i>(295)</i>	<i>(244)</i>
Net investment income (loss)	1,081	(725)	2,673	617
Net insurance finance income (expense)	(1,422)	1,302	(1,264)	120

1. Includes \$15 and \$47 of management fees paid to investment managers for the three months and nine months ended September 30, 2024 (three months and nine months ended September 30, 2023 – \$23 and \$71). It also includes \$34 and \$101 of interest expenses related to the securities sold under repurchase agreements for the three months and nine months ended September 30, 2024 (three months and nine months ended September 30, 2023 – \$17 and \$43).

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14. Insurance service expenses

	Three months ended September 30		Nine months ended September 30	
	2024	2023 ¹	2024	2023 ¹
Loss of earnings	202	257	699	819
Health care	167	159	512	488
Survivor benefits	41	34	123	104
External providers	9	6	25	22
Non-economic loss	18	18	57	58
Total incurred claims	437	474	1,416	1,491
Insurance service expenses allocated from administration and other expenses	233	149	741	601
Insurance service expenses allocated from legislated obligations and funding commitments expenses	6	3	23	25
Other insurance service expenses²	239	152	764	626
Total incurred claims and other insurance service expenses	676	626	2,180	2,117
Impact of change to onerous loss component	(34)	(80)	(153)	(165)
Changes in liabilities for incurred claims	(138)	(103)	(301)	(137)
Insurance service expenses	504	443	1,726	1,815

1. Certain comparative amounts have been reclassified to be consistent with the current period's presentation.
2. Comprised of the allocation of administration and other expenses, legislated obligations and funding commitments expenses, and changes in expense reserve related to the current injury year.

15. Administration and other expenses

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Salaries and short-term benefits	135	125	423	403
Employee benefit plans	45	20	132	116
Depreciation and amortization	6	8	20	24
Other	92	77	230	206
	278	230	805	749
Insurance administration costs allocated to insurance service expenses	(238)	(197)	(691)	(630)
Total administration and other expenses	40	33	114	119

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16. Commitments and contingent liabilities

(a) Investment commitments

The WSIB's commitments for capital calls as at September 30, 2024 related to its investment portfolio were \$6,071. There is no specific timing requirement to fulfill these commitments during the investment period.

(b) Legislated obligations and funding commitments

Known commitments related to legislated obligations and funding commitments as at September 30, 2024 were approximately \$333 for the period from October 1, 2024 to September 30, 2025.

(c) Legal actions

The WSIB is engaged in various legal proceedings and claims that have arisen in the ordinary course of business, the outcome of which is subject to future resolution. Based on information currently known to the WSIB, management believes that adequate provisions have been made for cases where it is reasonably possible that a payment will be made and that the probable ultimate resolution of all existing legal proceedings and claims will not have a material effect on the WSIB's financial position.

17. Subsequent events

On November 15, 2024, the WSIB's Board of Directors approved a distribution of surplus funds of \$2 billion to eligible Schedule 1 businesses. The WSIB's strong financial and operational management, along with its positive investment returns have led to a Sufficiency Ratio of 123.4% as of September 30, 2024, and resulting in a surplus in its insurance fund beyond the needed reserve. The surplus distribution is expected to be applied to eligible businesses' accounts in February 2025.