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**INVESTING  
IN  
THE  
FUTURE...**



25



annual report



The Saskatchewan Workers' Compensation Board is a crucial safety system that protects workers and employers from the negative consequences related to workplace injury and illness. The WCB, which is funded by employers, provides benefits and programs to workers in industries covered by *The Workers' Compensation Act, 2013* and protects registered employers from lawsuits when a workplace injury happens.

wcb

Saskatchewan  
Workers'  
Compensation  
Board

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# Letters of transmittal

## ***THE HONOURABLE BERNADETTE MCINTYRE***

*24<sup>th</sup> Lieutenant Governor of Saskatchewan*

*Lieutenant Governor, Province of Saskatchewan*

May it please Your Honour:

I respectfully submit the annual report of the Saskatchewan Workers' Compensation Board for the calendar year 2025.



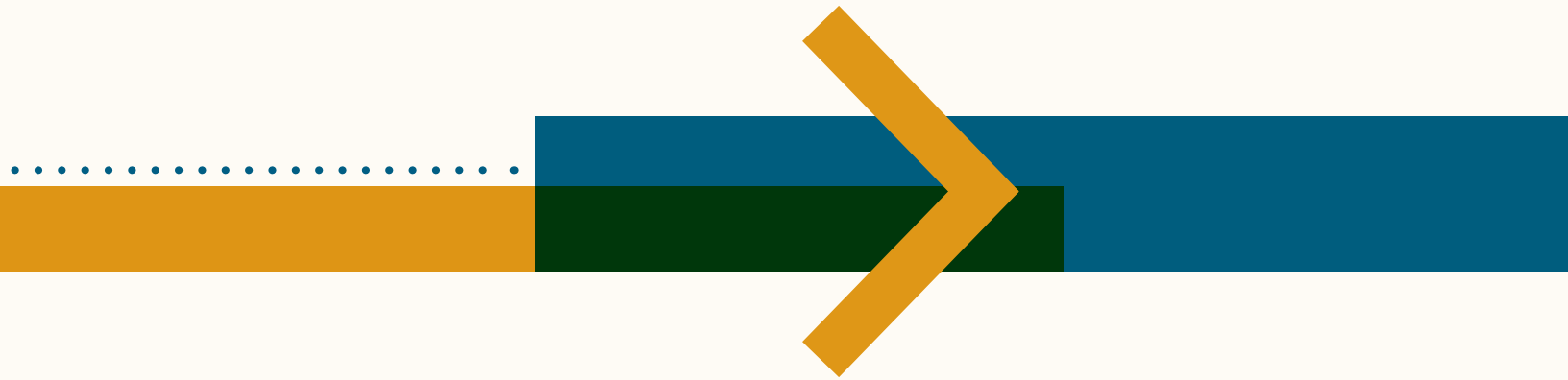
## ***THE HONOURABLE KEN CHEVELDAYOFF***

Minister of Advanced Education

Minister of Labour Relations and Workplace Safety

Minister Responsible for the Saskatchewan Workers' Compensation Board

MLA for Saskatoon Willowgrove



# **THE LIEUTENANT GOVERNOR IN COUNCIL**

We are pleased to submit the 96<sup>th</sup> annual report of the Saskatchewan Workers' Compensation Board for the year ended Dec. 31, 2025.

Respectfully submitted,

**GORD DOBROWOLSKY**  
Chair

**LARRY FLOWERS**  
Board Member

**JUDY HENLEY**  
Board Member

**DION MALAKOFF**  
Board Member

**COLIN SMITH-WINDSOR**  
Board Member



# Message from **THE BOARD**

**Guided by the Meredith Principles and a commitment to invest in the future, the board reflects on a year of continued progress, declining injury rates, a fully funded system, the advancement of the Business Transformation Program and an unwavering focus on protecting workers and employers of Saskatchewan.**

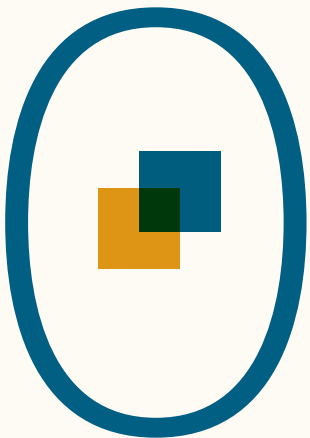
The WCB exists with a clear purpose, grounded in the five historic Meredith Principles and its governing legislation, which shape its vision to eliminate workplace injuries and, when injuries do occur, to restore the abilities of those affected. These principles — no-fault compensation, security of benefits through a stable injury fund, collective liability among employers, independent administration of the system and WCB exclusive jurisdiction over claims — remain the foundation of everything the WCB does.

In fulfilling its legislative obligations under *The Workers' Compensation Act, 2013*, the board is committed to safeguarding the long-term viability of this system. As stewards of the compensation system, the board holds firm to the principle that workers' benefits can never be put at risk.

**The Total injury rate has declined by 67 per cent since 2002.** This is a reflection of the sustained commitment from workers, employers, safety associations, labour, industry associations, as well as the partnership with the Ministry of Labour Relations and Workplace Safety and the WCB.

Financial stewardship is central to the board's mandate. In 2025, the average employer premium rate was \$1.28 per \$100 of payroll — the average rate held for three consecutive years — with an average premium rate of \$1.22 approved for 2026. The board is pleased to report that the comprehensive income is suitable to maintain its sufficiency ratio at 123.5 per cent. The WCB is fully funded and within the target range of 100 to 140 per cent. The investment strategy continues to support the long-term health of the injury fund. This funding stability allowed the WCB to deliver on its obligations to 473,086 covered workers and 49,063 employers across the province in 2025.





The Business Transformation Program continues to advance. The program reached a major milestone in December 2025 with the launch of its new employer online platform, while efforts also continued with the ongoing design and development of an integrated claims and case management solution. This investment into the future ensures the WCB is equipped to meet the evolving needs of Saskatchewan workers and employers for years to come.

Among the board's legislated responsibilities is enterprise risk management. Each quarter, the board reviews and prioritizes organizational risks, and cybersecurity is one of the highest priority risks on the enterprise risk management register. Significant efforts are ongoing to protect customer data and personal health information entrusted to the WCB. The Board Appeal Tribunal maintained its commitment to timely decisions on appeals to claims, processing appeals within 78 days and completing 249 decisions in 2025.

As board chair, I would like to extend thanks to my fellow WCB board members for their continued diligence, stewardship and commitment to the people of this province. The board would like to express its sincere gratitude to the employers, workers and WCB partners throughout the province who have made workplace safety an ongoing commitment. The board would also like to thank the WCB's leadership team and staff who represent the heart of this organization for the noble work they do every day in dedication to their customers.

**GORD DOBROWOLSKY**  
Chair

**JUDY HENLEY**  
Board Member

**LARRY FLOWERS**  
Board Member

**DION MALAKOFF**  
Board Member

**COLIN SMITH-WINDSOR**  
Board Member

# Section 1

## Results at a glance

### **INVESTING IN THE FUTURE OF SASKATCHEWAN'S COMPENSATION SYSTEM**

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## 1.1 | Who is the WCB?

Workers' compensation insurance is a provincial responsibility. Each Canadian province and territory has its own workers' compensation legislation.

The WCB operates like an insurance company. The WCB provides guaranteed benefits and programs to workers in industries covered by *The Workers' Compensation Act, 2013* and protects registered employers from lawsuits when a workplace injury happens.

### **VISION**

The WCB eliminates injuries and restores abilities.

### **MISSION**

Protect Saskatchewan workers and businesses today and tomorrow through innovative and effective programs and services.

### **VALUES**

**Safety:** The WCB relentlessly pursues the health and safety of all current and future workers in Saskatchewan.

**Respect:** The WCB recognizes the value and worth of every individual and treats all persons fairly and with dignity, valuing individual uniqueness, diversity and contributions.

**Excellence:** The WCB continuously seeks improvement and innovation in how it carries out its work.

**Collaboration:** The WCB works hand-in-hand with its customers, partners and each other to meet evolving needs.

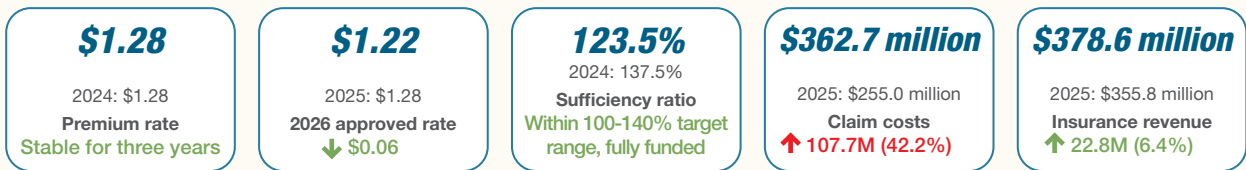
**The WCB is focused on investing in the future — of safer workplaces, stronger services and a compensation system that is sustainable well into the future.**

# 1.2 | 2025 results at a glance

## Safe and healthy workplaces



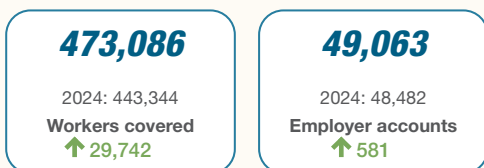
## Financial sustainability



## Timely service



## Saskatchewan's workforce



These results reflect a long-term commitment to the workers and employers the WCB serves and reinforces its commitment to workplace safety, the sustainability of the compensation system in the province and excellence in service to customers.

The pages that follow tell the story of how these outcomes were achieved and what comes next.



"I have returned to work, stronger physically and mentally because of the compassion and care that was afforded to me in the process. In the 40 years I have been employed, I can proudly say that this was the first time I needed WCB.

The fact that it was there for me in a time of distress means the world to me. I am truly grateful that these safety nets were available to me.

I believe that these institutions are vital parts of our community and help workers continue to contribute to a functioning and stable society."

— **WORKER FEEDBACK, 2025**







### **Cybersecurity**

Growing digital threats require strong protection measures.



### **Business Transformation Program**

Major changes to processes and technology create operational and reputational risk.



### **Artificial intelligence**

The WCB is preparing to adopt new AI tools and use them safely and effectively.



### **Data privacy and governance**

Ensuring information is stored and used properly and securely remains a priority.



### **Business Transformation Program transition to operations**

The organization is moving from the project phase into full operational use.

### **Procurement**

Work continues to strengthen the way the WCB buys goods and services.

### **Recruitment and retention**

Attracting and keeping skilled employees remains a significant challenge.

### **Union and employee relations**

Upcoming negotiations may lead to changes in workplace agreements.

### **Business continuity plan**

Work focuses on ensuring operations can be restored quickly after a disruption.

### **Investment and financial stability**

Market conditions can affect long-term funding.

### **Misuse and abuse of the WCB system**

Preventing fraud is essential to protecting system integrity.

## 2.3 | Board oversight of the WCB's True North indicators

The WCB's True North indicators provide a clear line of sight between the board's strategic direction and operational results. The indicators guide the organization in a balanced way toward a culture of continuous process improvement and are central to building a customer-centric organization. These indicators set the targets the WCB strives to achieve and measure the actual results over time. By comparing performance against these key indicators, the board can assess whether the WCB's strategies are having the intended impact on customer experience, safety, service quality, timeliness, staff engagement and financial stewardship.

## 2.4 | WCB True North scorecard

CATEGORY	DEFINITION	INDICATOR	2025 TARGET	2025 RESULT	2024 RESULT
Customer experience	Workers and employers deserve excellent service. This is what employers pay for.	Worker satisfaction survey – 2025 average	4.3 out of 5	3.90 out of 5	3.8 out of 5
		Employer satisfaction survey – 2025 average	4.3 out of 5	3.98 out of 5	3.9 out of 5
Safety	Every injury is predictable and preventable. WCB customers rely on the organization to help them eliminate injuries. WCB staff deserve to work in a safe and secure environment.	Total accepted injuries (includes fatalities, excludes self-insured)	16,250	17,401	17,315
Quality	The WCB owes its customers defect-free service.	Number of appeals	932	1,181	1,001
		Percentage files with premium adjustments	50%	59.5% <sup>1</sup>	60.2%
Timeliness	Customers rely on the WCB to deliver service at the right time when they need it.	12-month rolling average duration of Time Loss claims (days)	38	47.5 days <sup>2</sup>	44.5 days <sup>2</sup>
People	WCB staff expect leadership to provide a healthy and engaging environment. Healthy and engaged staff are better positioned to serve WCB customers.	Staff engagement survey	7.0 out of 10	6.7 out of 10	6.5 out of 10
Financial	Customers expect the WCB to deliver value through its services and programs at a fair and reasonable cost, and to meet all of its obligations now and in the future.	Sufficiency ratio	100%–140%	123.5%	137.5%

<sup>1</sup> The 2025 percentage is based on data current to Nov. 27, 2025. The transition to the new Core Suite PolicyPro system on Dec. 1, 2025, prevented inclusion of data beyond this date.

<sup>2</sup> The calculation of durations metrics was standardized in 2025 which resulted in adjustments to the calculation. Prior year numbers in the report are restated on the same basis.

## 2.5 | The WCB's strategic plan (2025–2027)

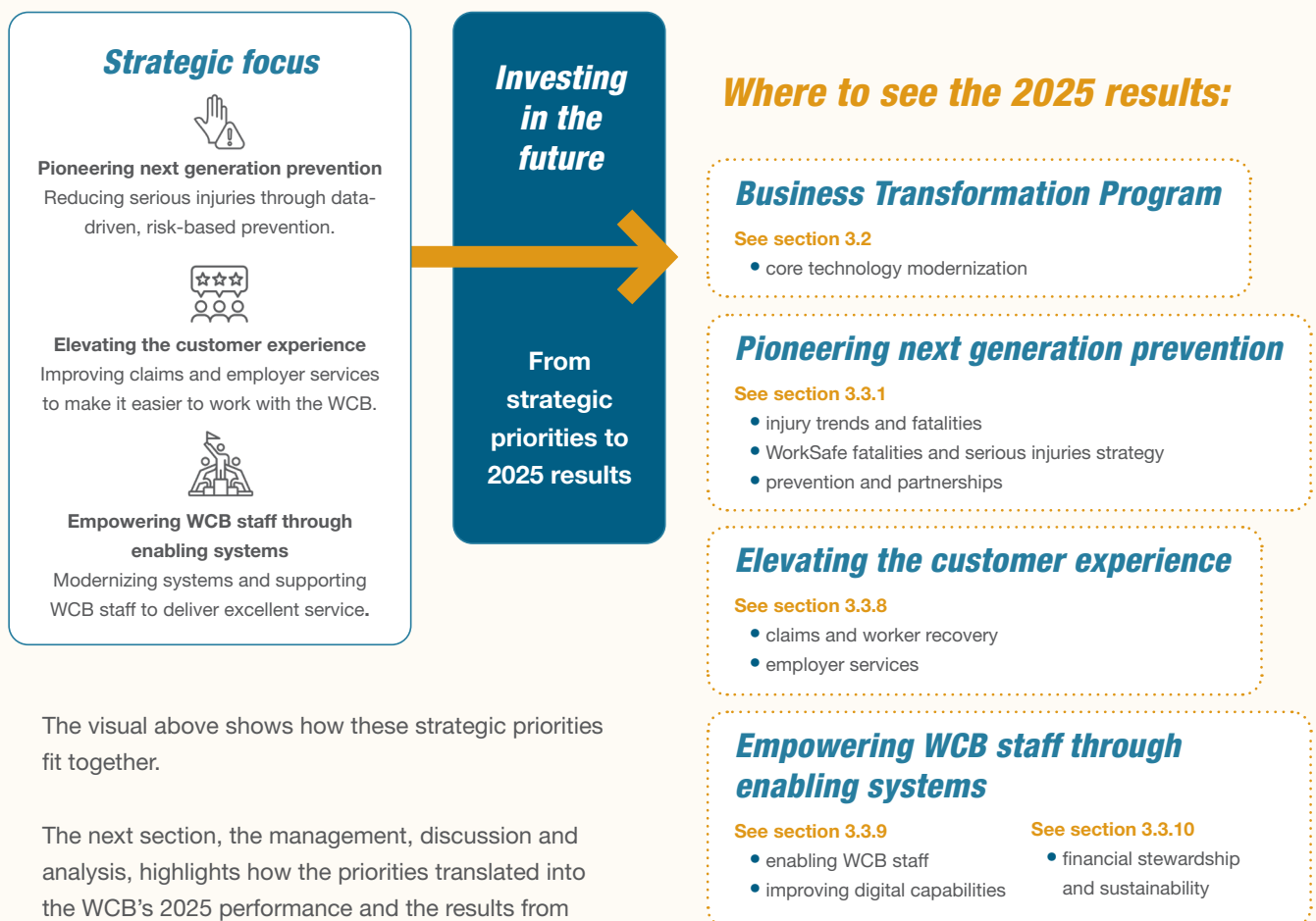
The WCB's strategic plan identifies three focus areas:

- elevating the customer experience,
- empowering WCB staff through enabling systems, and
- pioneering next generation prevention.

Each contributes to one or more True North indicators, ensuring strategy and performance remain tightly aligned.

Together, the three focus areas in the strategic plan outline how the WCB invests in the future, while the True North indicators confirm whether those efforts are working.

### How the WCB's strategy connects to the 2025 results



The visual above shows how these strategic priorities fit together.

The next section, the management, discussion and analysis, highlights how the priorities translated into the WCB's 2025 performance and the results from the year.

# Section 3

## Management, discussion and analysis

### **THE STRATEGIC CONTEXT BEHIND THE WCB'S 2025 RESULTS**

The management, discussion and analysis examines three areas: the provincial context in which the WCB operated, the Business Transformation Program and how the organization performed against its strategic priorities.

### 3.1 | The provincial context: economy, workforce and workplace trends

Saskatchewan's economy remained resilient in 2025, supported by strong resource and agricultural sectors. Employment grew modestly and the labour market tightened in several industries, particularly construction, health care and mining.

Between January 2025 and January 2026, youth employment (ages 15–24) increased by 9.1 per cent to 81,600 workers, while employment among workers aged 55 and older rose by 2.5 per cent to 126,300. Employment among the core age group (25–54) grew more modestly by 1.3 per cent to 404,600<sup>1</sup>.

Each year, the WCB reviews shifts in the labour market and considers risk across all stages of working life. Midcareer workers (ages 25–34, 35–44 and 45–54) continue to account for the largest share of injury claims overall, however, injury claims among younger workers (under 25) and older workers (55–64 and 65 and older) remain a consistent and material part of the claims profile.

Together, these patterns confirm that workplace injuries affect workers across the full age spectrum. They highlight the importance of balancing prevention, safety training and return-to-work supports to meet the needs of new entrants to the labour force and an aging workforce. Rising health-care costs and inflation continued to put pressure on the WCB's operating environment. Higher future claim costs, increasing wages and medical cost inflation, increasing claim duration and growth in the provincial workforce contributed to an increase in total claim costs over the previous year. These pressures reinforce the need for strong financial discipline — maintaining rigorous internal controls, ensuring accurate and timely financial reporting and closely monitoring financial risks to support long-term sustainability.

<sup>1</sup> Ministry of Immigration and Career Training. *Saskatchewan Labour Force Statistics - January 2026*, Government of Saskatchewan, 6 Feb. 2026, [publications.saskatchewan.ca/api/v1/products/86645/formats/153357/download](https://publications.saskatchewan.ca/api/v1/products/86645/formats/153357/download).

### 3.1.1 Regulatory and legislative landscape

The WCB operates under *The Workers' Compensation Act, 2013*, which establishes the legislative framework for Saskatchewan's compensation system. In October 2023, the provincial government introduced Bill 138 following the most recent Committee of Review in 2022. The Committee was appointed on Aug. 5, 2021, and issued 34 recommendations in 2022 after examining the workers' compensation system. Of the 34 recommendations, 11 resulted in legislative changes through Bill 138 — *The Workers' Compensation (Extending Firefighter Coverage) Amendment Act, 2023* — which was introduced Oct. 31, 2023, and came into force Oct. 1, 2024. The exception to this effective date was the amendments to the definition of worker that came into force Jan. 1, 2025. The WCB provides quarterly updates on the status of all recommendations on its website, with further details included in Appendix A.

### 3.1.2 Customer engagement

The WCB engaged with employers, workers, labour organizations, safety associations and health-care providers throughout 2025. These relationships are not compliance exercises. They shape real decisions.

A key component of the WCB's customer engagement approach is the Voice of the Customer program. The WCB continues to progressively increase opportunities for workers and employers to share their perspectives and influence service improvements. In 2025, 164 targeted surveys were utilized (an 88 per cent year-over-year increase) to collect general and specific topical feedback to further enable the WCB's understanding of how customers are experiencing services. Overall quality of service scores in 2025 showed improvement compared to 2024. Workers reported an average overall quality rating of 3.90 out of 5, up from 3.8 the year prior.

Employers reported an average overall quality rating of 3.98 out of 5, also up from 3.90 in 2024. These results indicate continued progress in customer experience and demonstrate how ongoing engagement through the Voice of the Customer program helps guide and prioritize service enhancements.

## 3.2 | Business Transformation Program

The Business Transformation Program is the WCB's multi-year, multi-project initiative which aims to address enterprise risks, improve the customer experience, improve key indicators and outcomes and support the long-term efficacy of Saskatchewan's workers compensation system. This program is the largest investment in the WCB's history and is focused on enhancement of processes, technology modernization and redesign of service models. The Business Transformation Program touches on every aspect of how the WCB interacts with workers, employers and health-care providers.

Through the Business Transformation Program, the WCB invests in key organizational capabilities including processes and frameworks for effective governance, partner engagement, organizational change management and program and project delivery. In addition to enabling the completion of 12 projects through the program to date, these investments further position the WCB to deliver on its strategic priorities and support ongoing improvement and innovation into the future.

### 3.2.1 Core technology modernization

The most significant and complex project within the scope of the Business Transformation Program is the core solution project. The core solution project includes the replacement and modernization of the WCB's core workers' compensation technology systems with one integrated and scalable solution which will be implemented over two phases:

- Phase one, which was implemented in December 2025, impacts the employer customer segment with the replacement of the employer accounts system and a portion of the WCB's secure online account for employers (See section 3.3.8.2 Employer services for more information).
- Phase two impacts all customer segments (workers, employers and health-care providers) with the replacement of the claims and case management system and the remainder of the WCB's secure online account.

**The following visual gives a high-level overview of the core solution roadmap.**



In late 2025, the WCB reached a significant milestone with the implementation of phase one of the new core workers' compensation system, focused on modernizing the employer policy system and employer online experience.

The launch, supported by staff training, readiness activities and employer validation, was the culmination of more than two years of planning and development.

In response to issues affecting employer access and online experience upon go-live, the immediate focus in 2026 will be to strengthen system stability and refine the online experience. The WCB has established dedicated teams to resolve any high-impact issues, improve system reliability and respond quickly to employer needs.

Despite these initial and expected challenges, the benefits underpinning the Business Transformation Program investment remain strong with many expected to be realized fully in the short to medium term. Enhancements include greater payment flexibility through expanded installment options and earlier invoice availability, supporting improved employer cashflow management. Streamlined term clearances now remain valid without the need for repeated submissions, reducing administrative burden and manual review. In addition, improved automation of assessments, supported by system-driven validations, is reducing manual steps and errors while enabling faster and more consistent processing. As the new system stabilizes, collectively, these changes support improved operational efficiency, increased self-service and greater use of automation and straight through processing.

In parallel with the timing and implementation of phase one, core technology modernization continued with the further advancement of phase two throughout 2025.

In 2025, the WCB completed detailed planning and began refining business requirements and designing and developing elements of the phase two solution with its implementation partners. The progress made in 2025 positions phase two for continued development and testing through 2026 and 2027.

Building on the work completed in phase one, these efforts will result in a modern, integrated solution that supports sustained improvement and greater efficiency across all core lines of business. This foundation will help the WCB respond more effectively to the future needs of customers.

## 3.3 | Strategic and operational performance

**The following sections highlight how the WCB performed against each of its three strategic focus areas in 2025 and the most significant operational highlights and outcomes.**

### 3.3.1 Pioneering next generation prevention

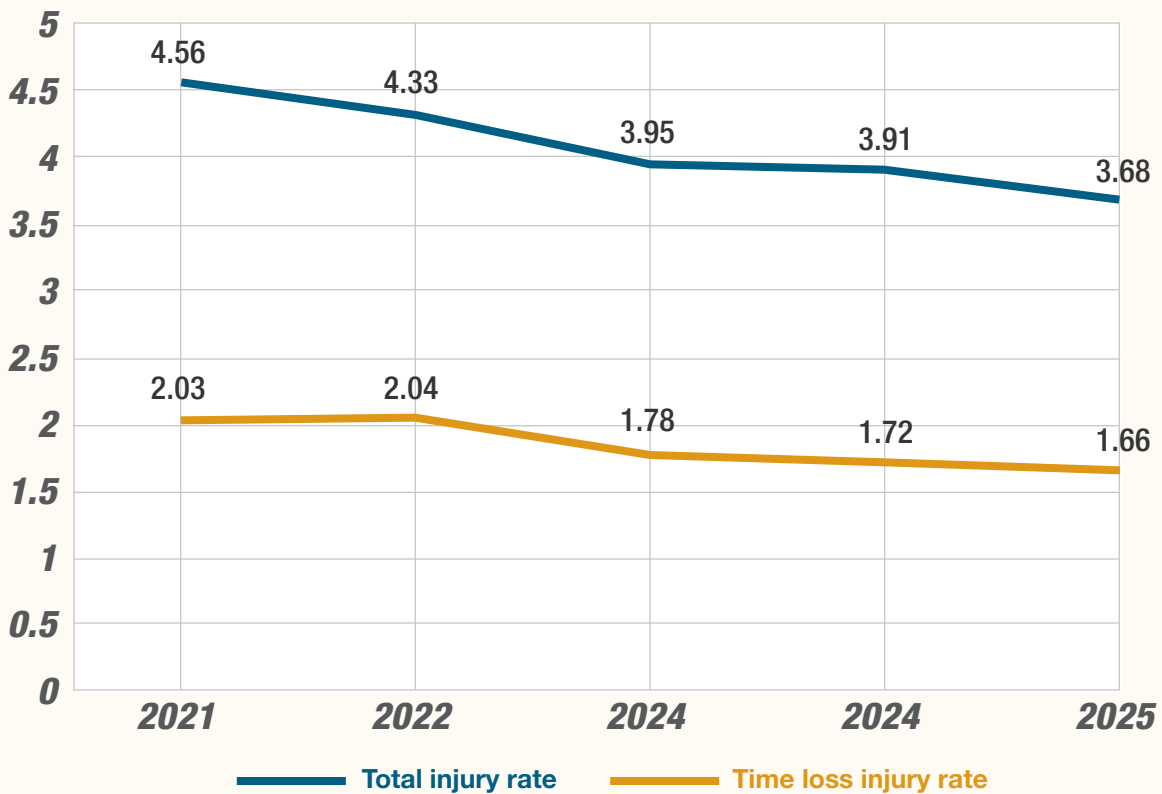
Next generation prevention focuses on a deeper understanding of the most common drivers of serious injuries and fatalities. This work builds on the WCB's long-standing data-driven prevention approach by adding a more granular, risk-based lens to complement traditional systems-based methods. By examining underlying patterns and testing evidence-based solutions, the WCB targets the factors that contribute to this serious harm.

### 3.3.2 Injury rate trends and fatalities

Saskatchewan's Total injury rate fell to 3.68 per 100 workers in 2025, down from 3.91 in 2024 — an improvement of 5.9 per cent. The Time Loss injury rate also declined to 1.66 per 100 workers, down from 1.72 the previous year, a 3.5 per cent reduction. These declines reflect a combination of employer-led safety investments, targeted prevention outreach and the WCB's risk-based approach to identifying high-risk workplaces, which is explored further in the 2023–2028 Fatalities and Serious Injuries Strategy section later in this section.

Over the past decade, the Total injury rate has decreased by 41.6 per cent, demonstrating a long-term downward trend supported by the collaborative efforts of WorkSafe, employers, workers, labour partners, employer associations, safety organizations and the WCB. Both rates reached historic lows for the second consecutive year in 2025.

#### ↓ HISTORIC LOW — Total injury rate fell to 3.68 in 2025, down 5.9 per cent from 2024



The WCB accepted 17,401 claims in 2025. Of these, 7,840 involved Time Loss and 9,561 were no time loss claims. The composition of claims provides important context for the injury rate figures above. . . . .



**17,401**  
total claims  
accepted  
in 2025



**7,840**  
TIME LOSS  
(45%)



**9,561**  
NO TIME LOSS  
(55%)



**27** WORKPLACE FATALITIES  
NO CHANGE FROM 2024.

**89%** of Saskatchewan workplaces reported  
zero fatalities and zero injuries in 2025.

This achievement reflects the commitment of thousands of employers across the province to making safety a corporate value and daily priority. It also reflects the effectiveness of the WorkSafe partnership, the WCB's prevention programming, unions and safety associations.



### 3.3.3 Workplace fatalities

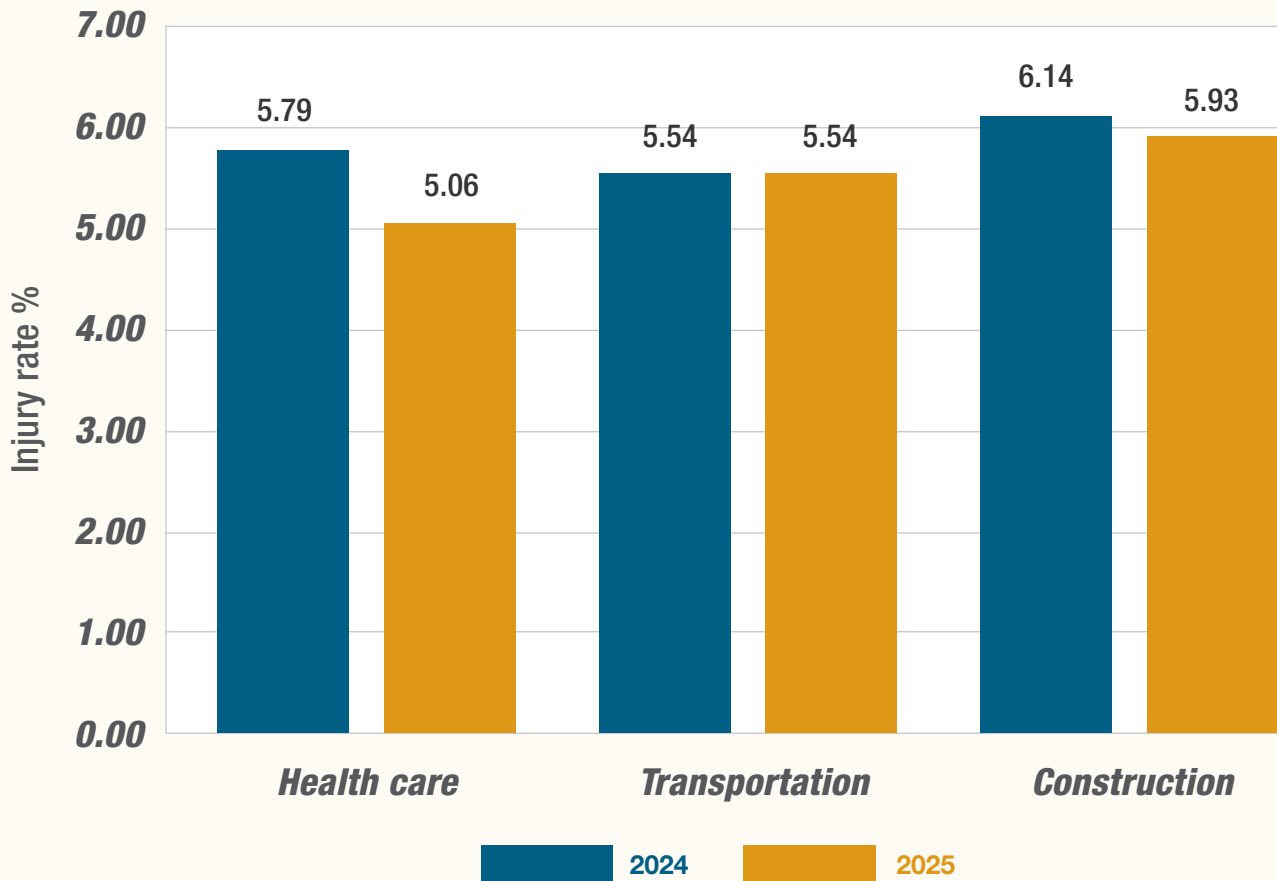
Every workplace fatality is a tragedy. In 2025, 27 workers lost their lives due to workplace injury or illness. While the long-term trend is declining, each death reinforces the urgency of prevention.

WorkSafe Saskatchewan continued to prioritize fatality prevention under the 2023–2028 Fatalities and Serious Injuries Strategy with targeted outreach in the sectors where fatalities most commonly occur.

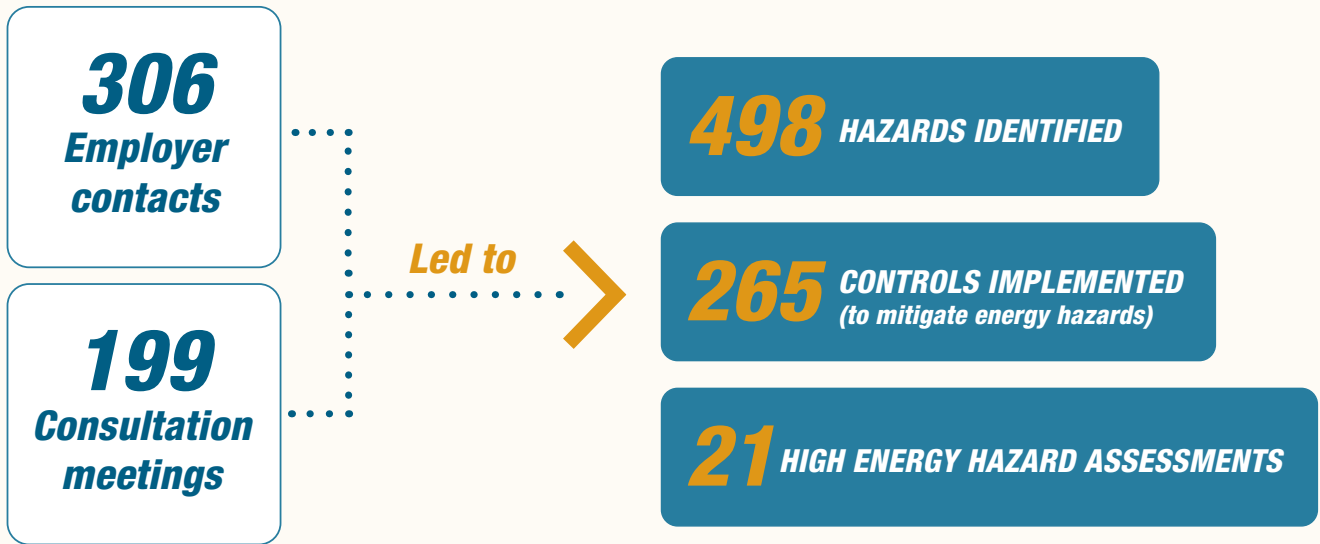
### 3.3.4 2023–2028 Fatalities and Serious Injuries Strategy: focused sectors

WorkSafe Saskatchewan continued to implement the 2023–2028 Fatalities and Serious Injuries Strategy in 2025. For the 2023–2028 strategy, WorkSafe Saskatchewan focused on three high-risk industries, along with common safety issues affecting most Saskatchewan workplaces. The strategy identified these three high-risk sectors as health care, transportation and construction. In 2025, two of the three sectors showed improvement in their injury rates. Health care's Total injury rate declined 12.6 per cent, construction declined three per cent and transportation remained at 5.5 per cent.

**Total injury rates by high-risk sector**  
**Health care and construction rates ↓ decreased in 2025**








Psychological supports for first responders were enhanced through the operational launch in 2025 of an evidence-based psychological health screening app. The psychological health monitoring app is now being implemented across Saskatchewan.

For more information:  
[wbsask.com/news/mental-health-monitoring-safeguard-system-support-uccm-anishnaabe-police](https://wbsask.com/news/mental-health-monitoring-safeguard-system-support-uccm-anishnaabe-police)



WorkSafe further supported provincial transit systems in violence prevention efforts, including the rollout of a public awareness campaign and recommendations to improve operator safety.

“The learning collaborative has brought forward several recommendations that Transit’s occupational health and safety committee is currently considering. WorkSafe Saskatchewan has been instrumental in opening conversations with community partners and discussing how we can partner together to implement effective controls to reduce the risk of violence.”

— TRANSIT LEADERSHIP

Additional learning collaboratives — in construction and mining, community living and return to work — advanced modern safety practices and reduced risks through evidence-based approaches. A pilot in construction and mining introduced a risk-focused safety model supported by microlearning modules, while the community living collaborative continued to address injuries related to interventions in group homes.

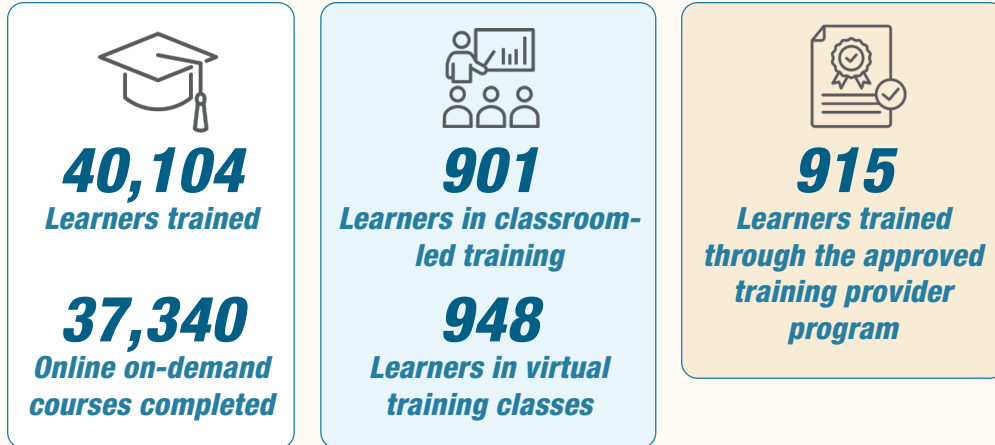
Return-to-work efforts supported employers in identifying avoidable work disability through job demand analyses and the creation of job banks to facilitate healthy recovery at work.

Finally, a province-wide roadworks safety campaign, developed in partnership with safety associations, Crown corporations and government agencies, raised public awareness of work zone risks throughout the construction season. Collectively, these initiatives strengthened prevention efforts and supported safer workplaces across Saskatchewan.

### 3.3.6 On-demand training

On-demand training remained a major lever for change. WorkSafe Saskatchewan provided a variety of occupational health and safety training courses, including courses offered through a partnership with the Canadian Centre for Occupational Health and Safety.

#### **HERE ARE THE KEY MILESTONES IN 2025:**



### 3.3.7 Priority employer program

WorkSafe Saskatchewan's priority employer program supports employers with a high number of serious injury claims. In 2025, an independent review completed by Dr. Sean Tucker confirmed that injury rates were lower among firms participating in the priority employer program. The evaluation found that participating firms experienced lower injury rates, including a 2.57 per cent difference in Time Loss injury rates and a 0.49 per cent difference in serious injury rates, demonstrating the program's effectiveness in improving safety outcomes among higher risk employers.

In 2025, WorkSafe supported 66 employers with serious injury claims and higher injury rates. Fifteen employers graduated from the program, having completed the majority of their action plans and achieved an average 35 per cent reduction in serious injuries from their initial baseline. This progress highlights the impact of sustained support on improving workplace safety outcomes.

These efforts are complemented by the serious incident and fatality prevention model, developed with the National Safety Council and industry partners, which helps employers identify high-energy hazards and apply effective controls. Together, these highlights show how the WCB is investing in data-driven development, partnerships and practical tools today, so more workers remain safe on the job every day.

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• **For more information: [worksafesask.ca/nextgenprevention/hazard-control/](https://worksafesask.ca/nextgenprevention/hazard-control/)**

.....



**Preventing injuries is only part of the WCB's commitment. When injuries do occur, the quality of the recovery experience matters equally — as the next section shows.**

### 3.3.8 Elevating the customer experience

The WCB continued to modernize how workers, employers and partners interact with the claims system by making services faster, simpler and more transparent.

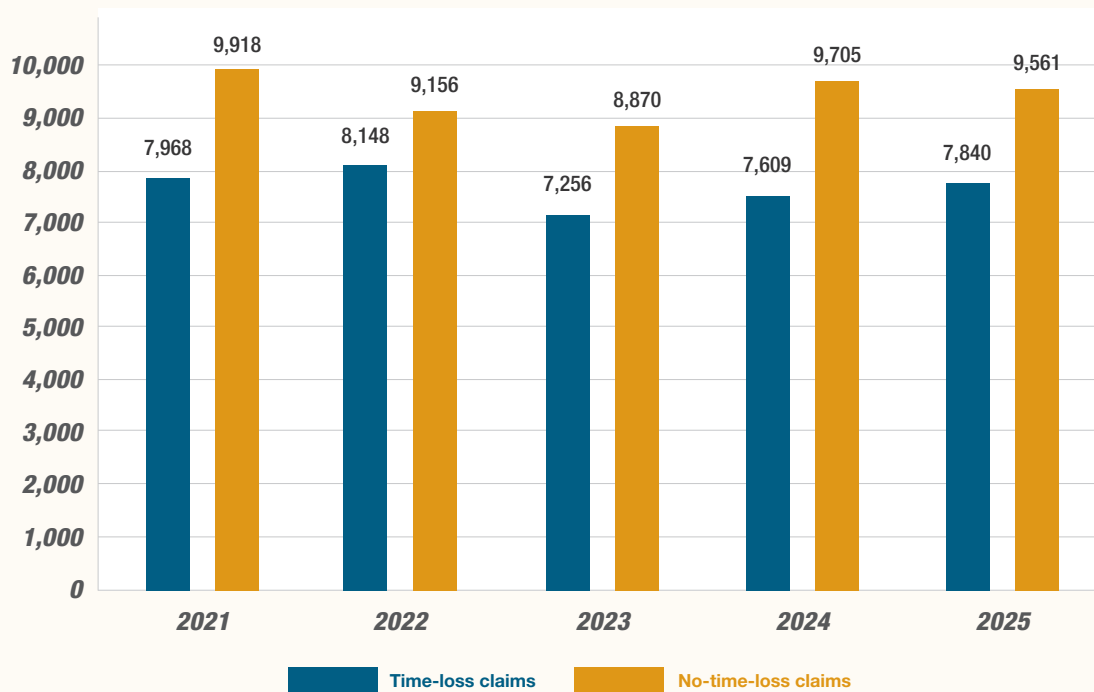
By redesigning its service model to support earlier contact and clearer information at the start of an injury claim, the WCB reduced unnecessary handoffs and improved co-ordination between workers, employers and health-care providers. This connected approach strengthens recovery planning from the outset and helps workers return to work safely and sooner.

#### 3.3.8.1 Claims transformation

##### 3.3.8.1.1 Injury reporting and initial claim decision

Every moment matters when an injury occurs and successful outcomes depend on all parties working together. Timely reporting of an injury allows for quick support for workers and employers. In 2025, it took workers and employers approximately eight days to report injuries to the WCB, which for employers is over the legislative requirement of five days. Once the WCB receives the injury report, the first step is adjudication, which is the process of deciding whether the claim meets the workplace injury claim requirements of *The Workers' Compensation Act, 2013*.

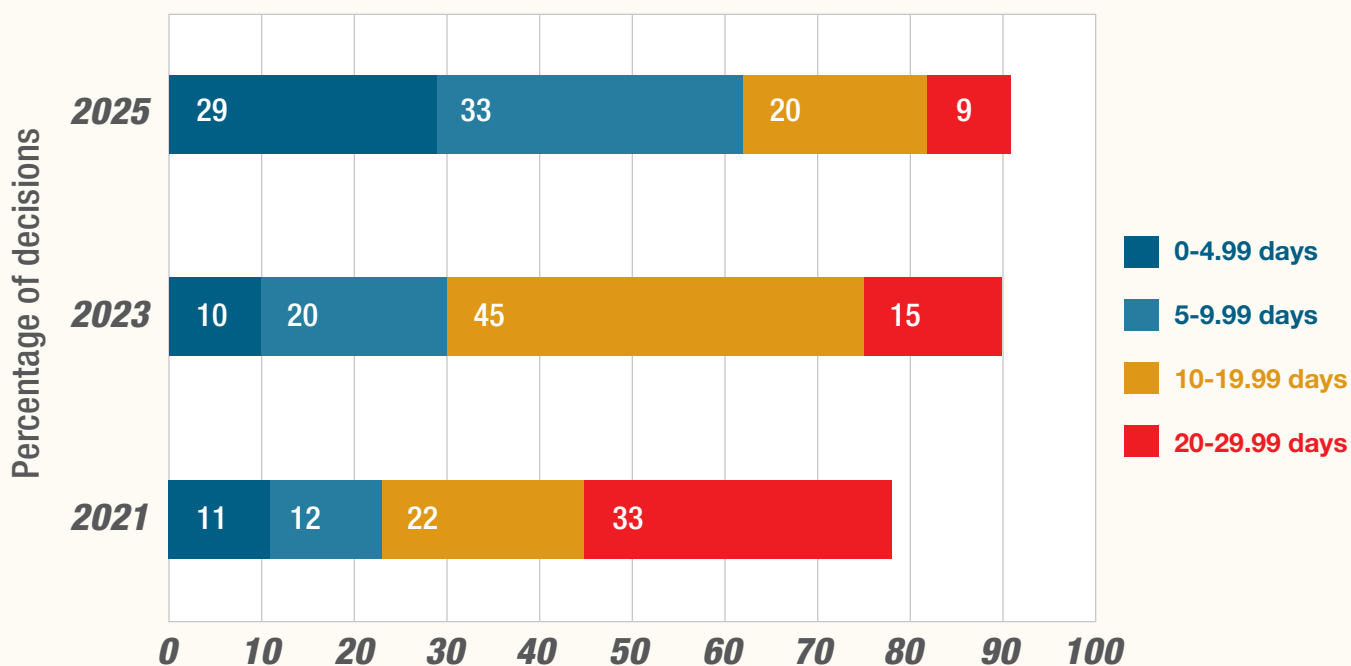
### Accepted time-loss and no-time-loss claims (2021 to 2025)



In 2025, the WCB issued initial decisions within five days for 29 per cent of new claims and within 10 days for 62 per cent. Overall decision time for all claims saw significant improvement to 13 days in 2025 from 22 days in 2024.

## Claim time to decision

In 2025, 62 per cent of decisions were made within 10 days, compared to 23 per cent in 2021



One of the drivers for adjudication times is psychological injury claims average to decision which was 22 days in 2025, up from 18 days in 2024. More complex psychological injury files contributed to the delay. Reducing adjudication time remains a priority for the WCB, supported by additional training, staffing improvements and process changes scheduled for implementation in spring 2026.

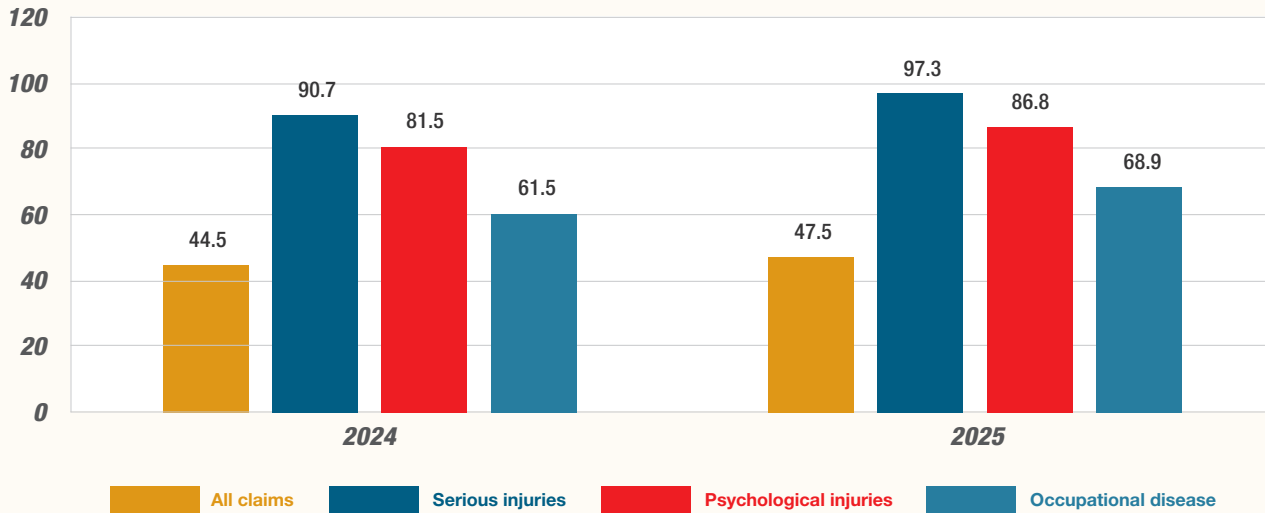
### 3.3.8.1.2 Recovery and return to work

Once a claim is accepted, the WCB co-ordinates support that helps workers recover and return to work safely. The WCB continued improving the customer experience by using proactive communication, building supportive relationships and engaging workers and employers as partners in their recovery and return to work. By integrating a work disability prevention strategy as a core driver of these processes, the WCB can better align early supports and collaborative planning to promote timely recovery and sustainable return-to-work outcomes.

In 2025, the average duration (time on benefits) was 47.5 days for all claims. Serious injuries and psychological injuries increased to 97.5 and 86.8 days reflecting more complex recovery needs. These increased claim durations placed additional pressure on the compensation system and required new and innovative approaches to achieve the best outcomes possible for workers and employers.

## Claim durations (days) - all, psychological, serious and occupational

Durations increased across all categories - serious and psychological injuries being primary drivers



Looking ahead, early adjudication and return-to-work planning enhancements are planned for 2026 to improve timeliness of decisions, support reduced durations and strengthen worker and employer experiences.



“The customer care facilitator who worked with me was amazing. I am back to work now and some techniques she had shared to decrease anxiety I use often. I felt like I was truly being listened to and appreciated the care taken to get me back to work safely.”

### — WORKER FEEDBACK

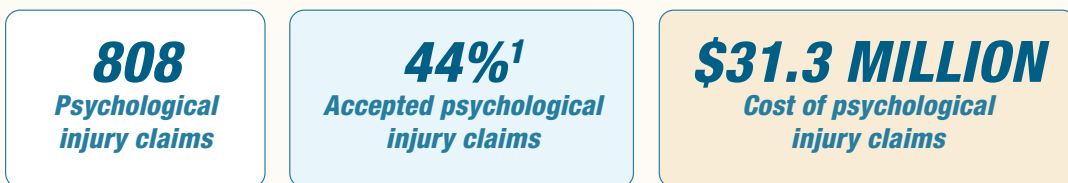
“The WorkSafe Learning Collaborative has highlighted how much this process has benefited both me and my workplace. It’s been an opportunity to learn so much about return-to-work (RTW) programs and the efforts WCB is making with employers like myself to simplify getting workers into modified duties, back on the job...”



### — RILEY RICE, SAFETY MANAGER, HARVEST MEATS

#### 3.3.8.1.3 Psychological injury claims

Work-related psychological injuries in Saskatchewan continue to be a complex segment of claims, resulting in increased system costs.



<sup>1</sup> Acceptance rate reflects the WCB’s adjudication process, which requires a diagnosed condition linked to a specific workplace event or exposure.

Psychological injury claim durations increased in 2025 as these complex claims remained active for longer periods. In response, the WCB introduced several measures to better manage the complexity associated with psychological injury claims, including:

- Revised policies that clarified presumptive conditions.
- Expanded access to psychological health supports for workers.
- Partnerships with employers experiencing higher than average psychological injury rates.
- A departmental restructuring to allocate additional resources to strategically managing complex psychological injury claims.

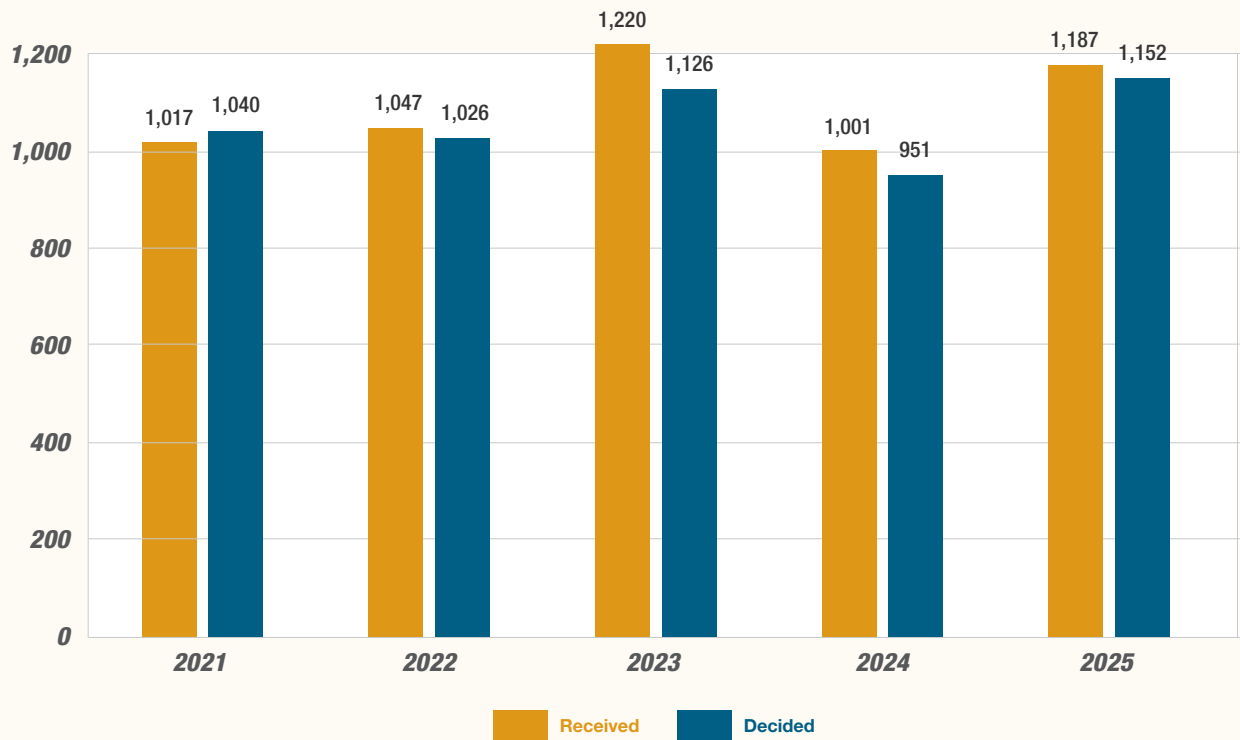
These steps support fair, timely decisions and improve workers' access to care.

### 3.3.8.1.4 Appeals and resolution

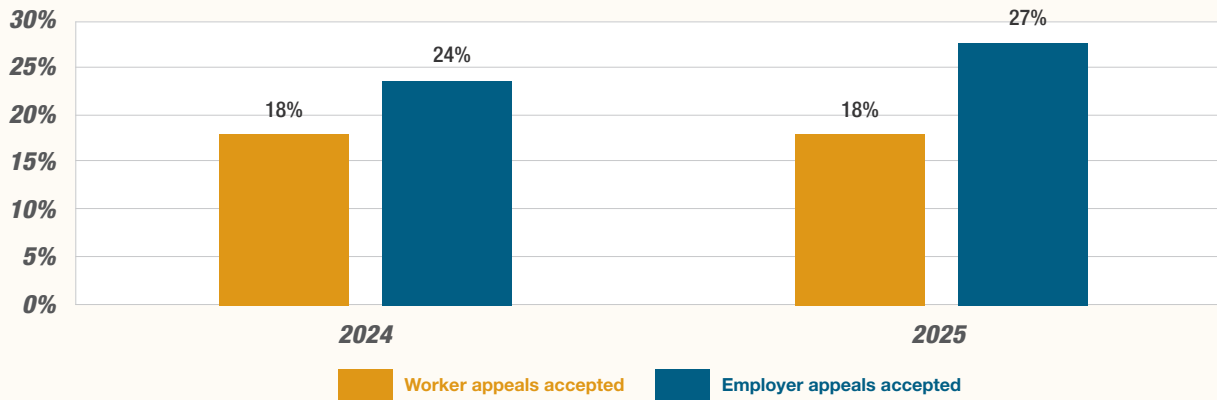
The appeal process provides workers and employers with an objective review of the WCB's decisions and actions. An appeal is first considered by the appeals department or the employer assessment committee and, if not resolved, can be reviewed by the Board Appeal Tribunal.

When workers or employers disagree with a decision, they can request an independent appeal from the original decision-maker. In 2025, the WCB received 1,187 appeals and decided 1,152. Original decisions were upheld in 67 per cent of decisions. The main reasons for reversing an original decision included new medical evidence provided after the original decision was made and updated policy interpretation.

**Appeals volume**  
Appeals received rose 18.6 per cent to 1,187 in 2025



## Appeals acceptance rates for workers and employers 2024 and 2025

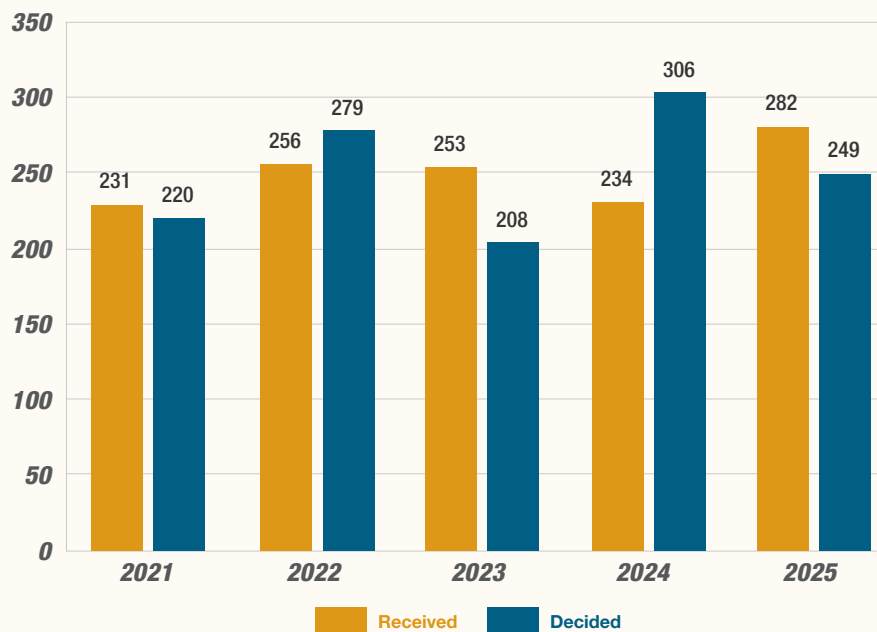


Year-end pending appeals remained at 131, although average decision times for 2025 rose to 43 days from 34 the year prior. Through targeted efforts, average decision times were reduced back to 35 days as of December. Maintaining this performance is a priority for 2026.

### 3.3.8.1.5 Board Appeal Tribunal

The Board Appeal Tribunal is the final level of appeal. The Tribunal received 282 appeals in 2025, a 20.5 per cent increase from 2024. Average decision time improved substantially, decreasing to 78 days from 156 days due to increased capacity and process enhancements, such as offering in-person, teleconference and secure video-enabled hearings to support easier appellant participation.

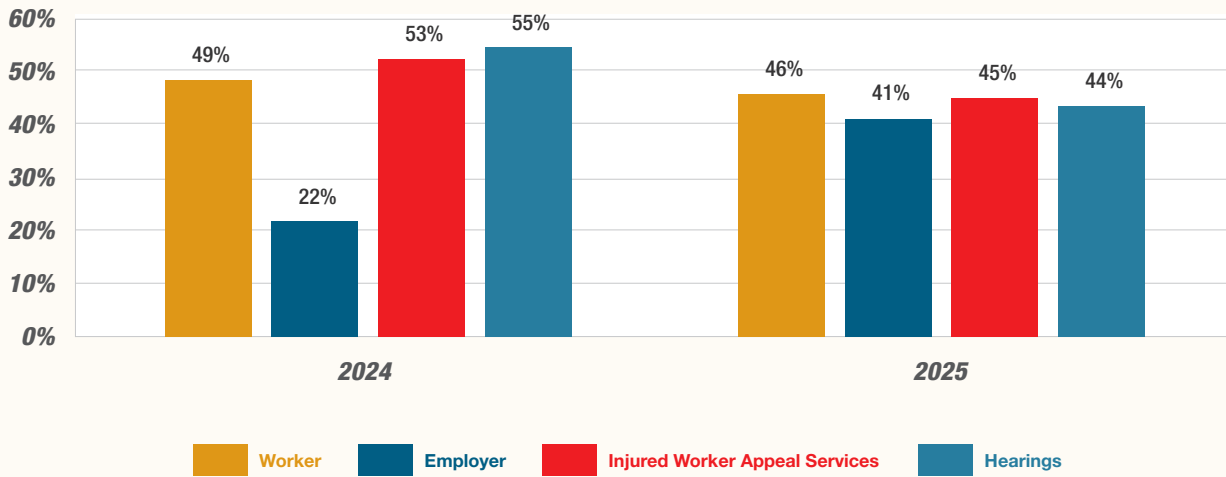
## Board Appeal Tribunal - appeals received and decided Higher appeal intake in 2025



The improved average decision time demonstrates continued investment in fairness, transparency and timely resolution for Saskatchewan workers and employers.

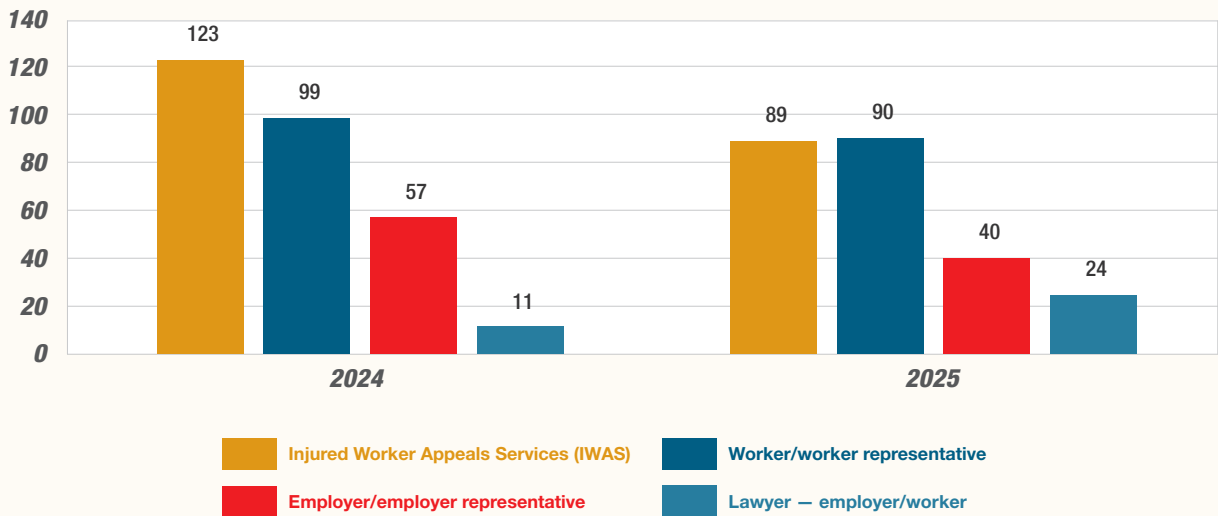
## Board Appeal Tribunal accepted appeals

Acceptance rates remained consistent across groups, with employers rates increasing in 2025



## Board Appeal Tribunal source of appeals and applications decided

Injured Worker Appeal Services and worker/worker representation largest source of appeal applications<sup>1</sup>



<sup>1</sup> Totals for 2021 to 2025 include medical review panels and Section 169 applications.


# Resources for workers

Workers can access support and information through the following resources: [wcb.sask.com](http://wcb.sask.com) for claim information and online services, the Board Appeal Tribunal for final appeals, Injured Worker Appeals Services and the Medical Review Panel for medical disputes.

Workers: [wcb.sask.com/workers](http://wcb.sask.com/workers)




Board Appeal Tribunal: [wcb.sask.com/board-appeal-tribunal](http://wcb.sask.com/board-appeal-tribunal)



Medical Review Panel: [wcb.sask.com/medical-review-panel](http://wcb.sask.com/medical-review-panel)



Injured Worker Appeal Services:  
[saskatchewan.ca/business/safety-in-the-workplace/assistance-for-wcb-claims-and-appeals](http://saskatchewan.ca/business/safety-in-the-workplace/assistance-for-wcb-claims-and-appeals)



Employers: [wcb.sask.com/employers](http://wcb.sask.com/employers)





## ***Resources for employers***

Employers seeking independent advice on navigating the WCB system — including guidance on claims decisions and appeal processes — can access the Employer Advisory Centre, an independent and confidential service.

**Details are provided in Appendix C.**

**Delivering on the customer experience depends on the people and systems behind it, which is the focus of the next section.**

### 3.3.9 Empowering WCB staff through enabling systems

#### 3.3.9.1 Enabling WCB staff

The WCB continued investing in its people so they have the skills, support and workplace environment they need to deliver great service. More than 70 per cent of employees took part in engagement surveys and the score for employees that recommend the WCB as a great place to work improved to 6.7 out of 10, up from 6.5 out of 10 in 2024. The WCB expanded training to help staff prepare for new systems and to grow their skills for the future. For 15 years in a row, the WCB was named one of Saskatchewan's top employers.

#### 3.3.9.2 Improving digital capabilities – technology, data and cybersecurity

In 2025, the WCB strengthened the digital capabilities that support service excellence, trust and organizational resilience. These efforts built on its 2025 commitments to enhance cybersecurity, data integrity, encryption, analytics and to modernize the WCB's core systems.

#### 3.3.9.3 Cybersecurity and resilience

The WCB continued to invest in technologies, process improvements and staff training to safeguard customer information and maintain service availability. This work directly advanced the areas prioritized by the board and the WCB's enterprise risk management program in 2025, specifically cybersecurity and business continuity.

#### 3.3.9.4 Responsible artificial intelligence (AI)

To improve decision-making and operational efficiency, the WCB is expanding the use of advanced analytics and strengthening data quality practices. This extends the advanced analytics function established in 2024 in an effort to support risk-based, compliance-first and more intuitive digital experiences for employers and workers.

In 2025, the WCB explored the ability to harness the value that AI offers to data-driven organizations. As an initial step, the WCB established an AI governance framework designed to be intentional and mindful of the risks that certain AI opportunities may introduce to the WCB. To support organizational learning, a number of internal-facing use cases were approved and are at various stages of implementation.

The WCB will continue to refine how it identifies, manages and mitigates AI-related risks to ensure responsible, future-focused use of emerging technologies.

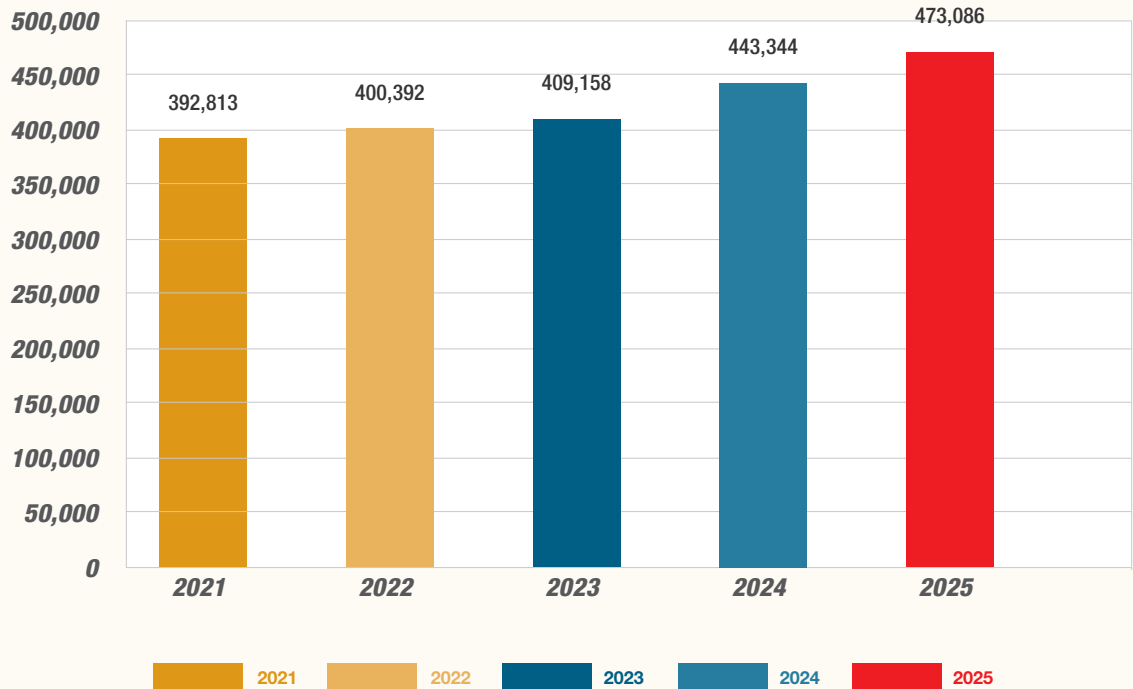
Underpinning all three strategic focus areas is the financial discipline that keeps the compensation system sustainable — addressed in the section that follows.

### 3.3.10 Financial stewardship and sustainability

The WCB’s financial position remained strong in 2025, even as the system experienced shifts that warrant transparent discussion. Premiums continued to reflect the board’s longstanding funding approach, which ensures employers’ contributions cover today’s claim costs while also building the resources needed for long-term insurance liabilities. In 2025, this approach supported \$378.6 million in premium revenue and helped maintain the injury fund at a level capable of meeting future obligations.

This stability was achieved as the number of covered workers continued to grow. Looking ahead, employers will see a reduced average rate in 2026, resulting in an estimated \$15.0 million in collective savings.

**Full-time equivalent workers<sup>1</sup>**  
Coverage grew steadily to 473,086 workers in 2025



<sup>1</sup>Full-time equivalent workers are estimated by dividing total payroll by the average weekly wage multiplied by 52 weeks. The average weekly wage is sourced from Statistics Canada. As a result, full-time equivalent workers figures are estimates based on these inputs.

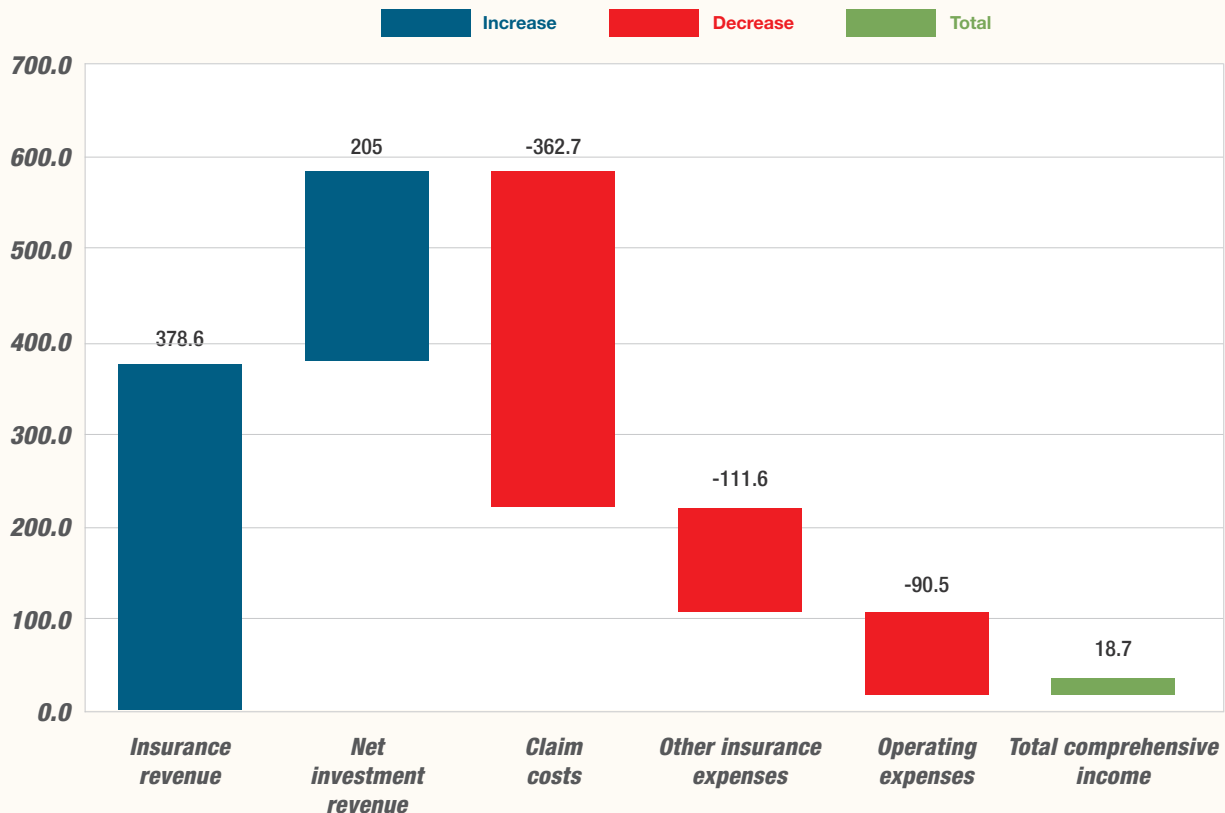
#### 3.3.10.1 How the WCB funds today’s costs and tomorrow’s obligations

The WCB’s revenue is generated from two sources: insurance revenue (\$378.6 million) collected from employers and income earned on injury fund investments (\$205 million). In 2025, these two streams generated \$583.6 million. This funding is used to fund both current and future obligations so that employers of today do not have to fund the cost of previous years’ claims and maintain stability within the fund.

On the other side, total insurance service expenses were \$428.3 million. The two largest components were claim costs (\$362.7 million) and net operating expenses (\$90.5 million). The composition of revenue and expenses is shown below.

This deficit was offset by investment income and funded through the injury fund. After establishing a \$136.0 million Strategic Initiative Reserve, the WCB closed the year with \$18.7 million in total comprehensive income and a funded position of \$683.9 million (comprising injury fund \$497.5 million, Strategic Initiative Reserve \$136.0 million and reserves \$50.4 million).

## Revenue, expenses and total comprehensive income - 2025 (\$millions)



These revenue and expense results shaped the WCB's sufficiency ratio — the key measure of whether the injury fund can meet all the current and future obligations. Despite a decline from 137.5 per cent in 2024 to 123.5 per cent in 2025, the sufficiency ratio remains well within the board-approved target range of 100 to 140 per cent. This change reflects a key decision intended to protect the system's long-term stability, including supporting the completion of the Business Transformation Program.

During the year, the board established new reserves to ensure the completion of the Business Transformation Program, support premium rate reductions and future strategic improvements (i.e. implementation of artificial intelligence use case, injury prevention programs). This required transferring \$136.0 million into reserves, which reduced the assets counted toward the sufficiency calculation. At the same time, the WCB added \$90 million in new liabilities, largely due to higher future claim costs and higher than expected claim costs, captured in the updated

actuarial valuation. Increases in claims and administration expenses are affected by long-term assumptions about claims development and are not the same as paid claims. This was mostly attributable to growth in the workforce and in wage and medical cost inflation, though worsening persistency of existing claims also contributed. These changes increased the funding basis benefit liabilities used in the ratio. The increase in liabilities was offset by an increase in expected premium revenue. Together, these factors explain the shift in the sufficiency ratio and reflect the WCB’s continued commitment to maintaining a fully funded system while investing in modernization.

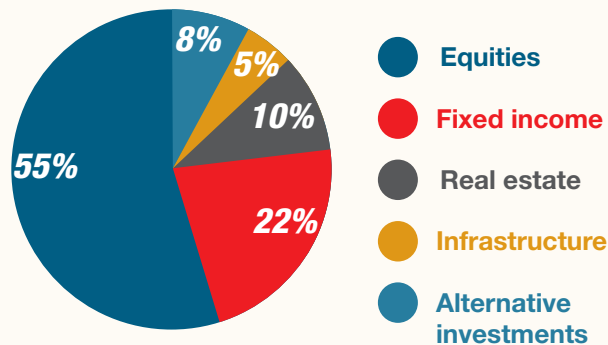
### Sufficiency ratio with target band (100 to 140 per cent) Ratio remained within 100 to 140 per cent target band all five years



#### 3.3.10.2 Investments

The injury fund is the WCB’s primary financial asset, invested to generate the returns that sustain the compensation system. The portfolio is diversified across five asset classes — equities, fixed income, real estate, infrastructure and alternative investments — to balance risk and return. Equities represent the largest allocation at 55 per cent, as shown in the chart below.

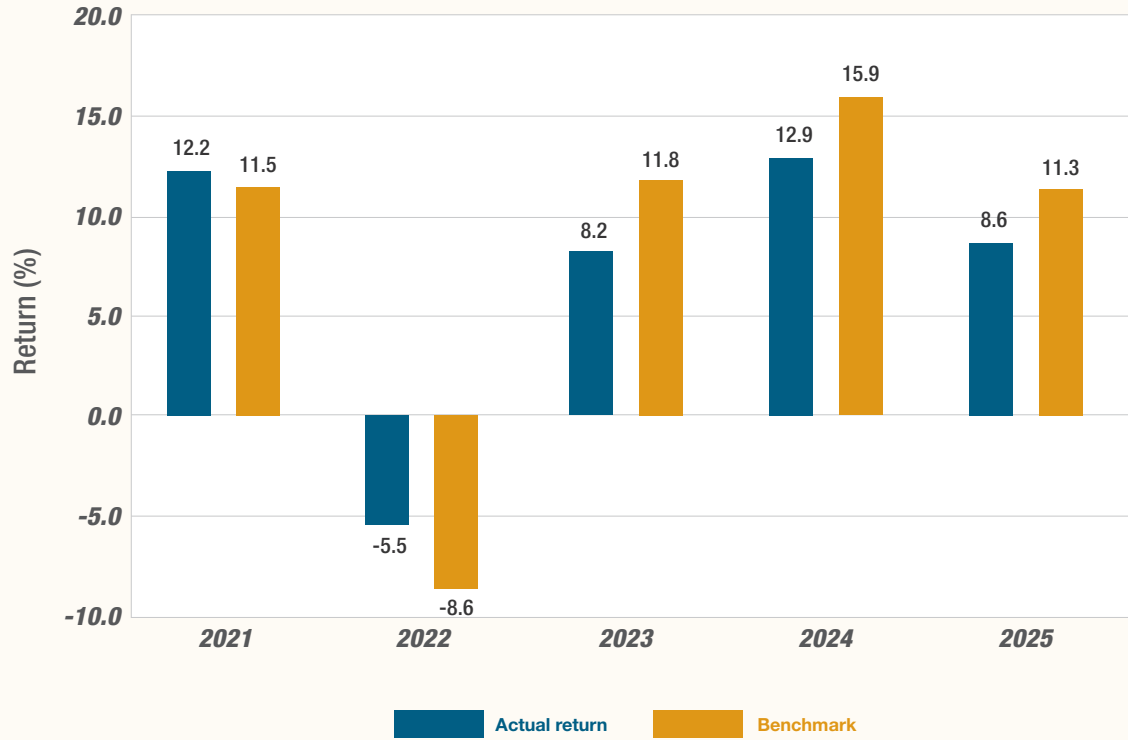
#### Investment portfolio allocation (%)



This blend generated an 8.6 per cent return in 2025, below the benchmark of 11.3 per cent. The WCB’s long-term investment strategy, under the Statement of Investment Policies and Goals, targets a 6.25 per cent average annual return. This strategy helps smooth volatility, strengthen the injury fund and reduce rate pressure for employers.

## Investment return vs benchmark

Returns reflect market conditions while supporting long-term fund stability



The WCB's commitment to disciplined investment and transparent financial reporting continues to underpin confidence in the system's long-term sustainability.

Additional details on the composition and valuation of the investment portfolio are provided in the Notes to the Financial Statements.

# Section 4

## **RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements are the responsibility of management and have been prepared in accordance with International Financial Reporting Standards. The preparation of financial information is an integral part of management's broader responsibilities for the ongoing operations of the WCB. Based on management's knowledge, having exercised reasonable diligence, the financial statements fairly represent, in all material respects, the financial condition, results of operations and cash flows as at December 31, 2025.

Management maintains an extensive system of internal accounting controls to provide reasonable assurance that transactions are recorded accurately on a timely basis, are approved properly and result in reliable financial statements. With the support of internal audit, management assesses the WCB's internal controls over financial reporting using the 2013 Internal Control Integrated Framework from the Committee of Sponsoring Organizations of the Treadway Commission (COSO). From this assessment, the effectiveness of controls over financial reporting was assessed and found to provide reasonable assurance that internal controls at December 31, 2025, operated effectively with no material weaknesses in the design or operation of the controls.

An independent actuary has been engaged to carry out a valuation of the benefits liabilities. The scope of their valuation and opinion are given in the actuarial certificate.

The financial statements have been examined and approved by the board members. The board members meet periodically with financial officers of the WCB and the external auditors. Internal audit conducts reviews designed to test the accuracy and consistency of the WCB's internal controls, practices and procedures.

BDO Canada LLP has been appointed as external auditors. The Independent Auditors' Report outlines the scope of their examination and their opinion.



**PHILLIP GERMAIN**  
Chief Executive Officer



**DALE MARKEWICH**  
Chief Financial Officer

## 4.1 | Actuarial certification

### To the Board of Directors of the Saskatchewan Workers' Compensation Board

We have completed an actuarial valuation as at December 31, 2025 of the liabilities for benefits payable in the future under *The Workers' Compensation Act, 2013* in respect of claims that occurred prior to the valuation date.

We have analyzed the claims data on which the valuation has been based and have performed tests to confirm the reasonableness of the data and its consistency with the data used for valuations in prior years. In our opinion, the claims data is sufficient and reliable for the purposes of the valuation.

The valuation was based on the provisions of *The Workers' Compensation Act, 2013* and reflects future increases in the maximum wage rates. The benefits liabilities include a provision for claims arising in the future in respect of latent occupational diseases and for future expenses relating to the administration of existing claims. Payments made by the Board on a self-insured basis are excluded from the valuation.

The actuarial assumptions and methods employed in the valuation under IFRS 17 represent the best estimate of the Board's future obligations. They are based on the provisions of *The Workers' Compensation Act, 2013*, the Board's current claims adjudication practices and administrative procedures and the pattern of claims costs experienced prior to the valuation. In our opinion, for the purposes of the valuation, the actuarial assumptions are appropriate, and the methods employed are consistent with sound actuarial principles.

The valuation of the Board's benefits liabilities of \$1,694,122,000, for purposes of financial reporting in accordance with IFRS 17, represents the actuarial present value at December 31, 2025 of all payments expected to be made in future years for all claims occurring on or before December 31, 2025. In our opinion, the amount of the insurance contracts liabilities makes appropriate provisions for all personal injury compensation obligations, and the financial statements fairly represent the valuation results.

The valuation also includes information on the Board's benefits liabilities of \$1,679,858,000 at December 31, 2025, determined for purposes of funding in accordance with the Board's sufficiency policy. For this purpose we employed some different actuarial methods and assumptions, which include margins for adverse deviation, and in our opinion are also appropriate. In our opinion, the amount of the benefits liabilities makes appropriate provision for all personal injury compensation obligations per the Board's sufficiency policy.

Our actuarial report has been prepared and our opinions have been given in accordance with accepted actuarial practice in Canada. Notwithstanding the above certifications, emerging experience differing from the assumptions will result in gains or losses that will be revealed in subsequent valuations.



**MARK MERVYN, PARTNER**

Fellow, Canadian Institute of Actuaries

Aon

1067 W. Cordova Street, Suite 1700 Vancouver, British Columbia V6C1C7

March 2, 2026

## 4.2 | Independent auditor's report



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www.bdo.ca

BDO Canada LLP  
123 - 2<sup>nd</sup> Avenue South, Suite 1000  
Saskatoon, Saskatchewan  
S7K 7E6

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### Independent Auditor's Report

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To the Members of the Saskatchewan Workers' Compensation Board

#### Opinion

We have audited the financial statements of The Saskatchewan Workers' Compensation Board (the "WCB"), which comprise the statement of financial position as at December 31, 2025, and the statement of operations and comprehensive income, statement of changes in funded position 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 WCB as at December 31, 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 WCB 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, other than the financial statements and our auditor's report thereon, included in the annual report.

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 identified above 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.

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

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

Management is responsible for the preparation and fair presentation of these 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.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



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

Those charged with governance are responsible for overseeing the WCB'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 WCB'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 WCB'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 WCB 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.

*BDO Canada LLP*

Chartered Professional Accountants

Saskatoon, Saskatchewan  
March 25, 2026

# Statement of Financial Position

As at December 31 (thousands of dollars)	2025	2024
<b>Assets</b>		
Cash and cash equivalents (note 4)	\$ 51,467	\$ 149,953
Receivables (note 5)	4,132	5,902
Financial investments (note 6)	2,562,368	2,351,009
Property and equipment (note 7, 8)	16,069	17,059
Other assets (note 9)	3,176	3,476
	\$ 2,637,212	\$ 2,527,399
<b>Liabilities</b>		
Payables and accrued liabilities (note 10)	\$ 34,662	\$ 33,088
Insurance contract liabilities (note 11)	1,694,122	1,604,969
Annuity fund payable (note 12)	224,513	224,149
	1,953,297	1,862,206
<b>Funded Position</b>		
Injury fund	497,519	618,519
Reserves (note 13)	186,396	46,674
	683,915	665,193
	\$ 2,637,212	\$ 2,527,399

Commitments and contingencies (note 22)

*The accompanying notes are an integral part of the financial statement.*

Approved by the Board and signed on their behalf on March 2026



**GORD DOBROWOLSKY**  
Chair



**LARRY FLOWERS**  
Board Member



**JUDY HENLEY**  
Board Member



**DION MALAKOFF**  
Board Member



**COLIN SMITH-WINDSOR**  
Board Member

# Statement of Operations and Comprehensive Income

Year ended December 31	2025	2024
(thousands of dollars)		
<b>Insurance Service</b>		
Insurance revenue (note 14)	\$ 378,620	\$ 355,825
Insurance service expenses (note 15)	(428,265)	(318,871)
<b>Insurance Service Result</b>	<b>(49,645)</b>	<b>36,954</b>
<b>Net Insurance Finance (Expenses) (note 19)</b>	<b>(46,143)</b>	<b>(53,410)</b>
<b>Investment</b>		
Investment income	210,256	289,882
Investment expenses	(5,268)	(5,293)
<b>Investment Income (note 6)</b>	<b>204,988</b>	<b>284,589</b>
<b>Operating Expenses</b>		
Business Transformation Program	(46,391)	(39,420)
Annuity fund interest	(19,940)	(15,106)
Safety and prevention	(17,162)	(15,450)
Legislated obligation	(1,528)	(1,375)
Other operating expenses	(5,457)	(6,073)
<b>Total Net Operating Expenses (note 15)</b>	<b>(90,478)</b>	<b>(77,424)</b>
<b>Total Comprehensive Income</b>	<b>18,722</b>	<b>190,709</b>

*See accompanying notes to financial statements.*

# Statement of Changes in Funded Position

<b>Year ended December 31, 2025</b> (thousands of dollars)	<b>Injury Fund</b>	<b>Strategic Initiative Reserve</b>	<b>Reserves (note 13)</b>	<b>Total Funded Position</b>
Balance at December 31, 2023	\$ 428,513		45,971	474,484
Total comprehensive income	190,709		-	190,709
Appropriation of funds to reserves	(703)		703	-
Balance as at December 31, 2024	618,519		46,674	665,193
Total comprehensive income	18,722		-	18,722
Appropriation of funds to reserves	(139,722)	136,000	3,722	-
Balance as at December 31, 2025	<u>497,519</u>	<u>136,000</u>	<u>50,396</u>	<u>683,915</u>

*See accompanying notes to financial statements.*

## Statement of Cash Flows

Year ended December 31 (thousands of dollars)	2025	2024
<b>OPERATING ACTIVITIES</b>		
<b>Cash received from:</b>		
Employers for premiums	\$ 381,326	\$ 359,686
<b>Cash paid to:</b>		
Claimants, or third parties on their behalf	(318,625)	(291,370)
Employees and suppliers, for administrative and other goods and services	(128,753)	(112,619)
Safety and prevention programs	(29,304)	(27,889)
Ministry of Labour Relations and Workplace Safety	(2,587)	(505)
	(479,269)	(432,383)
Net cash used in operating activities	(97,943)	(72,697)
<b>INVESTING ACTIVITIES</b>		
<b>Cash received from:</b>		
Sale and maturity of investments	914,223	549,426
Dividends	90,623	65,976
Interest	28,093	21,384
	1,032,939	636,786
<b>Cash paid for:</b>		
Purchase of investments	(1,032,040)	(536,727)
Purchase of property and equipment	(1,406)	(807)
Purchase of other assets	(233)	(989)
	(1,033,679)	(538,523)
Net cash (used in) provided by investing activities	(740)	98,263
<b>FINANCING ACTIVITIES</b>		
<b>Cash paid for:</b>		
Leased buildings	197	(309)
Net cash provided by (used in) financing activities	197	(309)
Increase in cash and cash equivalents during the year	(98,486)	25,257
Cash and cash equivalents, beginning of year	149,953	124,696
Cash and cash equivalents, end of year	\$ 51,467	\$ 149,953

*See accompanying notes to financial statements.*

December 31, 2025

(\$ amounts in thousands of dollars unless otherwise noted)

## 1. Nature of Operations:

The Saskatchewan Workers' Compensation Board (the WCB) is a statutory corporation that operates under the authority of *The Workers' Compensation Act, 2013* (the Act). Its purpose is to provide workplace insurance to Saskatchewan employers and provide benefits to workers who are injured in the course of their employment.

In addition to administering workplace insurance, the WCB delivers a range of injury prevention programs and services. These initiatives aim to promote workplace safety, reduce injury rates, and support employers and workers in creating safer work environments across the province.

The WCB is also considered a Government Business Enterprise and as such, its financial results are included in the Government of Saskatchewan's summary financial statements. As a Government Business Enterprise, the WCB is exempt from income tax. The WCB's registered office is located at 1881 Scarth St #200 Regina, Saskatchewan, Canada.

Though the WCB does not receive government funding or other assistance, it is required by the Act to maintain an injury fund sufficient to meet all present and future compensation costs. Insurance rates are established at a level to provide for current and future costs of claims, and operations arising from current claims.

## 2. Basis of Presentation:

### Statement of compliance

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

### Basis of measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments and the insurance contract liabilities. The methods used to measure the values of financial instruments are discussed further in Note 3, Material Accounting Policies. The liability for incurred claims included within the insurance contract liabilities is measured on a discounted basis in accordance with accepted actuarial practice.

### Statement of financial position classification

The statement of financial position has been prepared on a non-classified basis in order of liquidity.

### Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the WCB's functional currency.

## Use of critical accounting estimates and judgment

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the amounts estimated and the changes in estimates are recorded in the accounting period in which they are determined. The most significant estimation processes are related to the valuation of level 3 investments (note 6), and the actuarial determination of the insurance contract liability (note 11).

## Standards, amendments, and interpretations issued but not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the WCB has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2026:

- Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The following standards are effective for the annual reporting period beginning 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The WCB is currently assessing the impact of these new accounting standards and amendments on the presentation and disclosure of the financial statements.

## 3. Material Accounting Policies:

The WCB has consistently applied the following accounting policies to all periods presented in these annual financial statements, except if mentioned otherwise.

### Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial Assets

#### Initial recognition and measurement

The WCB recognizes a financial asset in the statement of financial position when, and only when, WCB becomes party to the contractual provisions of the financial instrument. All investments are recognized on the trade date, which is the date on which the WCB becomes a party to the contractual provisions of the instrument.

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them. With the exception of trade receivables that do not contain a significant financing component, which are initially measured at the transaction price.

On initial recognition, a financial asset is measured at fair value, plus any attributable transaction costs, unless:

- the asset is classified as at FVTPL, in which case transaction costs are not included; or
- the asset is a trade receivable that is initially measured at the transaction price.

## Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into following categories:

### *Financial assets at amortized cost*

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest criterion, i.e., the SPPI (Solely Payments of Principal and Interest) criterion.

WCB's financial assets at amortized cost includes cash and receivables.

### *Financial assets at FVOCI*

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms of the financial assets meet the SPPI criterion.

### *Financial assets at FVTPL*

All other financial assets, i.e., financial assets that do not meet the criteria for classification as subsequently measured at either amortized cost or FVOCI, are classified as subsequently measured at fair value, with changes in fair value recognized in profit or loss. However, there is an option on initial recognition to irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities, or recognizing the gains and losses on them, on different bases. WCB has elected to measure its bonds at FVTPL to avoid accounting mismatch as all changes in the insurance contract flow through the P&L (not OCI) and these investments are entered into for the purpose of generating cash flows to match expected fulfillment cash flows on the insurance contract.

Since WCB has elected to measure its bonds at FVTPL, there is no requirement to assess the business model or whether the investments pass the SPPI test for these instruments.

### *Equity instruments*

Investments in equity instruments by default are measured at FVTPL. On initial recognition an entity may make an irrevocable election to present in OCI (Other Comprehensive Income) the changes in the fair value of an investment in an equity instrument that is not held for trading. The election can be made on an instrument-by-instrument basis.

## Derecognition

Financial assets are de-recognized when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the WCB neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. On derecognition of a financial asset, the difference between the carrying amount at the date of derecognition and the consideration received (including any new asset obtained less any new liability assumed) is recognized in profit or loss.

## Financial Liabilities

### Initial recognition and measurement

The WCB recognizes a financial liability in the statement of financial position when, and only when, WCB becomes party to the contractual provisions of the financial instrument.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or at amortized cost.

All financial liabilities are recognized initially at fair value, net of directly attributable transaction costs unless the liability is classified as at FVTPL, in which case transaction costs are expensed out.

### Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified into following categories:

#### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

#### *Financial liabilities at amortized cost*

Financial liabilities not classified as FVTPL are measured at amortized cost using the effective interest method.

WCB measures bank indebtedness (if any), accounts payable, and accrued liabilities and annuity fund payable at amortized cost.

## Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

## Offsetting

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and liabilities simultaneously. Income and expenses are not offset in the statement of operations unless required or permitted by an accounting standard or interpretation, as specifically disclosed in the accounting policies of the WCB. There are no financial assets and liabilities reported as offset in these financial statements.

## Fair Value of Financial Instruments

The determination of fair value is based on valuations that make maximum use of available market information. The best measure of fair value is an independent quoted market price for the same instrument in an active market. An active market is one where quoted prices are readily available representing regularly occurring transactions. Fair value measurements are categorized into levels within a fair value hierarchy based on the nature of the inputs used in the valuation. The input levels are defined as follows:

### Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities

The WCB defines active markets based on the frequency of valuation and any restrictions or illiquidity on disposition of the underlying investment and trading volumes. Assets measured at fair value and classified as Level 1 include pooled equity funds and equities. Fair value is based on market price data for identical assets.

### Level 2: Quoted prices in markets that are not active or inputs that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 2 inputs include observable market information, including quoted prices for assets in markets that are considered less active. Assets measured at fair value and classified as Level 2 include bonds and debentures, pooled bond fund, pooled mortgage fund, and short-term holdings. The fair value of investments in bonds and debentures are based on, or derived from, market price data for similar instruments. The fair value of investments in pooled funds are based on the WCB's share of the net asset value of the respective fund.

### Level 3: Unobservable inputs that are supported by little or no market activity and are significant to the estimated fair value of the assets or liabilities

Level 3 financial instruments are those whose values are determined using internal pricing models, discounted cash flow methodologies or similar techniques that are not based on observable market data, as well as instruments for which the determination of estimated fair value requires significant management judgment or estimation. Assets classified as Level 3 include the investment in the pooled real estate fund, pooled private fixed income fund, and infrastructure limited partnerships. The fair value of the investments are based on the WCB's share of the net asset value of the respective fund or partnership, which is the key unobservable input.

The fair value of financial assets and liabilities other than investments (note 6) approximates carrying value due to their immediate or short-term duration. Where other financial assets and liabilities are of longer duration, fair value is determined using the discounted cash flow method using discount rates based on adjusted observable market rates.

## Impairment of Financial Assets

The WCB uses the simplified approach of the expected credit loss model for receivables with no significant financing component, which requires measuring the loss allowance at an amount equal to the lifetime expected credit losses at initial recognition and throughout its life. In estimating the lifetime expected loss provision, the WCB considered historical default rates based on the data available at December 31, 2025.

## Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and (for the purpose of the statement of cash flows) bank indebtedness. Bank indebtedness is shown separately in liabilities on the statement of financial position.

## Investments under Securities Lending Programs

The WCB participates in a securities lending program through an intermediary for the purpose of generating fee income. Securities lending transactions are entered into on a collateralized basis. The fair value of the loaned securities is monitored on a daily basis by an intermediary financial institution with additional collateral obtained or refunded as the fair value of the underlying securities fluctuates. The intermediary indemnifies the WCB against any shortfalls in collateral in the event of default by the counterparty. These transactions are conducted under terms that are usual and customary to security lending activities. The securities lent are not derecognized on the statement of financial position given that the risks and rewards of ownership are not transferred from the WCB to the counterparties in the course of such transactions.

Securities received from counterparties as collateral are not recorded on the statement of financial position given that the risks and rewards of ownership are not transferred from the counterparties to the WCB in the course of such transactions. The fair value of the collateral held is materially consistent with the fair value of the securities lent out.

These agreements do not meet the criteria for offsetting in the statement of financial position but still allow for related amounts to be offset in certain circumstances.

## Property and Equipment

Property and equipment are measured at cost less accumulated amortization and any accumulated impairment losses. When significant components of an item of property and equipment have different useful lives, they are accounted for as separate items. As no borrowing costs are attributable to the acquisition of property and equipment, there are no capitalized borrowing costs included in cost.

Amortization of property and equipment is included in administration expenses. Property and equipment are amortized on a straight-line basis over their estimated useful lives.

### The estimated useful lives of the assets are as follows:

Building	40	Years
Leasehold improvements	15	Years
Office furnishings	10	Years
Computer equipment	3-4	Years

## Leases

The WCB recognizes all leases to which it is a lessee in the statement of financial position as a lease liability, classified under payables and accrued liabilities, with a corresponding right-of-use asset, classified under property and equipment, subject to recognition exemptions for certain short-term and low value leases.

On the lease commencement date, a right-of-use asset and a lease liability are recognized. The lease liability is initially measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the WCB's incremental borrowing rate.

The lease term includes the non-cancellable period of the lease along with any periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option and any periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. Lease payments included in the measurement of the lease liability comprise fixed payments, reduced by any incentives receivable, and exclude operational costs and variable lease payments. The lease liability is subsequently measured at amortized cost using the effective interest method.

The right-of-use asset is initially measured at cost, which corresponds to the value of the lease liability adjusted for any lease payments made or initial direct costs incurred at or before the commencement date, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method over the lease term.

The WCB elected not to recognize right-of-use assets and lease liabilities for leases of low value assets and short-term leases. The WCB recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The WCB presents its right-of-use assets in 'Property and equipment' and lease liabilities in 'Payables and accrued liabilities' in the statement of financial position.

## Intangible Assets

Intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. When significant components of an item of intangible assets have different useful lives, they are accounted for as separate items. Intangible assets include both internally developed and acquired software. Development costs, which include employee costs and an appropriate portion of relevant overhead directly attributable to internally developed software, are recognized as intangible assets when certain criteria are met. The criteria to capitalize development costs include the WCB's intention and ability to complete the development of the software from which it is probable the WCB will generate future economic benefits. Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use. As no borrowing costs are attributable to the acquisition or development of intangible assets, there are no capitalized borrowing costs included in cost.

Amortization of intangible assets is included in net operating expenses. Intangible assets are amortized on a straight-line basis over their estimated useful lives. The estimated useful life of intangible assets ranges from three to ten years.

## Impairment of Non-financial Assets

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Assets that were adjusted for impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## Annuity Fund Payable

The annuity fund is established pursuant to sections 73 and 81 of the Act. These sections require, where compensation is paid for a period exceeding twenty-four consecutive months, that an additional amount equal to 10 per cent of eligible benefits paid be set aside in the annuity fund to compensate injured workers and dependent spouses for the loss of retirement income due to a workplace injury.

This amount is over and above the benefits payments. The WCB recognizes a liability in the annuity fund when a worker's eligible benefit is paid. The annuity fund accrues interest based on an internally calculated rate of return. At age 65 or upon death, the injured worker or their beneficiary receives their contributions to the annuity fund plus any accrued interest.

Assets attributable to the Annuity Fund are included and managed as part of the WCB's investment portfolio. All benefits, not yet accrued to the beneficiaries, are covered within the insurance contract liabilities under incurred claims, as at the reporting date.

## Insurance Contract Liabilities

Insurance contract liabilities represents the amount the WCB committed toward all insureds and beneficiaries, including amounts to cover the payment of benefits.

Insurance contract liabilities do not include any provision for payment of claims relating to the Government of Canada, as they are a self-insured employer.

## Classification and Summary of Measurement Models

Contracts under which the WCB accepts significant insurance risk are classified as insurance contracts. Insurance contracts also expose the WCB to financial risk. The WCB does not hold reinsurance contracts under which it transfers significant insurance risk related to underlying insurance contracts.

The WCB also does not accept insurance risk from other insurers.

All insurance contracts are classified as contracts without direct participation features and measured under the simplified measurement model, the Premium Allocation Approach (PAA).

## Level of Aggregation

Insurance contracts are aggregated into portfolios and then grouped for measurement purposes. Portfolios are comprised of contracts with similar risks that are managed together. Management uses judgment in determining the portfolios with the primary drivers considered being the governing legislation, product line and geographic region.

Insurance portfolios are then further aggregated into groups as follows:

- each portfolio is divided into annual cohorts (i.e. by year of policy effective date); and
- each cohort is divided into three groups based on the profitability of contracts:
  - contracts that are onerous on initial recognition; an insurance contract is onerous at the date of initial recognition if the fulfillment cash flows allocated to the contract results in a total net outflow;
  - contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
  - remaining contracts in the annual cohort.

The WCB has one portfolio identified and operates in one geographic region. Portfolios may change prospectively if there are changes in how the WCB manages its operations.

## Recognition

An insurance contract issued by the WCB is recognized from the earliest of:

- the beginning of its coverage period (i.e. the period during which the WCB provides services in respect of any premiums within the boundary of the contract);
- when the first payment from the employer becomes due or, if there is no contractual due date when it is received from the employer; and
- when facts and circumstances indicate that the contract is onerous.

When the contract is recognized, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added. Groups of contracts are established on initial recognition and their composition is not revised once all contracts have been added to the group.

## Contract Boundaries

The measurement of groups of insurance contracts includes all of the future cash flows within the boundary of each contract.

Insurance contract cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the WCB can compel the employers to pay premiums or has a substantive obligation to provide services. A substantive obligation to provide services ends when:

- the WCB has the practical ability to reassess risk of the particular policyholder and can set a price or level of benefits that fully reflect those reassessed risks; or
- WCB has the practical ability to reassess the risk of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that related to periods after the reassessment date.

Under the governing Act, the WCB is required to levy an assessment on employers at least annually for rate setting purposes.

## Measurement Models

The carrying amount of a group of insurance contracts at the end of each reporting period is composed of the following:

- Liability for remaining coverage: the obligation to provide coverage after the reporting period for insured events that have not yet occurred.
- Liability for incurred claims: the obligation to investigate and pay claims for insured events that have already occurred. This includes events that have occurred but for which claims have not yet been reported to the WCB and other incurred insurance expenses.

### *Premium allocation approach (PAA)*

The WCB uses the PAA to simplify the measurement of groups of contracts when the following criteria are met at inception:

- Insurance contracts: The coverage period of each contract in the group is one year or less. Contracts provide compensation for the cost of an insured event; for these contracts, the WCB determines the insured event to be the occurrence of that event and the coverage period to be the period in which an insured event can occur for which an employer can make a valid claim.

The WCB applies the PAA to all the insurance contracts that it issues as the coverage period of each contract in the group is one year or less. The WCB applies the PAA when measuring the liability for remaining coverage as follows:

### *Initial and subsequent measurement*

The liability for remaining coverage includes:

- Premiums received on initial recognition,
- Less amounts recognized as insurance revenue for the services provided, generally allocated based on the passage of time, usually 12 months.
- Any loss component for onerous contracts.

The WCB has elected to not discount the liability for remaining coverage under the PAA, because there is no significant finance component as premiums are received within one year of the coverage period.

### *Liability for incurred claims*

The liability for incurred claims is an estimate of the fulfillment cashflows related to incurred claims, including a risk adjustment to account for non-financial risk. The liability for incurred claims is discounted to consider the time value of money. Contracts measured under the PAA do not require an adjustment for the time value of money if the cash flows on those claims are expected to be paid or received within one year of the date the claims are incurred.

The cashflows from WCB's portfolio of contracts measured under the PAA are expected to exceed one year, as such the WCB is required to discount all of its liability for incurred claims. The determination of the liability for incurred claims requires a number of assumptions. These assumptions are discussed further in Note 11, Insurance contract liabilities.

### *Insurance acquisition cash flows*

Insurance acquisition cash flows are costs directly attributable to selling or underwriting insurance contracts.

The WCB does not have external policy issuance costs. It does not pay premium tax, nor does it pay any third-party commissions related to the issuance of policies. The WCB's acquisition cashflows include only allocation of indirect costs such as salaries and overhead costs which are directly attributable to the portfolio of policies written.

Management used judgement in determining the drivers used to allocate indirect costs to portfolios and groups of insurance contracts.

The WCB has elected to expense all insurance acquisition cash flows as incurred.

### *Onerous contracts*

A group of contracts is onerous at initial recognition if there is a net outflow of fulfillment cash flows, resulting in a liability for the net outflow being recognized as a loss component in the liability for remaining coverage and a loss is recognized immediately in net income (insurance service expense).

The loss component is amortized to net income over the coverage period as the coverage period progresses and claims are incurred.

The WCB assumes no contracts in a portfolio are potentially onerous at initial recognition unless facts and circumstances indicate otherwise. The WCB has developed a methodology for identifying indicators of possible onerous contracts, including reviewing forward looking expectations such as forecast information, as well as historical experience.

At each reporting date, if facts and circumstances indicate that a group of insurance contracts is potentially onerous, then the WCB applies the same analysis it has performed for groups potentially onerous at initial recognition.

### *Risk Adjustment*

The measurement of insurance contracts includes a risk adjustment for non-financial risk. The risk adjustment for non-financial risk is the compensation required for bearing the uncertainty about the amount and timing of cashflows of groups of insurance contracts. The risk adjustment includes the benefit of diversification and excludes the impact of financial risks.

The WCB elected to not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

### *Discount Rate*

The liability for incurred claims is discounted. The WCB has used a discount yield curve using risk-free rates adjusted to reflect the illiquidity characteristics of the applicable insurance contracts.

### *Derecognition and contract modification*

The WCB derecognizes a contract when it is extinguished – i.e. when the specified obligations in the contract are discharged or canceled.

The WCB does not derecognize a contract if its terms are modified in accordance with the Act – i.e. changes resulting from supplemental assessments made by employers or the WCB under Section 149 and 143 of the Act.

When a contract modification does not result in derecognition, the WCB treats the changes in cash flows caused by the modification as changes in estimates of fulfillment cash flows.

For a group of contracts measured under the PAA, a contract is derecognized from the group by removing the portion of the carrying amount of the group that relates to the rights and obligations extinguished. The difference between the carrying amount derecognized and any consideration paid is recognized in profit or loss.

### *Presentation*

Portfolios of insurance contracts that are assets and those that are liabilities are presented separately in the statement of financial position.

The WCB disaggregates amounts recognized in the statement of operations and comprehensive income into:

- (a) Insurance service result, comprising insurance revenue and insurance service expenses; and
- (b) Net insurance finance income or expenses.

## Insurance Revenue

At the beginning of each year, an assessment is levied on employers by applying their industry assessment rate to their estimated payrolls. At year-end, insurance revenue is adjusted based on a review of the employers' actual payrolls. For employers who have not reported, premiums are estimated and any differences between actual and estimated premiums are adjusted when insurable earnings are reported. Insurance revenue is impacted by discounts or surcharges which are applied to the employers' industry insurance rate through the WCB's Experience Rating Program.

Insurance revenue is fully earned and recognized over the annual coverage period. Any difference between actual and estimated premiums is adjusted in the following year. Historically, this difference has not been significant.

Insurance revenue for the period includes expected premium receipts net of discounts and surcharges. The WCB allocates expected premium receipts net of discounts and surcharges to each period of insurance contract services on the basis of the passage of time. If the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

For the periods presented, all revenue has been recognized on the basis of the passage of time.

## Insurance Service Expenses

Insurance service expenses arising from insurance contracts are recognized in profit or loss generally as they are incurred. It is composed of the following:

- Incurred claims and other insurance service expenses, which are fulfillment cash flows and include direct incurred claims and non-acquisition costs directly related to fulfilling insurance contracts;
- Changes to liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein;
- Insurance acquisition cash flows which are costs directly attributable to insurance contracts and are comprised of both direct costs and an allocation of indirect administrative costs; and
- Losses and reversals on onerous contracts (see above).

## Insurance Finance Income and Expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from the effects of the time value of money, financial risk and changes therein. They include changes in the measurement of groups of contracts caused by changes in the value of underlying items.

The WCB has elected to record changes in discount rates in net income through net insurance finance (expenses) income on the statement of operations and comprehensive income.

## Investment Income

The WCB recognizes interest revenue as earned, dividends when declared, pooled fund revenue when a distribution is declared, realized gains and losses on investments when the investment has been sold and unrealized gains and losses based on the changes in market value of the investments held.

Interest revenue includes amortization of any premium or discount recognized at the date of purchase of the security. Amortization is calculated using the effective interest method. Realized gains and losses represent the difference between the amounts received through the sale of investments and their respective cost base. Interest is generally receivable on a semi-annual basis.

Transaction costs are included in the acquisition cost of individual investments. Direct investment expenses, such as external custodial, investment management and investment consultant expenses are recorded against investment income.

## Software-as-a-Service (SaaS) Arrangement

SaaS arrangements are service contracts providing the WCB with the right to access the cloud provider's application software over the contract period. As such, the WCB does not receive a software intangible asset at the contract commencement date. A right to receive future access to the supplier's software does not, at the contract commencement date, give the WCB the power to obtain the future economic benefits flowing from the software itself or to restrict others' access to those benefits. Costs incurred to configure or customize, and the ongoing fees to obtain access to the cloud provider's application software, are recognized as expenses when the services are received.

## Self-Insured Employers

The Government of Canada is a self-insured employer whose claims are administered by the WCB. The Government reimburses the WCB for all claims paid out on their behalf plus an administration fee. Gross insurance revenues reported are net of amounts received from the Government of Canada and accordingly, claim costs do not include self-insured claims. Monies paid to the WCB for reimbursement of these claims are reflected in the statement of cash flows as cash received from insurance revenues and monies paid out relating to these claims are recorded as cash paid out to claimants or third parties on their behalf. The total Government of Canada self-insured claim costs in 2025 were \$8,554 (2024 - \$8,209).

## Foreign Currency Translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency monetary assets and liabilities are translated at the rates in effect at the reporting date. Unrealized foreign exchange gains and/or losses arising on monetary and non-monetary investments designated as fair value through profit and loss are recognized in investment income. Unrealized gains and/or losses arising on translation are charged to operations in the current year. Translation gains and/or losses related to other financial assets and liabilities are charged to operations in the current year.

## Employee Future Benefits Plan

The WCB subscribes to a defined contribution pension plan, the Public Employees Pension Plan (PEPP), that provides retirement benefits for its employees. The plan is administered by Plannera Pensions & Benefits.

A defined contribution pension plan is a post-employment benefit under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to the defined contribution pension plan are recognized as an employee benefit expense in the statement of operations and comprehensive income in the period during which services are rendered by employees.

## 4. Cash and Cash Equivalents:

Cash and cash equivalents consist entirely of deposits held at financial institutions for the years ended December 31, 2025, and 2024.

In accordance with Section 118(1) of the Act, WCB has secured a \$25,000 unsecured line of credit with interest at Scotiabank's prime lending rate. As at year end \$25,000 (2024 - \$25,000) was available to be drawn upon.

## 5. Receivables

Receivables are comprised of the following:

	2025	2024
<i>(thousands of dollars)</i>		
Accrued interest	-	\$ 2,002
Government of Canada	4,083	3,688
Other	49	212
	<u>4,132</u>	<u>5,902</u>
Allowance for doubtful accounts	-	-
	<u>\$ 4,132</u>	<u>\$ 5,902</u>

## 6. Financial Investments:

The fair values of the WCB's financial investments are as follows:

	2025	2024
<i>(thousands of dollars)</i>		
Bonds and debentures	\$ 255,965	\$ 128,558
Pooled bond fund	288,647	129,148
Pooled equity funds	1,069,177	1,008,985
Equities	299,254	235,209
Pooled real estate fund	264,978	277,544
Infrastructure	118,775	108,515
Pooled private fixed income fund	204,050	121,605
Short-term holdings	31,670	47,865
	<u>2,532,516</u>	<u>2,057,429</u>
<b>Investments under Securities Lending Programs</b>		
Bonds and debentures	-	237,828
Equities	29,852	55,752
	<u>29,852</u>	<u>293,580</u>
	<u>\$ 2,562,368</u>	<u>\$ 2,351,009</u>

Details of significant terms and conditions, exposures to interest rate and credit risks on investments are as follows:

## Bonds and debentures:

(thousands of dollars)	Term to Maturity in Years	2025		2024	
		Fair Value	Average Effective Yield	Fair Value	Average Effective Yield
Government of Canada Securities	1 - 5	\$ -	0.00%	\$ -	0.00%
	6 - 10	-	0.00%	148,220	2.25%
	Over 10	403	2.84%	6,214	3.31%
Provincial & Municipal Securities	1 - 5	52,874	3.00%	-	0.00%
	6 - 10	25,852	3.81%	78,214	3.80%
	Over 10	56,996	4.23%	44,388	3.72%
Corporate Securities	1 - 5	21,018	3.86%	31,529	4.22%
	6 - 10	32,372	4.72%	38,816	3.95%
	Over 10	66,450	4.43%	19,005	4.10%
Total		<u>\$ 255,965</u>		<u>\$ 366,386</u>	

## Pooled bond fund:

The WCB has invested in pooled bond funds. The fund returns are based on the success of the fund manager.

## Equities and pooled equity funds:

The WCB's investments in equities and pooled equity funds have no fixed maturity dates and are generally not exposed to interest rate risk.

The WCB's equity investments include foreign equities and foreign pooled equity funds of \$1,107,902 (2024 - \$1,031,633).

The WCB has investments in pooled equity funds with the following carrying values:

(thousands of dollars)	2025	2024
Global Low Volatility Equity funds	\$ 768,798	\$ 757,661
Europe, Asia and the Far East (EAFE) Equity fund	165,586	132,492
Canadian Low Volatility Equity fund	134,793	118,832
	<u>\$ 1,069,177</u>	<u>\$ 1,008,985</u>

## Pooled real estate fund:

The WCB has an investment in a pooled real estate fund that is invested in Canadian commercial properties.

## Infrastructure limited partnership:

The WCB has an investment in an infrastructure limited partnership that is invested in a Master Fund that in turn has investments in a diversified portfolio of global infrastructure investments.



The WCB's policy is to recognize transfers into and out of fair value hierarchy levels at the end of the reporting period. There were no transfers between levels during the period. There were no changes to the valuation techniques during the period.

A reconciliation of Level 3 investments is as follows:

	2025	2024
<i>(thousands of dollars)</i>		
Level 3 investments, beginning of the year	\$ 507,664	\$ 389,427
Acquisitions during the year	86,079	114,030
Dispositions during the year	(3,093)	(2,149)
Gains (losses) recognized in net income	(2,847)	6,356
Level 3 investments, end of the period	<u>\$ 587,803</u>	<u>\$ 507,664</u>

Investment in the infrastructure limited partnerships, pooled real estate fund and pooled private fixed income fund are valued using the WCB's share of the net asset value of the respective fund as at December 31, 2025.

## Sensitivity Analysis:

Following is the sensitivity analysis of level 3 investments.

Investment	% Change in NAV	2025		2024	
		Increase / (Decrease)			
Pooled private fixed income fund	5%	\$ 10,200	\$ 6,075	(10,200)	(6,075)
		13,249	13,877	(13,249)	(13,877)
Pooled real estate fund	5%	5,939	5,426	(5,939)	(5,426)

## Net Investment Incomes (Losses):

Net investment incomes (losses) were derived from the following sources:

	2025			2024		
	<i>(thousands of dollars)</i>					
	Realized	Unrealized	Total	Realized	Unrealized	
Cash and foreign exchange	\$ 2,483	\$ -	\$ 2,483	\$ 2,426	\$ -	\$
Bonds and debentures	13,201	(7,865)	5,336	7,571	8,335	
Pooled bond fund	6,107	9,372	15,479	61	8,765	
Pooled equity funds	105,721	28,643	134,364	46,468	106,452	
Equities	36,930	2,020	38,950	53,103	31,964	
Pooled real estate fund	5,736	(9,648)	(3,912)	4,197	(3,583)	
Pooled mortgage fund	-	-	-	5,724	1,072	
Infrastructure	210	10,050	10,260	-	8,515	
Pooled private fixed income fund	9,194	(3,249)	5,945	5,530	1,425	
Short-term holdings	1,382	(31)	1,351	1,527	330	
	<u>180,964</u>	<u>29,292</u>	<u>210,256</u>	<u>126,607</u>	<u>163,275</u>	
Investment expenses	(5,268)	-	(5,268)	(5,293)	-	
	<u>\$ 175,696</u>	<u>\$ 29,292</u>	<u>\$ 204,988</u>	<u>\$ 121,314</u>	<u>\$ 163,275</u>	<u>\$</u>

Included in realized investment income is interest income of \$28,093 (2024 - \$21,384).

## 7. Property and Equipment:

<i>(thousands of dollars)</i>	Land	Buildings	Leasehold Improvements	Leased Buildings	Office Furnishings	Computer Equipment	2025 Total
<b>Cost</b>							
Balance, beginning of year	\$ 1,375	\$ 14,017	\$ 4,169	\$ 7,826	\$ 3,301	\$ 4,473	\$ 35,161
Additions during the year	-	-	84	779	13	713	1,589
Disposals during the year	-	-	(34)	-	(88)	(1,290)	(1,412)
Balance, end of year	\$ 1,375	\$ 14,017	\$ 4,219	\$ 8,605	\$ 3,226	\$ 3,896	\$ 35,338
<b>Accumulated Amortization</b>							
Balance, beginning of year	\$ -	\$ 11,313	\$ 1,351	\$ 883	\$ 1,328	\$ 3,227	\$ 18,102
Amortization for the year	-	351	281	581	323	877	2,413
Disposals / Adjustments during the year	-	-	(33)	166	(89)	(1,290)	(1,246)
Balance, end of year	\$ -	\$ 11,664	\$ 1,599	\$ 1,630	\$ 1,562	\$ 2,814	\$ 19,269
2025 Net Book Value	\$ 1,375	\$ 2,353	\$ 2,620	\$ 6,975	\$ 1,664	\$ 1,082	\$ 16,069
<i>(thousands of dollars)</i>							
<b>Cost</b>							
Balance, beginning of year	\$ 1,375	\$ 14,017	\$ 4,231	\$ 7,826	\$ 3,320	\$ 4,818	\$ 35,587
Additions during the year	-	-	9	-	99	613	721
Disposals during the year	-	-	(71)	-	(118)	(958)	(1,147)
Balance, end of year	\$ 1,375	\$ 14,017	\$ 4,169	\$ 7,826	\$ 3,301	\$ 4,473	\$ 35,161
<b>Accumulated Amortization</b>							
Balance, beginning of year	\$ -	\$ 10,963	\$ 1,144	\$ 415	\$ 1,116	\$ 3,302	\$ 16,940
Amortization for the year	-	350	278	468	330	883	2,309
Disposals / Adjustments during the year	-	-	(71)	-	(118)	(958)	(1,147)
Balance, end of year	\$ -	\$ 11,313	\$ 1,351	\$ 883	\$ 1,328	\$ 3,227	\$ 18,102
2024 Net Book Value	\$ 1,375	\$ 2,704	\$ 2,818	\$ 6,943	\$ 1,973	\$ 1,246	\$ 17,059

## 8. Leases:

At December 31, 2025 the WCB held four leases in Saskatchewan all of which were leased buildings utilized for office space. The leases run for a period from five to fifteen years, with an option to renew the lease after that date. For certain leases, the WCB is restricted from entering into any sub-lease arrangements.

Some leases contain extension options exercisable by the WCB up to ten years before the end of the non-cancellable contract period. Where practicable, the WCB seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the WCB and not by the lessors. The WCB assesses at lease commencement date whether it is reasonably certain to exercise extension options. The WCB reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in the circumstances within its control.

WCB has estimated that the potential future lease payments, should it exercise these extension options, would result in an increase in lease liabilities of \$1,299 (2024 - \$3,082).

	2025	2024
<i>(thousands of dollars)</i>		
<b>Right-of-use Assets</b>		
Balance, beginning of year	\$ 7,826	\$ 7,826
Additions during the year	779	-
Balance, end of year	<u>\$ 8,605</u>	<u>\$ 7,826</u>
Accumulated amortization		
Balance, beginning of year	\$ 883	\$ 415
Amortization for the year	581	468
Disposals / Adjustments during the year	166	-
Balance, end of year	<u>\$ 1,630</u>	<u>\$ 883</u>
Net Book Value	<u>\$ 6,975</u>	<u>\$ 6,943</u>
<b>Lease Liabilities</b>		
Contractual undiscounted cash flows		
One year or less	\$ 744	\$ 636
Between one and five years	2,321	2,102
Greater than five years	8,547	8,993
Total undiscounted lease liabilities	<u>\$ 11,612</u>	<u>\$ 11,731</u>
Discounted lease liabilities included in the Statement of Financial Position	<u>\$ 7,371</u>	<u>\$ 7,174</u>
<b>Amounts recognized in profit or loss</b>		
Interest on lease liabilities	\$ 309	\$ 445
Variable lease payments expense	706	468
	<u>\$ 1,015</u>	<u>\$ 913</u>

## 9. Other Assets

	2025	2024
<i>(thousands of dollars)</i>		
Intangible assets	\$ 359	\$ 798
Prepaid expenses	2,817	2,678
	<u>\$ 3,176</u>	<u>\$ 3,476</u>

### Intangible Assets

Intangible assets are comprised of the following:

	2025		
<i>(thousands of dollars)</i>	Cost	Accumulated Amortization	Net Book Value
System development			
Balance, beginning of year	\$ 64,280	\$ (63,482)	\$ 798
Additions during the year	178	-	178
Amortization for the year	-	(617)	(617)
Disposals during the year	(4,306)	4,306	-
Balance, end of year	<u>\$ 60,152</u>	<u>\$ (59,793)</u>	<u>\$ 359</u>
	2024		
<i>(thousands of dollars)</i>	Cost	Accumulated Amortization	Net Book Value
System development			
Balance, beginning of year	\$ 65,580	\$ (64,025)	\$ 1,555
Additions during the year	991	-	991
Amortization for the year	-	(1,748)	(1,748)
Disposals during the year	(2,291)	2,291	-
Balance, end of year	<u>\$ 64,280</u>	<u>\$ (63,482)</u>	<u>\$ 798</u>

During the year, \$178 (2024 - \$991) of internally generated system development costs were capitalized.

## 10. Payables and Accrued Liabilities:

	2025	2024
<i>(thousands of dollars)</i>		
Salaries and employee benefits	\$ 7,602	\$ 9,763
Leases	7,371	7,174
Accounts payable	16,056	12,206
Occupational Health & Safety	3,226	3,688
Claims payable	92	7
Workers' Advocate	315	250
	<u>\$ 34,662</u>	<u>\$ 33,088</u>

At the end of the year, payables and accrued liabilities of \$27,715 (2024 - \$22,722) were due within one year. The remaining \$6,947 (2024 - \$10,366) pertains to future lease payments (note 8) and unexpended leave liability.

# 11. Insurance Contract Liabilities:

Insurance contract liabilities represent an actuarially determined provision for future obligations to insureds and beneficiaries arising from both reported and unreported claims resulting from work related injuries that occurred on or before December 31, 2025. This provision includes premiums receivable, unearned premiums, benefits liabilities, other insurance related assets and liabilities plus a provision for risk adjustments.

## Claims Development

The following table presents the development of outstanding claims relative to the cumulative expected claims for the 10 most recent accident years. The top part of the table illustrates how the estimate of total cash flows for each accident year has changed with increased experience over successive valuations and compares the current estimate of cumulative claims cost to the actual claim liabilities over the development period for which there is material uncertainty about the estimate and timing of claim. The bottom half of the table reconciles cumulative claims payments, made to date and the impact of discounting, to the liabilities for incurred claims for the years shown. All amounts in the table below are without explicit provisions for administrative expenses and latent occupational diseases.

(\$ thousands)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
At end of accident year	236,886	223,919	252,026	253,559	247,189	276,886	282,861	288,179	297,418	334,658	
One year later	243,101	234,859	257,335	276,423	273,100	276,057	270,162	309,334	328,118		
Two years later	251,015	236,044	263,130	290,502	268,079	285,486	267,827	325,543			
Three years later	255,802	245,583	275,751	286,438	271,422	284,734	278,544				
Four years later	267,924	254,602	272,870	288,384	265,070	299,291					
Five years later	274,459	251,102	273,119	279,854	268,007						
Six years later	264,294	250,283	268,531	287,181							
Seven years later	268,351	241,773	274,157								
Eight years later	262,950	244,171									
Nine years later	266,984										
<b>Current estimate of cumulative claims</b>	<b>266,984</b>	<b>244,171</b>	<b>274,157</b>	<b>287,181</b>	<b>268,007</b>	<b>299,291</b>	<b>278,544</b>	<b>325,543</b>	<b>328,118</b>	<b>334,658</b>	<b>2,906,654</b>
Cumulative claim payments to date	(172,335)	(155,970)	(170,833)	(173,601)	(154,036)	(163,639)	(146,788)	(159,897)	(126,989)	(67,802)	(1,491,890)
<b>Undiscounted liabilities for incurred claims</b>	<b>94,649</b>	<b>88,201</b>	<b>103,324</b>	<b>113,580</b>	<b>113,971</b>	<b>135,652</b>	<b>131,756</b>	<b>165,646</b>	<b>201,129</b>	<b>266,856</b>	<b>1,414,764</b>
Impact of Discounting	(43,036)	(41,255)	(47,597)	(50,581)	(47,265)	(57,587)	(52,429)	(64,989)	(68,050)	(74,053)	(546,842)
<b>Liabilities for incurred claims</b>	<b>51,613</b>	<b>46,946</b>	<b>55,727</b>	<b>62,999</b>	<b>66,706</b>	<b>78,065</b>	<b>79,327</b>	<b>100,657</b>	<b>133,079</b>	<b>192,803</b>	<b>867,922</b>

This table reconciles the estimated remaining future payments to the estimated liabilities for incurred claims illustrating the impact of discounting. The table includes a breakdown by major categories, including the Post 2015 claims which are presented in the preceding table.

<b>(\$ thousands)</b>	<b>Undiscounted liabilities for incurred claims</b>	<b>Impact of Discounting</b>	<b>Liabilities for incurred claims</b>
Post 2015 Claims	\$ 1,414,764	\$ (546,842)	\$ 867,922
Pre 2016 Claims	1,147,974	(574,825)	573,149
Future Administration	221,913	(93,290)	128,623
Latent Occupational Disease	343,023	(202,562)	140,461
Reclassification of Premium Receivables	(16,033)	0	(16,033)
<b>Totals</b>	<b>\$ 3,111,641</b>	<b>\$ (1,417,519)</b>	<b>\$ 1,694,122</b>

## Reconciliation of carrying amounts

The carrying amounts of insurance contract liabilities are as follows:

	<b>2025</b>	<b>2024</b>
<i>(thousands of dollars)</i>		
Liability for remaining coverage	\$ (16,033)	\$ (9,761)
Liability for incurred claims	1,710,155	1,614,730
Insurance contract liabilities	<u>\$ 1,694,122</u>	<u>\$ 1,604,969</u>

The following reconciliations show how the carrying amounts of insurance contracts for the WCB's portfolio changed during the year as a result of cash flows and amounts recognized in the statement of operations and comprehensive income.

<i>(thousands of dollars)</i>	<b>2025</b>		
	Liabilities for remaining coverage	Liabilities for incurred claims	Total
<b>Insurance contract liabilities as at Jan 1</b>	<b>(9,761)</b>	<b>1,614,730</b>	<b>1,604,969</b>
Insurance revenue	(378,620)	-	(378,620)
Insurance expenses:			
Incurred claims and other insurance services expenses	-	354,189	354,189
Changes to liability for incurred claims	-	74,076	74,076
Total insurance service expenses	-	428,265	428,265
<b>Insurance service result</b>	<b>(378,620)</b>	<b>428,265</b>	<b>49,645</b>
Insurance finance expenses (income)	-	46,143	46,143
<b>Total changes in the statement of operations and comprehensive income</b>	<b>(378,620)</b>	<b>474,408</b>	<b>95,788</b>
Cashflows:			
Premiums received	381,326	-	381,326
Claims and other insurance expenses paid	(8,978)	(378,983)	(387,961)
Total insurance cash flows	372,348	(378,983)	(6,635)
<b>Insurance contract liabilities as at December 31</b>	<b>(16,033)</b>	<b>1,710,155</b>	<b>1,694,122</b>
	<b>2024</b>		
<i>(thousands of dollars)</i>	Liabilities for remaining coverage	Liabilities for incurred claims	Total
<b>Insurance contract liabilities as at Jan 1</b>	<b>(6,351)</b>	<b>1,592,336</b>	<b>1,585,985</b>
Insurance revenue	(355,825)	-	(355,825)
Insurance expenses:			
Incurred claims and other insurance services expenses	-	320,666	320,666
Changes to liability for incurred claims	-	(1,795)	(1,795)
Total insurance service expenses	-	318,871	318,871
<b>Insurance service result</b>	<b>(355,825)</b>	<b>318,871</b>	<b>(36,954)</b>
Insurance finance expenses (income)	-	53,410	53,410
<b>Total changes in the statement of operations and comprehensive income</b>	<b>(355,825)</b>	<b>372,281</b>	<b>16,456</b>
Cashflows:			
Premiums received	359,686	-	359,686
Claims and other insurance expenses paid	(7,271)	(349,887)	(357,158)
Total cash flows	352,415	(349,887)	2,528
<b>Insurance contract liabilities as at December 31</b>	<b>(9,761)</b>	<b>1,614,730</b>	<b>1,604,969</b>

## Material accounting judgements, estimates and assumptions

The measurement of insurance contract liabilities is based on estimates and assumptions. The main assumptions used are described in the following paragraphs.

### *Liability for incurred claims – Estimate of undiscounted future cash flows*

Establishment of liability for incurred claims is based on known facts and interpretation of circumstances, and is therefore a complex process influenced by a variety of factors. Measurement is uncertain due to claims that are not reported to the WCB at the period-end date and therefore estimates are made as to the value of these claims. As well, uncertainty exists regarding the cost of reported claims that have not been settled, as all the necessary information may not be available at the period-end date. The liability for incurred claims is estimated using accepted actuarial practice under relevant Canadian Institute of Actuaries standards.

The significant assumptions used to estimate the liability for incurred claims include: consideration of the provisions of the Act, current claims adjudication practices and administrative provisions, the level and pattern of historical claims costs, latent occupational diseases frequency and severity, and the impact of future cost inflation and benefit indexation. Time is also a critical factor in determining the provision, since the longer it takes to settle and pay a claim, the more variable the ultimate settlement amount will be. Accordingly, short-tail claims such as short-term disability and vocational rehabilitation tend to be more reasonably predictable than long-tail claims such as long-term disability, survivor benefits and medical costs.

As a result, the establishment of the liability for incurred claims relies on a number of factors, which necessarily involve a risk that actual results may differ materially from the estimates.

### *Discount rates*

The liability for incurred claims under the PAA is calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable. Risk-free rates are determined by reference to the yields of Government of Canada bonds for the first 30 years, then extrapolated linearly to the ultimate risk-free rate by year 70. The illiquidity premium is determined by reference to a hybrid approach based on market asset spreads and estimated constants.

Discount rates applied for discounting of future cash flows are listed below:

<b>As at</b>	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
December 31, 2025	3.30%	3.81%	4.13%	4.84%
December 31, 2024	3.82%	3.97%	4.20%	4.73%

These non-level discount rates may be approximated by equivalent flat discount rates that produce the same liability. The equivalent flat discount rate for 2025 is 5.05% (2024 – 4.85%).

The insurance contract liabilities' sensitivity to certain key actuarial assumptions is outlined below. It is not possible to quantify the sensitivity to certain assumptions such as legislative changes or uncertainty in the estimation process. The analysis is performed for possible movements in the noted assumptions with all other assumptions held constant, showing the impact on comprehensive income and funded position. Movements in these assumptions may be non-linear and may be correlated with one another.

Scenario Description	2025		
	Change in insurance contract liabilities	Resulting Total Comprehensive Income	Resulting Injury fund
Base - No change to valuation assumptions	\$ -	\$ 18,722	\$ 497,519
One per cent decrease in valuation discount rate	170,477	(151,755)	327,042
One per cent increase in valuation discount rate	(140,875)	159,597	638,394

Scenario Description	2024		
	Change in insurance contract liabilities	Resulting Total Comprehensive Income	Resulting Injury fund
Base - No change to valuation assumptions	\$ -	\$ 190,709	\$ 618,519
One per cent decrease in valuation discount rate	168,922	21,789	449,598
One per cent increase in valuation discount rate	(138,276)	328,987	756,796

### *Risk adjustment*

The risk adjustment for non-financial risk is the compensation that the WCB requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. It reflects an amount the WCB would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount. The risk adjustment for non-financial risk is determined using the confidence level technique in accordance with actuarial practice. The WCB has estimated the risk adjustment for liability for incurred claims to be zero, which equates to a 50% confidence level.

In applying a confidence level technique, the WCB estimates the probability distribution of the expected present value of the future cash flows from insurance contracts at the reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at the 50th percentile (the target confidence level) over the expected present value of the future cash flows.

### *Onerous contracts*

The WCB assesses for onerous contracts, which exist when the claim costs and expenses (cash outflows) are greater than the premiums received (cash inflows). The WCB has concluded that there is no group of onerous contracts.

By virtue of its operations, WCB is exposed to certain insurance and financial risks with respect to the liability for incurred claims.

### *Insurance risk*

Insurance risk is the risk of loss due to actual experience for claims and expenses emerging differently than assumed when rates are set. This may occur due to changes in claim reporting patterns, frequency and/or size of claim payments or duration of claims. Compensable injuries and benefits payable may also change due to legislation or policy changes. With potentially long claim runoff periods, inflation is also a factor because future costs could escalate at a faster rate than expected. WCB is exposed to certain insurance risks with respect to its insurance contract liabilities.

The WCB is exposed to concentrations of insurance risk due to its exclusive geographic focus in Saskatchewan and status as monopoly provider of workplace injury insurance. The WCB faces risks from large single events, such as a major industrial or transportation accident affecting one or more employers, and from emerging trends specific to the province, such as challenges accessing timely health care support for injured workers. The WCB is unable to reduce the impact of these risks through diversification, and instead uses its ability to adjust premium rates and the amounts held in the Injury Fund and Disaster Reserve to ensure these risks can be funded. In the event of a major catastrophe, the WCB also has the ability to draw on the general revenue fund of the Province of Saskatchewan under section 117 of the Act.

### *Management of Insurance Risks*

The objective of insurance risk management is to provide financial protection against unforeseen events. The WCB manages these risks through active involvement in return-to-work programs, vocational rehabilitation programs, contracts with medical providers, certification of medical providers, standard operating procedures for adjudicating claims and extensive training for new staff. The WCB utilizes actuarial models to monitor claims patterns, calculate average premiums, and estimate future claims costs considering past experience and using statistical methods consistent with sound actuarial principles. No provision is made for any proposed amendments to the Act until such changes are passed.

### *Sensitivity Analysis*

The most material insurance risk variables relate to the growth in benefit costs over time, the assumptions used as follows:

	<b>2025</b>	<b>2024</b>
Long-term price inflation	2.00%	2.00%
Wage inflation	3.00%	3.00%
Health care cost inflation	4.75%	4.75%

The following sensitivity analysis shows the impact on total comprehensive income and funded position for reasonably possible movements in key assumptions with all other assumptions held constant. The method used for deriving sensitivity tests around significant assumptions did not change from the previous period. The opposite change in assumption would have an equal opposite impact to instance contract liabilities, total comprehensive income and funded position.

### Sensitivity Analysis (Insurance Risk)

(thousands of dollars)

Scenario Description	2025		
	Change in insurance contract liabilities	Resulting Total Comprehensive Income	Resulting Injury fund
Base - No change to valuation assumptions	\$ -	\$ 18,722	\$ 497,519
One per cent increase in general wage and price inflation	164,131	(145,409)	333,388
One-half per cent increase in health care cost inflation	41,895	(23,173)	455,624
Five per cent reduction in claim termination rate	15,449	3,273	482,070
Five per cent reduction in mortality rate	1,601	17,121	495,918

(thousands of dollars)

Scenario Description	2024		
	Change in insurance contract liabilities	Resulting Total Comprehensive Income	Resulting Injury fund
Base - No change to valuation assumptions	\$ -	\$ 190,709	\$ 618,519
One per cent increase in general wage and price inflation	158,932	31,777	459,587
One-half per cent increase in health care cost inflation	44,660	146,049	573,859
Five per cent reduction in claim termination rate	13,788	176,921	604,731
Five per cent reduction in mortality rate	1,484	189,225	617,035

## Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting all cash outflow obligations as they fall due. Liquidity risk includes the risk that, as a result of operational liquidity requirements, an entity will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The WCB's exposure to this risk comes from its obligations associated with its liabilities, particularly insurance contract liabilities, which are funded from cash and cash equivalents, receivables and from investments when necessary. Additionally, investments in pooled funds and limited partnerships that hold private investments with no active market, or are subject to contractual restrictions on redemption or transfer, would be exposed to liquidity risk as the lack of marketability of these investment means they cannot be bought or sold quickly enough to prevent or minimize a loss. In addition, these funds may have significant capital commitments that must also be funded from other investments or cash and cash equivalents as required.

The WCB's objective in managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage.

### Management of Liquidity Risks

Cash resources are managed daily based on anticipated cash flows, ensuring sufficient liquidity to meet operational needs. The WCB generally maintains positive cash flows through cash generated from premiums receivable and through the liquidation of investments as needed. In alignment with WCB's Statement of Investment Policies & Goals, all investments—except for Real Estate, Private Debt, and Infrastructure are reasonably liquid and capable of liquidation within one month under normal circumstances and the WCB is expected to hold between 2% to 10% of total investments as cash and short-term assets. To cover any short-term cash needs WCB has a \$25,000 line of credit.

The table below illustrates the anticipated cash flows required to fulfill benefit payments to existing claimants in the upcoming years. The estimated cash outflows represent the present value of future amounts projected for benefit payments and exclude the assets and liabilities for remaining coverage measured under the PAA.

	<b>2025</b>	<b>2024</b>
<i>(thousands of dollars)</i>		
Year 1	\$ <b>241,157</b>	\$ 221,617
Years 2-5	<b>507,290</b>	468,706
Years 6-10	<b>361,809</b>	338,859
Years 11-15	<b>219,779</b>	206,777
Years 16-20	<b>143,666</b>	136,913
Years 21-25	<b>97,877</b>	94,671
Years 26 and beyond	<b>138,577</b>	147,187
	<b>\$ 1,710,155</b>	<b>\$ 1,614,730</b>

## 12. Annuity Fund Payable:

	<b>2025</b>	<b>2024</b>
<i>(thousands of dollars)</i>		
Balance, beginning of year	\$ <b>224,149</b>	\$ 224,309
Add: Contributions		
Principal	<b>8,445</b>	7,697
Interest	<b>19,941</b>	15,107
	<b>28,386</b>	22,804
Less: Payouts		
Principal	<b>8,127</b>	7,288
Interest	<b>19,895</b>	15,676
	<b>28,022</b>	22,964
Balance, end of year	<b>\$ 224,513</b>	\$ 224,149

The table below shows the cash flows anticipated to pay annuity funds to existing claimants in future years. The estimated cash outflows have been determined based on the age of the claimants that existed as December 31, 2025 and 2024.

	2025	2024
<i>(thousands of dollars)</i>		
Year 1	\$ 34,918	\$ 34,121
Years 2-5	75,469	79,767
Years 6-10	47,007	46,485
Years 11-15	31,633	30,424
Years 16-20	17,256	16,536
Years 21-25	9,811	8,841
Years 26 and beyond	8,419	7,975
	<b>\$ 224,513</b>	<b>\$ 224,149</b>

## 13. Reserves:

	2025				Total
	Disaster Reserves	Occupational Disease Reserve	Second Injury & Re-employment	Strategic Initiative Reserve	
<i>(thousands of dollars)</i>					
Balance, beginning of year	\$ 31,116	\$ -	\$ 15,558	\$ -	\$ 46,674
Appropriation from Injury Fund	2,481	-	1,241	136,000	\$ 139,722
Appropriation to fund cost relief for employers	22,566	7,206	58,540	-	\$ 88,312
Allocations for cost relief for employers	(22,566)	(7,206)	(58,540)	-	\$ (88,312)
Balance, end of year	<b>\$ 33,597</b>	<b>\$ -</b>	<b>\$ 16,799</b>	<b>\$ 136,000</b>	<b>\$ 186,396</b>

	2024				Total
	Disaster Reserves	Occupational Disease Reserve	Second Injury & Re-employment	Strategic Initiative Reserve	
<i>(thousands of dollars)</i>					
Balance, beginning of year	\$ 30,647	\$ -	\$ 15,324	\$ -	\$ 45,971
Appropriation to Injury Fund	469	-	234	-	703
Appropriation to fund cost relief for employers	21,550	6,737	46,784	-	75,071
Allocations for cost relief for employers	(21,550)	(6,737)	(46,784)	-	(75,071)
Balance, end of year	<b>\$ 31,116</b>	<b>\$ -</b>	<b>\$ 15,558</b>	<b>\$ -</b>	<b>\$ 46,674</b>

To maintain a funded status that is consistent with the statutory requirements of the Act, the WCB has a sufficiency policy that determines the extent of reserves to be held. The current sufficiency policy, revised in 2025, maintains the following reserves:

(a) The Disaster Reserve will provide all employers with cost relief in the event of a disaster and will cover potential volatility in rare but very severe disasters as well as less severe disasters that meet the requirements of the Act. In total, the sufficiency policy specifies two per cent of funding basis benefits liabilities for this reserve.

(b) The Occupational Disease Reserve is used to cover costs that may have arisen from latent occupational diseases where exposure today may result in the establishment of a future claim.

(c) The Second Injury and Re-employment Reserve will provide employers with cost relief on claims that were attributed to an earlier injury and assist in facilitating return to work through retraining. The funding policy specifies one per cent of funding basis benefit liabilities for this reserve.

(d) During the year, the Saskatchewan Workers' Compensation Board established a Strategic Investment Reserve in accordance with its board approved reserve policy. The purpose of this reserve is to fund expenses associated with the Business Transformation Program and other strategic initiatives. The level of the Strategic Initiative Reserve is reviewed annually as part of the WCB's budget approval process, and any adjustments require approval of the Board of Directors.

## 14. Insurance Revenue:

The Experience Rating Program was introduced to provide an incentive for employers to emphasize safety and injury prevention in the workplace. Based on an analysis of an employer's claim history over a three-year period, the experience rate is calculated at the same time as annual rates and applied to the employer's base industry insurance rate for the following year. Employers may receive discounts off their premiums for good claims records or may be surcharged for their poor claim records.

	<b>2025</b>	<b>2024</b>
	<i>(thousands of dollars)</i>	
Premiums	<b>\$ 383,212</b>	<b>\$ 360,055</b>
Experience Rating Program - discounts	<b>(39,519)</b>	<b>(39,255)</b>
Experience Rating Program - surcharges	<b>34,927</b>	<b>35,025</b>
Total insurance revenue	<b>\$ 378,620</b>	<b>\$ 355,825</b>

# 15. Insurance Service Expenses and Net Operating Expenses:

Insurance service expenses include claims costs, changes to the liability for incurred claims and a portion of administration expenses allocated based on an assessment of each department related to the administration of claims or assessment services.

Insurance service expenses are comprised of the following:

<i>(thousands of dollars)</i>	<b>2025</b>	<b>2024</b>
Claim costs	\$ 362,680	\$ 255,003
Salaries and employee benefits	61,000	55,069
Safety association grants	12,495	11,824
Computer services	6,210	5,935
Consulting services	5,348	4,976
Amortization	3,075	3,937
Building operations	2,523	2,313
Other administration expenses	7,556	7,078
Less fees charged to self-insurers	(5,160)	(4,781)
Less administration costs charged to future benefits administration	(21,469)	(16,975)
Less administration costs allocated to operating expenses	(5,993)	(5,508)
<b>Total insurance service expenses</b>	<b>\$ 428,265</b>	<b>\$ 318,871</b>

Administration expenses are those costs incurred in the normal course of business. These costs are expensed as they are incurred with a portion of each departments' expenses allocated to insurance service expenses representing the administration of claims or assessment services.

Net operating expenses are comprised of the following:

	<b>2025</b>	<b>2024</b>
Business transformation program (note 18)	\$ 46,391	\$ 39,420
Annuity fund interest	19,940	15,106
Occupational Health & Safety Funding	14,376	13,190
WorkSafe Saskatchewan	2,787	2,260
Worker's Advocate Funding	1,528	1,375
Financing charges	318	352
Other operating expenses (income)	(855)	213
Add administration costs allocated to net operating expenses	5,993	5,508
<b>Net operating expenses</b>	<b>\$ 90,478</b>	<b>\$ 77,424</b>

Administration expenses are those costs incurred in the normal course of business. These costs are expensed as they are incurred with a portion of each department's expenses allocated to net operating expenses representing the systematic and rational allocation of overhead not allocated to insurance service expenses.

Pursuant to section 146 of the Act, the WCB levies an additional premium on certain industry groups to collect funds which are used to fund the safety associations representing those industries. During the year, the WCB provided funding to the Heavy Construction Safety Association of Saskatchewan Inc., Saskatchewan Construction Safety Association Inc., Service & Hospitality Safety Association of Saskatchewan Inc., Safety Association of Saskatchewan Manufacturers, Saskatchewan Association for Safe Workplaces in Health, Motor Safety Association of Saskatchewan Inc., and Energy Safety Canada. Funding provided to Safety Associations are reclassified as an insurance service expense.

Pursuant to section 115(g) of the Act, the WCB may expend monies, to the Ministry of Labour Relations and Workplace Safety, for the cost of administration of the occupational health and safety program.

Pursuant to section 115(h) and (i) of the Act, the WCB may expend monies, to the Ministry of Labour Relations and Workplace Safety, for the expenses, including salaries and remuneration, of the office of the Workers' Advocate and the expenses of any Committee of Review established under the Act.

## 16. Employee Future Benefits:

The WCB sponsors a defined contribution pension arrangement, through the Public Employees' Pension Plan (PEPP), covering all current employees.

The WCB's obligation is limited to matching employee contributions of seven and one quarter per cent to the plan. During the year, the WCB incurred costs of \$4,654 (2024 - \$3,852) related to its defined contribution plan.

## 17. Related Parties:

### Government or other government related entities:

Included in these financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to the WCB by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan. All operating transactions are routine and are settled at the exchange amount agreed to by the related parties. The WCB 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.

## Key Management Compensation:

At December 31, 2025, key management personnel is made up of thirteen people (2024 - 12 people) and includes the Chairman of the Board, two full-time board members, two part-time board members, the Chief Executive Officer, the Chief Financial Officer, and six (2024 - six) members of the senior executive group.

	2025	2024
<i>(thousands of dollars)</i>		
Salaries and other short-term benefits	\$ 3,730	\$ 2,665
Post employment benefits	165	125
	<u>\$ 3,895</u>	<u>\$ 2,790</u>

## 18. Business Transformation Program and Strategic Initiative Reserve:

	2025	2024
<i>(thousands of dollars)</i>		
Business Transformation Program - Consulting Service	\$ 31,775	\$ 28,600
Business Transformation Program - Salaries and employee benefits	8,607	7,805
Business Transformation Program - Other	3,656	3,015
Strategic Initiative Reserve - Consulting services	606	-
Strategic Initiative Reserve - Salaries and employee benefits	1,747	-
	<u>\$ 46,391</u>	<u>\$ 39,420</u>

The Business Transformation Program (BTP) was launched in 2021 to address key risks and opportunities relating to service delivery, process efficiency and technology obsolescence. Costs incurred include items related to internal BTP salaries, project delivery and various program planning and consulting costs.

## 19. Insurance Finance Expenses:

	2025	2024
<i>(thousands of dollars)</i>		
Interest accreted on liability for incurred claims	\$ (77,615)	\$ (76,532)
Impact of change in economic assumptions	31,472	23,122
Total Insurance Finance Expenses	<u>\$ (46,143)</u>	<u>\$ (53,410)</u>

## 20. Financial Risk Management:

WCB is exposed to certain financial risks related to its financial assets and liabilities. These financial risks, include market risk, credit risk and liquidity risk. The WCB's board of directors has overall responsibility for the establishment and oversight of the Groups' risk management policy. Management is responsible for ensuring the risk management policy is properly maintained and implemented.

### Market risk

Market risk is the risk that changes in market prices, such as equity prices, interest rates and foreign exchange rates, will affect the fulfilment cash flows of insurance contracts, income or value of financial instruments. The WCB investments in bonds and debentures, publicly traded equities available on domestic and foreign exchanges and in privately traded pooled funds expose it to listed market risks.

#### *Management of Market Risks*

The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on risk. Significant financial risks are related to the WCB's investments, which are managed by having a Statement of Investment Policies and Goals (SIP&G) that provides guidelines to the investment managers for the asset mix of the portfolio regarding quality and quantity of investments using a prudent person approach. Diversification in the asset mix reduces the impact of market fluctuations. The Board Members review the SIP&G annually and, through the investment committee, receive regular reporting from the investment managers and custodian regarding compliance with the SIP&G. The WCB does not use derivative financial instruments to alter the effects of these market changes and fluctuations.

### Equity price risk

Equity price risk is the risk that the fair value of investments will fluctuate due to future changes in the market prices of publicly traded financial instruments. The WCB is exposed to changes in equity prices in Canadian, U.S, EAFE, and global markets through its investments in pooled equity funds and equities. In the SIP&G, the WCB limits its investment concentration in any one investee or related group of investees to 10 per cent of the investee's share capital. In addition, no one holding can represent more than 10 per cent of the fair value of the WCB's equity portfolio. Investment in pooled funds shall not exceed 10 per cent of the fair value of that pooled fund unless provision has been made to transfer assets out of the fund in kind. Individual equity holdings are diversified by geographic region and industry type.

As at December 31, 2025, the WCB's holdings in equities and pooled equity funds had a fair value of \$1,392,762 (2024 - \$1,303,167) representing 55% (2024 - 55%) of the fair value of the total investment portfolio. The following table presents the estimated impact on the carrying value of the investments and the flow through on total comprehensive income based on a 10 percent change in the WCB's benchmark indices at December 31, 2025:

		2025		2024
	<i>(thousands of dollars)</i>			
World (ex-Canada) Index	\$	37,472	\$	33,979
MSCI EAFE Index		16,559		13,249
S&P 500 Index		17,474		13,766
S&P/TSX Composite Index		13,479		11,833

## Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The WCB is exposed to fluctuations in interest rates that can impact the fair value of its short-term holdings, bonds and debentures, pooled bond fund, pooled mortgage fund and pooled private fixed income fund. Interest rate risk is minimized by managing the duration of the bonds and debentures within predetermined prudent policy limits. Duration is a measure used to estimate the extent market values of bonds and debentures change with a change in interest rates.

As at December 31, 2025, the WCB's holdings in fixed income investments had a fair value of \$744,980 (2024 - \$692,838) representing 29% (2024 - 29%) of the fair value of the total investment portfolio. Using this measure, it is estimated that a 100 basis points increase in interest rates would decrease net income by approximately \$55,109 at December 31, 2025 (2024 - \$27,131).

## Foreign exchange risk

Foreign exchange risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The WCB has certain investments denominated in foreign currencies. During the year the WCB did not undertake hedging strategies to mitigate currency risk of foreign equities and currency influenced short-term returns. In the SIP&G, the WCB's current benchmark for foreign equities is 45 per cent of the investment portfolio.

As at December 31, 2025, the WCB's holdings in foreign equities and pooled equity funds had a fair value of \$1,107,902 (2024 - \$1,032,426) representing 43% (2024 - 43.9%) of the fair value of the total investment portfolio. At December 31, 2025, it is estimated that a 10 per cent appreciation in the Canadian dollar versus the U.S. dollar and the EAFE currencies would result in a decrease in net income of approximately \$71,505 (2024 - \$60,994).

## Credit risk

Credit risk is the risk one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The WCB's credit risk arises primarily from cash and cash equivalents, receivables, short-term holdings, bonds and debentures and recoverable claims costs in insurance contract liabilities. The WCB has indirect exposure to credit risk through pooled funds that invest in underlying debt instruments. This indirect risk comes from the pooled bond fund, the pooled mortgage fund and the pooled private fixed income fund. The maximum credit exposure related to these financial instruments is \$999,242 (2024 - \$985,126).

### *Management of Credit Risks*

The objective of credit risk management is to diversify the credit portfolio to reduce concentration risk. Credit risk from investments is managed through the minimum quality standards for investments set in WCB's SIP&G. The SIP&G allows for a maximum of 15 per cent to be invested in BBB rated bonds and the remainder of the bonds must be rated A or higher. For short-term holdings, the minimum quality standard is R-1. The SIP&G also specifies that there shall be no bond holdings from one issuer, other than the Government of Canada or a Canadian province, over 10 per cent of the market value of the bond investment portfolio. The WCB does not anticipate that any issuers will fail to meet their obligations. The carrying amounts of the investments represent the maximum credit exposure.

Credit ratings for the bonds and debentures are investments as follows:

<i>(thousands of dollars)</i>	2025		2024	
	Fair Value	Per cent of Portfolio	Fair Value	Per cent of Portfolio
<b>Credit Rating</b>				
AAA	\$ -	0.0%	\$ 159,319	43.5%
AA	134,941	52.7%	151,534	41.4%
A	69,903	27.3%	25,377	6.9%
BBB	51,121	20.0%	30,156	8.2%
	<b>\$ 255,965</b>		<b>\$ 366,386</b>	

Credit risk from receivables primarily arises from the possibility that the issuer of a fixed-term instrument may fail to meet its obligations. The WCB applies the simplified approach to providing for expected credit losses as prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all receivables. The WCB manages credit risks through assigned staff monitoring and collecting overdue accounts. Risk is reduced due to a large, diversified customer base.

Provisions for credit losses are maintained in an allowance account and are regularly reviewed by the WCB. A provision for credit losses in receivables is maintained in an allowance account that is periodically reviewed by the WCB and are subsequently written off once reasonable collection efforts have been made. The carrying amounts of receivables and insurance contracts represent the maximum credit exposure.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions and while is subject to the impairment requirements of IFRS 9, the risk is considered immaterial given the low credit risk based on the external ratings of the counter parties.

## 21. Capital Management:

The Act requires the WCB to maintain a fund (referred to as the Injury Fund) sufficient to finance its activities and other obligations. The WCB's sufficiency policy governs and directs the sustainable management of the Injury Fund. The sufficiency ratio measures whether there are sufficient funds available to meet existing obligations to injured workers.

The sufficiency ratio is calculated as the statement value of assets minus the net smoothing adjustment and reduced by other liabilities, annuity fund payables and reserves, divided by the funding basis benefit liabilities. The target range for this measure is between 100 and 140 per cent. The WCB is considered fully funded at a sufficiency ratio of 100 per cent or more.

The net smoothing adjustment is intended to adjust for fluctuations in the market value of investments by gradually recognizing investment gains and losses that differ from the long-term expectation over a five-year period. The funding basis benefit liabilities are determined using the same experience and assumptions as the liability for incurred claims, but discounted using a rate consistent with the expected long-term investment returns on the WCB's portfolio of assets. Both the net smoothing adjustment and funding basis liabilities are defined by the sufficiency policy.

If the sufficiency ratio falls outside the targeted range, the WCB will act to replenish or regulate the Injury Fund to return to the range within a target time frame of three years. The precise timing, method, and amount of any such action is at the discretion of the board of directors, and balances consideration of both immediate needs with the long-term stability and sustainability of the Injury Fund.

## Sufficiency Ratio Summary

December 31, 2025

(thousands of dollars)	Dec. 31, 2025	Dec. 31, 2024
Statement value of assets (Statement of financial position)	2,637,212	2,527,399
(Less): Net smoothing adjustment	(116,954)	(84,090)
(Less): Payables and accrued liabilities (Note 10)	(34,662)	(33,088)
(Less): Annuity fund payable (Note 12)	(224,513)	(224,149)
(Less): Reserves (Note 13)	(186,396)	(46,674)
<b>Sufficiency Ratio Assets Available</b>	<b>2,074,687</b>	<b>2,139,398</b>
Insurance contract liabilities (Note 11)	1,694,122	1,604,969
Add: Liabilities for remaining coverage (Note 11)	16,033	9,761
<b>(Less): Adjustment to funding basis discount rate</b>	<b>(30,297)</b>	<b>(58,941)</b>
<b>Funding Basis Benefit Liabilities</b>	<b>1,679,858</b>	<b>1,555,789</b>
<i>Sufficiency Ratio</i>	<i>123.5%</i>	<i>137.5%</i>

## 22. Commitments and contingencies:

### Legal proceedings

The WCB is party to various claims and lawsuits related to the normal course of business that are currently being contested. In the opinion of management, the outcome of such claims and lawsuits are not determinable. However, based on the total amount of all such actions, the WCB has concluded that their outcomes, either individually or in aggregate, will not have a material effect on the results of operations or financial position.

### Indemnification agreements

In the normal course of operations, WCB enters into contractual agreements that contain standard contract terms that indemnify certain parties against loss. The terms of these indemnification clauses will vary based upon the contract, and/or the occurrence of contingent or future events, the nature of which prevents WCB from making a reasonable estimate of the potential amount that may be payable to those contractual parties. Such indemnifications are not significant, nor has WCB made any payments or accrued any amounts in the financial statements in respect of these indemnifications.

# Appendix A

## **COMMITTEE OF REVIEW**

Section 162 of *The Workers' Compensation Act, 2013* requires the Minister responsible for workers' compensation to appoint a Committee of Review, comprised of at least five members, within five years of receiving the previous committee's report. The Committee is mandated to review and report on the Act, the regulations, and their administration.

The Committee of Review is a key legislated oversight mechanism that supports good governance and accountability of Saskatchewan's workers' compensation system. Its work helps ensure the system remains current, effective and responsive to the changing needs of workers, employers and system partners.

The Saskatchewan government establishes a WCB Committee of Review every five years. The WCB's principal customers (workers and employers) are represented on each Committee of Review, which may inquire into all aspects of the WCB's operations.

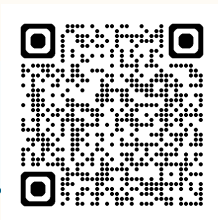
The Committee of Review's recommendations may include legislative changes such as amendments to *The Workers' Compensation Act, 2013* (the Act), WCB policy changes, public awareness campaigns, training and partnerships and enhancement of communication methods with workers and employers.

The most recent Committee of Review was appointed on Aug. 5, 2021, and the committee made 34 recommendations with various partner groups for further consultations. The report was issued Nov. 22, 2022.

Of the 34 recommendations, 11 resulted in legislative changes through Bill 138, *The Workers' Compensation (Extending Firefighter Coverage) Amendment Act, 2023*, which was introduced Oct. 31, 2023, and came into force Oct. 1, 2024. The exception to this effective date were the amendments to the definition of worker that came into force Jan. 1, 2025.

Please see the WCB's website, [wcb.sask.ca](https://wcb.sask.ca), for the full 2022 Committee of Review report, as well as the regular status updates following board meetings.

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• **Committee of Review report and recommendations:**  
• [wcb.sask.ca/committee-review-report-and-recommendations](https://wcb.sask.ca/committee-review-report-and-recommendations)  
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# Appendix B

## **NEW AND AMENDED POLICIES AND PROCEDURES**

Policy directives include policy (POL) and procedure (PRO) documents that form the basis of decisions made or actions performed under the Act.

Board members approve policies throughout the year to interpret legislation and regulations. The CEO approves procedures which support policies and provide specific instructions for day-to-day tasks or functions required to implement policy.

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• **Policy listing: [wcb.sask.ca/policy-listing](https://wcb.sask.ca/policy-listing)**  
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The following policies and procedures were amended or introduced in 2025:

<b>POLICY/PROCEDURE NAME</b>	<b>NUMBER</b>
Fatalities	POL 01/2025
Coverage within Saskatchewan - Out of Province Employers	POL 02/2025
Employer Coverage and Registration	POL 03/2025
Assessable Earnings	POL 04/2025
Coverage - Contracts Involving Equipment	POL 05/2025
Calculation of Probable Compensation	PRO 08/2025
Employer Advisory Centre	POL 10/2025
Psychological Injuries – Psychological Injury Presumption (Section 28.1)	POL and PRO 11/2025
Psychological Injuries – General Injury Presumption (Section 27)	POL and PRO 12/2025
Work Week for Establishing a Wage Base	PRO 15/2025
Arising Out of and In the Course of Employment	POL and PRO 16/2025
Medical Appointment Allowance	POL and PRO 17/2025
Disaster Reserve	POL 18/2025
Assessable Labour Amount of Contracts	POL and PRO 21/2025
Injuries - Following a Work Injury	POL and PRO 22/2025
Enterprise Risk Management	POL 23/2025
Coverage - Students	POL 24/2025
Employer Premium Payments	POL and PRO 25/2025
Employer Accounts - Clearances	POL and PRO 26/2025
Employer Coverage and Registration	POL 27/2025
Injuries - Firefighters	POL and PRO 28/2025
Coverage - Volunteer Firefighters	POL and PRO 29/2025
Calculation of Probable Compensation	PRO 32/2025
Community Sponsorship Program	PRO 33/2025
Travel Expense Rates	PRO 35/2025
Default in Assessment Payment	PRO 36/2025
Maximum Wage Rates	POL and PRO 37/2025
Maximum Assessable Wage Rate	POL 38/2025
Employer Accounts - Clearances	POL and PRO 39/2025
Minimum Compensation (Section 75)	PRO 40/2025
Minimum Average Weekly Earnings (Section 70(5))	PRO 41/2025
Industry Premium Rates	POL 42/2025
Under and Overestimating Payroll – Penalties and Credits	POL 44/2025
Consumer Price Index (CPI) - Annual Increase	PRO 46/2025

# Appendix C

## **EMPLOYER ADVISORY CENTRE**

### Employer Advisory Centre mandate

The Employer Advisory Centre provides confidential information, advice and direct support to employers who want assistance in navigating the WCB system, including claims-related questions and concerns.

The Employer Advisory Centre is an independent and confidential service provided to help employers through the provision of the following services:

- Education on disability prevention, return to work, effective claims management and appeals.
- Support and advice to determine whether the employer has a legitimate appealable situation.
- Education in the likelihood of winning an appeal and/or coaching to prepare for an appeal.
- Guiding the employer through the WCB appeal process where necessary.
- The Employer Advisory Centre will not provide employers with representation services at an appeals Tribunal.

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**“I sincerely appreciate the engagement, patience and assistance offered ... from the Employer Advisory Centre to help understand our business model and your efforts to ensure fair treatment for FYI and its doctors. It is so wonderful to work with people who really care about what they do and the clientele they serve!”**

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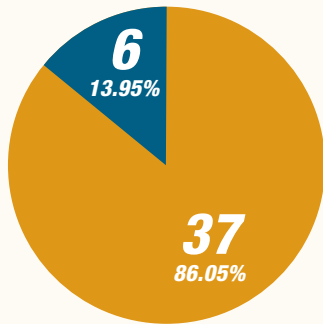
— **FYI CARE**

The Employer Advisory Centre handled 380 inquiries in its first full year of service in 2025. Most inquiries came from small and medium sized employers, which make up 61 per cent of users. Employers increasingly found the Employer Advisory Centre through its website or the WCB website, supported by 62 open houses and attendance at many trade shows.

When employers asked for help with appeals, the Employer Advisory Centre enabled strong results. Across all levels of appeal, 83.5 per cent of outcomes were successful.

## LEVEL 1 APPEAL

How Employer Advisory Centre complaints were resolved - file level - 43

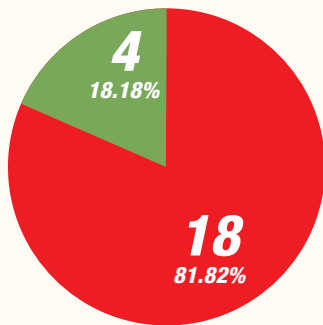


### Issue resolution

- Level 1 appeal successful
- Level 1 appeal unsuccessful

## LEVEL 2 APPEAL

How Employer Advisory Centre complaints were resolved - file level - 22

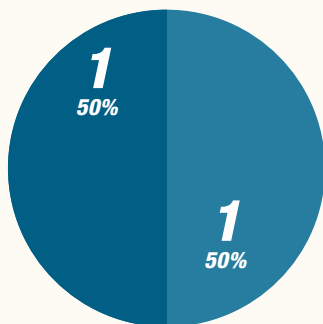


### Issue resolution

- Level 2 appeal successful
- Level 2 appeal unsuccessful

## LEVEL 3 APPEAL

How Employer Advisory Centre complaints were resolved - file level - 2



### Issue resolution

- Level 3 appeal successful
- Level 3 appeal unsuccessful

## NO BASIS FOR APPEAL

File inquiry - 37

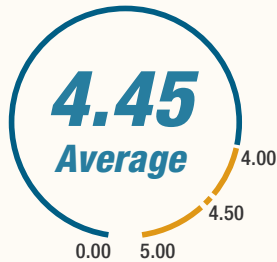


Explain no basis for appeal

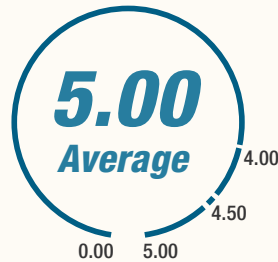
# Employer Advisory Centre customer satisfaction

The centre strives to be accessible and ensure that employers feel heard. Employers reported an average of 4.45 out of 5 satisfaction score in 2025. Employers also rated the Employer Advisory Centre highly for professionalism, prompt communication and helpful service and many encouraged the WCB to promote the centre more widely.

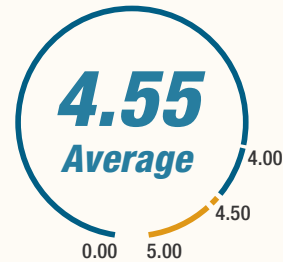
## Overall experience with the Employer Advisory Centre



## Overall professionalism of the Employer Advisory Centre



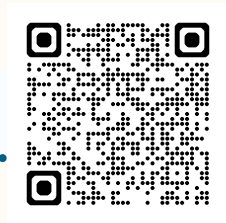
## Overall agreement with the advice/guidance provided by the Employer Advisory Centre



## Get support from the Employer Advisory Centre

Scan this code to reach the Employer Advisory Centre. The service offers free, confidential help for employers who need guidance on claims decisions, appeals or understanding their responsibilities in the compensation system.

.....  
•  
• **Employer Advisory Centre: [saskemployeradvisory.ca](https://saskemployeradvisory.ca)**  
•  
.....



**GARRY HAMBLIN**  
Manager, Employer Advisory Centre

**KEVIN MOONEY**  
Vice-President Responsible for the Employer Advisory Centre

# Appendix D

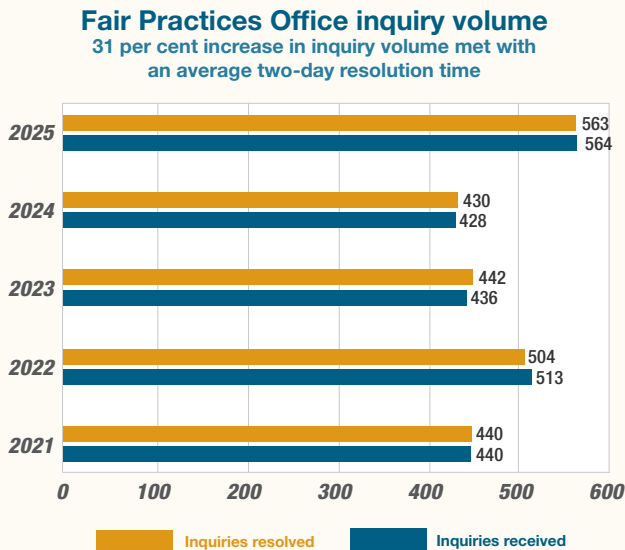
## FAIR PRACTICES OFFICE

The Fair Practices Office is an independent office of the WCB, established under Section 186 of the Act. Each year, the fair practices officer reports in the WCB annual report and reports to the chairperson on a quarterly basis or more frequently as requested by the chairperson or the fair practices officer. The Fair Practices Office works to promote fairness in the services delivered by the WCB. It does so by:

- Listening and responding to concerns raised by workers and their dependants, employers and external service providers.
- Working to resolve fairness issues as quickly and informally as possible.
- Identifying recurring fairness issues, reporting them to the WCB and when appropriate, making recommendations for improvement.

Read about the Fair Practices Office role and mandate on the WCB’s website at [wcbask.com](https://wcbask.com).

**In 2025, the Fair Practice Office received 564 inquiries, up 32 per cent from 428 in 2024.**



### 2025 at a glance

MEASURE <sup>1</sup>	2024	2025	VS 2024
New inquiries received	428	564	↑ 32%
Time to resolution	87% resolved ≤ 7 days	2 days (avg)	—
Who contacted us (workers)	84%	80%	↓ 4%
Referred to the WCB for review	30	58	↑ 93%

<sup>1</sup> In 2025, time to resolution reflects the average number of business days to close Fair Practice Office inquiries (two days). In 2024, the published figure was the share of inquiries resolved within seven calendar days (87 per cent), so the year-over-year comparison reflects different measures. In 2025, when files were referred to the WCB for review (n = 58), 45 resulted in a new action and 11 in a changed decision. The average completion time was three days.

Despite the higher volume, the Fair Practice Office resolved concerns in an average of two business days. When files were referred back to the WCB (58 in total), most resulted in new actions or changed decisions, showing the Fair Practice Office’s essential role in customer support and continuous improvement.

**JONATHAN STOBBS**  
Fair Practices Officer


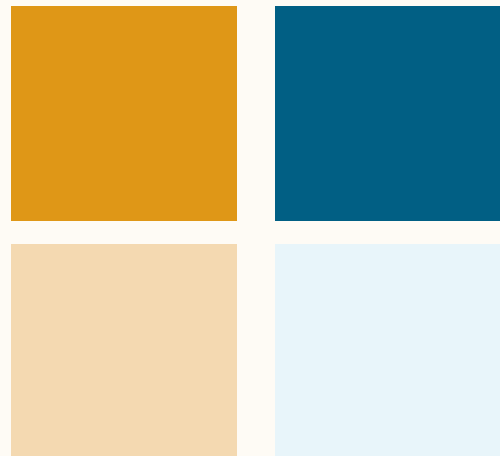
Learn more about the Fair Practice Office:  
[wcbask.com/fair-practices-office](https://wcbask.com/fair-practices-office)





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Saskatchewan Workers'  
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[wcbask.com](http://wcbask.com)