Saskatchewan Workers' Compensation Board

ANNUAL REPORT '23

The Saskatchewan Workers' Compensation Board 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.

"We are good people doing noble work.
What we do is important.
How we do it matters.
We are fortunate to have one another to work with."

WCB staff member

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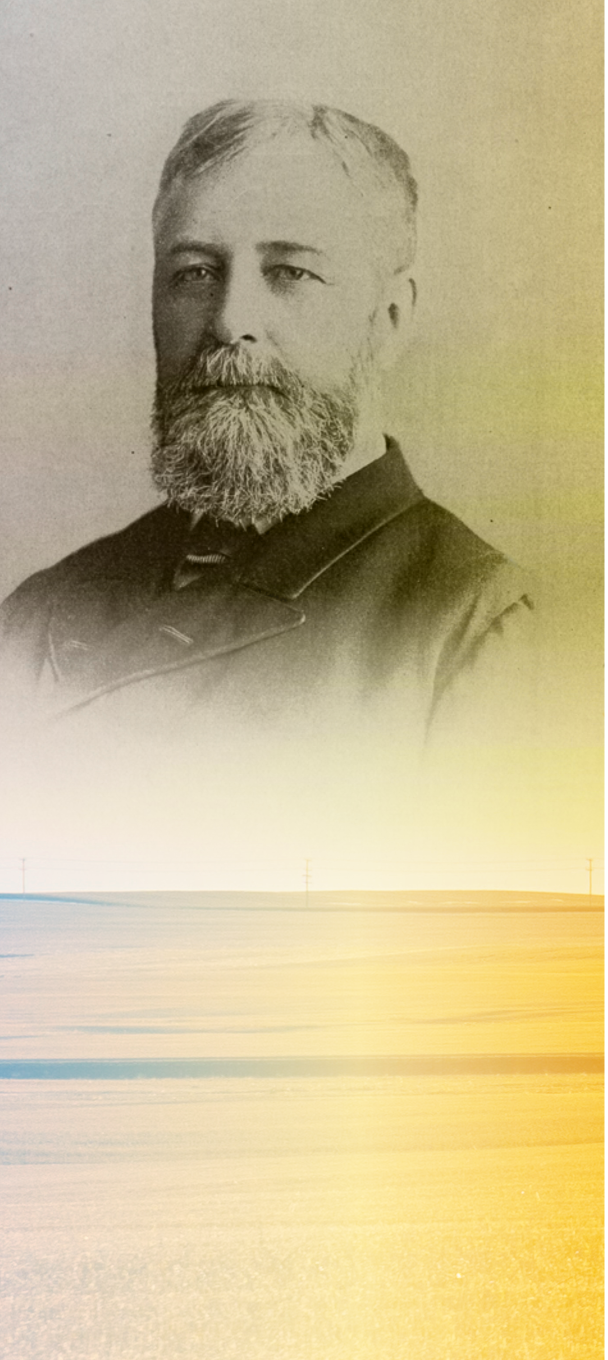


MEREDITH PRINCIPLES

The Meredith Principles are five basic concepts that underlie most workers' compensation legislation in Canada today. These principles are a historic compromise in which employers fund the workers' compensation system and, in return, workers surrender their right to sue their employer for the injury.

The following principles are the foundation upon which Canadian workers' compensation legislation is built:

1. **No-fault compensation:** Workers are paid benefits regardless of how the injury occurred. The worker and employer waive the right to sue. There is no argument over responsibility or liability for an injury.
2. **Security of benefits:** A fund is established to guarantee funds exist to pay benefits.
3. **Collective liability:** Covered employers, on the whole, share liability for workplace injury insurance. The total cost of the compensation system is shared by all employers. All employers contribute to a common fund. Financial liability becomes their collective responsibility.
4. **Independent administration:** The organizations that administer workers' compensation insurance are separate from government.
5. **Exclusive jurisdiction:** Only workers' compensation organizations provide workers' compensation insurance. All compensation claims are directed solely to the compensation board. The board is the decision-maker and final authority for all claims.

OUR VISION

We eliminate injuries and restore abilities.

OUR MISSION

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

OUR VALUES

Our corporate values are the standards by which our actions and decisions are to be considered and judged by others.

- **Safety:** We relentlessly pursue the health and safety of all current and future workers in Saskatchewan.
- **Respect:** We recognize the value and worth of every individual and we treat all persons fairly and with dignity, valuing individual uniqueness, diversity and contributions.
- **Excellence:** We continuously seek improvement and innovation in how we carry out our work.
- **Collaboration:** We work hand-in-hand with our customers, partners and each other to meet evolving needs.

LETTERS OF TRANSMITTAL

Lieutenant Governor of Saskatchewan

His Honour the Honourable Russ Mirasty

May it please Your Honour:

I respectfully submit the annual report of the Workers' Compensation Board for the calendar year 2023.

The Honourable Don McMorris

Minister Responsible for the Workers' Compensation Board

The Lieutenant-Governor in Council

We are pleased to submit the 94th annual report of the Workers' Compensation Board for the year ended Dec. 31, 2023.

Respectfully submitted,

Gord Dobrowolsky
Chair

Judy Henley
Board Member

Larry Flowers
Board Member

Jack Brodsky
Board Member

Dion Malakoff
Board Member

YEAR AT A GLANCE

	2023	2022	2021	2020	2019
Number of workers covered[1]	409,158	400,392	392,813	402,306	433,622
Time Loss injury rate (per 100 workers)[2]	1.78	2.04	2.03	1.78	1.86
Total injury rate (per 100 workers)[3]	3.95	4.33	4.56	4.46	4.95
Number of claims reported	25,236	27,087	25,751	23,746	28,865
Number of No Time Loss claims accepted[3]	8,870	9,156	9,918	10,788	13,415
Number of Time Loss claims accepted[3]	7,256	8,148	7,963	7,134	8,036
Fatal claims accepted					
Registered in current year	17	17	18	22	22
Registered in prior year	12	22	11	12	14
Self-insured	0	0	2	0	0
Total	29	39	31	34	36
Average duration in days[4]	43.49	38.56	40.24	45.27	41.52
Active employer accounts[5]	48,583	48,740	48,147	48,070	49,297
Average premium rate ($ per $100 of assessable earnings)	1.28	1.23	1.17	1.17	1.17
Maximum assessable wage ($)	96,945	94,440	91,100	88,906	88,314
Number of appeals registered					
Appeals	1,220	1,054	1,017	1,169	1,144
Board level	253	256	231	273	234
Claim costs ($ millions)	223.4	188.1	336.2	319.6	281.0
Premium revenue ($ millions)[6]	337.6	304.8	259.5	255.6	267.2
Investment income ($ millions)	172.6	(132.1)	254.1	77.4	277.1
Funding basis benefits liabilities ($ billions)[7]	1.530	1.459	1.515	1.420	1.328
Insurance contract liabilities ($ billions)[7]	1.586	1.493	N/A	N/A	N/A
Funded position ($ millions)					
Injury fund[8]	428.5	399.4	549.4	479.6	567.3
Reserves	46.0	43.8	45.5	42.6	39.8
Funding percentage[9]	N/A	114.8	107.6	112.4	115.1
Sufficiency ratio (%)[9]	135.7	136.5	N/A	N/A	N/A

1 Full-time equivalent (FTE) workers based on Statistics Canada average wage and WCB payroll information as of Dec. 31, 2023. Does not include workers for self-insured employers.

2 Time Loss injury rate includes Time Loss + fatalities in 2020, 2021, 2022 and 2023.

3 Based on new claims reported to and accepted by the WCB in the year. Does not include claims for self-insured employers. Beginning in 2019, current year fatalities are included in injury rates. As of 2020, cancelled claims (claims created in error) are excluded.

4 Average duration in days on compensation is based on all Time Loss claims paid within a 12-month period.

5 Active employer accounts excludes employers whose assessment accounts were closed during the year.

6 Premium revenues are restated for 2022 to align with the changes in the International Financial Reporting Standards (IFRS) 17.

7 To reflect the changes in the IFRS, in 2023, insurance contract liabilities have replaced benefit liabilities.

8 The injury fund is restated for 2022 to align with IFRS 17.

9 To reflect the changes in the IFRS, in 2023, the sufficiency ratio has replaced the WCB's funding percentage. Prior to 2023, the calculation of funding percentage excluded the unrealized gains and losses on investments in the injury fund.

COMPARISON WITH CANADIAN WCBs

The following comparisons are based on 2022 data (the most recent data available). View the complete report on the AWCBC's website at awcbc.org.

	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC	NT	YT
Admin cost per Time Loss claim[1]	$11,495	$6,187	$9,969	$14,320	$3,072	$11,571	$5,916	$8,509	$6,693	$6,218	$36,444	$20,751
Admin cost per $100 assessable payroll	$0.41	$0.25	$0.37	$0.32	$0.19	$0.31	$0.33	$0.29	$0.23	$0.27	$0.84	$0.57
Average calendar days from injury to first payment issued	33.69	39.25	40	38.9	N/A	42.88	23.3	42.52	29.31	33.9	57.96	33.3
Average calendar days from registration of claim to first payment issued	25.21	29.5	33	22	N/A	30.55	16.1	34.98	23.19	25.7	44.98	28.13
Injury rate per 100 workers of assessable employers[2]	1.58	1.32	1.6	1.15	3.03	1.48	2.75	2.05	1.96	2.39	1.89	1.65
Average composite duration of claim (in days)	191.38	61.44	167.83	73.2	N/A	N/A	34.69	59.11	111.7	95.2	99.62	38.26

1 The WCB and AWCBC use different criteria when counting Time Loss claims for this key statistical measure. The AWCBC counts claims with the same injury and registration year as of March 31 of the following year. The WCB counts Time Loss claims registered and accepted in the year, regardless of the injury date. The AWCBC includes claims that receive a permanent functional impairment award with or without any time lost, while the WCB only includes claims with time lost.

2 AWCBC statistics are based on accepted national definitions and may not be the same as statistics published in WCB annual reports. The definition of this measure is the number of new Time Loss claims per 100 covered workers.

The Saskatchewan WCB is a member of the Association of Workers' Compensation Boards of Canada (AWCBC), which represents workers' compensation boards or commissions from each of Canada's provinces and territories.

MESSAGE FROM THE BOARD

At the Saskatchewan Workers' Compensation Board, our vision to eliminate injuries and restore abilities in provincial workplaces gives meaningful purpose to all of our intentions and actions. It is the animating force that shapes how we govern our operations in the service of workers and employers.

In 2023, keeping our vision front and centre in our oversight work continued to ensure the effective and efficient strategic direction and administration of our workers' compensation system in Saskatchewan.

The WCB's mandate, guided by the Meredith Principles, is to provide guaranteed benefits and programs to workers covered by *The Workers' Compensation Act, 2013*, and to protect registered employers through prevention programs and from lawsuits relating to workplace injuries.

As stewards of the compensation system, we work to fulfil this mandate by providing responsible and informed governance. Our financial stewardship is grounded in our commitment to never put benefits at risk. In 2023, we bolstered our robust set of risk-management practices, supporting us in evaluating the risks and returns with all of our financial and operational decisions. The organization's prudent and evidence-based approach to its operations is reflected in the new mission statement adopted in 2023, which is to protect Saskatchewan workers and businesses today and tomorrow through innovative and effective programs and services.

Throughout 2023, cybersecurity risk remained a prominent issue, driving the organization to increase our cybersecurity posture and maturity, secure our operations and data integrity, and safeguard our infrastructures and processes.

The ways in which the WCB manages its resources, provides services and programs, and mitigates workplace injuries is being strengthened by our Business Transformation Program. The transformation program, which is a $150 million multi-year innovation journey, marked the halfway point in 2023. The program touches everything we do at the WCB and how we support our customers by modernizing every aspect of our service delivery models, technological tools, business processes, workplace culture and engagement with partners.

In 2023, the province had 29 workplace fatalities. As of Dec. 31, 2023, the total number of registered serious injuries in 2022[1] was 2,352. The WCB ended the year with a Time Loss injury rate of 1.78, a decrease from the 2022 rate of 2.04, and a 2023 Total injury rate of 3.95, which is a decrease from the 2022 rate of 4.33. Serious injuries represented approximately 11 per cent to 14 per cent of total claims, but accounted for more than 80 per cent of our claim costs.

Driven by the WCB's belief that every injury is predictable and preventable, WorkSafe Saskatchewan, a partnership with the Ministry of Labour Relations and Workplace Safety, in 2023 built on the success of the first three-year Fatalities and Serious Injuries Strategy. The 2023-2028 Fatalities and Serious Injuries Strategy is a multi-year plan that utilizes claims and injury data to target specific industries and injury types, as well as gather customer feedback and drive engagement. "The need for increased and enhanced defensive/professional driver training for paramedics and all EMS workers has the potential to reduce the incidents of injury and the severity of injury should a motor vehicle incident occur involving an ambulance," wrote Sandra Cripps, CEO of the Saskatchewan Association for Safe Workplaces in Health.

It is Saskatchewan's employers who fund our province's compensation system. In 2023, the board approved the 2024 average premium rate of $1.28 per one hundred dollars of assessable payroll, which is unchanged from 2023. Forecasting indicated that increasing claim costs would be offset by rising employer payroll in 2024.

As a board, we must uphold a balance between stable rates and a fully funded compensation system. To further support employers in navigating the workers' compensation system, we restructured our Employer Resource Centre in 2023.

A major part of the board's oversight of the compensation system is the Board Appeal Tribunal. This tribunal uses the general principles of the inquiry model, burden of proof, rules of evidence and policy when considering appeals from workers and employers to issue fair and reasonable decisions. This unique-in-Canada model, which emphasizes finding facts versus blame, contributed to the tribunal's status as a national leader in the important metrics of cost per appeal and wait time for appellants. The board renders decisions on appeals and applications, and as part of its oversight, it completes a comprehensive review of all of the organization's policies to ensure they are relevant and up to date.

In our efforts to best serve our customers in Saskatchewan, our board members equally represent the viewpoints of workers and the viewpoints of employers.

It is with sincere appreciation that we acknowledge the outstanding contributions of the WCB's leadership and staff. WCB employees across the organization demonstrated their commitment to providing high-quality programs, exceptional service and meaningful value to our customers. Their work is pivotal in enabling the WCB to live its corporate values – safety, respect, excellence and collaboration – and foster safer workplaces in the province.

Gord Dobrowolsky
Chair

Judy Henley
Board Member

Larry Flowers
Board Member

Jack Brodsky
Board Member

Dion Malakoff
Board Member

1 2022 is the most recent data available for serious injuries. Serious injuries are reported at a one-year lag period because it may take some time for claims to mature into serious injuries.

THE WCB'S STRUCTURE, MANDATE AND ROLE

The WCB is an independent board that is legislated to administer Saskatchewan's no-fault workplace insurance system under *The Workers' Compensation Act, 2013* (the Act), which came into force on Jan. 1, 2014. The WCB follows the Meredith Principles, and the Act establishes the legislative framework within which employers in industries and occupations covered by the Act pay premiums to the board to provide guaranteed benefits and programs to workers.

In exchange, covered employers are protected from lawsuits related to workplace injuries. These employers are required to register with the WCB and pay premiums based on employer assessable payrolls that are subject to adjustments that reflect claims experience. Premiums paid by employers and income from investments fully fund the compensation system.

In 2023, 48,583 firms with 409,158 full-time equivalent workers were registered with the WCB. In the year, the WCB accepted 16,143[1] injury claims, which included 7,256 Time Loss injuries. Time Loss injuries are those that keep a worker away from work beyond the day of the injury. In 2023, $223.4 million in claim costs were incurred to provide benefits and programs to workers.

1 Claims accepted include Time Loss, No Time Loss and current year fatality claims. It excludes claims for self-insured employers.

Board structure

The board consists of five board members. The chair and board members are appointed by the provincial government.

Two board members are appointed to represent the viewpoint of workers and two are appointed to represent the viewpoint of employers.

Board mandate and responsibilities

The board recognizes a strong governance framework is necessary to ensure the WCB fulfils its responsibilities to workers and employers in the most effective manner.

The board members ensure a strong governance framework for the WCB by:

1. Providing strategic direction to the WCB's leadership to ensure the delivery of high-quality services to workers and employers, and the protection of the public interest.
2. Appointing a CEO who is to be the WCB's chief administrative officer.
3. Providing effective oversight of the WCB's financial and operational performance, both directly and through their roles on the audit, investment, executive and transformation oversight committees.
4. Committing and focusing on the continuous improvement of the WCB's governance practices to ensure continuity to meet statutory obligations, stakeholder expectations and evolving governance standards.
5. Approving policies through which the organization's objectives can be accomplished.
6. Overseeing enterprise risk management.
7. Effectively engaging with customers and partners.

In addition to their governance responsibilities, three board members are appointed to serve on the Board Appeal Tribunal, which is the highest level of appeal within the WCB for workers or employers dissatisfied with decisions impacting their claims or accounts. The tribunal fulfils its responsibilities by thoroughly reviewing appeals or applications that come before it and by ensuring processes are in place to provide decisions.

The tribunal members have indicated that their direct involvement in the appeal process gives them special insight into the effectiveness of the WCB's policies and greatly assists them in performing their role in the oversight of the WCB.

All board members are required to maintain skills and knowledge appropriate to their responsibilities. This begins with a comprehensive orientation and includes other relevant topics like cybersecurity, diversity and risk management. The WCB is a corporate member of the Institute of Corporate Directors, which provides all board members with access to training and resources relevant for their roles.

In addition to training and education for all board members, the tribunal members' training continues with professional development offered by organizations such as the Foundation of Administrative Justice, the Council of Canadian Administrative Tribunals, the Saskatchewan Administrative Tribunals Association, and various industry and educational conferences and courses.

A governance framework that defines accountability

The board undertakes annual reviews of its governance policy and other key governance documents because the board members recognize the importance of a clearly defined governance framework that supports their accountability as stewards of the workers' compensation system. To support that review process, the board tasked the CEO and senior leadership with conducting their own assessment of the governance policy, committee structures and governance processes, and providing feedback to the board as part of its annual governance review. The board completes an annual review of the board members' code of conduct, and its orientation and education plan. The board establishes a plan to continually monitor governance issues.

Elements of the governance framework that define and chart how accountabilities are met include:

- **Strategy setting and performance monitoring**

  Each year, the CEO and vice-presidents participate in strategic planning sessions with the board. These include a review of the WCB's vision, mission, values, risk register and True North objectives, which drive the strategic plan. The WCB's corporate values are the standards by which its actions and decisions are to be considered and judged by others. The True North objectives represent five areas the organization must focus on to continuously improve the customer experience:

  - **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.
  - **Quality:** The WCB owes its customers defect-free service.
  - **Timeliness:** Customers rely on the WCB to deliver service at the right time, when they need it.
  - **People:** WCB staff expect leadership to provide a healthy and engaging environment. Healthy and engaged staff are

better positioned to serve WCB customers.

  - **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.

The CEO submits a strategic plan for board review, feedback and approval. Regular management reports on the plan's progress are provided to the board members. The annual strategic plan is published and forms part of the required reporting at the WCB's annual general meeting. The WCB holds annual stakeholder meetings as part of its governance and accountability framework.

- **Code of conduct**

  To achieve effective governance, board directors are responsible for influencing the culture of the organizations they govern. As part of the annual review of its governance framework, the board examines its code of conduct and its key governance documents.

  These documents are available on the WCB's website wcbsask.com.

  The WCB's corporate code of ethics and professional conduct is consistent with the board's code of conduct, and is intended to guide staff in their decisions and actions. All staff are responsible for ensuring individual and corporate actions are consistent with the code.

- **Budget and employer rate approvals**

  The CEO presents an annual budget based on the strategic and operational plan for board approval. Quarterly reports are provided to the board with variance explanations when financial targets are not met.

  Employer premium rates are set through a rigorous process that is supplemented by reviews of and advice from internal and external actuaries. Once the proposed rates have been presented to customers and partners (who have the opportunity to provide input to the board), the board approves the rates.

- **Funding status**

  The board oversees the funding status of the WCB by establishing policies that administration implements. The WCB's objective is to ensure sufficient funds are available to meet required benefit levels and protect against unexpected claim activity or potential fluctuations in economic conditions.

The process for managing the WCB's funded position is based on its approved sufficiency policy. The sufficiency policy establishes a framework of guidelines, measurements and targets to achieve a fully funded status and sets the target range for the sufficiency ratio.

Fundamental to the workers' compensation system is the guarantee to workers and employers that benefits and programs will be available when they are needed. To back up that guarantee, the WCB is required to have sufficient financial resources available to pay the cost of benefits and programs for all injury claims in the compensation system for the life of those claims. The amount needed at the end of 2023 to meet future obligations was $1.586 billion.

- **WCB investment committee**

  The WCB investment committee consists of board members, with support from management and external investment experts, who oversee the organization's financial policies and investments. The committee acts as a steward over investment assets (the financial resources that back up the funding guarantee to workers), valued at $2.161 billion at the end of 2023.

- **WCB audit committee**

  The WCB audit committee consists of the three full-time board members, with support from management and external experts. Their role is to oversee the quality and integrity of the WCB's financial statements, its compliance with legal and regulatory requirements, and the appointment and performance of the WCB's internal and external auditors.

  The committee's role does not relieve WCB management of its responsibility to prepare financial statements that present the WCB's financial results and condition accurately and fairly, or the external auditors of their responsibility to audit the financial statements.

- **Executive committee**

  The board appoints an executive committee to monitor the WCB's ongoing administration by considering policy directives, governance and legal matters, strategic planning, corporate objectives and general operational updates.

- **Transformation oversight committee**

  The board appointed a transformation oversight committee in 2021 as a temporary governance entity to oversee the multi-year Business Transformation Program.

  The committee is intended to support the board in fulfilling its fiduciary responsibilities related to the transformation program. Given the specialized and complex scope of the Business Transformation Program, the committee has the ability to appoint outside non-voting advisers. These advisers provide additional support and expertise on matters coming before the committee.

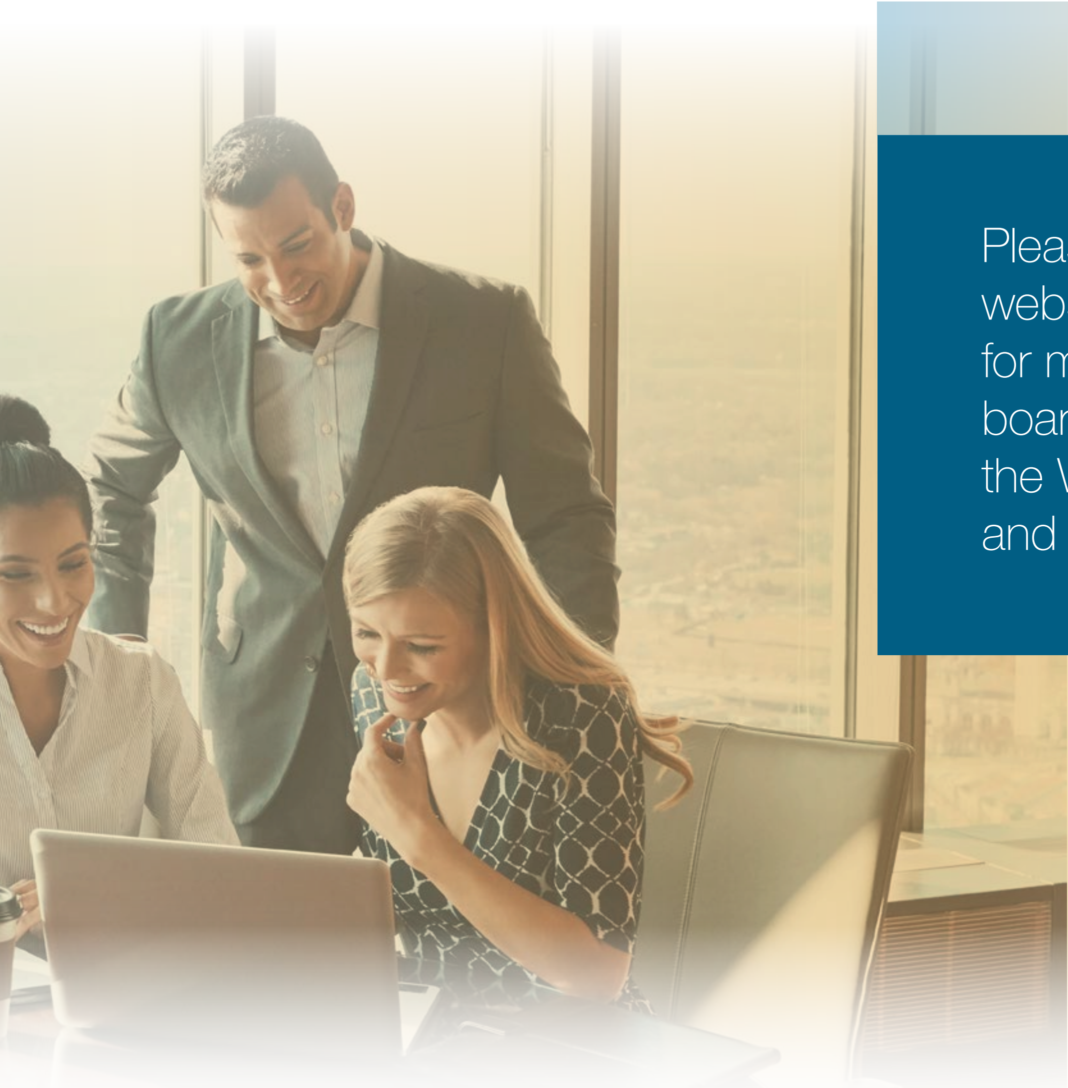
Setting high standards and expecting results

As stewards of the workers' compensation system, the board and CEO expect management to meet high-performance standards and hold the organization to a reporting standard that ensures transparency for customers.

Quality oversight

The board and the WCB's executive management recognize that complying with legislation and policies, and achieving effective and efficient operations, requires continually monitoring operations and key work processes. In addition to the controls referenced earlier, this is achieved through:

- Quality control processes that start with front-line teams administering claims and include team leaders reviewing files for completeness and accuracy.
- Internal audit that provides independent, objective assurance and consulting services to the board's audit committee and to management. Internal audit evaluates processes for risk management, internal control and governance.
- An appeal process that provides workers and employers with an objective review of the WCB's decisions and actions. An appeal is first considered by appeals or the assessment committee and, if not resolved, can be reviewed by the tribunal.
- The Fair Practices Office (FPO), which reports to the board, reviews concerns about the fairness of the WCB's actions and decisions and, where appropriate, forwards recommendations to WCB managers to resolve concerns.
- Certification by the CEO and chief financial officer that financial statements are presented fairly in all material respects and that internal controls are adequate to prevent material misstatement in financial statements based on an internal assessment by management of the adequacy of internal controls.



Please visit the WCB's website wcbsask.com for more information on board governance and the WCB's operations and performance.

BOARD APPEAL TRIBUNAL

Three full-time board members serve as the Board Appeal Tribunal (the tribunal), the highest level of appeal within the WCB for all matters except those involving bona fide medical questions related to an accepted claim, which are determined by a Medical Review Panel.

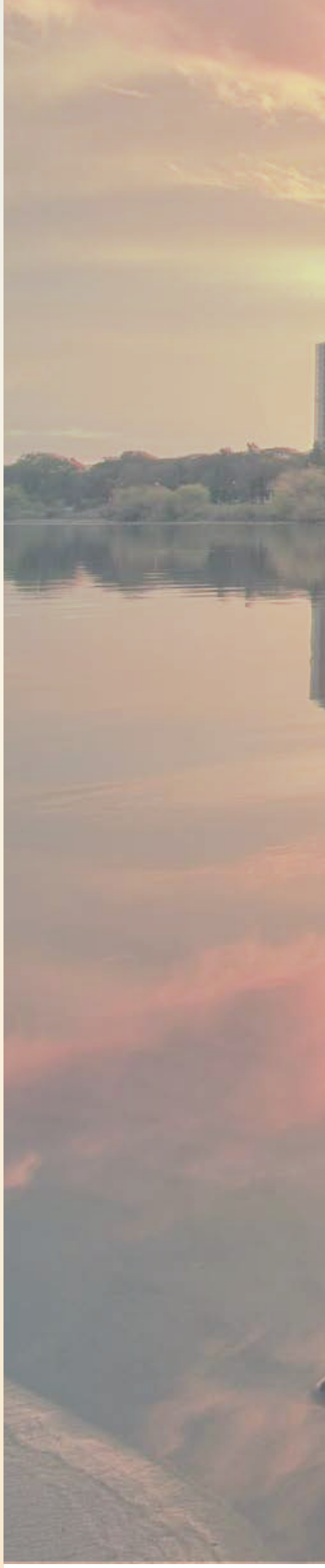
In 2023, the tribunal received 253 appeals and applications and issued 208 decisions, which included 37 applications (for barring of lawsuits, board orders for collection of overpayments and medical review panels). In the process of issuing these decisions, the tribunal conducted 77 hearings during the year. Throughout 2023, the tribunal offered in-person, teleconference and secure video-enabled hearings to make it easier for appellants to participate. The tribunal was able to review and provide a decision to customers within six months.

The tribunal remained focused in 2023 on providing thorough, well-reasoned decisions, comprehensive file reviews and ongoing training for staff and tribunal members.

Decisions made by the tribunal relate to appeals brought forward by a worker or employer because of a decision made on an injury claim. An employer can also appeal a decision regarding WCB employer premiums or assessments. Customers dissatisfied with decisions rendered by appeals or the assessment committee can apply to have the tribunal review those decisions.

Other types of decisions include board orders, Section 169 applications and medical review panels. Board orders are decisions to recover outstanding overpayments. Applications under Section 169 of the Act are to determine the workers' right to bring action. Medical review panels are medical examinations of a worker as per Section 58 of the Act.

For more information regarding medical review panels or Section 169 applications, please refer to the WCB's website, wcbsask.com.



Appeals and applications activity[1]

	2023	2022	2021	2020	2019
Appeals and applications received	253	256	231	273	234
Accepted	90	114	91	70	77
Denied	118[2]	165[2]	129[2]	154[2]	154
Total appeals and applications decided[1]	208	279	220	224	231
Appeals withdrawn	10	32	22	35	12
Appeals pending	139	100	120	112	90
Average number of days to reach decision	175	144	170	160	130
Hearings	77	104	109	87	85

[1] Two important things to note:
- Appeals may carry over from the previous year or be decided the following year.
- Appeals pending for each year after 2019 include appeals or applications.

[2] The total denied for 2020-2023 includes medical review panels and barred Section 169 applications.

Source of appeals and applications

	2023	2022	2021	2020	2019
Workers' advocate	73	103	82	92	95
Worker/worker representative	76	98	83	98	79
Employer/employer representative	26	16	18	56	50
Other	20	56	37	15	8
Lawyer	13	5	10	11	2
Union official	0	1	1	0	0
Family	0	0	0	1	0
Total	**208[3]**	**279[3]**	**231**	**273**	**234**

[3] The totals for 2022 and 2023 includes medical review panels and Section 169 applications.

Nature of appeals and applications decided[4]

	2023		2022		2021		2020		2019	
	total	*accepted*	*total*	*accepted*	*total*	*accepted*	*total*	*accepted*	*total*	*accepted*
Initial acceptance	58	21	90	39	70	31	74	12	76	29
Relationship (of condition to injury)	54	27	77	32	59	25	59	19	64	14
Cost relief	11	2	27	4	24	5	14	4	42	15
Recovery/fitness for work	8	2	1	0	9	5	9	3	14	6
Other	25	19	52	28	23	14	15	7	11	5
Suspension	3	1	3	2	7	2	6	2	9	3
Expenses	1	1	5	3	9	2	5	1	6	1
Retraining	0	0	0	0	2	0	0	0	3	1
Wage base	18	8	4	1	0	0	3	0	3	1
Estimated earnings	4	3	4	0	2	1	3	0	1	1
Assessment/surcharge	1	1	2	2	6	3	16	16	1	1
Permanent functional impairment	4	2	2	0	2	0	4	0	1	0
Independence allowance	0	0	0	0	0	0	2	1	0	0
Medical Review Panel enabling certificate applications	14	2	6	2	3	1	8	3	23	4
Medical Review Panel examination decisions	0	0	2	1	2	2	2	1	3[5]	1
Section 169 applications	7	1	4	0	2	0	4	1	2	0
Total	**208**	**90**	**279**	**114**	**220**	**91**	**224**	**70**	**259**	**82**

[4] The above table provides the total number of appeals and applications decided, as well as the number of those accepted. The totals provided in the above table differ from the totals provided in previous annual reports because of the addition of Medical Review Panel enabling certificate applications, Medical Review Panel examination decisions and Section 169 applications for each year. The Medical Review Panel enabling certificate applications and Section 169 applications were previously outlined in separate tables. The Medical Review Panel examination decisions were previously provided in the commentary rather than in a table.

[5] The 2019 total has been restated to reflect the actual number of total Medical Review Panel examination decisions. The number of appeals and applications withdrawn are not included in this table.

FAIR PRACTICES OFFICE

The Fair Practices Office (FPO) is an independent office of the WCB. Established under Section 186 of the Act, the FPO reports to the board through the chair. The FPO 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 FPO's role and mandate on the WCB's website at wcbsask.com.

Number of inquiries received and resolved

	2023	2022	2021	2020	2019
New inquiries received	436	513	440	352	401
Inquiries resolved[1]	442	504	440	352	397

[1] Inquiries resolved are based on the number of closed inquiry files per year. Inquiries not resolved in one calendar year are carried over to the following year.

In 2023, the FPO received an average of 36 inquiries per month.

How inquiries were resolved

	2023	2022	2021	2020	2019
Completed by the FPO without referral	360	372	320	270	276
Contacted the WCB for clarification	52	63	31	16	27
Referred to the WCB for review	17	35	64	52	71
Referred to outside entity	13	34	25	14	23
Total	**442**	**504**	**440**	**352**	**397**

In 2023, the FPO referred approximately one in six inquiries back to the WCB decision-maker for either clarification or a review/reconsideration of the decision. The FPO refers cases back for reconsideration of the decision based on several factors, such as the interpretation of policy, the use of discretion by the decision-maker and the availability of information provided to the decision-maker.

Outcome of referrals to the WCB

	2023	2022	2021	2020	2019
Decision changed	3	3	9	5	4
New action taken	9	28	40	40	53
Reviewed, but no change made	5	4	15	7	14
Total	**17**	**35**	**64**	**52**	**71**

New inquiries

	2023	2022	2021	2020	2019
Worker	384 (88%)	461 (90%)	390 (89%)	322 (91%)	362 (90%)
Employer	28 (6%)	32 (6%)	34 (8%)	23 (7%)	23 (6%)
Other	24 (6%)	20 (4%)	16 (3%)	7 (2%)	16 (4%)
Total	**436**	**513**	**440**	**352**	**401**

In 2023, 88 per cent of individuals who contacted the FPO identified themselves as workers.

Purpose of inquiry

	2023	2022	2021	2020	2019
Decision/decision-making process	292 (59%)	316 (55%)	365 (58%)	323 (66%)	339 (53%)
Communication/services	24 (5%)	60 (10%)	97 (16%)	60 (12%)	124 (19%)
Timeliness	34 (7%)	43 (8%)	32 (5%)	34 (7%)	63 (10%)
General information	111 (22%)	102 (18%)	118 (19%)	66 (13%)	91 (14%)
Relationship[2]	32 (6%)	42 (7%)	N/A	N/A	N/A
Other	3 (1%)	14 (2%)	13 (2%)	10 (2%)	28 (4%)
Total[3]	**496**	**577**	**625**	**493**	**645**

[2] The relationship category was added in 2022.

[3] More than one issue can be raised per inquiry file.

Response time to close new inquiries (% of inquiries)

	2023	2022	2021	2020	2019[4]
0-7 days	89.8	89.9	84.5	74.4	69.6
8-30 days	7.9	9.9	13.2	19.6	22.2
More than 30 days	2.3	0.2	2.3	6.0	8.2
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

[4] 2019 numbers have been restated to reflect files reopened after the end of the year.

In 2023, almost 90 per cent of the inquiries the FPO received were resolved within seven calendar days.

Robin Tuer
Fair Practices Officer

MANAGEMENT DISCUSSION AND ANALYSIS

This management discussion and analysis explains the financial position and results of the Saskatchewan Workers' Compensation Board for the year that ended on Dec. 31, 2023. The information in this document complements and supplements the audited financial statements and supporting notes.

The WCB's executive and leadership teams are guided by its values in pursuit of its True North objectives. In 2023, the executive focused on advancing key projects and initiatives that addressed critical risks and presented opportunities to set the foundation for improved levels of customer service and productivity. Driven by the WCB's vision, mission and values, the organization also made progress on important projects and initiatives that better support customers in preventing injuries and disabilities.

The WCB's annual strategic planning process identified a need to update and simplify its mission statement and values to better reflect the organization's inherent purpose and the work it does in current times.

The WCB's new mission is to protect Saskatchewan workers and businesses today and tomorrow through innovative and effective programs and services. The mission, along with its values of safety, respect, excellence and collaboration, are a vital reminder of the WCB's purpose, guiding how the organization operates and serving as a call to action that inspires excellence. The vision, mission and values inspire the WCB to continue modernizing and innovating as an organization, and to focus on providing the right solutions and best service to customers.

As part of the WCB's strategic planning process, leadership examined risks, challenges and opportunities that would better enable the organization to optimize the way it serves workers and employers. This process involved a thorough environmental scan, a risk assessment, and a review and active support of the Committee of Review's recommendations regarding WCB policies and practices.

The strategic initiatives that animated the work of the WCB in 2023 were:

Customer experience transformation	Enabling systems	Next generation prevention

Here are some highlights of how the WCB acted on its strategic initiatives and priorities in 2023:

- The WCB's True North objectives helped bolster its commitment to continuous process improvement and a customer-centric approach. A model that centres on optimal customer experience, the True North objectives guided the WCB in improving the customer experience in the key areas of preventing and reducing workplace injuries, providing excellent and timely service to customers, fostering a healthy and engaging work environment, and delivering valuable services at reasonable costs while consistently meeting its obligations.
- The WCB understands that a healthy, engaged workforce is vital to the organization's success and continued to explore and implement internal health and safety measures promoting the physical and psychological well-being of staff and customers. The WCB's efforts to foster a positive and safe work environment was recognized with the WCB being selected as one of Saskatchewan's Top Employers in 2023.
- The WCB continued making gains in achieving its customer experience transformation objectives. While building strategic partnerships with workers and employers, the WCB actively pursued the transformation of employer services and of claims processing by implementing process changes relating to people, process and technology.
    - Significant strides were made to prevent and mitigate unnecessary work disability. Phase one of the work disability prevention and mitigation project was successfully completed in 2023 and phase two is targeted to wrap up in 2024. The project includes a comprehensive training program focused on upskilling staff in a variety of areas to improve communication, collaboration and customer relationships. In addition, a number of processes, forms, and letters are being updated or developed to support a more collaborative approach to service delivery.
    - The WCB is in the process of replacing its core workers' compensation systems to increase operational efficiency through automated workflows and work management. The WCB selected Sapiens' CoreSuite for Workers' Compensation, DigitalSuite, and Intelligence to transform the WCB's legacy core systems with a modern, integrated platform for efficient service delivery. The first phase of the core solution project — the replacement of WCB's employer accounts functionality — launched in August 2023.
- To optimize the efficiency of its internal processes, the WCB continued to focus on its enabling systems objectives. This involved implementing foundational modules for new integrated financial and human capital management systems, the capabilities of which will support the organization in achieving business outcomes, and enhancing customer and staff experiences. These implementations also aligned with the WCB's plan for a broader shift to cloud-enabled technologies and help to prepare the organization for the cloud-based Sapiens solution.
- The WCB's vision to eliminate injuries and restore abilities propelled its progress in 2023 toward its next generation prevention objectives, which encompassed diverse facets such as leadership engagement, partnership enhancement, data analysis, a psychological health and safety plan and resources, and an occupational disease prevention program.

Another key aspect of the next-generation prevention transformation effort was the 2023-2028 Fatalities and Serious Injuries Strategy through WorkSafe Saskatchewan. Building off the success of the previous Fatalities and Serious Injuries Strategy, this new strategy aims to reduce serious injuries and eliminate fatalities in the highest-risk sectors of health care, transportation and construction through the introduction of two work streams: a regulatory and enforcement stream, and a prevention and learning stream. This comprehensive approach is engaging employers, workers, occupational health and safety representatives and other key stakeholders in advancing workplace safety.

WorkSafe Saskatchewan is endeavouring to strengthen Saskatchewan's safety culture in the future by engaging safety leadership, next generation workers and the public to refocus on workplace safety and adopting a provincial target of becoming the safest province to work in Canada through a rebranding, revitalization and province-wide promotional campaign.

By taking concrete steps to improve processes through a variety of impactful initiatives — modernizing systems, increasing efficiencies and building strategic partnerships — the WCB set a strong foundation for enhanced business functions that will better meet the needs of workers and employers in Saskatchewan tomorrow and well into the future.

The innovations and progress made in 2023 were driven by the talented and dedicated employees of the WCB. The WCB's leadership sincerely thanks staff for their vital contributions to organizational transformation and their ongoing commitment to customers' access to timely and high-quality workers' compensation services.

The WCB is also grateful to the members of the board for serving the organization through its innovation journey. Their insights helped set an inspiring direction for the WCB to follow in its pursuit of excellent service and outstanding value to customers.

The WCB's work is also enabled and energized by its partnerships with a diverse range of partners and safety leaders across the province. Through collaborative efforts, the WCB is able to make a meaningful impact on protecting workers in Saskatchewan.

Finally, the WCB's transformation journey would not be possible without the participation of workers and employers, who continue to play an insightful role in promoting workplace safety and disability prevention in Saskatchewan.

Phillip Germain
Chief Executive Officer

Tyler Gillies
Director, Financial Services

George Georgiadis
Chief Technology Officer and Vice-President, Business Intelligence

Kevin Mooney
Vice-President, Prevention and Employer Services

Trevor Hall
Vice-President, Human Resources, Communications and Appeals

Jennifer Norleen-Beitel
Vice-President, Operations

Stuart Cunningham
Vice-President, Business Transformation Program

ENTERPRISE RISK MANAGEMENT

Effective risk management is more than an oversight responsibility. It is a philosophy, culture and way of conducting business that is engrained into the day-to-day activities of an organization.

The WCB's approach focuses on an in-depth identification and analysis of risks and aims to minimize unexpected volatility or variance between expected and actual results. This can guide strategic and operational planning to help prioritize process improvement initiatives and projects that can reduce or mitigate identified risks.

The high risks identified and evaluated by the board members and management in 2023 were:

Recruitment and retention	In the current environment, the WCB faces challenges in attracting and retaining talent across the organization, as well as developing and retaining a competent workforce. Key risk mitigation strategies include new job evaluation strategy, modernization of core technologies and processes, advancing a new enterprise learning strategy and staff augmentation in support of projects.
Union and employee relations	While negotiations are underway for a new collective bargaining agreement, the WCB's operations could be adversely impacted by unionized labour disruptions. To help manage this risk, organizational strategies include ongoing discussions between management and the union to understand collective interests and priorities, and monthly check-ins with the executive group, human resources and the union to discuss progress on corporate projects and activities.
Data adequacy	Current system architecture, system controls and data sourcing expose the WCB to certain information technology risks, including inaccurate or incomplete data sets which may impact decision-making, management analysis, and reporting based on inaccurate information and inaccurate costs. Key risk management strategies include implementation of the WCB's advanced analytics and replacement of key business systems (finance, human resources, employer services and operations) to provide the foundation for restructuring and protecting data.
Business continuity	Adverse events, such as cybersecurity breaches, natural disasters and pandemics, could lead to a suspension of the WCB's operations. Key risk control strategies include establishment of short- and long-term plans to address critical gaps and reprioritizing the business continuity plan across the enterprise aided by external expertise.
IT systems adequacy	Current systems in place do not adequately support the evolution of the WCB's business processes and the organization's ability to maintain current systems due to technical limitations is at risk. The WCB is mitigating this risk by replacing aging systems with modern technology through the Business Transformation Program, which includes transition to vendor supported cloud implementations.
Cybersecurity	Increasing incidents of cyberattacks and phishing attempts elevate the risk of cybersecurity breaches causing information technology networks to fail or become unavailable and significantly impacting staff, partners and customers. Key mitigation strategies include continued investment in internal staff cybersecurity training and processes, as well as upgrading the WCB's technologies to increase maturity in cybersecurity protection.
Investment markets	Greater than normal volatility in external factors such as capital markets, inflation and interest rates, have long-term financial impacts on premiums, insurance contract liabilities and investments, which increase uncertainty in the WCB's ability to accurately forecast and maintain target funding levels. Key risk management strategies include re-establishment of the WCB's risk appetite through an asset liability management study and diversifying the investment portfolio in line with the WCB's Statement of Investment Policies and Goals targets.
Procurement	With the increased complexity of procurement for information technology and health-care services, the WCB will experience operational and financial challenges if procurement systems and processes are not matured commensurate with evolving public sector expectations around value for money. Key risk control strategies include implementation of a strategic procurement strategy, along with an annual corporate procurement plan.
Business Transformation Program	The WCB's multi-year Business Transformation Program will make enhancements and changes to the WCB's business model, including technology, processes, human capital, knowledge requirement and organizational structure, resulting in a changing internal and external risk profile. Risk management strategies include implementation of enhanced governance, reporting and oversight processes, change management, and timely staffing and organizational reviews to balance program and organizational needs.

WCB TRUE NORTH

The WCB's True North objectives guide the organization toward a culture of continuous process improvement and are core to creating a customer-centric organization.

The following objectives measure the targets the WCB has set against the actual results and indicate whether the WCB's strategies are working over time.

True North objective	Definition
Customer experience	Workers and employers deserve excellent service. This is what employers pay for.
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.
Quality	The WCB owes its customers defect-free service.
Timeliness	Customers rely on the WCB to deliver service at the right time, when they need it.
People	WCB staff expect leadership to provide a healthy and engaging environment. Healthy and engaged staff are better positioned to serve WCB customers.
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.

2023 objective measures	2023 target	2023 actual	2022 target	2022 actual
Worker survey – Q1 and Q3 overall satisfaction survey	4.3 out of 5	4.2[1] out of 5	4.20 out of 5	4.06[1] out of 5
Employer survey – Q2 and Q4 overall satisfaction survey	4.3 out of 5	4.3[1] out of 5	4.20 out of 5	4.22[1] out of 5
Total number of external accepted injuries (includes fatalities, excludes self-insured claims)	16,533	16,134	16,800	17,311
Number of appeals	932	1,220	932	1,054
Percentage of files with premium adjustments	33%	49.9%	33%	56.4%
12-month rolling average durations of Time Loss claims (days)	38	43.49	38	38.56
Staff engagement survey	7 out of 10	6.4 out of 10	8 out of 10	6.2 out of 10
Sufficiency ratio	100% - 140%	135.7%	100% - 140%	136.5%
Total administration and claim costs/total claims	$3,000	$2,972	$2,996	$2,897

[1] 2023 and 2022 results are a composite of quarterly results through the year.

STRATEGIC AND OPERATIONAL PLANNING

Each year, the WCB's board and executive leadership conduct a strategic planning and deployment process that sets out the organization's strategic and operational objectives over a three-year period. Key elements of this process include internal and external consultations, cross-functional planning sessions, and systematic communication and review.

Through its strategic and operational planning, the WCB is charting a course that demonstrates its commitment to performance, transparency and effective stewardship in pursuit of a service-focused, financially sustainable, fair and balanced compensation system.

In 2021, the WCB established its Business Transformation Program to enable it to achieve its mission-critical strategic and operational objectives through a co-ordinated approach to planning and execution.

The outcomes of this planning in the short- and long-term will fully engage staff, workers and employers, and support care providers and injury prevention partners in more meaningful ways that improve outcomes and add value for everyone.

The following sections set out some of the key highlights and achievements from the strategic plan over the past year.

BUSINESS TRANSFORMATION PROGRAM

In alignment with the WCB's strategic direction, the program's transformation objectives are to improve the customer experience, key indicators and outcomes, and support the long-term health of Saskatchewan's workers' compensation system.

With these objectives as a guide, the WCB is working to build stronger partner relations, shift organizational culture, modernize and replace outdated technologies, advance business processes, and enhance the overall effectiveness of its programs and service delivery models.

In the program's formative years, the WCB focused on building a delivery infrastructure to enable and sustain a successful transformation. This infrastructure includes processes and frameworks for effective governance, stakeholder engagement, organizational change management, and project and program delivery. This approach, which enables co-ordinated planning and delivery of the program's objectives, allows the organization to monitor and manage dependencies, identify and respond to key risks, advance and embed change at an appropriate pace, and realize benefits at various points during the transformation.

In 2023, the transformation program advanced priority initiatives and achieved key milestones. Highlights include:

- Completing a thorough, transparent and fair procurement process to replace the WCB's core technologies for employer accounts and claims management systems. The WCB signed a multi-year agreement to replace these technologies with Sapiens, an integrated platform solution purpose-built for workers' compensation. Implementation of this new technology will occur in a phased manner over three years beginning with the employer accounts system in phase one, followed by the claims and case management system in phase two.

- Beginning to train staff in new ways of working and engaging with customers to prevent and mitigate work disability. Central to this strategy are changes to processes and communications, and a meaningful shift to a service culture that enables better outcomes through more effective collaboration and partnering. See the customer experience transformation section of this report for more detail about this multi-year initiative and efforts made in 2023.

- Partnering with customers to develop processes to improve the timeliness of claim decisions and communications with customers. See the customer experience transformation section of this report for more details on the approach, benefits and outcomes achieved.

- Completing the migration of the WCB's financial system to the cloud environment in early 2023. This migration provides the foundation on which to build additional capabilities and functionality for financial systems, corporate services and human capital management.

- Implementing a modernized human capital management cloud solution for the WCB. By integrating it with the WCB's financial system, it provides a single platform to streamline planning, budgeting and decision-making processes in the future.

- Focusing attention on gathering feedback, through targeted outreach and two-way dialogue, from numerous external partners such as employers, safety and health associations, labour associations and other key groups. This will create greater awareness of the WCB's transformation program, readying internal and external groups for the changes ahead and sharing information about anticipated customer benefits.

Looking forward

While the most critical milestones in 2024 will be related to implementing a modernized and integrated customer-facing technology solution, the WCB will continue to seek opportunities to deploy new processes and develop new capabilities that deliver benefits to its customers.

The WCB will continue to partner with employers, workers, safety organizations and care providers to identify opportunities for better outcomes and seek to engage them in transformation efforts. Involving internal and external groups meaningfully in change remains a firm commitment, now and throughout the WCB's transformation journey.

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2023 STRATEGIC HIGHLIGHTS

The WCB’s strategic highlights focus on the initiatives designed to engage customers and partners in more meaningful ways.

These initiatives chart a course to demonstrate the WCB’s commitment to a service-focused, financially sustainable, fair and balanced system that adds value for workers, employers, care providers and injury prevention partners.

The following sections will outline highlights in these key areas:

Customer experience transformation

Customer experience transformation highlights the steps taken in 2023 to support direct customer-centric services by using collaborating models to address customer needs at the individual level, and which are supported by improvements to customer-facing technology systems and business processes.

Enabling systems

Enabling systems highlights improvements made in 2023 to administrative practices and technology solutions that build and maintain the distinctive capabilities needed to support WCB staff as they deliver customer-facing services.

Next generation prevention

Next generation prevention details work done last year to support the evolution of products and services that help employers, workers and partners proactively prevent injuries and disability in the workplace.

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2023 STRATEGIC HIGHLIGHTS

CUSTOMER EXPERIENCE TRANSFORMATION

The WCB's customer experience transformation, a part of the Business Transformation Program, is a major initiative that will adapt how the WCB delivers its programs and services.

The customer experience transformation is focused on improving:

- the customer experience
- the WCB staff experience
- how the WCB works as an organization
- how the WCB works to improve customer experiences and outcomes in partnership with its stakeholders

The customer experience transformation is focused on two key areas:

Claims transformation initiative	Employer services transformation initiative

The customer experience transformation initiative's overall goals are to:

- Develop compassionate, trusting and supportive relationships with workers and their employers, treating each customer as an individual with unique needs.
- Better identify risks and barriers customers are facing in their recovery and return to work, and to support them in overcoming these risks and barriers with strategies to have customers lead their recovery and return to work.
- Partner with workers, employers and care providers to collaborate on developing effective, safe and sustainable return-to-work plans.

All of these goals rely on developing effective communication strategies that ensure everyone is engaged in and clear on goals and next steps.

Claims transformation initiative

The WCB's claims transformation is guided by eight key principles:

Build trusting, respectful and collaborative relationships.	Treat each customer as an individual.	Get it right the first time.	Reduce customer wait times.
Minimize handoffs.	Serve customers as they want/need to be served.	Proactively communicate with customers.	Leverage technology so customers can self-serve.

Work disability prevention and mitigation

As part of the WCB's claims transformation, the WCB has a renewed focus on preventing and mitigating unnecessary work disability.

Work disability occurs when a worker is unable to effectively rehabilitate, stay at work or return to work because of an injury or disease. There are multiple determinants that contribute to work disability, including personal, workplace and societal factors, compensation and health care.

The work disability prevention and mitigation project represents a cultural transformation and overall mindset shift that will lead to improved collaboration, return-to-work outcomes and customer experience.

In 2023, the WCB began helping staff learn how to involve workers in decisions that impact them and to partner with them in developing safe and sustainable return-to-work plans. As a result of these efforts, the WCB will not only reduce work disability and needless time off work, but fundamentally improve the experience of and outcomes for WCB customers.

The anticipated benefits of the work disability prevention and mitigation effort will include:

- Improvements in return-to-work outcomes.
- Reductions in customer claims being reopened (get it right the first time).
- Enrichments in worker and employer experiences with the WCB.
- Enhancements in training and skills development for WCB staff as partners.

The WCB's focus for 2023 was on developing and delivering a strategy designed to better position its staff to support effective and sustainable return to work. This initiative started in 2023 and is expected to be completed in 2024.

Timeliness of adjudication

Aligned with the efforts to transform the customer experience for workers and employers, the WCB embarked on a project in 2023 to:

- Reduce the time it takes to make an initial decision on a claim.
- Improve the quality of those decisions through an internal reduction in handoffs.
- Enhance customer relationships.

In 2023, the WCB held improvement workshops that brought together customers, staff and leadership to envision an improved service delivery model, as well as to experiment with it and develop a process to implement it on a broader scale. Based on the outcomes of these efforts, a new service delivery model was implemented in October 2023.

The service delivery model has WCB staff reaching out to stakeholders as soon as a claim is registered with the WCB. The intent is to quickly gather necessary information, allowing trained adjudication staff to provide an early decision to workers and employers.

In 2023, the WCB reviewed its past claims process and required handoffs, which could potentially increase the number of staff required to prepare a claim as part of the initial decision. Each handoff had the potential of increasing redundancies in the process, resulting in inefficiencies. These inefficiencies resulted in an overall increase in the wait time of customer decisions.

With the introduction of the new service delivery model in 2023, the WCB saw a reduction in the number of handoffs and a reduction in the number of people involved in the decision-making process of the claim. The new model has the same WCB staff member initially registering the claim, collecting the information and assigning the employer of record to the file to proceed to a decision.

The new model allows more relevant information to be gathered at the outset of the claim, resulting in reduced numbers of reversed customer claim decisions. The model revealed that decisions changed at a later date are detrimental to a customer's overall experience and outcomes.

In 2023, the WCB worked to significantly reduce the time a customer waits to receive an initial decision on their claim, while still ensuring the overall customer experience remained exceptional. As the WCB continues to stabilize the new approach in 2024, it will pay close attention to the customer experience as it relates to timeliness and quality.

The WCB surveys customers to gather direct feedback on their experience and relies on that feedback to drive improvements to its service delivery.

Employer services transformation

Workers' compensation is a vital safety net for Saskatchewan employers and workers. In 2023, the WCB's employer services transformation initiative, which includes registration, accounts and premiums, focused on a future state that meets the needs of employers. The WCB worked to create a seamless customer experience and introduced self-service options and services that meet customers' immediate needs, outlined in a risk-based compliance roadmap and dedicated compliance function.

The employer services transformation initiative focused on this future state through:

- improved co-ordination and information-sharing
- automation of processes
- modernized billing and payment options
- maximization of self-serve and data leveraging

In phase one of 2023's employer services transformation, the WCB:

- Mapped current and future state processes to identify gaps and opportunities that would help improve the customer and WCB staff experience.
- Hired a compliance specialist to develop a compliance roadmap with a focus on education for employers.
- Developed a quality assurance framework to measure the effectiveness of the WCB's processes.
- Proactively engaged with customers to improve Employer's Payroll Statement compliance.
- Gathered business and functional requirements.
- Identified ways to improve and redefine processes and compliance strategies.

In 2023, the WCB identified multiple projects in preparation for replacing the revenue and employer accounts system as part of the core workers' compensation solution.

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2023 STRATEGIC HIGHLIGHTS

ENABLING SYSTEMS

The WCB's greatest resource is its people and the organization strives to ensure work environments empower, engage and protect the health and safety of each staff member.

The WCB has been recognized as one of Saskatchewan's Top Employers for more than 10 years in a row and the organization continues to build a strong culture and effective systems that enable staff to provide innovative solutions and excellent customer service.

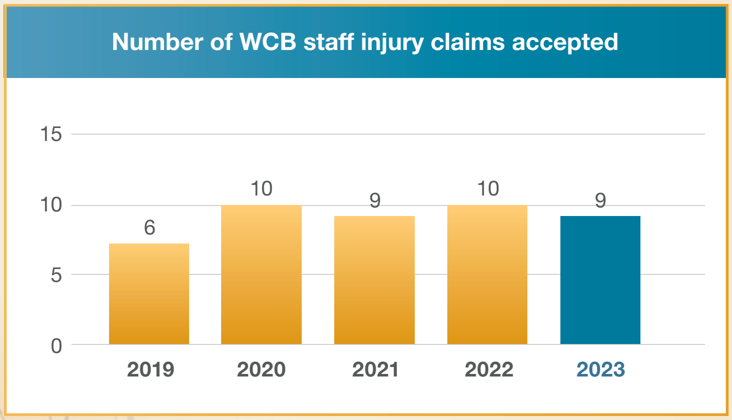
Engaged workforce

The WCB knows that service excellence and effective transformation can only be achieved when staff are engaged, equipped and enabled in their work. To this end, the WCB strives to ensure a safe, inclusive, supportive and engaging work environment that fosters continuous improvement. The WCB conducts biannual staff engagement surveys in addition to quarterly, single-question pulse surveys, which provide leaders with feedback that better enables focused communication and activity at the team and corporate levels to support staff engagement.

In 2023, improvements were noted in 11 of the 13 semi-annual indicators used to measure engagement. The average quarterly, single-question engagement score also improved to 6.4 out of 10 from 6.2 out of 10 in 2022.

Last year marked the fifth full year since the WCB initiated the current employee survey process. During this period, the WCB saw improvements across all factors. In the first quarter of 2019, the WCB's highest scoring factor was 67 per cent favourable (that is, 67 per cent of staff scoring a question five or six out of six). In the 2023 survey, scoring for eight factors exceeded 70 per cent favourable. On average, scoring increased by 16 percentage points across measured factors.

Staff safety



In 2023, the WCB implemented several enhancements to its safety management system and processes, including:

- Improved safety orientation for new staff.
- New communication channels to further engage staff in safety-related conversations.
- Improved functioning and efficiency of occupational health committees.
- The WCB implemented new technologies and processes to support staff who serve customers while working remotely.
- The WCB further advanced its ergonomic injury prevention program through assessing and managing the risk of injuries resulting from computer work.

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2023 STRATEGIC HIGHLIGHTS

NEXT GENERATION PREVENTION

The WCB’s next generation prevention initiative works to reduce serious injuries by engaging workers and employers in Saskatchewan in their health, safety and well-being journey through a collaborative consulting and data-driven approach.

The initiative centres on driving safety leadership engagement, shifting the provincial safety culture, enhancing partnerships and collaboration, applying data-driven analysis, and implementing a psychological health and safety action plan.

In 2023, a core aspect of the next generation prevention initiative was the WorkSafe Saskatchewan 2023-2028 Fatalities and Serious Injuries Strategy, which launched on March 13. This aligns with the next generation prevention initiative by focusing on reducing the most harmful and costly injuries in the province.

Building on the previous strategy (2019-2021 Fatalities and Serious Injuries Strategy), this strategy was also developed by the WCB in collaboration with the Ministry of Labour Relations and Workplace Safety, and industry, community and labour partners. It targets three priority sectors in Saskatchewan workplaces:

- health care
- transportation
- construction

The 2023-2028 Fatalities and Serious Injuries Strategy identifies seven common issues affecting most Saskatchewan workplaces:

- Motor vehicle collisions
- Occupational disease, including asbestos exposures and firefighter cancers
- Ergonomics
- Falls
- Machine guarding
- Psychological health
- Workplace violence

In 2023, the WCB's work in these areas included creating tools, resources and training materials for the WorkSafe Saskatchewan website, developing provincial marketing campaigns, collaborating with employers on serious injury investigations and creating partnerships focused on reducing serious injuries in the workplace.

Last year marked the first year of implementation of this five-year serious injuries and fatalities strategy, which has a target of reducing serious injuries and fatalities in the province by five per cent each year.

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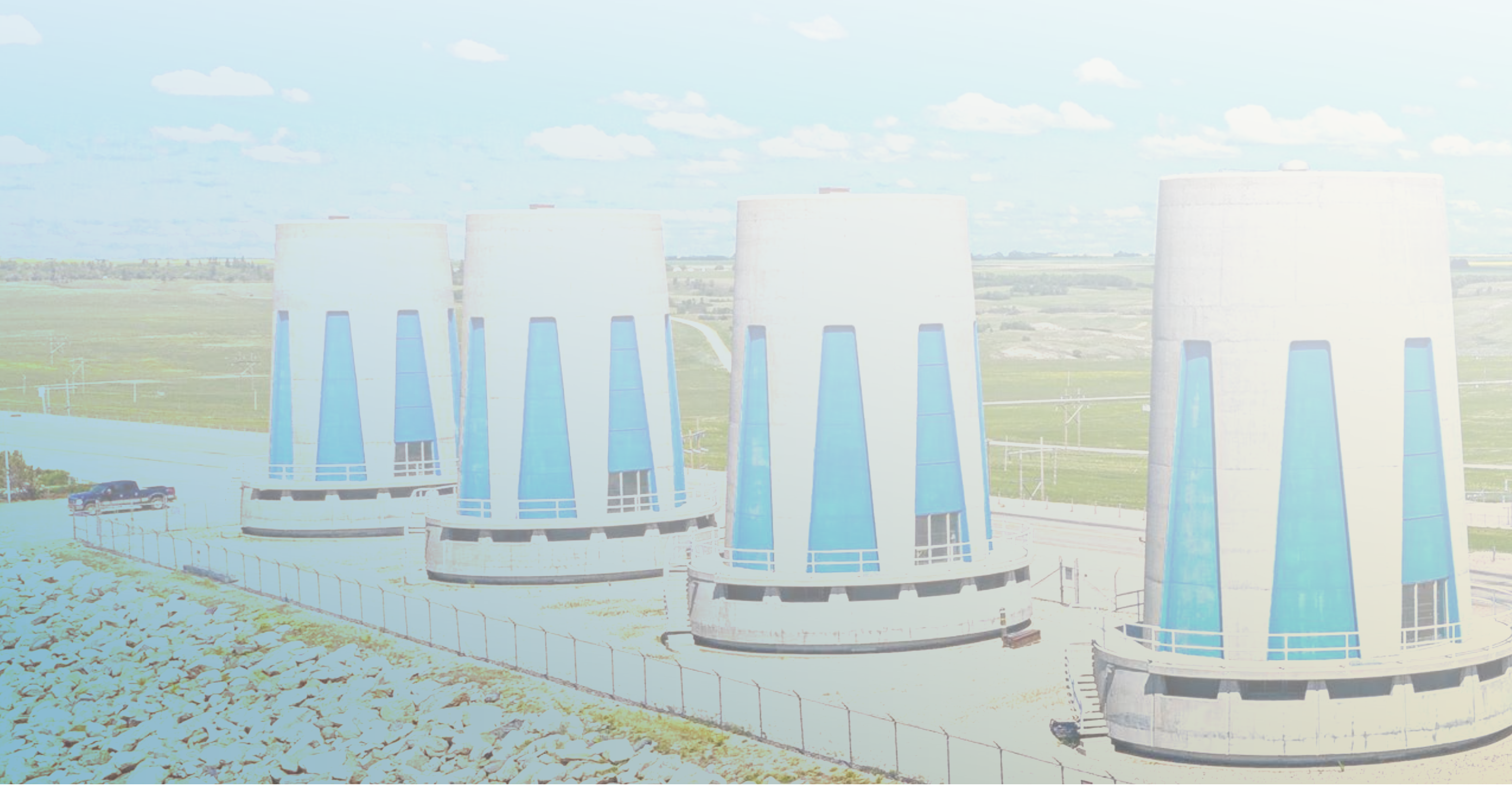
2023 OPERATIONAL HIGHLIGHTS

The WCB’s operational highlights focus on the key outcomes of its day-to-day operations. These objectives provide the framework within which the organization serves its customers and reflect how the WCB will strive to better meet customer needs at an operational level.



The following sections outline operational highlights in these key areas:

Employer accounts

Employer accounts profiles improvements made to employers' customer experience with the WCB to deliver service that is tailored to their unique needs.

Prevention and WorkSafe Saskatchewan

Prevention and WorkSafe Saskatchewan shares the 2023 provincial injury rates, fatalities and serious injuries updates, as well as Time Loss and No Time Loss claims statistics, and major initiatives introduced.

Claims

Claims outlines improvements made in 2023 to the claims process and steps taken to prevent and mitigate workplace disability. This section includes progress made in enhancing customer experiences.

Appeals

Appeals reports on the number of appeals received in 2023, the average days to decision and the improvements made to customer service regarding WCB decisions made on worker and employer appeals in 2023.

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2023 OPERATIONAL HIGHLIGHTS

EMPLOYER ACCOUNTS

The WCB supports Saskatchewan employers in injury claim processing, injury prevention and employer account services. Employer account services includes employer registration, industry classification, premiums and payroll assessment, and the experience rating program.

In 2023, the WCB continued to pursue service-level targets and daily improvement in its regular operational activities, as well as to provide support and resources for business transformation and core solution projects.

For employers covered under Saskatchewan’s compensation system, in 2023 the WCB:

- Registered 4,828 new accounts. Of those, 52.3 per cent were completed within five days, with an average time to process of 26.5 days.
- Managed the intake of Employer’s Payroll Statements, including 94 per cent of online submissions, the same levels as 2022.
- Completed 551 employer audits representing $3.25 billion in assessable payroll, compared to 411 employer audits in 2022, which represented $2.98 billion in assessable payroll.
- Made premium adjustments to 49.9 per cent of employer files that were audited in 2023. This is an improvement to the True North quality metric from 2022, when 56.4 per cent of files audited contained errors and required premium adjustments.
    - The top three reasons for adjustments were reporting errors, unregistered contractors and reporting excess earnings above the maximum.
- Handled increased call volumes with more than 69,000 customer calls. This represented an abandoned call rate of 7.5 per cent in 2023 compared to 5.4 per cent in 2022.

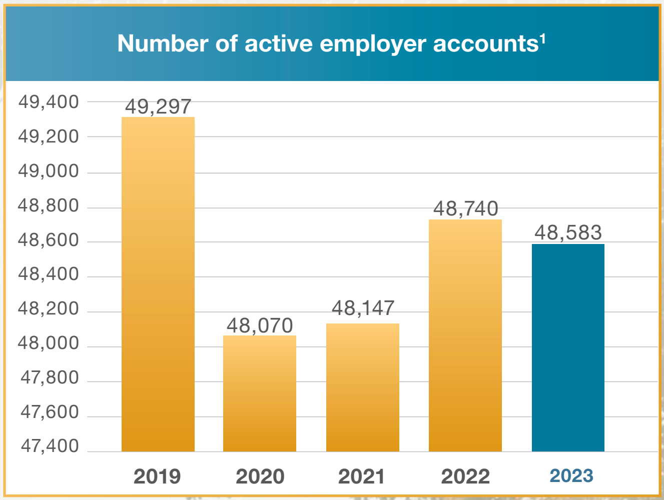
Employer Resource Centre

The Employer Resource Centre was created to address gaps identified by the WCB's customers in employer supports and better facilitate an employer's ability to navigate the workers' compensation system. The resource centre helps customers with questions about registering a business, filling out claim forms, return to work, health and safety, and the appeal process. In 2023, the Employer Resource Centre handled 305 inquiries and completed stakeholder consultations to identify additional service improvements in the future.

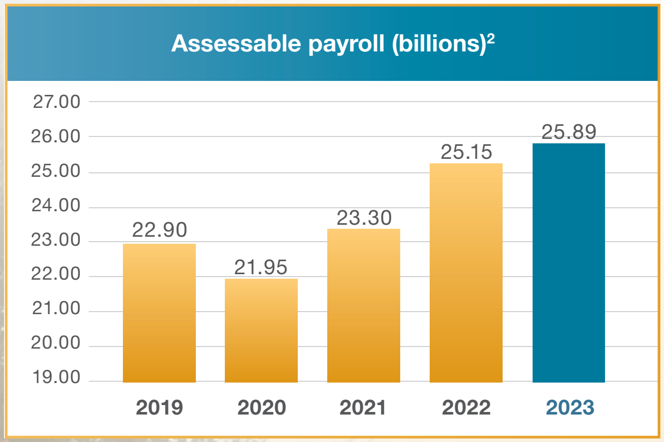
In addition to providing employer support through incoming inquiries, newly registered companies receive outgoing communications from the WCB to provide important information on who to contact at the WCB and the types of services that are offered through employer services and injury prevention.

The Employer Resource Centre is available at wcbsask.com/employers or call toll free at 1.833.961.0042.

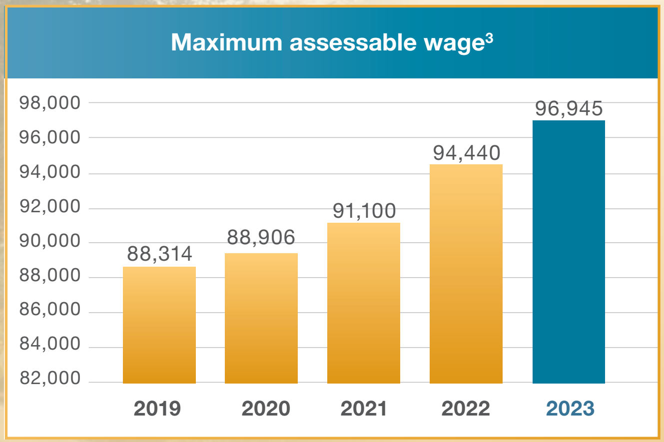
Payroll and premium summary



[1] Active employers exclude employers whose assessment accounts were finalized during the year.



[2] Payroll provisional as at Dec. 31, 2023. Previous year's figure has been updated to reflect annual assessment payroll.



[3] Maximum wage per person reported annually by employers

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2023 OPERATIONAL HIGHLIGHTS

PREVENTION AND WORKSAFE SASKATCHEWAN

The WCB promotes injury prevention and safety education, with a significant focus on the WorkSafe Saskatchewan 2023-2028 Fatalities and Serious Injuries Strategy.

The WCB does this by collaborating with employers, workers, labour unions and other stakeholders to develop health and safety management systems, conduct serious injury investigations and hazard assessments, and provide claims and return-to-work consulting. In addition to delivering legislative and safety training, the WCB engages with stakeholders through events, presentations and tradeshows.

WorkSafe Saskatchewan regularly reports progress from its annual work plan against injury prevention targets, which include:

- Total injury rate
- Time Loss injury rate
- Priority employers' injury rates

Updates on the progress being made with the WorkSafe Saskatchewan 2023-2028 Fatalities and Serious Injuries Strategy are posted biannually on the WorkSafe Saskatchewan website at worksafesask.ca.

Injury rates in Saskatchewan

The injury rate targets reached in 2023 were a result of health and safety prevention efforts of employers, employer associations, safety associations, safety leaders, workers and unions across the province.

The WCB calculates a Total injury rate that includes accepted No Time Loss, Time Loss and fatality claims. The target in 2023 was to see a seven per cent reduction in the Total injury rate compared to 2022. As of Dec. 31, 2023, the Total injury rate was 3.95 per 100 workers, an 8.78 per cent decrease from the 2022 Total injury rate of 4.33 per 100 workers.

The WCB's Total injury rate has dropped by 57.62 per cent from 2009 to 2023. The 2023 Total injury rate is the lowest in the province's recorded history.

For the fourth year in a row, 90 per cent of Saskatchewan workplaces had zero fatalities and zero injuries last year. In addition to the Total injury rate target in 2023, the WCB targeted a five per cent reduction in the Time Loss injury rate[1] from 2022. The 2023 Time Loss injury rate[1] was 1.78 per 100 workers, a decrease of 12.75 per cent from the 2022 rate of 2.04 per 100 workers.

In 2023, the target was to have a five per cent reduction in serious injuries and fatalities. There were 29 workplace fatalities in 2023 compared to 39 in 2022, which was a decrease of 25.64 per cent. These fatalities occurred in 20 Saskatchewan industries:

- light agricultural operations
- commercial, industrial construction
- wholesale, chain stores
- automotive service shops, towing
- oilwell servicing
- underground hardrock mining
- health authority, hospitals, care homes
- cities, towns, villages, rural municipalities
- Government of Saskatchewan and ministries
- machine shops, manufacturing
- road construction and earthwork
- personal, business and leisure services
- post-secondary education
- transportation, courier, commercial bus
- multiple industries[2]
- iron and steel fabrication
- farming and ranching
- service rigs and water well drilling
- grocery, department store, hardware
- mills, semi-medium manufacturing

Of the 29 fatalities in 2023, 10 fatalities were due to occupational disease (five of which resulted from exposure to asbestos) and nine fatalities were due to motor vehicle collisions. The remaining 10 fatalities resulted from medical complications due to workplace injuries, and from heart attacks and traumatic events.

As of Dec. 31, 2023, the total number of registered serious injuries in 2022[3] was 2,352, which represents a 3.02 per cent increase over 2,283 serious injuries in 2021. While this result is disappointing, the trendline over the past five years is encouraging and suggests the WCB is starting to make progress on understanding and addressing the underlying causes of serious injuries and fatalities.

In 2023, the WCB covered 8,766 more workers and accepted 16,143 claims[4], 1,178 fewer than in 2022. Of those accepted claims, 8,870 were No Time Loss claims and 7,256 were Time Loss claims, which is 892 fewer Time Loss claims than in 2022. There was a 6.80 per cent decrease in the number of claims accepted in 2023 over 2022.

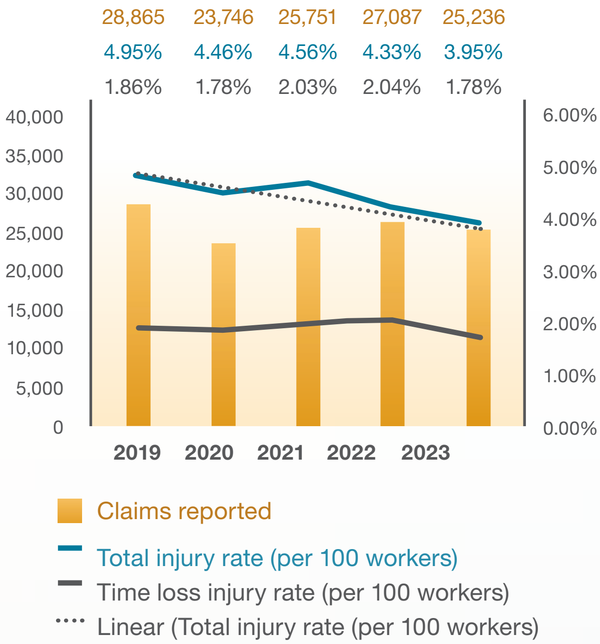
1 Time Loss injury rate definition includes Time Loss + fatalities from 2019 to 2023.

2 Multiple industries means the person worked for multiple industries and it was difficult to determine where the injury occurred.

3 2022 is the most recent data available for serious injuries. Serious injuries are reported at a one-year lag period because it may take some time for claims to mature into serious injuries.

4 Claims accepted include Time Loss, No Time Loss and current year fatality claims. It excludes claims for self-insured employers.

Claims reported and injury rates



Serious injury investigations

In 2023, the WCB contacted more than 1,600 employers offering support for serious injury claims, psychological health and safety programs, and return-to-work resources.

The prevention team conducted 71 serious injury investigations with Saskatchewan employers, identified 64 root causes and provided support to these employers and workers.

Priority employer program

In 2023, WorkSafe Saskatchewan worked with priority employers who were identified based on their total injury claims. Priority employers receive assistance from the Ministry of Labour Relations and Workplace Safety's Occupational Health and Safety division, the WCB and, if applicable, their funded safety associations to assess their safety systems, receive training and improve their safety performance.

At the end of 2023, 83 Saskatchewan employers were involved in the priority employer program and 14 graduated out of the program over the course of the year. On an annual basis, the WCB evaluates employers to determine if they meet the criteria for the program, which are:

- five or more serious injuries[5] in the past two years
- either a higher than industry Total injury rate or Time Loss injury rate

Priority employers accounted for 2,184 claims in 2023 or 13.5 per cent of all accepted claims.

Employers that took part in the program between 2020 and 2023 averaged a 21 per cent reduction in Total injury rates.

Priority employer program results by cohort (cohort means the year the qualifying employer joined the priority employer program)

	2020	2021	2022	2023
2023 cohort Total injury rate	13.21%	9.60%	6.77%	9.85%
2021 cohort Total injury rate	11.67%	12.33%	13.27%	7.51%
2019 cohort Total injury rate	8.25%	8.51%	9.22%	7.54%
2017 cohort Total injury rate	5.25%	5.43%	5.11%	5.13%
All currently active	10.22%	10.77%	8.98%	8.91%

[5] A serious injury is defined as a claim meeting one or more of the following criteria: the claim is a fatality, the claim has 50 or more compensation days paid (full or partial), the claim includes a permanent functional impairment of 10 per cent or more, the claim is a primary psychological health claim and the claim has a Ministry of Labour Relations and Workplace Safety referral flag.

The injuries reported shall be within the parameters of Section 2-2 of *The Occupational Health and Safety Regulations, 1996*. The types of injuries the WCB reports to the Minister may include, but are not limited to: fracture (skull, spine, pelvis, femur, humerus, fibula, tibia, radius or ulna), head injury, neck injury, serious eye injury, amputation or near amputation, wound to the torso, electrical burn, third-degree burn, exposure to radiation, injury causing internal hemorrhage, injury caused by an explosion (directly or indirectly), asphyxiation, poisoning and serious toxic effects from exposure to chemicals, severe infection (HIV, HBV, HCV or tuberculosis).

Three main workplace sectors and focus

The 2023-2028 Fatalities and Serious Injuries Strategy identified three main workplace sectors of focus for the duration of the strategy:

- health care (Saskatchewan Health Authority, hospitals, care homes)
- transportation (transportation, courier, commercial bus)
- construction (construction trades, residential construction, commercial construction, industrial construction)

Health care

In 2023, health care remained the province's top industry with serious injuries, accounting for 510 serious injuries in 2022[6]. This represented an 11 per cent reduction in serious injuries compared to 2021. Serious injuries in health care accounted for 21.7 per cent of all serious injury claims in 2022.

In 2023, as part of the WorkSafe Saskatchewan 2023-2028 Fatalities and Serious Injuries Strategy, the WCB continued to focus on collaborative consulting and supporting health-care employers in the completion of serious injury investigations and hazard assessments. The WCB partnered with the Saskatchewan Health Authority, the Saskatchewan Association for Safe Workplaces in Health and various additional health-care affiliates to initiate learning collaboratives to address workplace violence and musculoskeletal injuries in this sector.

Transportation

In 2023, the WCB launched its first learning collaborative with transportation employers, workers and industry partners to address workplace motor vehicle collisions. Over the course of the year, this group, including the Saskatchewan Federation of Labour, union and executive leaders from across the province, and the Saskatchewan Health Authority, collected data and discussed potential corrective actions to test as part of the learning collaborative process. This work will continue in 2024.

Since the creation of the learning collaborative, there have been regular meetings to educate representatives on the model and to work through a problem-solving process.

Construction

In 2023, in collaboration with the construction industry and the Saskatchewan Construction Safety Association, the WCB launched a fall reduction strategy program. This program identified construction employers with higher than industry average fall-related claims and engaged them to support the reduction of these injuries.

As part of this initial pilot program, the WCB worked with 15 employers in 2023 and further work is set to continue in 2024.

Psychological health and safety

The 2023-2028 Fatalities and Serious Injuries Strategy identified common issues affecting most Saskatchewan workplaces. Psychological health and safety is one of the common issues.

In 2023, WorkSafe Saskatchewan launched its psychological health and safety program, which outlines specific objectives to meet over the course of the strategy.

The WCB also worked with several construction companies in partnership with the Merit Contractors Association to implement the WorkSafe Saskatchewan psychological health and safety roadmap. This process is designed to help develop psychological health and safety programs within an employer's organization. As of December 2023, two employers

[6] 2022 is the most recent data available for serious injuries. Serious injuries are reported at a one-year lag period because it may take some time for claims to mature into serious injuries.

completed this pilot project and developed action plans to address specific psychological health and safety issues in their organizations. Further work will continue in 2024 to expand the pilot project to additional employers across more industries in the province.

At-risk workers

In 2023, the WCB focused on reducing fatalities and serious injuries among workers under 25 and other high-risk employment groups. Last year, the WCB and the Ministry of Labour Relations and Workplace Safety met with external experts to work toward a more comprehensive definition of "at-risk workers." This definition will drive future initiatives and support the 2023-2028 Fatalities and Serious Injuries Strategy in the coming years.

Youth

In 2023, WorkSafe Saskatchewan engaged more than 3,800 youth through various events and presentations. The WCB, through its WorkSafe Saskatchewan partnership, supported youth in collaboration with:

- Skills Canada Saskatchewan
- Saskatchewan Safety Council
- Saskatchewan Federation of Labour
- Saskatchewan Polytechnic
- Regina District Industry Education Council
- Saskatoon Industry Education Council

There were no reported fatalities of workers under the age of 25 in the province as of Dec. 31, 2023, which marks the second year in a row with no fatalities in this age group.

2023 top injuries

2023 top five rate codes with injuries[7]

Rate code	Number of claims accepted
G22 – Health Authority, Hospitals, Care Homes	3,050
G31 – Cities, Towns, Villages, RMs	895
S21 – Community and Social Services	864
C61 – Automotive, Implement Sales and Service	716
T42 – Transportation, Courier, Commercial Bus	648

[7] All claims reported and accepted in 2023, excluding self-insured.

2023 top five occupations with injuries[8]

Occupation	Number of claims accepted
Nurse aides, orderlies and patient service associates	1,059
Truck drivers	682
Material handlers	558
Registered nurses	533
Construction trades helpers and labourers	521

[8] All claims reported and accepted in 2023, excluding self-insured.

2023 top five injured body parts[9]

Part of body	Number of claims accepted
Hand	3,153
Back	2,430
Leg	2,261
Arm	1,569
Head	1,356

[9] All claims reported and accepted in 2023, excluding self-insured.

2023 injuries by age and gender[10]

Age	Male	Female	Total
Under 25	1,675	943	2,618
25-34	2,326	1,362	3,688
35-44	2,153	1,444	3,597
45-54	1,808	1,355	3,163
55-64	1,418	995	2,413
65 and over	471	191	662
Unknown[11]	0	2	2
Total	**9,851**	**6,292**	**16,143**

[10] All claims reported and accepted in 2023, excluding self-insured.

[11] Unknown means the age was not available at the time of reporting.

Injury rates

RATE CODE	DESCRIPTION	TIME LOSS INJURY RATE[12] (%)					TOTAL INJURY RATE (%)				
		2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
All class[13]		1.78	2.04	2.03	1.78	1.86	3.95	4.33	4.56	4.46	4.95
A11	Light Agricultural Operations	3.44	2.94	3.88	3.13	4.37	6.82	6.43	8.12	8.37	10.81
A21	Farming & Ranching	1.68	1.34	2.00	1.61	2.01	3.04	2.43	3.57	3.63	4.01
A31	Grain Elevators & Inland Terminals	0.66	0.50	0.75	0.91	0.59	2.33	1.90	2.29	2.29	2.73
B11[14]	Construction Trades	2.15	2.15	2.04	1.95	2.09	6.29	6.68	7.57	6.90	7.37
B12[14]	Residential Construction	2.86	3.26	3.77	3.05	3.15	6.09	6.65	8.40	7.76	7.70
B13[14]	Commercial, Industrial Construction	1.50	1.71	2.20	1.54	1.57	4.71	5.86	7.07	5.60	6.59
C12	Light Commodity Marketing	1.05	0.83	1.02	1.09	1.09	2.32	1.97	2.35	2.74	3.01
C32	Grocery, Department Stores, Hardware	1.74	1.61	1.78	1.53	1.57	3.59	3.73	4.09	4.06	4.29
C33	Wholesale, Chain Stores	2.27	2.41	2.78	3.08	2.89	5.22	5.99	6.50	6.76	7.39
C41	Co-operative Associations	1.65	1.88	1.69	2.03	2.32	3.52	3.93	3.71	4.91	5.42
C51	Lumber Yard, Builders' Supplies	2.21	2.62	2.33	2.85	2.36	5.34	5.25	6.06	6.93	6.13
C61	Automotive, Implement Sales & Service	1.24	1.18	1.33	1.12	1.35	3.16	3.01	3.22	3.20	3.70
C62	Automotive Service Shops, Towing	1.66	1.41	1.58	1.20	1.72	4.12	3.97	4.18	4.21	5.23
D32	Operation of Oilwells	0.57	0.47	0.34	0.40	0.61	1.70	1.62	1.84	1.54	2.07
D41	Oilwell Servicing	1.88	3.02	1.43	1.71	1.39	5.21	6.73	5.56	4.85	5.78
D51	Service Rigs, Water Well Drilling	2.23	2.33	1.89	1.60	1.91	7.49	9.57	10.15	7.07	8.74
D52	Seismic Drilling	1.18	2.05	2.90	1.48	1.32	4.61	9.06	8.13	5.04	6.28
D71	Open Pit Mining	1.51	1.94	1.47	2.11	1.79	4.03	7.52	6.50	6.67	6.52
D72	Underground Softrock Mining	0.70	0.79	1.11	0.67	0.65	4.48	3.85	4.20	3.78	3.72
D73	Underground Hardrock Mining	0.85	1.31	1.86	0.99	0.83	2.54	3.76	3.93	3.68	3.89
G11	Post Secondary Education	0.50	0.55	0.39	0.37	0.70	1.62	1.70	1.42	1.53	2.19
G12	Elementary & Secondary Education	2.52	2.71	2.54	2.00	2.66	5.07	5.33	5.60	4.88	6.95
G22[14]	Health Authority, Hospitals, Care Homes	3.28	3.88	4.05	3.57	3.39	5.68	6.23	6.96	7.17	7.22
G31	Cities, Town, Villages, RMs	3.04	3.38	3.39	3.04	3.31	6.63	6.82	7.37	7.35	8.29
G51	Government of Saskatchewan & Ministries	1.57	3.52	2.98	1.69	2.01	3.15	5.12	4.82	3.52	4.55
M31	Manufacturing, Pipeline Operations	0.57	0.63	0.53	0.55	0.70	1.85	1.49	1.48	1.64	1.96
M33	Refineries and Upgrader	0.52	0.68	0.64	0.73	0.41	1.37	1.88	1.54	2.69	1.88
M41	Dairy Products, Soft Drinks	2.69	2.49	3.72	2.41	2.83	8.08	8.25	8.77	9.80	8.48
M42	Bakeries, Food Prep & Packaging	2.09	1.40	1.98	2.19	2.08	4.30	3.43	5.13	5.98	6.49
M62	Mills, Semi Medium Manufacturing	3.07	2.69	2.72	2.97	3.09	6.65	6.57	6.45	8.76	9.06
M72	Processing Meat, Poultry and Fish	5.70	5.56	5.98	4.74	4.79	11.52	10.94	13.16	13.39	13.17
M81	Metal Foundries & Mills	1.44	2.58	1.65	2.65	2.49	5.34	7.67	4.81	7.45	8.68
M91	Agricultural Equipment	2.54	3.62	3.90	2.55	2.51	7.43	8.67	9.85	7.08	8.60
M92	Machine Shops, Manufacturing	2.40	2.98	2.55	2.61	2.33	6.78	8.11	7.55	8.10	8.32
M94	Iron and Steel Fabrication	2.29	2.40	1.91	2.81	3.13	7.80	8.47	6.93	9.44	11.25
R11	Road Construction and Earthwork	1.36	1.25	1.36	1.37	1.25	4.45	4.66	4.81	4.48	4.56
S11	Legal Offices, Financial, Drafting	0.13	0.16	0.16	0.16	0.15	0.34	0.36	0.37	0.35	0.62
S12	Offices, Professionals	0.34	0.40	0.38	0.34	0.41	0.93	1.05	1.12	0.98	1.38
S21	Community & Social Services	1.33	1.48	1.37	1.03	1.22	2.38	2.77	2.90	2.49	2.93
S22	Restaurants, Catering, Dry Cleaning	0.83	1.09	0.99	1.04	0.94	1.55	1.84	2.11	2.22	2.33
S23	Hotels, Motels, Taxis	1.05	1.19	1.10	1.11	1.36	1.94	2.36	2.64	2.61	2.94
S32	Personal, Business & Leisure Services	1.81	1.92	1.72	1.55	2.00	4.05	3.95	3.58	4.47	5.16
S33	Caretaking, Park Authorities	1.58	1.54	1.46	1.24	1.13	3.10	3.77	3.38	3.57	4.16
S41	Engineering, Testing & Surveying	0.36	0.39	0.54	0.30	0.34	1.02	1.12	1.43	1.13	1.26
T42[13]	Transportation, Courier, Commercial Bus	3.01	3.58	3.18	3.66	3.67	6.00	6.92	6.57	7.40	7.94
T51	Operation of Railways	1.23	1.40	1.03	1.47	1.50	2.63	2.60	2.07	2.66	3.01
T61	Commercial Air Transportation	0.96	1.53	0.78	1.06	1.13	2.50	2.93	2.14	2.19	4.06
U11	Telecommunications	1.20	0.93	1.59	1.64	1.41	2.52	2.13	2.61	3.38	3.04
U31	Electric Systems	0.69	1.06	0.39	0.55	0.42	4.01	3.56	2.76	3.08	3.65

The injury rate equals the number of claims divided by the number of workers covered. Since 2019, fatalities have been included in injury rates. The number of workers covered is calculated by dividing assessable payroll by the Statistics Canada average weekly wage for each rate code.

[12] Time Loss injury rate definition includes Time Loss + Fatalities for 2019 to 2023.

[13] All class injury rates exclude self-insured claims and workers.

[14] There are three main workplace sectors and focus industries in the 2023-2028 Fatalities and Serious Injuries Strategy. Read more at worksafesask.ca.

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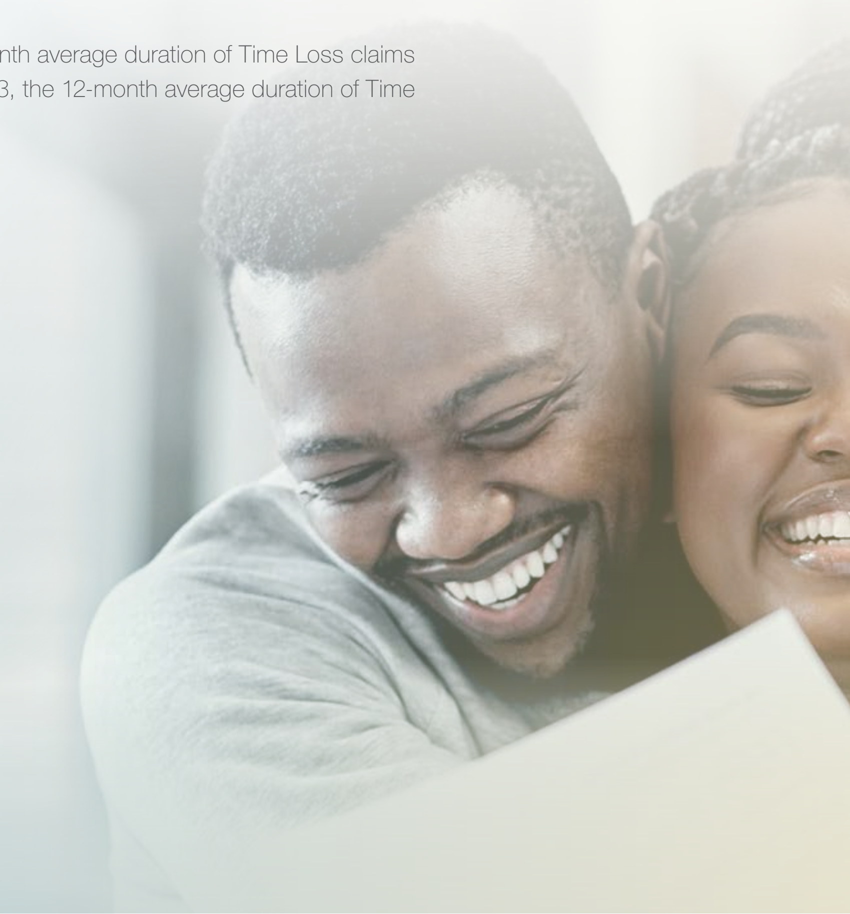
2023 OPERATIONAL HIGHLIGHTS

CLAIMS

The WCB works with workers, employers and care providers to support workers with injuries through recovery and return to work.

The goal is to partner with them to achieve better outcomes, including returning workers to their normal activities as soon as it is medically possible. The WCB works to ensure the system is sustainable now and into the future by providing reliable, efficient and high-quality services.

The WCB's objective was for the 12-month average duration of Time Loss claims to be 38 days by Dec. 31, 2023. In 2023, the 12-month average duration of Time Loss claims was 43.49 days.



Psychological injuries

The WCB's psychological injuries unit was established in the fall of 2019 to provide specialized support to workers with psychological injury claims. Since that time, the unit has continued to improve its processes to better serve customers.

In 2021, the unit began providing customers with a single point of contact for the adjudication and management of psychological claims. Positive feedback from workers with psychological injuries and their employers has led to WCB psychological injury claims continuing to receive these specialized services.

The WCB co-ordinated a stakeholder engagement event in December 2022 to gather input on the top priorities for improvement in 2023. The themes identified at that session included reducing the time to initial decision, improving forms and processes, exploring options for addressing health-care capacity concerns, and focusing on policy review.

The WCB developed an action plan in 2023 and addressed the following priorities:

- Improve time to initial decision and provide clarity around the application of legislation. In 2023, the WCB began a comprehensive review of policies and procedures related to the management of psychological injuries, which resulted in a new policy that will address these issues and is anticipated to be introduced in 2024.

- Improve access to psychological health treatment. The WCB is utilizing in-person, hybrid and virtual services to connect workers with psychological health providers. This improved access has yielded positive results, including a decrease in wait times. Although capacity continues to fluctuate, average wait times have been reduced to two months or less from three months or more depending on the service required.
- Equip staff to deal with psychological injury claims. The WCB provided additional training to increase skills on how to respond to and support workers with these types of injuries. This training included education and tactics to help staff understand and reduce the stigma associated with psychological health in the workplace, and identify and support customers at risk from self-harm. The WCB also worked to build awareness of work environments where psychological injuries are common, which included staff tours of fire halls, correctional facilities and police stations.

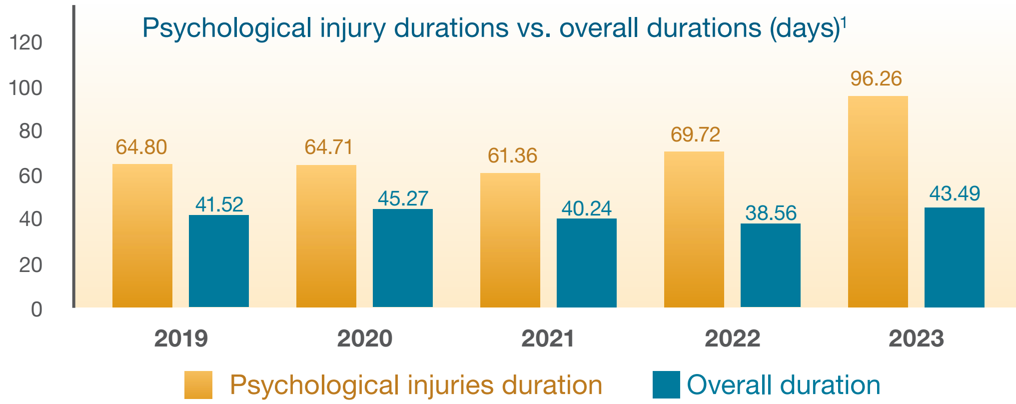
Time to initial decision

In 2023, the WCB focused on reducing the time to initial decision to improve the outcomes related to psychological claims. Reducing the time to initial decision (to allow or disallow a psychological injury claim) means workers with a psychological injury receive a decision on their claim faster and get supports to help them recover and return to work more quickly.

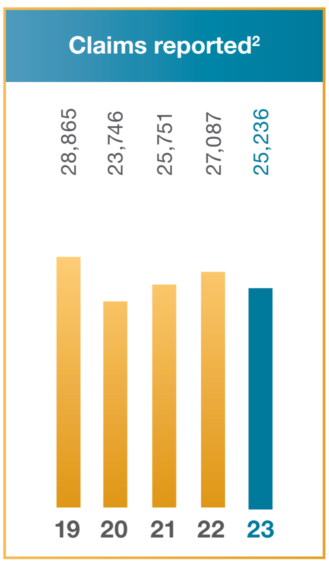
The WCB set a target in 2023 to reduce time to initial decision to 14 days for psychological injury claims. As of Dec. 31, 2023, the average time to initial decision was 27 days, a 22 per cent decrease from the average of 35 days in 2022.

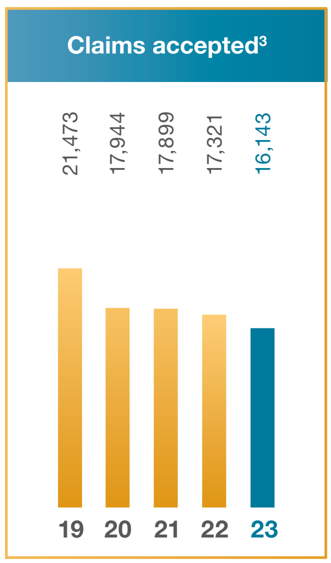
In 2024, work to improve services for those with psychological injuries and their employers will continue to be a priority. Collaborative efforts with workers, employers, health-care providers and partners in prevention will inform the improvements.

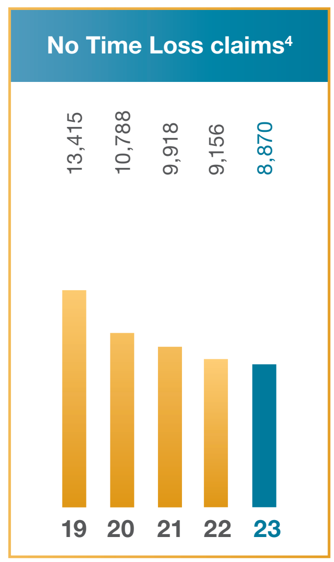
Claims summary

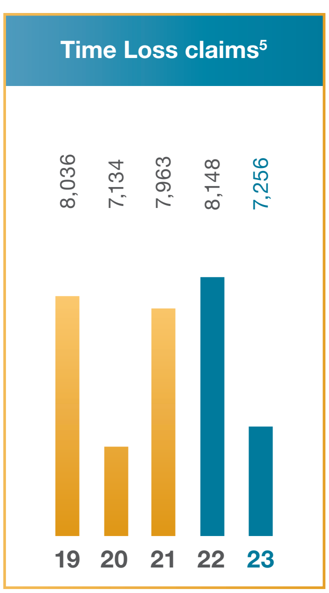


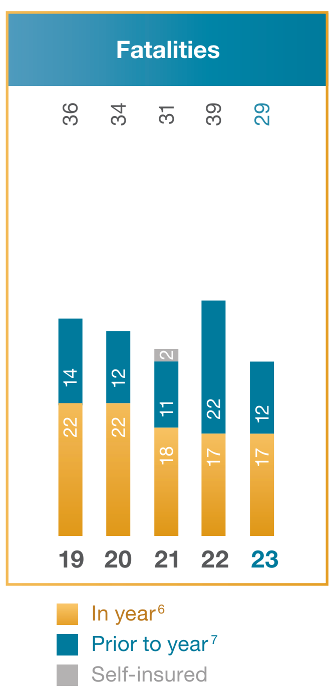
1 The relatively small number of psychological injuries means that durations can be volatile and affected by longer periods of disability on only a few claims. Psychological and other serious injuries have a much higher likelihood of resulting in long periods of time loss than the majority of cases and have a disproportionate impact on the overall duration of claims.

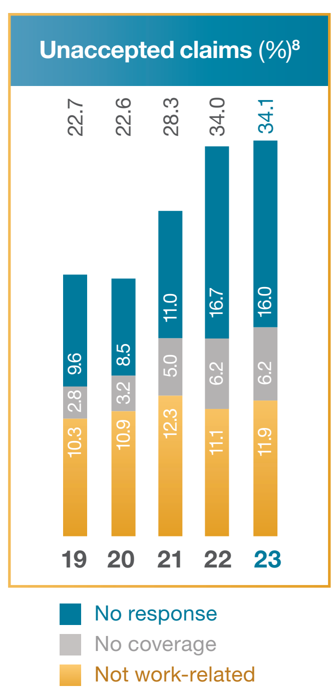












2 New claims reported to the WCB in the current year, both accepted and unaccepted. Includes claims for self-insured employers. Additional claims reported information can be found on the WCB's website, wcbsask.com.

3 Claims accepted includes Time Loss, No Time Loss and current year fatality claims. Excludes claims for self-insured employers.

4 Based on new claims reported to, and accepted by, the WCB in the year. Excludes claims for self-insured employers, not covered under the Act, not work-related, still pending and/or duplicated within the system.

5 Based on new claims reported to, and accepted by, the WCB in the year. Excludes claims for self-insured employers, not covered under the Act, not work-related, still pending and/or duplicated within the system.

6 Based on new claims reported to, and accepted by, the WCB in the year. Excludes claims for self-insured employers, not covered under the Act, not work-related, still pending and/or duplicated within the system.

7 Based on claims reported prior to the year, but accepted by the WCB in the year. Excludes claims not covered under the Act, not work related, still pending and/or duplicated within the system.

8 Unaccepted claims are reported as a percentage of the total entitlement decisions for claims reported for the year. Entitlement decisions status is at Jan. 31, 2024 for 2023 claims reported. Claims are not accepted when the industry is not covered by the Act, a claim is not work-related or no further information is received following the initial report of the injury.

Claim durations

RATE CODE	DESCRIPTION	AVERAGE DURATIONS IN DAYS 2023	2022	2021	2020	2019
All class[9]		43.49	38.56	40.24	45.27	41.52
A11	Light Agricultural Operations	38.57	44.20	36.17	40.98	42.37
A21	Farming & Ranching	69.01	74.23	59.63	57.42	51.56
A31	Grain Elevators & Inland Terminals	62.26	68.50	65.68	23.66	57.00
B11	Construction Trades	45.10	42.55	50.35	60.94	53.05
B12	Residential Construction	60.01	63.64	65.47	67.46	71.49
B13	Commercial, Industrial Construction	74.97	68.09	68.74	77.55	73.72
C12	Light Commodity Marketing	29.76	27.44	25.27	33.91	28.62
C32	Grocery, Department Stores, Hardware	33.88	32.39	33.31	39.91	35.32
C33	Wholesale, Chain Stores	39.62	39.41	29.62	33.45	26.39
C41	Co-operative Associations	30.44	33.58	36.35	35.21	26.34
C51	Lumber Yard, Builders' Supplies	32.82	31.28	37.33	39.09	46.03
C61	Automotive, Implement Sales & Service	41.96	36.06	40.33	45.29	35.71
C62	Automotive Service Shops, Towing	47.87	53.93	48.22	56.45	37.47
D32	Operation of Oilwells	54.29	35.81	38.37	71.39	83.96
D41	Oilwell Servicing	103.26	86.32	93.52	99.84	86.55
D51	Service Rigs, Water Well Drilling	139.09	63.83	113.07	101.79	108.97
D52	Seismic Drilling	136.72	43.68	61.38	111.95	100.92
D71	Open Pit Mining	37.92	24.89	36.53	52.68	34.29
D72	Underground Softrock Mining	57.91	42.76	38.92	52.35	48.00
D73	Underground Hardrock Mining	43.16	46.56	48.75	42.85	44.37
G11	Post Secondary Education	66.64	17.63	30.78	24.49	18.34
G12	Elementary & Secondary Education	37.04	31.06	28.32	31.76	33.03
G22	Health Authority, Hospitals, Care Homes	35.73	30.47	29.22	32.53	30.17
G31	Cities, Town, Villages, RMs	39.35	33.93	32.27	36.62	30.70
G51	Government of Saskatchewan & Ministries	47.49	31.27	41.47	51.19	51.07
M31	Manufacturing, Pipeline Operations	36.83	21.19	40.08	21.41	35.19
M33	Refineries and Upgrader	36.20	37.38	56.52	39.58	31.18
M41	Dairy Products, Soft Drinks	38.69	32.94	31.38	32.48	18.05
M42	Bakeries, Food prep & packaging	37.13	29.09	29.79	36.52	40.61
M62	Mills, Semi Medium Manufacturing	41.62	48.93	36.95	37.04	40.79
M72	Processing Meat, Poultry and Fish	22.26	16.87	27.04	22.54	37.60
M81	Metal Foundries & Mills	75.30	50.56	52.32	56.31	40.61
M91	Agricultural Equipment	25.49	24.80	38.24	35.36	29.51
M92	Machine Shops, Manufacturing	46.22	34.96	46.68	57.66	46.33
M94	Iron and Steel Fabrication	47.92	37.35	64.06	75.00	17.67
R11	Road Construction and Earthwork	70.38	84.80	80.90	87.00	78.90
S11	Legal Offices, Financial, Drafting	10.93	19.67	44.23	42.94	36.18
S12	Offices, Professionals	41.93	28.54	36.09	51.65	39.47
S21	Community & Social Services	35.81	30.09	29.97	30.96	29.82
S22	Restaurants, Catering, Dry Cleaning	31.31	29.19	32.03	35.01	29.18
S23	Hotels, Motels, Taxis	42.89	33.46	45.66	73.49	42.28
S32	Personal, Business & Leisure Services	41.36	39.24	34.29	33.01	35.17
S33	Caretaking, Park Authorities	50.79	45.24	50.86	56.27	65.49
S41	Engineering, Testing & Surveying	44.16	78.28	55.06	79.33	66.30
T42	Transportation, Courier, Commercial Bus	58.66	60.55	65.13	69.91	69.40
T51	Operation of Railways	79.46	55.63	52.88	50.56	51.64
T61	Commercial Air Transportation	44.55	34.55	56.31	27.80	55.55
U11	Telecommunications	25.79	19.47	34.11	27.85	40.48
U31	Electric Systems	21.52	40.12	41.95	31.23	27.38

The average duration in days equals the total number of days lost divided by the number of claims with time lost.

[9] All class durations exclude self-insured claims.

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2023 OPERATIONAL HIGHLIGHTS

APPEALS

Through appeals, the WCB provides workers and employers with an accessible, independent and unbiased process for reviewing WCB decisions relating to a worker’s claim for benefits and compensation.

Appeals is independent of operations, which is where claim decisions are made. Workers or employers who disagree with a decision on an injury claim may appeal and request a review of that decision by appeals.

The appeals officer makes the decisions, reviews the documents and, if applicable, hears the evidence. The appeals officer will ensure that they have obtained information that is required to make the decision. Workers or employers who disagree with the decision may further appeal to the Board Appeal Tribunal.

Appeals continues to work on improving customer service by focusing on quality and timeliness. Despite an increase in appeals in 2023, the average appeal wait times remained steady at 28 days. Appeals implemented a new quality standard and assurance program in 2023.

Appeals activity

	2023	2022	2021	2020	2019
Prior year's pending	76	90	157	235	152
Appeals received	1,220	1,054	1,017	1,169	1,144
Total appeals	1,296	1,137	1,174	1,404	1,296
Accepted	259	257	229	290	245
Denied	709	661	723	821	697
Returned for development	158	108	88	102	75
Subtotal completed	1,126	1,026	1,040	1,213	1,017
Withdrawn	54	35	44	34	44
Appeals pending	116	76	90	157	235
Average days to decision	28	28	31	66	80
Appeals decided within 30 days	54%	66%	67%	15%	11%
Appeals decided within 45 days	97%	96%	86%	15%	12%
Appeal meetings[1]	2	7	2	0	2

[1] Hearings are granted if requested by a worker or employer, and are conducted in person or over the phone. The 2022 number is based on decisions made between Jan. 1 and Dec. 31, 2022.

Assessment committee for employer services appeals

Employers can appeal a decision on their worker's injury claim or a decision on the employer account. While appeals manages claim decisions, employer services is responsible for employer registration, industry classification, experience rating and other services that affect an employer's WCB account.

Assessment committee appeals activity

	2023	2022	2021	2020	2019
Prior year's pending	1	1	5	1	5
Appeals received	7	9	17	25	14
Total appeals	8	10	22	26	19
Accepted	3	4	4	4	4
Denied	4	5	15	17	14
Returned to first level	0	0	1	0	0
Withdrawn	0	0	1	0	0
Appeals pending	1	1	1	5	1

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2023 FINANCIAL HIGHLIGHTS

The WCB’s True North financial objective measures value through total costs incurred per total claims, as well as its target sufficiency ratio range.

By Dec. 31, 2023, the WCB targeted a reduction in total costs incurred per total claims to be less than $3,000. In 2023, the WCB’s total admin and claim costs/total claims decreased to $2,987.

By Dec. 31, 2023, the WCB targeted the sufficiency ratio to be between 100 and 140 per cent. At the end of 2023, the sufficiency ratio was measured at 135.7 per cent.

In 2023, the WCB re-defined one of its key measures of success and introduced a new sufficiency ratio.

The new sufficiency ratio replaces the funding ratio as a general measure of stewardship over WCB assets and was designed to address changes to International Financial Reporting Standards (IFRS). In 2023, *IFRS 17 – Insurance Contracts* came into effect which introduced several key accounting changes resulting in expectations of balance sheet volatility. With a focus on rate stability , the WCB aimed to address this volatility by replacing the funding percentage with a newly designed sufficiency ratio.

$$\text{Sufficiency ratio} = \frac{\textbf{Statement of value assets - net smoothing adjustment less (Other liabilities + annual fund payable + reserves)}}{\textbf{Funding basis benefit liabilities}}$$

In creating the sufficiency policy, the WCB reviewed a number of scenarios for employers to determine what would result in the greatest stability for employer premium rates. This resulted in a target range of 100 to 140 per cent. In 2023, the WCB's sufficiency ratio was 135.7 per cent. IFRS 17 also introduced several new reporting and disclosure requirements leading to a several changes to the statement of financial position and the statement of operations. Some of these changes were related to presentation and disclosure within the financial statements, while others required some items to be classified or grouped differently.

In addition to adopting IFRS 17, the WCB also adopted *IFRS 9 – Financial Instruments* for the first time. This did not result in any major changes to the financial statements, but did affect presentation and disclosure of some items. The effects of implementing these new accounting standards are reflected in the audited Financial Statements and include a re-statement of the prior year results for comparative purposes.

The WCB recorded investment income net of fees of $172.6 million in 2023, compared to investment losses of $132.1 million in 2022.

In 2023, the WCB reported a net income of $31.3 million. This compares to a restated net income in 2022 of $144.2 million. This includes the Business Transformation Program costs, of $20.0 million in 2023 which were $9.0 million in 2022.

Premium revenue and average premium rate[1]

[1] The International Financial Reporting Standards (IFRS) 17 replaced IFRS 4 for financial statements published on or after Jan. 1, 2023. 2022 data has been restated to align with IFRS 17.

Employer assessable payrolls increased by 2.9 per cent to a forecast $25.89 billion in 2023 from an actual $25.15 billion payroll in 2022. Assessed 2023 payroll was higher than the forecast of $24.30 billion made at the end of 2022. Most sectors of the provincial labour force experienced strong growth in 2023 in spite of global volatility and increased borrowing costs. Construction, the service sector, and resource extraction (oil and gas, potash, and uranium) all outperformed payroll expectations. The overall Saskatchewan workforce expanded by nearly four per cent in 2023, resulting from both increased population and a higher rate of workforce participation. Growth in average wages was another contributing factor, with particularly strong growth in accommodation and food services which can partly be attributed to the increased minimum wage. Net premium revenue was $337.6 million in 2023, an increase of $32.8 million from 2022.

Total premium revenue is made up of base premiums plus discounts and surcharges through the experience rating program (ERP). There are two program types within the ERP – the standard program and the advanced program. In 2023, 1,140 employers paid $30.8 million in surcharges, while 26,056 employers received discounts of $37.5 million. The number of employers affected by the ERP was similar to 2022 when 1,163 paid surcharges and 23,139 received discounts.

Expenses

In accordance with the new disclosure requirements of *IFRS 17 – Insurance Contracts*, the WCB manages cost effectiveness in three major categories comprised of several components:

1. Insurance service expenses, including:
   - claim costs
   - allocated administration costs
   - safety associations
2. Insurance finance expense made up of:
   - interest expense on liability for incurred claims
   - impacts of changes in economic assumptions
3. Other expenses encompassing:
   - Business Transformation Program
   - annuity fund interest
   - safety and prevention
   - legislated obligations
   - unallocated administration costs
   - other operating expenses

The multi-year Business Transformation Program costs will primarily be funded by reserves.

Insurance service expenses

Claim costs included in insurance service expenses are comprised of liabilities incurred on new injuries in 2023, which totaled $251.7 million, up from $184.5 million in 2022. These costs represent the present value of future claims payments and included:

- $120.0 million for short-term earnings loss and long-term earnings replacement payments to workers and their surviving dependants,
- $93.3 million for the cost of health-care services provided to workers,

- $18.1 million allocated for latent occupational disease claims expected to emerge in future years from exposures up to December 31, 2023,
- $3.3 million for vocational rehabilitation costs required to return workers to meaningful employment, and
- $17.0 million set aside for the future administration costs associated with servicing these claims.

These new costs were partially offset by reductions in the liabilities for claims incurred in prior years, which decreased by $28.3 million as a result of non-economic assumptions and experience development. The largest contributor to this was reductions in medical costs as claims development patterns continued to improve in 2023. This was partly offset by increases in earnings loss benefits that were affected by higher-than-expected wage growth. Combining these changes with the new claims incurred results in net claim cost expenses of $223.4 million in 2023.

Total administration, before costs charged to future benefits for 2023, include the following:

	2023 (thousands of dollars)
Salaries and employee benefits	54,008
Amoritization	4,957
Computer services	4,527
Consulting services	3,202
Building operations	2,406
Other administration expenses	7,105
Fees charged to self-insurers	(3,505)
Total adminstration costs	72,700

Total administration costs were $6.5 million more compared to 2022, mainly due to increases in salaries and employee benefits and computer services. Under IFRS 17, $67.3 million of these costs were reclassified as insurance service expenses.

An important measure of administrative efficiency is the administration cost per Time Loss claim. In 2022, the most recent year that data is available from the Association of Workers' Compensation Boards of Canada, Saskatchewan had the sixth lowest administration cost per Time Loss claim in Canada. The WCB calculated this to be $8,509 in 2022 compared to $8,927 in 2021. Figures from the AWCBC lag those of the WCB by one year.

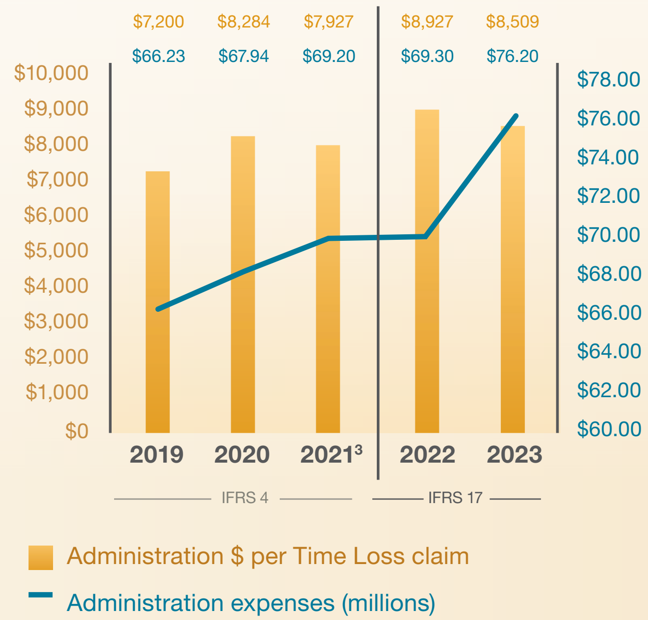
The reason for the decrease in this measure is that the number of Time Loss claims increased at a faster rate than the administrative costs incurred to manage those claims.

A second measure of administrative efficiency is the administration cost per $100 of assessable payroll. For 2022, the most recent year that actual payroll data is available, the ratio was $0.29 per $100 of assessable payroll. In comparison to its AWCBC peers, in 2022, Saskatchewan was the fifth lowest in Canada.

Funding was provided to seven industry safety associations that represented 18 rate codes. Employers in these rate codes are charged a levy on their premiums to cover the cost of this funding. The total funding provided for the year increased to $12.0 million in 2023 from $11.2 million in 2022.

The liability for incurred claims represents the present value of future payments on claims incurred up to the valuation date. This includes an amount set aside to administer benefits in future years. For 2023, this provision was determined as $95.1 million of the $1.592 billion liabilities for incurred claims, representing just under six per cent.

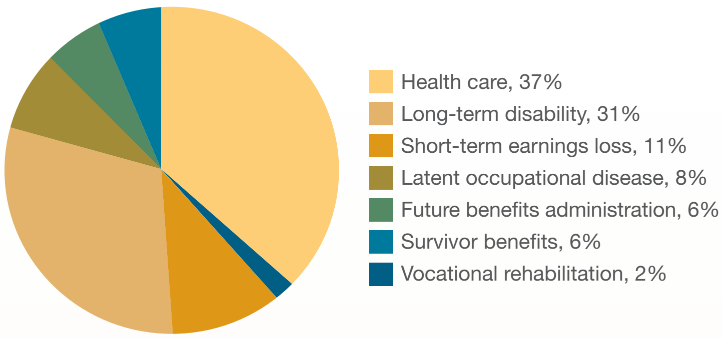
Administration cost per claim[2]



[2] The International Financial Reporting Standards (IFRS) 17 replaced IFRS 4 for financial statements published on or after Jan. 1, 2023. 2022 data has been restated to align with IFRS 17.

[3] Restated 2021 to reflect the Association of Workers' Compensation Boards of Canada metrics for comparability.

Liability for incurred claims in 2023[4]



[4] The international Financial Reporting Standards (IFRS) 17 replaced IFRS 4 for the financial statements published on or after Jan. 1, 2023. To reflect the changes in IFRS, in 2023, insurance contract liabilities have replaced benefit liabilities.

Insurance finance expense

IFRS 17 introduced a new reporting requirement requiring entities to report insurance contract assets/liabilities using a market driven discount rate. An agreement between the Canadian Institute of Actuaries and Fiera Capital provides market data through a database of reference discount rate curves, which are updated monthly. These curves are used to estimate the present value of the liabilities for incurred claims. Changes in the discount rate along with other impacts from changes to underlying economic data are reflected in the new insurance finance expense.

Based on the data provided by Fiera Capital, the discount rate at the end of 2023 used to value the liabilities for incurred claims was reduced to 4.85 per cent from the 5.25 per cent at the end of 2022. Consequently, in 2023 the change in the discount rate, combined with changes in economic assumptions contributed $62.1 million to the insurance finance expense compared to insurance finance income of $320.9 million in 2022.

The 2023 insurance finance expenses included $77.9 million of interest expense on incurred claims compared with $62.9 million in 2022. Because the liability for incurred claims is discounted, as time passes the discount rate is unwound and the interest is recognized as an expense.

Operating expenses

Operating expenses represent those unallocated overhead costs and is a new reporting requirement under IFRS 17. These expenses are reported along lines of materiality which include expenses related to the Business Transformation Program, Annuity Fund interest, safety and prevention, legislated obligations and other operating expenses.

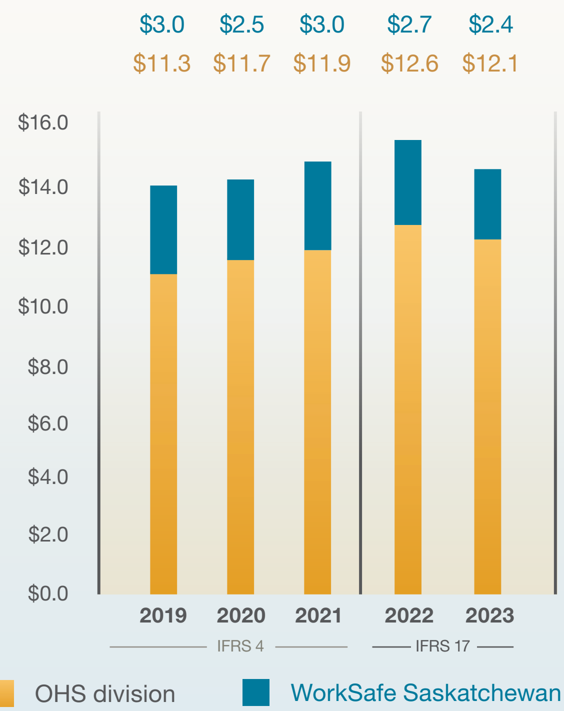
Business transformation expenses in 2023 totaled $20.0 million compared to $9.0 million in 2022. These figures represent investments in people, process and technology with the aim of transforming the operations of the WCB so that it is better positioned to deliver value to its customers in the future.

The role of the Occupational Health and Safety (OHS) division is to help workplace parties comply with OHS legislation and, in doing so, create safer workplaces by identifying and correcting health and safety hazards. The Act requires the WCB to fund the operations of the OHS division.

The Government of Saskatchewan approves the OHS budget through the provincial budgeting process. In 2023, the OHS funding decreased to $12.1 million from $12.6 million in 2022.

WorkSafe Saskatchewan expenditures decreased in 2023 to $2.4 million from $2.7 million in 2022.

Safety and prevention (millions)[5]



[5] The International Financial Reporting Standards (IFRS) 17 replaced IFRS 4 for financial statements published on or after Jan. 1, 2023. 2022 data has been restated to align with IFRS 17.

Under the Act, the WCB funds the operations of the Office of the Workers' Advocate. Funding in 2023 held relatively constant at $1.3 million compared to $1.5 million in 2022 for the Office of the Workers' Advocate. Additionally, every five to six years, the WCB funds a Committee of Review. The Committee of Review last concluded in 2022 at a cost of $0.2 million.

The Act requires the WCB to compensate workers for the loss of retirement income due to a workplace injury. An additional 10 per cent of all eligible benefits payments is contributed into an worker's annuity fund once the worker has received benefits for more than 24 consecutive months. The WCB continues to set aside funds until the worker reaches age 65 or returns to work. At age 65, the worker uses the funds set aside, plus interest, to purchase an annuity. During 2023, contributions to the fund amounted to $7.2 million, up from $6.7 million in 2022.

The annuity fund accrues annual interest based on an internally calculated rate of return. The rate of return is based on the return of the WCB's investment portfolio, but spreads gains and losses on investments over five years to reduce the impact of fluctuations in the market rate of return.

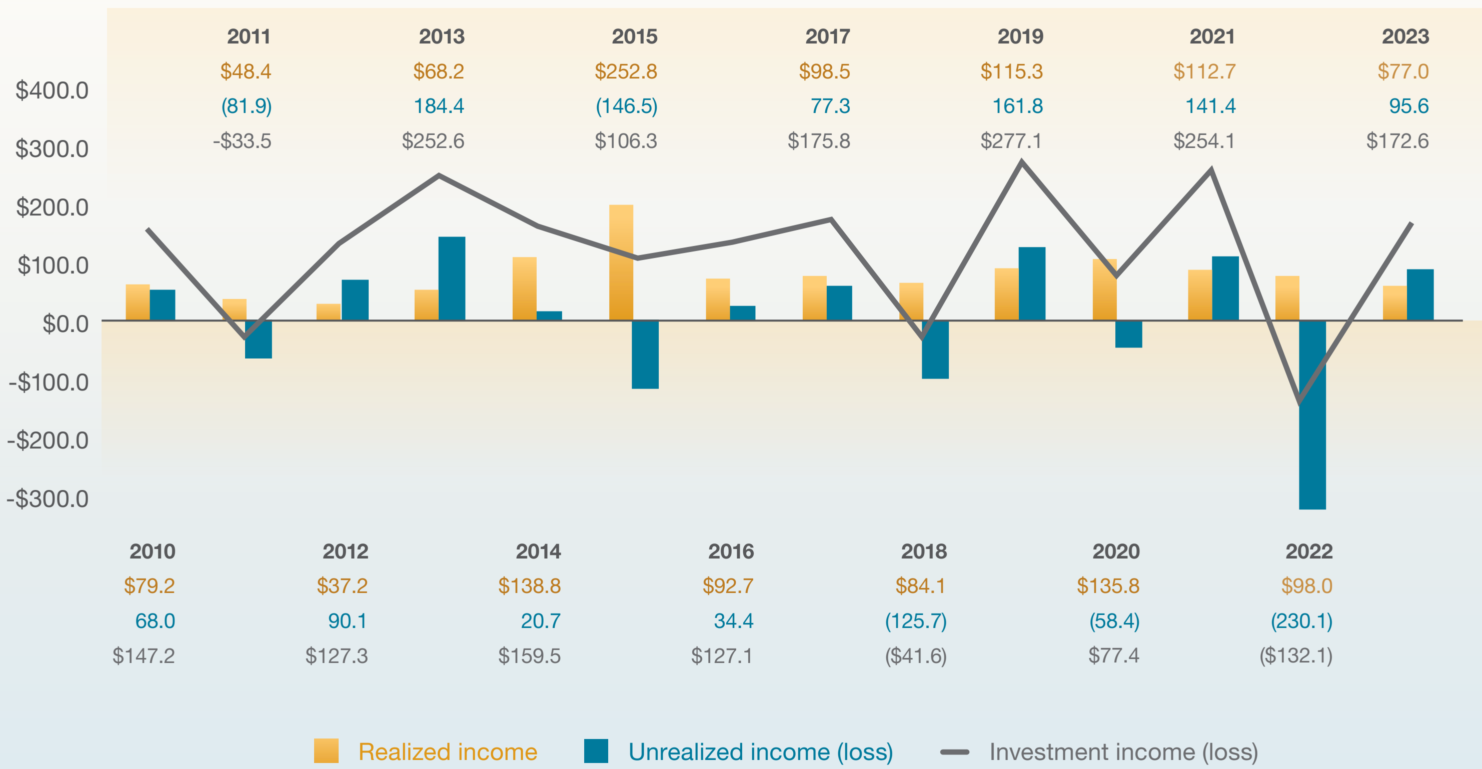
In 2023, interest allocated equaled $14.8 million due to an increase in the rate of return to 6.9 per cent. In 2022, $11.3 million was allocated at a rate of return of 4.9 per cent.

The remaining operating expenses are comprised of miscellaneous income and unallocated overhead expenses.

Investment income

The WCB ensures financial stability through its investment and funding policies. Investment income is an important revenue stream. It supplements premiums to cover expenses. The long-term assumption that investments will generate an annual nominal rate of return of 5.25 per cent is built into the calculation of reserve funds, as well as the premium rate-setting model. In 2023, the investment portfolio had a return of 8.2 per cent at market, compared to a return of (5.5) per cent in 2022. Investment income includes realized income and unrealized gains or losses on investments during the year and can fluctuate significantly year to year to reflect the change in the market value of investments.

Investment income (loss)



Investment strategy

The WCB's Statement of Investment Policies and Goals (SIP&G) outlines its investment and risk philosophy. It reflects the long-term nature of the WCB's liabilities and the impact of future inflation on existing liabilities. The WCB diversifies investments among asset classes to achieve long-term investment goals and to maximize returns at an acceptable risk.

The WCB further diversifies within asset classes by selecting investment managers with different investment mandates and styles. In 2023, the WCB completed its placement of $100 million with Sun Life Capital which added investment in their Private Fixed Income Plus fund. Another $100 million was committed with IFM Global Infrastructure and invested as of January, 2024. These investments added another level of diversity in the WCB's portfolio expected to help the WCB attain its investment goals.

The WCB's investment committee reports to the board and, with the assistance of an independent investment consultant, recommends the approval of the SIP&G and the appointment of the investment managers. The investment committee recommends prudent policy goals and objectives to safeguard the funded position. The committee meets regularly to monitor the performance of the investment managers against established benchmarks and to review the ongoing relevance of the policy.

Funding strategy

The Act requires the WCB to maintain a fund (referred to as the injury fund) sufficient to finance its activities and other obligations. The Act also authorizes the WCB to establish additional reserves to meet losses arising from a disaster or other circumstance which would, in the opinion of the WCB, unfairly burden employers. These reserves are excluded from the injury fund.

The WCB's sufficiency policy governs and directs the sustainable management of the injury fund. Five core principles guide the WCB's approach:

- Sustainability – the WCB strives to balance the need to fund a compensation system for workers and to keep it affordable for the employers that fund the system.
- Stability – the WCB strives to maintain a reasonable level of stability and predictability in average premium rates over time.
- Equity – the WCB strives to preserve fairness between groups and generations of employers.
- Resilience – the WCB strives to maintain a level of financial flexibility to allow for unexpected and/or adverse events.
- Transparency – the WCB strives to provide stakeholders with clear and easy to understand measures of funding adequacy.

The WCB measures its funded position on the basis of the sufficiency ratio. 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.

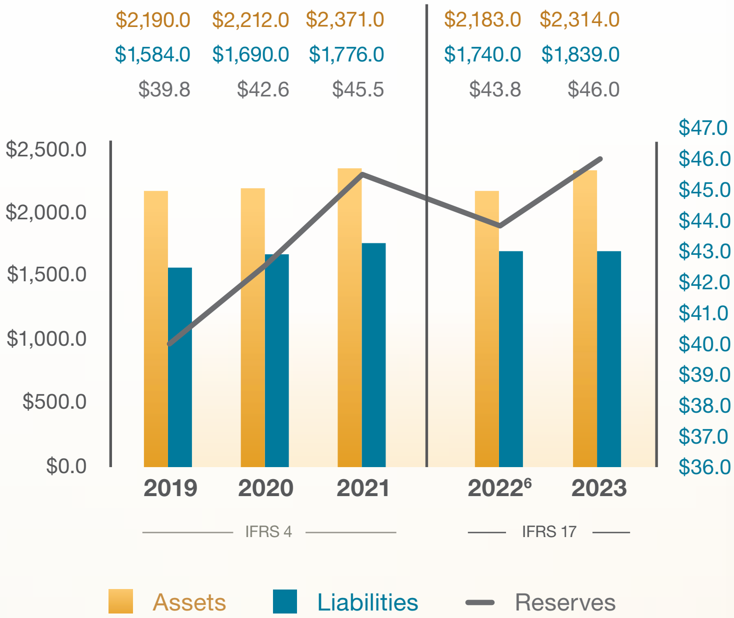
If the sufficiency ratio falls outside the targeted range, the WCB will act to replenish or regulate the injury fund to return to the targeted range within a target time frame of three years. The precise timing, method, and amount of any such action is at the board's discretion, and balances consideration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

Invested assets used in the sufficiency ratio calculation are valued on a basis that is consistent with the presentation on the audited financial statements. However, only a portion of the actual investment gains and losses are included in the asset value. The difference between the current period returns and long-term net expected returns is deferred and recognized over a five-year period on a straight-line basis. After those five years, past investment gains and losses have been fully recognized in the sufficiency ratio basis. This process of mitigating short term market volatility results in the net smoothing adjustment. The net smoothing adjustment is capped at a value of plus or minus 10 per cent of the market value of assets.

The sufficiency policy establishes and defines the funding basis benefit liabilities, which share a model and projection approach with the IFRS 17 liability for incurred claims subject to some important differences. Most materially, the discount rate used to value the liabilities is based on the long-term net expected rate of return on the WCB's investment portfolio rather than the IFRS 17 discount rate curve described in Note 12.

The chart shows how the statement value of the WCB's assets, liabilities, and reserves have evolved in recent years. This statement value basis is not used in funding decisions, but is an important indicator of the WCB's strong overall financial position.

Funded position and reserves (millions)



[6] The International Financial Reporting Standards (IFRS) 17 replaced IFRS 4 for financial statements published on or after Jan. 1, 2023. 2022 data has been restated to align with IFRS 17.

Internal Control over Financial Reporting

The objective of financial reporting is to prepare reliable financial statements. This involves attaining reasonable assurance that the financial statements are free from material misstatements. The Internal Control over Financial Reporting (ICOFR) is defined as those elements of an organization that, taken together, support the achievement of the preparation of reliable financial statements. The WCB certifies in its annual report that the financial statements are presented fairly in all material respects, and internal controls are adequate to prevent material misstatement of the financial statements.

To support the certification, management, with the support of internal audit, assesses the WCB's controls and provides assurance that internal controls are adequate to prevent material misstatement of the financial statements.

The assessments and evaluation of internal controls related to certain financial processes, transactions and applications in 2023 did not identify any weaknesses in internal controls over financial reporting that would result in material misstatement of the December 31, 2023 financial statements. The 2023 report by the CEO and the CFO can be found on page 77 of this annual report.

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, 2023.

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, 2023 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

Tyler Gillies
Director, Financial Services

ACTUARIAL CERTIFICATION

To the Board of Directors of the Workers' Compensation Board

We have completed an actuarial valuation as at December 31, 2023 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 $1,592,336,000, for the purposes of financial reporting in accordance with IFRS 17, represents the actuarial present value at December 31, 2023 of all payments expected to be made in future years for all claims occurring on or before December 31, 2023. In our opinion, the amount of the insurance contract 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 $1,530,252,000 at December 31, 2023, 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 provisions 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.

FCIA, FSA
Mark Mervyn Partner

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March 7, 2023

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INDEPENDENT AUDITOR'S REPORT

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, 2023, and the statement of operations and other 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, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Reporting Standards as issued by the International Accounting Standards Board (IFRS).

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, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 27, 2024

Statement of Financial Position

As at (thousands of dollars)	December 31 2023	December 31 2022 Restated	January 1 2022 Restated
Assets			
Cash and cash equivalents (note 5)	**$ 124,696**	$ 14,602	$ 4,272
Receivables (note 6)	**5,291**	3,992	3,637
Financial investments (note 7)	**2,161,317**	2,150,804	2,339,075
Property and equipment (note 8, 9)	**18,647**	9,433	9,762
Other assets (note 10)	**3,909**	4,401	4,526
	$ 2,313,860	$ 2,183,232	$ 2,361,272
Liabilities			
Payables and accrued liabilities (note 11)	**$ 29,082**	$ 18,565	$ 20,810
Insurance contract liabilities (note 12)	**1,585,985**	1,492,995	1,808,274
Annuity fund payable (note 13)	**224,309**	228,524	233,241
	1,839,376	1,740,084	2,062,325
Funded Position	**428,513**	399,373	253,475
Injury fund			
Reserves (note 14)	**45,971**	43,775	45,472
	474,484	443,148	298,947
	$ 2,313,860	$ 2,183,232	$ 2,361,272

Commitment (note 23)

Subsequent event (note 24)

See accompanying notes to financial statements.

Approved by the Board and signed on their behalf on March 27, 2024

Gord Dobrowolsky
Chair

Judy Henley
Board Member

Larry Flowers
Board Member

Jack Brodsky
Board Member

Dion Malakoff
Board Member

Statement of Operations and Comprehensive Income

Year ended December 31 (thousands of dollars)	**2023**	**2022** Restated
Insurance Service		
Insurance revenue (note 15)	**$ 337,580**	$ 304,849
Insurance service expenses (note 16)	**(284,077)**	(243,620)
Insurance Service Result	**53,503**	61,229
Net Insurance Finance (Expenses) Income (note 20)	**(140,001)**	257,916
Investment		
Investment income (loss)	**177,983**	(126,713)
Investment expenses	**(5,433)**	(5,374)
Investment Income (Loss) (note 7)	**172,550**	(132,087)
Operating Expenses		
Business Transformation Program	**(19,973)**	(9,020)
Annuity fund interest	**(14,834)**	(11,332)
Safety and prevention	**(14,487)**	(15,307)
Legislated obligation	**(1,305)**	(1,650)
Other operating expenses	**(4,117)**	(5,548)
Total Net Operating Expenses (note 16)	**(54,716)**	(42,857)
Total Comprehensive Income	**31,336**	**144,201**

See accompanying notes to financial statements.

Statement of Changes in Funded Position

Year ended December 31, 2023 (thousands of dollars)	Injury Fund	Reserves (note 14)	Total Funded Position
Balance at December 31, 2021, as previously reported	**$ 549,420**	$ 45,472	$ 594,892
Impact of initial application of IFRS 17 (note 3)	**(295,945)**	-	(295,945)
	253,475	45,472	298,947
Total comprehensive loss, as previously reported	**(115,068)**	-	(115,068)
Transitional adjustment upon adoption of IFRS 17	**259,269**	-	259,269
Restated total comprehensive income	**144,201**	-	144,201
Appropriation of funds from reserves	**1,697**	(1,697)	-
Restated balance as at December 31, 2022	**399,373**	43,775	443,148
Total comprehensive income	**31,336**	-	31,336
Appropriation of funds to reserves	**(2,196)**	2,196	-
Balance as at December 31, 2023	**$ 428,513**	**$ 45,971**	$ 474,484

See accompanying notes to financial statements.

Statement of Cash Flows

Year ended December 31 (thousands of dollars)	2023	2022
OPERATING ACTIVITIES		
Cash received from:		
Employers for premiums	$ 340,034	$ 309,575
Cash paid to:		
Claimants, or third parties on their behalf	271,184	252,250
Employees and suppliers, for administrative and other goods and services	92,013	75,264
Safety and prevention programs	26,287	26,107
Ministry of Labour Relations and Workplace Safety	2,080	1,525
	391,564	355,146
Net cash used in operating activities	(51,530)	(45,571)
INVESTING ACTIVITIES		
Cash received from:		
Sale and maturity of investments	753,446	554,859
Dividends	54,669	59,331
Interest	25,811	19,668
	833,926	633,858
Cash paid for:		
Purchase of investments	666,269	572,440
Purchase of property and equipment	4,372	2,136
Purchase of other assets	1,391	2,882
	672,032	577,458
Net cash provided by investing activities	161,894	56,400
FINANCING ACTIVITIES		
Cash paid for:		
Leased buildings	270	499
Net cash used in financing activities	(270)	(499)
Increase in cash and cash equivalents during the year	110,094	10,330
Cash and cash equivalents, beginning of year	14,602	4,272
Cash and cash equivalents, end of year	$ 124,696	$ 14,602

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 2023

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 and injury prevention services to Saskatchewan employers and provide benefits to workers who are injured in the course of their employment.

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 (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

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 4, *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 and are rounded to the nearest thousand unless otherwise noted.

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 7), and the actuarial determination of the liability for incurred claims (note 12).

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 2024:

- Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements);
- Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements); and
- Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures)

The following amendments are effective for the period beginning 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)

The WCB is currently assessing the impact of these new accounting standards and amendments.

3. Adoption of New Accounting Standards:

The WCB has applied IFRS 9 – Financial Instruments (IFRS 9) and IFRS 17 – Insurance Contracts (IFRS 17). effective January 1, 2023. While IFRS 9 was effective for annual periods beginning on or after January 1, 2018, IFRS 4 allowed a temporary exemption to delay the implementation of IFRS 9 until IFRS 17 was adopted.

The WCB has restated certain comparative information and presented a third statement of financial position as at January 1, 2022. The nature and effects of the key changes in the WCB's accounting policies resulting from its adoption of IFRS 9 and IFRS 17 are summarized below.

IFRS 17 – Insurance contracts

Classification, recognition, measurement, and presentation of insurance contracts

The adoption of IFRS 17 did not change the classification of the WCB's insurance contracts. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. It introduces a General Measurement Model ("GMM") that measures groups of contracts based on the WCB's estimates of the present value of future cash flows that are expected to arise as the WCB fulfills the contracts, including an explicit risk adjustment for non-financial risk. Entities also have the option to use a simplified measurement model, the Premium Allocation Approach ("PAA"), for contracts that are one year or less or for contracts longer than one year if there is no material difference in the liability for remaining coverage measured under both the PAA and the GMM. The WCB has elected to apply the PAA for all insurance contracts. Under the PAA, the following are the key differences between IFRS 4 and IFRS 17:

- ***Deferral of acquisition costs -*** Under IFRS 17, insurance acquisition cash flows are costs directly attributable to selling or underwriting a portfolio of insurance contracts. An entity may elect to capitalize and amortize these costs over the coverage period based on the expected timing of incurred insurance service expense of the related group or if the entity has elected to use the PAA, it may expense acquisition costs as incurred. The WCB has elected to expense all acquisition costs under IFRS 17.

- ***Onerous contracts –*** Onerous contracts are contracts where facts and circumstances indicate that the expected cash outflows associated with fulfilling the contract exceed the expected cash inflows. IFRS 17 requires the identification of groups of onerous contracts at a more granular level than the liability adequacy test performed under IFRS 4. In the event of the existence of onerous contracts, for policies that are in effect, a loss component is recognized immediately in net income, which is earlier recognition than IFRS 4.

- ***Discount rate –*** Under IFRS 17, the liability for incurred claims is discounted at a rate that reflects the characteristics of the liabilities and the duration of each portfolio. The WCB has established a discount yield curve using risk-free rates adjusted to reflect the illiquidity characteristics of the applicable insurance contracts. Under IFRS 4, the WCB discounted benefit liabilities with a discount rate based upon the expected investment return that approximates the cash flow requirements of the unpaid liabilities.

- ***Risk adjustment –*** Under IFRS 4, insurance contract liabilities include a provision for adverse deviations to reflect the uncertainty in the discounted benefit liabilities. Under IFRS 17, the provision for adverse deviations is replaced by a risk adjustment representing compensation that the entity requires for bearing the uncertainty from non-financial risks.

- ***Liability for remaining coverage –***

  - ***Presentation –*** Under IFRS 17, the liability for remaining coverage reflects premiums received less deferred insurance acquisition cash flows and less amounts recognised in revenue for insurance services provided, Under IFRS 4 the WCB presented the liability for remaining coverage under receivables.

  - ***Measurement –*** Under IFRS 17, the measurement of the liability for remaining coverage includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of services are more than 12 months apart and involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component (previously these may have formed part of the unexpired risk reserve provision).

- ***Liability for incurred claims –*** Under IFRS 17, the liability for incurred claims is determined on a discounted probability-weighted expected value basis, and includes an explicit risk adjustment for non-financial risk. The liability includes the WCB's obligation to pay other incurred insurance expenses.

The impact on the funded position on transition related to the above key differences is outlined in the reconciliation from IFRS 4 to IFRS 17 below.

Changes to presentation and disclosure

IFRS 17 introduces changes to the way in which the WCB will present and disclose financial results.

Statement of financial position

Presentation in the statement of financial position is driven by portfolios, which are composed of groups of contracts covering similar risks and which are managed together. The portfolios are presented separately between:

- Portfolios of insurance contracts that are assets; and

- Portfolios of insurance contracts that are liabilities.

Insurance contract liabilities will be presented in the statement of financial position as a single line item and will consist of discounted and risk-adjusted (if applicable) benefit liabilities, premiums receivable, unearned premiums (if applicable), recoverable claims costs, onerous loss component (if applicable), and other related liabilities. Any assets or liabilities recognized for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows) are included in the carrying amount of the related portfolios of contracts.

Statement of operations

The statement of operations will have underwriting results being referred to as the insurance service result and is comprised of the following:

- Insurance revenue, which includes revenues related to the direct insurance activities

- Insurance service expense, which includes expenses related to direct insurance activities
    - o Claims costs, safety association grants and allocated indirect administration expenses are presented in insurance service expenses.

Insurance service results are presented without the impact of discount unwinding and changes in discount rates, which are shown separately in net insurance finance (expense) income.

Disclosure

IFRS 17 introduces additional disclosure requirements on the amounts recognized from insurance contracts and the risks arising from these contracts.

IFRS 17 also requires disclosing information at a more granular level than under IFRS 4. Management used judgment in determining the proper level of disclosures included in these first annual financial statements under the new standards.

Transition

Changes in accounting policies resulting from the adoption of IFRS 17 have been applied using a full retrospective approach. Under the full retrospective approach, at January 1, 2022 the WCB has:

- identified, recognized and measured each group of insurance contracts as if IFRS 17 had always been applied;
- derecognized previously reported balances that would not have existed if IFRS 17 had always been applied. These included some premium and insurance-related receivables. Under IFRS 17, these items are included in the measurement of the insurance contracts; and
- recognized any resulting net difference in the funded position.

The WCB has applied the transition provisions in IFRS 17 and has not disclosed the impact of the adoption of IFRS 17 on each financial statement line item. The impact of adopting IFRS 17 on the financial statements at January 1, 2022 is presented in the statement of changes in funded position.

Reconciliation from IFRS 4 to IFRS 17

The following table summarizes the impact of IFRS 17 on the WCB's statement of financial position on transition:

(thousands of dollars)	**December 31, 2021 as previously reported**	**Impact of initial application of IFRS 17**	**January 1, 2022, as restated**
Total assets	$ 2,370,618	$ (9,346)	$ 2,361,272
Total liabilities	1,775,726	286,599	2,062,325
Funded Position	$ 594,892	$ (295,945)	$ 298,947

IFRS 9 – Financial instruments

IFRS 9 replaced IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018. However, the WCB elected, under the amendments to IFRS 4, to apply the temporary exemption from IFRS 9, thereby deferring the initial application date of IFRS 9 to align with the initial application of IFRS 17.

The WCB has applied IFRS 9 retrospectively and restated comparative information, where required, for 2022 for financial instruments in the scope of IFRS 9. In accordance with IFRS 9 transition requirements, IFRS 9 does not apply to financial assets that had already been derecognized at January 1, 2023.

Changes to classification, measurement and disclosures

To determine their classification and measurement category, IFRS 9 requires all financial assets to be assessed based on a combination of the WCB's business model for managing the assets and the instruments' contractual cash flow characteristics.

The IAS 39 measurement categories for financial assets (fair value through profit or loss (FVTPL), available for sale (AFS), held-to-maturity (HTM) and loans and receivables (L&R) at amortized cost) have been replaced by:

- Financial assets at fair value through profit or loss, including equity instruments and derivatives
- Debt instruments at fair value through other comprehensive income, with gains or losses recycled to profit or loss on derecognition
- Equity instruments at fair value through other comprehensive income, with no recycling of gains or losses to profit or loss on derecognition (not used by the Company)
- Debt instruments at amortized cost

The adoption of IFRS 9 has fundamentally changed the WCB's accounting for impairment losses for debt instruments held at FVOCI or amortized cost by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the WCB to record an allowance for ECLs for all debt instruments not held at FVTPL. For debt instruments, the ECL is based on the portion of lifetime ECLs (LTECL) that would result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination or purchase of the assets, the allowance is based on the full LTECL.

To reflect the differences between IFRS 9 and IAS 39, IFRS 7 Financial Instruments: Disclosures was also amended. The WCB applied the amended disclosure requirements of IFRS 7, together with IFRS 9, for the year beginning 1 January 2023. Detailed qualitative and quantitative information about the ECL calculations, such as the assumptions and inputs used, are disclosures.

The adoption of IFRS 9 resulted in no quantitative adjustment to the opening numbers. There were immaterial changes related to the impairment of financial assets as the prior period's closing impairment allowance was measured in accordance with the IAS 39 incurred loss model and the new impairment allowance is measured in accordance with the IFRS expected loss model at January 1, 2023.

As at January 1, 2023 (thousands of dollars)	Measurement category IAS 39	IFRS 9	Carrying amount IAS 39	Impacts of IFRS	IFRS 9 (restated)
Cash and cash equivalents	Amortized cost	Amortized cost	$14,602	-	$14,602
Equity investments	FVTPL	FVTPL	1,214,692	-	1,214,692
Bonds and debenture investments	FVTPL	FVTPL	354,405	-	354,405
Receivables	Amortized cost	Amortized cost	3,992	-	3,992
Payable and accrued liabilities	Amortized cost	Amortized cost	18,565	-	18,565
Annuity fund payable	Amortized cost	Amortized cost	228,524	-	228,524

Disclosure of accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2)

The WCB adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from January 1, 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed below in certain instances in line with the amendments.

4. 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

Recognition and initial measurement

The WCB recognizes deposits with financial institutions and borrowings on the date on which they are originated. All other financial instruments are recognized on the trade date, which is the date on which the WCB becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for a financial asset or financial liability not measured at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Classification

The measurement basis for financial assets is determined at initial recognition and depends on whether the financial assets have been classified as amortized cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL). The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified subsequent to their initial recognition unless the WCB changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Investments in equity instruments that are not held for trading, will depend on whether the WCB has made an irrevocable election on an instrument-by-instrument basis at the time of initial recognition to account for the equity investment at FVOCI.

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables. Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at amortized cost using the effective interest method, less provision for impairment losses, if any. Financial assets that are held for collection of cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are classified as FVOCI.

The WCB has classified its financial investment debt instruments at FVTPL because the WCB manages and evaluates their performance on a fair value basis.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective, such as common shares. All equity investments are classified as FVTPL. The WCB has not elected, at initial recognition, to irrevocably designate any equity investment through FVOCI.

Financial liabilities

The measurement basis for financial liabilities depends on whether the financial liabilities have been classified as amortized cost or FVTPL. Financial liabilities are classified as FVTPL when they meet the definition of held for trading or when they are designated as such at initial recognition. Financial liabilities not classified as FVTPL are measured at amortized cost using the effective interest method, less provision for impairment losses, if any.

The WCB has classified all investments as FVTPL. Cash and cash equivalents and receivables are classified as amortized cost. Bank indebtedness, if any, accounts payable and accrued liabilities and annuity fund payable are designated as amortized cost.

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.

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.

The WCB enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized. Examples of such transactions are securities lending.

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 obtained from the investment custodian, investment managers or dealer markets.

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. Fair value is based on, or derived from, market price data for similar instruments obtained from the investment custodian, investment managers or dealer markets.

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 assets and liabilities include financial instruments 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, and pooled private fixed income fund. The fair value of the investment is based on the WCB's share of the net asset value of the respective fund, as determined by its investment manager, and is used to value purchases and sales of units in the investment.

The primary valuation methods used by the investment managers are as follows:

Pooled real estate fund:

- The fair value of the pooled real estate fund is determined based on the most recent appraisals of the underlying properties.
- Real estate properties are appraised by external, independent professional real estate appraisers who are accredited through the Appraisal Institute of Canada. Real estate appraisals are performed in accordance with generally accepted appraisal standards and procedures and are based primarily on the discounted cash flow and income capitalization methods. Changes in the rate used to discount the cash flows can cause significant changes in the fair value. The rates vary by each asset depending on quality and leasing profile, property type and location.
- The range of rates used to discount the cash flows when determining the appraisal values is 4.50% to 10.50% (2022 - 5% to 8.5%). The approximate impact of a one quarter per cent increase in the average discount rate results in a decrease in the fair value of $11,300,000 (2022 - $4,580,000).

Pooled private fixed income fund:

- The fair value of the pooled private fixed income fund is derived principally from or corroborated with observable market data through correlation or other means.

The fair value of financial assets and liabilities other than investments (note 7) 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, 2023.

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.

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.

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 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 entity has the practical ability to reassess risk and can set a price or level of benefits that fully reflect those risks. 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,
- 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 12, 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 established 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.

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 future costs, excluding interest, are provided for as part of insurance contract liabilities.

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 include fulfillment and 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. 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;
- Insurance acquisition cash flows (see above); 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 discount unwinding,
- Changes in discount rates, and
- The effect of financial risk and changes in financial risk.

The WCB has elected to record changes in discount rates in net income in the financial statement caption "insurance finance (expense) 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 2023 were $6,649,000 (2022 - $6,453,000).

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 plan) that provides retirement benefits for its employees. The plan is administered by Plannera Pensions & Benefits (formerly called the Public Employee Benefits Agency).

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 other comprehensive income in the period during which services are rendered by employees.

5. Cash and Cash Equivalents:

Cash and cash equivalents consist entirely of deposits held at financial institutions for the years ended December 31, 2023, and 2022.

In accordance with Section 118(1) of the Act, WCB has secured a $25 million unsecured line of credit with interest at Scotiabank's prime lending rate. As at year end $25 million (2022 - $25 million) was available to be drawn upon.

6. Receivables:

Receivables are comprised of the following:

(thousands of dollars)	2023	2022
Accrued interest	**$2,043**	$2,058
Government of Canada	**2,381**	1,865
Other	**867**	73
	5,291	3,996
Allowance for doubtful accounts	**-**	(4)
	$5,291	$3,992

7. Financial Investments:

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

(thousands of dollars)	2023	2022
Bonds and debentures	**$ 103,521**	$ 127,226
Pooled bond fund	**120,323**	106,541
Pooled equity funds	**894,937**	970,408
Equities	**214,476**	181,560
Pooled real estate fund	**283,276**	289,554
Pooled mortgage fund	**109,661**	140,176
Pooled private fixed income fund	**106,151**	-
Short-term holdings	**35,393**	45,436
	1,867,738	1,860,901
Investments under Securities Lending Programs		
Bonds and debentures	**246,170**	227,179
Equities	**47,409**	62,724
	293,579	289,903
	$ 2,161,317	$ 2,150,804

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

Bonds and debentures:

		2023		2022	
(thousands of dollars)	Term to Maturity in Years	Fair Value	Average Effective Yield	Fair Value	Average Effective Yield
Government of Canada Securities					
	1 - 5	$ 31,356	2.07%	$ 55,223	1.70%
	6 - 10	113,146	1.63%	77,827	1.40%
	Over 10	14,852	3.29%	18,298	3.67%
Provincial & Municipal Securities					
	1 - 5	-	0.00%	-	0.00%
	6 - 10	48,170	3.95%	30,137	3.51%
	Over 10	44,984	3.34%	67,680	3.48%
Corporate Securities					
	1 - 5	50,742	3.22%	51,196	2.99%
	6 - 10	27,957	3.50%	28,840	3.39%
	Over 10	18,484	4.14%	25,204	3.99%
Total		$ 349,691		$ 354,405	

Pooled bond fund:

The WCB has invested in a global pooled bond fund. 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. Fund returns are based on the success of the fund managers.

The WCB's equity investments include foreign equities of $933,918,000 (2022 - $978,440,000).

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

(thousands of dollars)	2023	2022
Global Low Volatility Equity funds	**$ 653,227**	$ 624,962
Europe, Asia and the Far East (EAFE) Equity fund	**132,930**	124,410
Canadian Low Volatility Equity fund	**100,625**	123,265
Global Equity Small Cap fund	**-**	89,711
Canadian Special Equity fund	**8,155**	8,060
	$ 894,937	$ 970,408

Pooled real estate fund:

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

Pooled mortgage fund:

The WCB has an investment in a pooled mortgage fund that is invested in Canadian mortgages.

Pooled private fixed income fund:

The WCB has an investment in a pooled private fixed income fund that is invested in bonds, derivative contracts and corporate loans including corporate loan commitments.

Short-term holdings:

Short-term holdings are comprised of treasury bills and bank notes with effective interest rates of 5.2% to 7.7% (2022 – 4.3% to 4.9%) and average term to maturity of 2.91 months (2022 – 2.29 months).

Securities lending:

The WCB's Statement of Investment Policies and Goals (SIP&G) allows for securities to be lent to counterparties for the purposes of generating revenue in exchange for held collateral. Acceptable collateral includes cash, readily marketable government bonds, treasury bills, letters of credit, discount notes and banker's acceptances of Canadian chartered banks. In Canada, the current practice is to obtain collateral of at least 105 per cent of the market value of the securities lent.

At December 31, 2023, the WCB had $293,579,000 (2022 - $289,903,000) in equities and bonds on loan to various counterparties. At December 31, 2023, the total amount of collateral pledged, which consists of bonds and equities, to the WCB amounted to $308,283,000 (2022 - $304,491,000).

Fair value hierarchy

Fair value is best evidenced by 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. The determination of fair value requires judgement and is based on market information where available and appropriate. Fair value measurements are categorized into levels within a fair value hierarchy based on the nature of the inputs used in the valuation.

2023

(thousands of dollars)	Level 1	Level 2	Level 3	Total
Bonds and debentures	**$ -**	**$ 349,691**	**$ -**	**$ 349,691**
Pooled bond fund		**120,323**	**-**	**120,323**
Pooled equity funds	**894,937**	**-**	**-**	**894,937**
Equities	**261,885**	**-**	**-**	**261,885**
Pooled real estate fund	**-**	**-**	**283,276**	**283,276**
Pooled mortgage fund	**-**	**109,661**	**-**	**109,661**
Pooled private fixed income fund	**-**	**-**	**106,151**	**106,151**
Short-term holdings	**-**	**35,393**	**-**	**35,393**
	$ 1,156,822	**$ 615,068**	**$ 389,427**	**$ 2,161,317**

2022

(thousands of dollars)	Level 1	Level 2	Level 3	Total
Bonds and debentures	$ -	$ 354,405	$ -	$ 354,405
Pooled bond fund	-	106,541	-	106,541
Pooled equity funds	970,408	-	-	970,408
Equities	244,284	-	-	244,284
Pooled real estate fund	-	-	289,554	289,554
Pooled mortgage fund	-	140,176	-	140,176
Short-term holdings	-	45,436	-	45,436
	$ 1,214,692	$ 646,558	$ 289,554	$ 2,150,804

The WCB's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. During the year, no investments were transferred between levels.

A reconciliation of Level 3 investments is as follows:

(thousands of dollars)	2023	2022
Level 3 investments, beginning of the year	**$ 289,554**	$ 286,265
Acquisitions during the year	**102,909**	-
Dispositions during the year	**(2,031)**	(6,056)
Gains (losses) recognized in net income	**(1,005)**	9,345
Level 3 investments, end of the period	**$ 389,427**	$ 289,554

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

	2023			2022		
(thousands of dollars)	**Realized**	**Unrealized**	**Total**	**Realized**	**Unrealized**	**Total**
Cash and foreign exchange	**$ 4,724**	**$ -**	**$ 4,724**	$ 848	$ -	$ 848
Bonds and debentures	**(2,965)**	**27,529**	**24,564**	(1,330)	(42,098)	(43,428)
Pooled bond fund	**54**	**13,727**	**13,781**	852	(14,771)	(13,919)
Pooled equity funds	**44,318**	**22,741**	**67,059**	55,485	(113,617)	(58,132)
Equities	**28,035**	**22,026**	**50,061**	27,347	(61,102)	(33,755)
Pooled real estate fund	**3,991**	**(4,246)**	**(255)**	11,922	9,345	21,267
Pooled mortgage fund	**7,022**	**3,158**	**10,180**	7,411	(7,836)	(425)
Pooled private fixed income fund	**2,910**	**3,241**	**6,151**	-	-	-
Short-term holdings	**(5,662)**	**7,380**	**1,718**	829	2	831
	82,427	**95,556**	**177,983**	103,364	(230,077)	(126,713)
Investment expenses	**(5,433)**	**-**	**(5,433)**	(5,374)	-	(5,374)
	$ 76,994	**$ 95,556**	**$ 172,550**	$ 97,990	$ (230,077)	$ (132,087)

Included in realized investment income is interest income of $25,811,000 (2022 - $19,668,000).

8. Property and Equipment:

(thousands of dollars)	Land	Buildings	Leasehold Improvements	Leased Buildings	Office Furnishings	Computer Equipment	2023 Total
Cost							
Balance, beginning of year	$1,375	$ 14,017	$ 4,352	$ 1,706	$ 2,129	$ 3,837	$ 27,416
Additions during the year	-	-	1,436	7,078	1,337	1,713	11,564
Disposals during the year	-	-	(1,557)	(958)	(146)	(732)	(3,393)
Balance, end of year	$1,375	$ 14,017	$ 4,231	$ 7,826	$ 3,320	$ 4,818	$ 35,587
Accumulated Amortization							
Balance, beginning of year	$ -	$ 10,613	$ 2,419	$ 1,090	$ 930	$ 2,931	$ 17,983
Amortization for the year	-	350	282	283	332	1,103	2,350
Disposals during the year	-	-	(1,557)	(958)	(146)	(732)	(3,393)
Balance, end of year	$ -	$ 10,963	$ 1,144	$415	$ 1,116	$ 3,302	$ 16,940
2023 Net Book Value	$1,375	$ 3,054	$ 3,087	$ 7,411	$ 2,204	$ 1,516	$ 18,647

(thousands of dollars)	Land	Buildings	Leasehold Improvements	Leased Buildings	Office Furnishings	Computer Equipment	2022 Total
Cost							
Balance, beginning of year	$1,375	$ 14,017	$ 4,518	$ 1,706	$ 1,965	$ 3,960	$ 27,541
Additions during the year	-	-	617	-	604	538	1,759
Disposals during the year	-	-	(783)	-	(440)	(661)	(1,884)
Balance, end of year	$1,375	$ 14,017	$ 4,352	$ 1,706	$ 2,129	$ 3,837	$ 27,416
Accumulated Amortization							
Balance, beginning of year	$ -	$ 10,262	$ 2,914	$ 727	$ 1,165	$ 2,710	$ 17,778
Amortization for the year	-	351	288	363	205	882	2,089
Disposals during the year	-	-	(783)	-	(440)	(661)	(1,884)
Balance, end of year	$ -	$ 10,613	$ 2,419	$ 1,090	$ 930	$ 2,931	$ 17,983
2023 Net Book Value	$1,375	$ 3,404	$ 1,933	$ 616	$ 1,199	$ 906	$ 9,433

9. Leases

At December 31, 2023, the WCB held three 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.

(thousands of dollars)	2023	2022
Right-of-use Assets		
Balance, beginning of year	**$ 1,706**	$ 1,706
Additions during the year	**7,078**	-
Disposals during the year	**(958)**	-
Balance, end of year	**$ 7,826**	$ 1,706
Accumulated amortization		
Balance, beginning of year	**$ 1,090**	$ 727
Amortization for the year	**283**	363
Disposals during the year	**(958)**	-
Balance, end of year	**$ 415**	$ 1,090
Net Book Value	**$ 7,411**	$ 616

(thousands of dollars)	2023	2022
Lease Liabilities		
Contractual undiscounted cash flows		
One year or less	**$ 636**	$ 234
Between one and five years	**2,218**	366
Greater than five years	**9,514**	168
Total undiscounted lease liabilities	**$ 12,368**	$ 768
Discounted lease liabilities included in the Statement of Financial Position	**$ 7,483**	$ 675

Amounts recognized in profit or loss (thousands of dollars)	2023	2022
Interest on lease liabilities	**$ 125**	$ 21
Variable lease payments expense	**282**	364
	$ 407	$ 385

Amounts recognized in the statement of cash flows (thousands of dollars)	2023	2022
Interest paid on lease liabilities	**$ 125**	$ 21
Lease liability principal payments	**270**	499
Total cash outflow for leases	**$ 395**	$ 520

10. Other Assets:

(thousands of dollars)	2023	2022
Intangible assets	**$ 1,555**	$ 3,482
Prepaid expenses	**2,354**	919
	$ 3,909	$ 4,401

Intangible Assets

Intangible assets are comprised of the following:

2023

(thousands of dollars)	Cost	Accumulated Amortization	Net Book Value
System development			
Balance, beginning of year	**$ 67,216**	**$ (63,734)**	**$ 3,482**
Additions during the year	**680**	**-**	**680**
Amortization for the year	**-**	**(2,607)**	**(2,607)**
Disposals during the year	**(2,316)**	**2,316**	**-**
Balance, end of year	**$ 65,580**	**$ (64,025)**	**$ 1,555**

2022

(thousands of dollars)	Cost	Accumulated Amortization	Net Book Value
System development			
Balance, beginning of year	$ 64,224	$ (60,585)	$ 3,639
Additions during the year	3,571	-	3,571
Amortization for the year	-	(3,728)	(3,728)
Disposals during the year	(579)	579	-
Balance, end of year	$ 67,216	$ (63,734)	$ 3,482

During the year, $680,000 (2022 - $3,571,000) of internally generated system development costs were capitalized.

11. Payables and Accrued Liabilities:

(thousands of dollars)	2023	2022
Salaries and employee benefits	**$ 10,284**	$ 8,319
Leases	**7,483**	675
Accounts payable	**7,379**	4,036
Occupational Health & Safety	**2,996**	4,548
Claims payable	**440**	489
Workers' Advocate	**220**	498
Accrued investment purchase	**280**	-
	$ 29,082	$ 18,565

At the end of the year, payables and accrued liabilities of $21,831,000 (2022 - $18,180,000) were due within one year. The remaining $7,251,000 pertains to future lease payments (note 9).

12. 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, 2023. 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 illustrates how the estimate of total claims payments for each injury year has changed at successive year-ends. The bottom half of the table reconciles expected cumulative claims payments, along with 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 of dollars)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
End of year	$ 206,304	$ 202,504	$ 236,886	$ 223,919	$ 252,026	$ 253,559	$ 247,189	$ 276,886	$ 282,861	$ 288,179	
One year later	213,505	217,975	243,101	234,859	257,335	276,423	273,100	276,057	270,162		
Two years later	235,165	223,797	251,015	236,044	263,130	290,502	268,079	285,486			
Three years later	246,235	232,647	255,802	245,583	275,751	286,438	271,422				
Four years later	254,356	236,632	267,924	254,602	272,870	288,384					
Five years later	256,565	243,820	274,459	251,102	273,119						
Six years later	261,590	249,582	264,294	250,283							
Seven years later	263,451	246,003	268,351								
Eight years later	258,970	244,897									
Nine years later	256,428										
Estimate of undiscounted claims	**256,428**	**244,897**	**268,351**	**250,283**	**273,119**	**288,384**	**271,422**	**285,486**	**270,162**	**288,179**	**$ 2,696,711**
Cumulative claim payments to date	(159,510)	(147,698)	(160,520)	(145,351)	(155,739)	(158,389)	(133,555)	(131,494)	(107,050)	(60,603)	(1,359,909)
Undiscounted liabilities for incurred claims	**96,918**	**97,199**	**107,831**	**104,932**	**117,380**	**129,995**	**137,867**	**153,992**	**163,112**	**227,576**	**$ 1,336,802**
Impact of Discounting	(47,056)	(48,393)	(52,080)	(51,083)	(56,336)	(59,025)	(56,581)	(63,092)	(61,982)	(71,773)	(567,401)
Liabilties for incurred claims	**$ 49,862**	**$ 48,806**	**$ 55,751**	**$ 53,849**	**$ 61,044**	**$ 70,970**	**$ 81,286**	**$ 90,900**	**$ 101,130**	**$155,803**	**$ 769,401**

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 2013 claims which is presented in the preceding table.

(thousands of dollars)	Undiscounted liabilities for incurred claims	Impact of Discounting	Liabilities for incurred claims
Post 2013 Claims	**$ 1,336,802**	**$ (567,401)**	**$ 769,401**
Pre 2014 Claims	1,203,614	(611,028)	592,586
Future Administration	159,427	(64,330)	95,097
Latent Occupational Disease	397,997	(262,745)	135,252
Totals	**$ 3,097,840**	**$ (1,505,504)**	**$ 1,592,336**

Reconciliation of carrying amounts

The carrying amounts of insurance contract liabilities are as follows:

(thousands of dollars)	2023	2022
Liability for remaining coverage	**$ (6,351)**	$ (2,859)
Liability for incurred claims	**1,592,336**	1,495,854
Insurance contract liabilities	**$ 1,585,985**	$ 1,492,995

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.

	2023				
	Liabilities for remaining coverage		Liabilities for incurred claims		
(thousands of dollars)	Excluding loss component	Loss Component	Present value of future cashflows	Risk adjustment	Total
Insurance contract liabilities as at January 1	**(2,859)**	**-**	**1,495,854**	**-**	**1,492,995**
Insurance revenue	(337,580)	-	-	-	(337,580)
Insurance expenses:					
Incurred claims and other insurance services expenses	-	-	312,434	-	312,434
Amortization of insurance acquisition cash flows	-	-	-	-	-
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liability for incurred claims	-	-	(28,357)	-	(28,357)
Total insurance service expenses	-	-	284,077	-	284,077
Insurance service result	**(337,580)**	**-**	**284,077**	**-**	**(53,503)**
Insurance finance expenses (income)	-	-	140,001	-	140,001
Total changes in the statement of operations and comprehensive income	**(337,580)**	**-**	**424,078**	**-**	**86,498**
Cashflows:					
Premiums received	340,034	-	-	-	340,034
Claims and other insurance expenses paid	(5,946)	-	(327,596)	-	(333,542)
Insurance acquisition cash flows	-	-	-	-	-
Total cash flows	334,088	-	(327,596)	-	6,492
Insurance contract liabilities as at December 31	**(6,351)**	**-**	**1,592,336**	**-**	**1,585,985**

(thousands of dollars)	2022 Liabilities for remaining coverage Excluding loss component	Loss Component	Liabilities for incurred claims Present value of future cashflows	Risk adjustment	Total
Insurance contract liabilities as at January 1	**(3,393)**	**-**	**1,811,667**	**-**	**1,808,274**
Insurance revenue	(304,849)	-	-	-	(304,849)
Insurance expenses:					
Incurred claims and other insurance services expenses	-	-	240,042	-	240,042
Amortization of insurance acquisition cash flows	-	-	-	-	-
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liability for incurred claims	-	-	3,578	-	3,578
Total insurance service expenses	-	-	243,620	-	243,620
Insurance service result	**(304,849)**	**-**	**243,620**	**-**	**(61,229)**
Insurance finance expenses (income)	-	-	(257,916)	-	(257,916)
Total changes in the statement of operations and comprehensive income	**(304,849)**	**-**	**(14,296)**	**-**	**(319,145)**
Cashflows:					
Premiums received	309,575	-	-	-	309,575
Claims and other insurance expenses paid	(4,192)	-	(301,517)	-	(305,709)
Insurance acquisition cash flows	-	-	-	-	-
Total cash flows	305,383	-	(301,517)	-	3,866
Insurance contract liabilities as at December 31	**(2,859)**	**-**	**1,495,854**	**-**	**1,492,995**

Material accounting judgments, 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:

As at	**1 year**	**3 years**	**5 years**	**10 years**
December 31, 2023	5.39%	4.86%	4.75%	4.79%
December 31, 2022	5.61%	5.28%	5.15%	5.20%

These non-level discount rates may be approximated by equivalent flat discount rates that produce the same liability. The equivalent flat discount rate for 2023 is 4.85% (2022 - 5.25%).

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.

Sensitivity analysis

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. Aside from the discount rate, the most material assumptions relate to the growth in benefit costs over time. The long-term price inflation assumption in the 2023 valuation is 2.25% (2022 - 2.25%), wage inflation assumption is 3.25% (2022 - 3.25%), and health care cost inflation is 5.00% (2022 - 5.00%).

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.

2023

Change in assumptions (thousands of dollars)	Insurance contract liabilities	Total comprehensive income	Funded position
No change to valuation assumptions	$ -	$ 31,336	$ 428,513
One per cent decrease in valuation discount rate	181,203	(181,203)	(181,203)
One per cent increase in general wage and price inflation	163,067	(163,067)	(163,067)
One-half per cent increase in health care cost inflation	49,105	(49,105)	(49,105)
Five per cent reduction in claim termination rate	13,010	(13,010)	(13,010)
Five per cent reduction in mortality rate	1,492	(1,492)	(1,492)

2022

Change in assumptions (thousands of dollars)	Insurance contract liabilities	Total comprehensive income	Funded position
No change to valuation assumptions	$ -	$ 144,202	$ 399,373
One per cent decrease in valuation discount rate	149,554	(149,554)	(149,554)
One per cent increase in general wage and price inflation	141,797	(141,797)	(141,797)
One-half per cent increase in health care cost inflation	43,132	(43,132)	(43,132)
Five per cent reduction in claim termination rate	11,451	(11,451)	(11,451)
Five per cent reduction in mortality rate	1,366	(1,366)	(1,366)

Insurance risk

The adoption of IFRS 17 has not changed the way the WCB manages insurance risk.

The WCB is exposed to certain risks related to its current claims costs and its liabilities relating to future claims costs. These most significant risks include employers' return-to-work practices, medical intervention, the WCB's effectiveness in managing claims and determining insurance rates, and changes in coverage from amendments to the Act. 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.

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.

Liquidity risk

Liquidity risk is the risk that WCB will encounter difficulty in meeting all cash outflow obligations as they fall due. The vast majority of the risk that WCB will encounter difficulty in meeting its obligations is associated with its insurance contract liabilities, which are funded from cash and cash equivalents, receivables, and from investments when necessary. Refer to note 21 for the WCB's risk management policy related to liquidity risk and for the maturity analysis of financial assets the WCB holds for managing liquidity risk.

The table below shows the cash flows anticipated to pay benefits to existing claimants in future years. The estimated cash outflows are the present value of future amounts forecast to pay benefits and have been determined using the above long-term assumptions.

(thousands of dollars)	2023	2022
Year 1	**$ 197,961**	$ 191,986
Years 2-5	**438,640**	416,991
Years 6-10	**325,344**	303,774
Years 11-15	**205,766**	193,359
Years 16-20	**142,577**	131,114
Years 21-25	**101,973**	93,066
Years 26 and beyond	**180,075**	165,564
	$ 1,592,336	$ 1,495,854

13. Annuity Fund Payable:

(thousands of dollars)	2023	2022
Balance, beginning of year	**$ 228,524**	$ 233,241
ADD: Contributions		
Principal	**7,227**	6,733
Interest	**14,834**	11,332
	22,061	18,065
DEDUCT: Payouts		
Principal	**7,541**	7,537
Interest	**18,735**	15,245
	26,276	22,782
Balance, end of year	**$ 224,309**	$ 228,524

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, 2023 and 2022.

(thousands of dollars)	2023	2022
Year 1	**$ 28,353**	$ 27,141
Years 2-5	**82,548**	82,632
Years 6-10	**50,594**	56,316
Years 11-15	**29,654**	29,030
Years 16-20	**16,954**	17,294
Years 21-25	**8,704**	8,718
Years 26 and beyond	**7,502**	7,393
	$ 224,309	$ 228,524

14. Reserves:

2023

(thousands of dollars)	Disaster Reserves	Occupational Disease Reserve	Second Injury & Re-employment	Total
Balance, beginning of year	**$ 29,183**	**$ -**	**$ 14,592**	**$ 43,775**
Appropriation from Injury Fund	**1,464**	**-**	**732**	**2,196**
Appropriation to fund cost relief for employers	**19,383**	**6,454**	**46,517**	**72,354**
Allocations for cost relief for employers	**(19,383)**	**(6,454)**	**(46,517)**	**(72,354)**
Balance, end of year	**$ 30,647**	**$ -**	**$ 15,324**	**$ 45,971**

2022

(thousands of dollars)	Disaster Reserves	Occupational Disease Reserve	Second Injury & Re-employment	Total
Balance, beginning of year	$ 30,314	$ -	$ 15,158	$ 45,472
Appropriation from Injury Fund	(1,131)	-	(566)	(1,697)
Appropriation to fund cost relief for employers	16,214	12,377	33,515	62,106
Allocations for cost relief for employers	(16,214)	(12,377)	(33,515)	(62,106)
Balance, end of year	$ 29,183	$ -	$ 14,592	$ 43,775

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 2023, maintains the following reserves and specifies that they be determined based on the current benefits liabilities:

(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. During the current year $1,464,000 was transferred from the injury fund to this reserve (2022 - $1,131,000 was transferred to the injury fund from 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. During the year, the cost relief for employers included $1,462,000 (2022 - $4,878,000) related to claims from the COVID-19 pandemic.

(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. During the current year $732,000 was transferred from the injury fund to this reserve (2022 - $566,000 was transferred to the injury fund from this reserve).

15. 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.

(thousands of dollars)	2023	2022
Premiums	**$ 344,251**	$ 307,575
Experience Rating Program - discounts	**(37,519)**	(30,515)
Experience Rating Program - surcharges	**30,848**	27,789
Total insurance revenue	**$ 337,580**	$ 304,849

16. 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:

(thousands of dollars)	2023	2022
Claim costs	**$ 223,380**	$ 188,071
Salaries and employee benefits	**54,008**	47,976
Safety association grants	**11,972**	11,174
Amortization	**4,957**	5,817
Computer services	**4,527**	3,695
Consulting services	**3,202**	3,466
Building operations	**2,406**	2,216
Other administration expenses	**7,105**	6,125
Less fees charged to self-insurers	**(3,505)**	(3,050)
Less administration costs charged to future benefits administration	**(18,908)**	(17,253)
Less administration costs allocated to operating expenses	**(5,067)**	(4,617)
Total insurance service expenses	**$ 284,077**	$ 243,620

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:

(thousands of dollars)	2023	2022
Business transformation program	**$ 19,973**	$ 9,020
Annuity fund interest	**14,834**	11,332
Occupational Health & Safety Funding	**12,099**	12,566
WorkSafe Saskatchewan	**2,388**	2,741
Worker's Advocate Funding	**1,305**	1,464
Committee of Review Funding	**-**	186
Financing charges	**134**	86
Other operating expenses (income)	**(1,084)**	846
Add administration costs allocated to net operating expenses	**5,067**	4,616
Net operating expenses	**$ 54,716**	$ 42,857

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 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.

17. Employee Future Benefits:

The WCB sponsors a defined contribution pension arrangement, through Plannera (formerly the Public Employees Benefits Agency), 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 $3,537,000 (2022 - $3,228,000) related to its defined contribution plan.

18. Related Parties:

i) 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.

ii) Key Management Compensation:

At December 31, 2023, key management personnel is made up of twelve people (2022 - 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 (2022 - five) members of the senior executive group.

(thousands of dollars)	2023	2022
Salaries and other short-term benefits	**$ 3,125**	$ 3,065
Post employment benefits	**162**	135
	$ 3,287	$ 3,200

19. Business Transformation Program:

(thousands of dollars)	2023	2022
Consulting services	**$ 14,556**	$ 5,828
Salaries and employee benefits	**4,448**	2,585
Other	**969**	607
	$ 19,973	$ 9,020

In 2020, an independent review of the WCB's processes, technologies and organizational culture confirmed a number of opportunities to significantly improve service-delivery, modernize its technologies and add value for the benefit of its customers.

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.

20. Insurance Finance (Expenses) Income:

(thousands of dollars)	2023	2022
Interest accreted on liability for incurred claims	**$ (77,917)**	$ (62,944)
Impact of change in economic assuptions	**(62,084)**	320,860
Total Insurance Finance (Expenses) Income	**$ (140,001)**	$ 257,916

21. Financial Risk Management:

By virtue of its operations, WCB is exposed to certain financial risks related to its financial assets and liabilities. These financial risks, include market risk, equity price risk, interest rate risk, foreign exchange 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 WCB's 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.

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.

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 per cent change in the WCB's benchmark indices at December 31, 2023:

Change in Equity Benchmarks

(thousands of dollars)	2023	2022
World (ex-Canada) Index	**$ 31,203**	$ 62,496
MSCI EAFE Index	**14,366**	12,913
S&P 500 Index	**14,858**	14,058
S&P/TSX Composite Index	**10,062**	12,326

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.

Using this measure, it is estimated that a 100 basis points increase in interest rates would decrease net income by approximately $29,012,000 at December 31, 2023 (2022 - $28,496,000), representing 4.0% (2022 – 4.4%) of the $721,219,000 (2022 - $646,558,000) fair value of short-term holdings, bonds and debentures, pooled bond, pooled mortgage fund and pooled private fixed income fund.

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, 2023, the WCB's holdings in foreign equities and pooled equity funds had a fair value of $933,918,000 (2022 - $978,440,000) representing 43.2% (2022 – 45.5%) of the fair value of the total investment portfolio. At December 31, 2023, 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 $60,428,000 (2022 - $57,772,000).

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 $851,206,000 (2022 - $674,137,000).

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:

	2023		2022	
(thousands of dollars)	Fair Value	Per cent of Potrfolio	Fair Value	Per cent of Potrfolio
Credit Rating				
AAA	**$ 163,158**	**46.7%**	$ 151,347	42.7%
AA	**132,534**	**37.9%**	131,521	37.1%
A	**30,174**	**8.6%**	43,721	12.3%
BBB	**23,825**	**6.8%**	27,816	7.8%
	$ 349,691		$ 354,405	

Credit risk from receivables and insurance contracts 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 and insurance contracts is maintained in an allowance account that is periodically reviewed by the WCB. The carrying amounts of receivables and insurance contracts represent the maximum credit exposure.

Provisions for credit losses are maintained in an allowance account and are subsequently written off once reasonable collection efforts have been made.

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.

Liquidity risk

Liquidity risk is the risk that the WCB will encounter difficulty in meeting all cash outflow obligations as they fall due. The 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. Cash resources are managed daily based on anticipated cash flows. The WCB generally maintains positive cash flows through cash generated from premiums received and from investing activities.

To cover any short-term cash needs WCB has a $25 million line of credit. Additionally, WCB is expected to hold between 1% to 8% of total investments as cash and short-term assets. Those assets are highly liquid and available to address short-term cash needs.

22. 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.

(thousands of dollars)	2023	2022
Statement value of assets (Statement of financial position)	**$ 2,313,860**	$ 2,183,232
Add (Less): Net smoothing adjustment	**62,197**	99,135
Add (Less): Payables and accrued liabilities (Note 11)	**(29,082)**	(18,565)
Add (Less): Annuity fund payable (Note 13)	**(224,309)**	(228,524)
Add (Less): Reserves (Note 14)	**(45,971)**	(43,775)
Sufficiency Ratio Assets Available	**$ 2,076,695**	$ 1,991,503
IFRS Insurance contract liabilities (Note 12)	**1,585,985**	1,492,995
Add (Less): Liabilities for remaining coverage (Note 12)	**6,351**	2,859
Add (Less): Adjustment to funding basis discount rate	**(62,084)**	(36,676)
Funding Basis Benefit Liabilities	**$ 1,530,252**	$ 1,459,178
Sufficiency Ratio	**135.7%**	136.5%

23. Commitment:

The WCB has committed to participating in the future funding of new financial instruments that hold investments in infrastructure. The unfunded commitment as at December 31, 2023, was $100 million. Cash and cash equivalents will be utilized to satisfy these funding commitments in alignment with the WCB's SIP&G.

24. Subsequent Event:

On January 1, 2024, in accordance with the SIP&G policy, WCB invested $100 million in a new financial instrument that holds investments in infrastructure. Cash was raised during the year ended December 31, 2023, through the sale of existing investments.

APPENDIX A

COMMITTEE OF REVIEW

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

The committee'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 COR was appointed on Aug. 5, 2021, and the committee made 34 recommendations with various stakeholder groups for further consultations. Of the 34 recommendations, 12 have resulted in a proposed legislative change in Bill 138 SBS. Two are at the discretion of the minister and the provincial government, and two are targeted for development in 2024. The WCB began work in 2023 on the remaining 18 recommendations, which will continue into 2024.

Please see the WCB's website, wcbsask.com, for the full 2022 COR report and recommendations, as well as the regular status updates following every board meeting.

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.

Policies are authorized by the board members throughout the year to interpret legislation and regulations, and procedures are authorized by the CEO. Directives support policies and provide specific instructions for day-to-day tasks or functions required to implement policy.

WCB policies and procedures are available on the WCB's website, wcbsask.com. The following policies and procedures were amended or introduced in 2023:

- Injuries – Hearing Loss (POL and PRO 01/2023)
- Medical Review Panels (POL and PRO 02/2023)
- Interest on Benefits Accruing from Successful Claim Appeals (POL and PRO 03/2023)
- Travel Expense Rates (POL 04/2023 and PRO 07/2023)
- Travel Expenses – General (POL and PRO 05/2023)
- Calculation of Probable Compensation (PRO 06/2023)
- Minimum Average Weekly Earnings (Section 70(5)) (PRO 08/2023)
- Minimum Compensation (Section 75) (PRO 09/2023)
- Policy Directives (POL 10/2023)
- Maximum Assessable Wage Rate (POL 11/2023)
- Maximum Wage Rate (POL and PRO 12/2023)
- Secondary and Tertiary Treatment (PRO 13/2023)
- Assessment Teams (PRO 14/2023)
- Default in Assessment Payment (PRO 15/2023)
- Sufficiency (Funding) (POL 16/2023)
- Occupational Disease – Cost Relief (POL and PRO 17/2023)
- Industry Premium Rates – 2024 (POL 18/2023)
- Consumer Price Index (CPI) – Annual Increase – 2024 (PRO 19/2023)

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