WCB Nova Scotia
Annual Report 2024

WORK SAFE. FOR LIFE.
WORKERS' COMPENSATION BOARD OF NOVA SCOTIA

Changing for a stronger Nova Scotia.

Contents

Return-to-Work Specialist Jana Nickerson participates in training on a new way of working at WCB Nova Scotia.

The **Workers' Compensation Board of Nova Scotia (WCB)** is committed to keeping Nova Scotians safe and secure from workplace injury. We are proud to protect about 20,000 Nova Scotia employers and more than 395,000 workers across the province. WCB sets the standard for workplace injury insurance by informing and inspiring Nova Scotians in the prevention of workplace injury. If an injury occurs, we support those whose lives it touches by championing a timely return to safe and healthy work.

Digital-first reporting

This annual report is digital. Throughout, please click on bold items to visit related information and content online. Interactive graphics and video-based stories of the plans and progress mentioned in this report can be found at **wcb.ns.ca/accountability**.

Land Acknowledgment

At the Workers' Compensation Board of Nova Scotia, we acknowledge that we are in Mi'kma'ki, the traditional unceded and current territory of the Mi'kmaq. We are all treaty people who benefit greatly from the shared resources of this land, covered by the treaties of Peace and Friendship. As the province's provider of workplace injury insurance, we are grateful to work on this land. We are committed to building trusted relationships with Indigenous peoples — to learn about their community, to better understand their history from their perspectives, and to help us provide exceptional service to all Nova Scotians, as we work toward reconciliation and equity within our community.

WCB CEO Karen Adams (centre) and Chief People Officer Marcy Dalton (right) join Mi'kmaw artist Loretta Gould (left) in unveiling her specially commissioned artwork at our Halifax office. Gould's stunning piece is a reflection of WCB's Strategic Plan goal to honour diversity and inclusion in everything we do.

A New Chapter in Workers' Compensation: Our Protect More Journey

The first year of our **Protect More Strategic Plan** has been a testament to the transformative potential of focused vision and unwavering commitment. As we reflect on 2024, we see a pivotal moment in the evolution of workers' compensation in Nova Scotia — a year marked by meaningful progress and a deepened understanding of our core purpose.

Saeed El-Darahali
Chair, Board of Directors
WCB Nova Scotia

As the Board of Directors, we are proud to be part of this critical transformation. This work would not be possible without the dedication and vision of every board member, who are actively reimagining how we support workplace safety across Nova Scotia and get more people back to safe and meaningful work after an injury.

Together, our role extends beyond traditional oversight — we are charting a new path for workers' compensation, one that holds the potential to reshape the province's economic and social landscape. In close partnership with government, we are building a system that goes beyond compensation — one that protects, empowers, and strengthens our workforce now and into the future.

This transformation is about more than an organizational shift. It is about reshaping how we support workers, how we prevent injuries, and how we view the critical connection between workplace safety and economic prosperity.

Twenty Nova Scotians died at work or because of their work in 2024. Our hearts break for each of these tragedies and our sympathies go to all those impacted. Behind every workplace fatality is a devastated family, a grieving community, and an unfulfilled life of promise. Preventing these tragedies and ensuring every worker returns home safely will always remain the most important priority for our Board of Directors.

On the whole, our work is about people. Our strategic journey is about more than metrics and targets. It is about reinventing how we protect and support the workers who are the lifeblood of our province. The vast majority of employers are already doing this — creating workplaces that prioritize safety and wellbeing, with strong return-to-work programs in place if an injury does happen. But there's always opportunity to improve. This year, we implemented a new service model that places workers and employers at the centre of everything we do, demonstrating our commitment to accountability and innovative solutions.

The Board of Directors has observed with pride how our organization has begun to show up differently — creating a compensation system that is more responsive, more equitable, and more human. Our early results are promising, particularly in areas of prevention, service, and return-to-work initiatives that go beyond traditional approaches.

It is particularly encouraging to note that our financial sustainability has strengthened considerably, with our funded percentage now exceeding 100 per cent. This return to financial health creates a foundation upon which lasting change can be built. The Board looks forward to continued partnership with government, in this more financially sustainable environment, which is the beginning of meaningful, balanced improvements for both workers and employers.

Our commitment extends beyond operational excellence. We are striving to build a new tomorrow for the province and for the system as a whole, where accountability is a shared responsibility among workers, employers, and our organization.

It remains a privilege to serve the valued employers and workers of Nova Scotia as Chair of our Board of Directors. Together, we are writing a new chapter in workers' compensation — one of hope, protection, and genuine human care.

S Eldarahali

Saeed El-Darahali, ONS, MBA, BSC, CHR

Mr. El-Darahali is a member of the Order of Nova Scotia and has been inducted as a Paul Harris Fellow.

Board of Directors

Our Board of Directors recently toured the IWK Health Centre in Halifax. As Nova Scotia's largest sector, health and social services has made tremendous progress in reducing the sector's injury rate and bettering return-to-work outcomes.

Pictured above (L-R): ***Heather Cruickshanks****, Employer Representative*; ***Saeed El-Darahali****, Board Chair;* ***Robert Patzelt****, Deputy Chair;* ***Angus Bonnyman****, Employer Representative;* ***Steve Ashton****, Employer Representative;* ***Tim McInnis****, Worker Representative;* ***Janet Hazelton****, Worker Representative;* ***Blair Richards****, Worker Representative;* ***Stacia Gunn****, Employer Representative.*
Absent: ***Jenna Brookfield****, Worker Representative*

WCB's governance model is based on balance. We are proud to be governed by a **Board of Directors**, which includes four employer and four worker representatives, along with a Chair and Deputy Chair. The Board of Directors is responsible for representing different viewpoints while considering the interests of WCB and the system overall. It is their direction, guidance, and vision which has led to the **Protect More Strategic Plan 2024-2030**, and the transformative changes underway at WCB.

New governance, remembrance

The Board of Directors recently welcomed three new board members, appointed by the Governor in Council on the recommendation of the Minister of Labour, Skills and Immigration. **Jenna Brookfield** and **Tim McInnis** were appointed to the board in September 2024 as worker representatives, and in May 2025, **Heather Cruickshanks** was appointed as an employer representative. We extend our gratitude to Rick Clarke for his service as a worker representative and wish him well in his retirement from the board.

We also extend our deepest sympathies to the families of board members John Cameron and Rick Feehan who both passed away in 2024. John Cameron served as a worker representative, and Rick Feehan as an employer representative. We are grateful for their contributions to WCB and to the workers and employers of our province.

Year at a Glance

(Dollar amounts in millions) (Financial results on the IFRS basis, or funding basis, as indicated)	2024	2023
Number of Covered Employers (Assessed and Self Insured)	**20,300**	20,700
Percentage of Labour Force Covered	**73**	74*
Number of Claims Registered	**20,186**	20,487
Number of Compensable Time-Loss Claims Registered	**5,260**	5,217
Injury Rate: Time-Loss Claims per 100 Covered Workers	**1.38**	1.40
Targeted Average Assessment Rate (per $100 of assessable payroll)	**$2.65**	$2.65
Actual Average Assessment Rate	**$2.63**	$2.63
Assessable Payroll (billions)	**$16.5**	$15.3
Insurance Revenue (Assessed Employers)	**$432.7**	$399.3
Other Contribution (Province of NS)	**$4.4**	$4.4
Other Revenue (Self-Insured Administration Fees)	**$9.4**	$8.2
Investment Income	**$312.7**	$171.4
Administration Costs	**$78.8**	$71.0
Legislated Obligations	**$21.9**	$19.3
Claims Costs Incurred	**$277.6**	$258.0
Discount Rate Change Loss	**$(20.5)**	$(86.7)
Comprehensive Income (Loss)	**$290.4**	$(23.8)
Comprehensive Income - Funding basis	**$313.1**	$64.7
Assets (billions)	**$2.8**	$2.5
Liabilities (billions)	**$2.8**	$2.7
Percentage Funded Ratio	**101.1%**	90.6%
Percentage Funded Ratio - Funding basis	**106.7%**	94.9%
One-Year Investment Return	**12.9%**	7.7%

Legislated Obligations

	2024	2023
Occupational Health and Safety	$ 16.2	$ 14.1
Workers' Advisers Program	3.8	3.2
Workers' Compensation Appeals Tribunal	1.9	2.0
	$ 21.9	$ 19.3

WCB is required to reimburse certain operating costs to the Province of Nova Scotia. Please see **Note 18** in the Financial Statements for more detail.

* *Statistics Canada updated figures related to labour force in January 2025, retroactively adjusting the figure used in the* ***2023 Annual Report****. The 74 per cent reflects the up-to-date methodology. The* ***2023 Annual Report*** *stated 75% of the labour force was covered.*

For more information about workplace injury's impact in the province and much more, please see our full statistical report - **2024 Impact of Workplace Injury Report** *at* ***wcb.ns.ca/accountability***

Balanced Scorecard: A Story of Change and Progress

PREVENTION	Target 2024	Actual 2024	Target 2025	Target 2030
Time Loss Injuries per 100 Covered Workers	1.37	1.38	1.36	1.16
Prevention Improvement Plans in Place for System Impact Employers	N/A	N/A	100%	100%
RETURN TO WORK				
Time Loss Days Paid per 100 Covered Workers	235	269	223	167
Return to Work in 90 Days	70%	67%	71%	80%
Return to Work - Full/Partial	92.7% / 3.5%	94.0 % / 2.1%	93.5% / 3.5%	94.5% / 3.5%
EXCEPTIONAL SERVICE				
First Contact within 2 Days	76%	77%	75%	80%
Entitlement Decisions within 7 Days	60%	65%	75%	80%
First Payment within 15 Days	70%	64%	75%	80%
System Uptime	N/A	N/A	99.5%	99.5%

Our first year under our **Protect More Strategic Plan 2024-2030** highlights change and progress.

While the provincial injury rate has improved by more than half since WCB took on the prevention mandate in the early 2000s, there remains much opportunity in return to work. The problem in Nova Scotia is clear – too many people are off work for too long, and too many go on to receive long-term benefits, many for life.

While in 2024, return-to-work measures moved in the wrong direction, they have begun to improve in 2025 as we make important changes to hold ourselves, workers, and employers more accountable.

Our service is also improving. We've put workers and employers at the heart of what we do and have improved how we deliver services – earlier contact, faster decisions, and faster payment.

It's a strong start. Through increased accountability for all, we're on the right path to meet our long-term goals. When we achieve them, we will have returned 1,000 workers to the workforce. That is how we will deliver the goal we all share: Nova Scotians working.

Injury Prevention

Progress

- A strong partnership with the Government of Nova Scotia and a clear focus on priority sectors led to progress in health and social services and a decline in the overall injury rate.
- We began to establish a distinct focus and customized services to workplaces where most injury occurs, simply due to the sheer number of Nova Scotians that these workplaces employ.
- We focused on psychological injury, launching a **new prevention environment** dedicated to upholding workplace mental health and wellness.

Plans

- Continue to **respond** to the **Review of the Nova Scotia Workers' Compensation System** and implement a new "one stop shop" corporate website for both claims and injury prevention.
- Continue to work with **Labour, Skills and Immigration (LSI)** closely, developing a new shared vision for the future of prevention, as we foster safer workplaces together.
- Continue to build our service model for the province's largest employers, working directly with their leadership teams to foster better outcomes. Early in 2025, this new model is already showing strong improvement.

WCB CEO Karen Adams and VP, Prevention and Employer Engagement Tracey Newman exchange ideas on workplace safety with Ryan Grant, Manager, Health, Safety and Culture, Cherubini Metal Works.

WCB Chief Engagement Officer Shelly Dauphinee speaks with employers at WCB's Leadership in Focus summit - an event that brought together key employers to discuss strategies on bettering return-to-work outcomes.

Return to Work

Progress

- A focus on the first 30 days of mandatory case conferences and improving our adherence to medical disability guidelines led to encouraging results. Already, nearly three quarters of claims are returning to work within 90 days.
- Our teams began contacting both workers and employers immediately to begin building and implementing early, safe return-to-work plans.
- We invested in improving our capacity through case worker training in best practices and improving our tools and resources that help us support better outcomes.

Plans

- Continue to improve our practice with a focus on the first 90 days of a claim while providing enhanced professional development in return-to-work management and motivational action planning.
- Operationalize the **Duty to Cooperate** legislation by developing the **Return to Work and Duty to Cooperate Policy** through extensive consultation, hosting regular webinars to educate those we serve, providing training for our employees, and more.
- Reinvent our partnership with health service providers for a more focused, outcome-driven relationship founded on consistency.

"We all want the same thing – Nova Scotians working" has become a mantra in the new WCB, as we work with partners across the province to protect the workforce.

WCB Chief Operating Officer Godfrey Jerry at a return-to-work training session for employees to strengthen service delivery and better return-to-work outcomes.

Exceptional Service

Progress

- We set clear, measurable targets for our teams and are delivering on them – calling workers and employers earlier in a claim and issuing decisions faster.
- We established a new service model for large workplaces where most injury occurs, with a dedicated team and customized services.
- We built and established a whole new line of business to support workers and employers experiencing **gradual onset psychological injury**.

Plans

- Reinvent our website from the ground up - perhaps our greatest service channel.
- Realign and improve the way we serve workers with long-term benefits claims – more than 30,000 of them.
- Continue to improve our direct communications to both workers and employers — leveraging technology like short message services, direct email, and smarter correspondence.

WCB's Patrick Westhaver, Ian MacDonald, and Nazeema Askar use customer journey maps to identify key areas of improvement.

Lynette Fenton, Director, Psychological Injury with WCB (r), and Michelle Thomason, PhD., Director, Innovation and Planning with the Department of Labour, Skills and Immigration, co-host a presentation on creating psychologically safe workplaces.

In Nova Scotia, the ***Workers' Compensation Act* and General Regulations**, along with **WCB Policy**, establish the framework for determining coverage and benefits. Policies approved by our Board of Directors become part of the legal framework and have the force of law.

Recent policy updates:

- **Psychological Injury**
- **Determining Accident Date**
- **Return to Work and Duty to Cooperate**

Other reports and plans

We're on a path of increased accountability across the system.

This means sharing our progress regularly on how we're keeping our commitments — how we're doing, the results we're seeing, and the work ongoing.

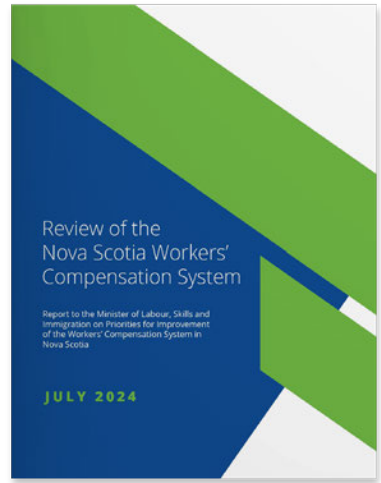
View our latest updates at **wcb.ns.ca/accountability**

Content within that dynamic, mobile-responsive environment includes:

- **Video Message from Karen Adams, CEO**
- **Protect More Strategic Plan 2024-2030**
- **2024 Strategic Plan Progress Report**
- **2025 Operational Plan**
- **2024 Impact of Injury Report**
- **Community Reports**

WCB responds to Review Report

In September 2024, the Government of Nova Scotia released the **Report of the Workers' Compensation Review Committee**.



WCB Nova Scotia was already on a path of change – and the report validated that path, calling on us to do even better.

The **Protect More Strategic Plan 2024-2030** charts a path to a new WCB, founded in pillars of prevention, return to work, and exceptional service. Our work will be informed by these review findings – as noted in **WCB's Response to the Review Report**.

A message from the Client Relations Officer

Investigating service complaints, finding a path to resolution.

I'm pleased to share highlights from my first year as **Client Relations Officer** since joining in September. In 2024, my office built stronger external relationships, particularly with MLA offices. We also strived to provide timely service to those seeking assistance with resolution issues.

2024 Statistics

265
Total contacts received

212
Inquiries

53
Complaints

Of the complaints received, 18 were substantiated and three were partially substantiated.

Key Complaint Themes

Most complaints came from workers, with communication being the primary concern. This was the source of 15 of 21 substantiated complaints. Service delays in implementing decisions were a recurring issue. When a complaint is substantiated or partially substantiated, I work with the appropriate WCB team to resolve the issue. Resolution depends on the situation but often involves steps such as providing feedback to staff to reinforce service standards regarding the timeliness and quality of communication and identifying the need for improvement in processes.

Four-Year Trend

Looking over the past several years, I'm encouraged to see our progress. There has been a significant decrease in complaints/inquiries since 2021, and numbers have stabilized between 2023-2024. We are working hard at WCB to enhance communication and timeliness, and we anticipate these efforts will further improve service excellence in 2025.

Kerry Kelly

Kerry Kelly
Client Relations Officer

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Workers' Compensation Board (WCB) of Nova Scotia are prepared by management, who is responsible for the integrity and fairness of the data presented, including significant accounting judgments and estimates. This responsibility includes selecting appropriate accounting principles consistent with International Financial Reporting Standards.

In discharging its responsibility for the integrity and fairness of the financial statements, management maintains the necessary internal controls designed to provide reasonable assurance that relevant and reliable financial information is produced and assets are properly safeguarded. Internal audit service providers perform periodic audits designed to test the adequacy and consistency of WCB's internal controls.

WCB's Board of Directors has approved the financial statements included in this annual report. The Board of Directors is assisted in its responsibilities by the Finance, Audit and Risk Committee. This committee reviews and recommends approval of the financial statements and meets periodically with management, the independent actuaries, and the internal and external auditors concerning internal controls and all other matters relating to financial reporting.

The firm Eckler Partners Ltd. has been appointed as independent consulting actuaries to WCB. Their role is to complete an independent annual actuarial valuation of the benefits liabilities included in the financial statements of WCB and to report thereon in accordance with accepted actuarial principles.

Doane Grant Thornton LLP, the external auditors of the WCB, has performed an independent audit of the financial statements of WCB in accordance with auditing standards generally accepted in Canada. The Auditors' Report outlines the scope of this independent audit and the opinion expressed.

Maureen Boyd

Karen Adams, MBA, ICD.D
Chief Executive Officer

Maureen Boyd, CPA, CA
Chief Financial Officer

As an integral part of the annual report, the Management Discussion and Analysis (MD&A) provides insight into the operations and financial position of the Workers' Compensation Board of Nova Scotia (WCB) and reflects amounts and circumstances at the reporting date. The discussion and analysis should be read in conjunction with the audited financial statements and supporting notes. The financial statements audited are prepared according to International Financial Reporting Standards (IFRS).

FORWARD-LOOKING INFORMATION

This report contains forward-looking information and actual results may differ materially. Forward-looking information includes, but is not limited to: WCB strategies, targets, outlook and funding strategy. Risk and uncertainties about future assumptions include, but are not limited to: financial markets, industry mix related to the covered workforce in Nova Scotia, the economy, legislation, accounting standards, appeals and court decisions, and other risks which are either known or unknown.

IFRS FINANCIAL RESULTS

As with all insurance companies and workers' compensation boards, the WCB financials tatements are reported under IFRS. Upon adopting the IFRS 17 standard, Insurance Contracts, effective January 1, 2023, claims liabilities are measured using a market-based discount rate, which can fluctuate significantly from period to period and is expected to produce more short-term volatility in the financial statements.

While the financial statements are prepared under the IFRS 17 discount rate, the discount rate does not reflect the long-term risks and economic realities of WCB. Therefore, the discount rate of the long-term expected return on invested assets will continue to be utilized for funding and setting employer rates. The commitment to a long-term outlook when setting assessment rates and measuring funding levels, mitigates short-term fluctuations due to sudden changes in discount rates.

Highlights of financial results on an IFRS basis as at December 31, 2024:

- Assets of $2.81 billion, an increase of $319.8 million from December 31, 2023, primarily due to increases in investments.
- Total liabilities of $2.78 billion, an increase of $29.4 million from December 31, 2023, primarily insurance contract liability increases. Insurance contract liabilities have been calculated by an external actuary and include a $20.5 million increase in liabilities based on the decrease in the discount rate during 2024. The market-based discount rate decreased from 4.85 per cent at the beginning of the year to 4.75 per cent at year end.
- Comprehensive income of $290.4 million, improving the funded position to $31.1 million with funded ratio increasing to 101.1 per cent, from 90.6 per cent in 2023.

The remainder of the discussion and analysis focuses on the results under the going concern long-term funding valuation basis. The following tables reconcile the results reported in the IFRS financial statements to the funding basis as at December 31, 2024.

(in billions)	IFRS		Funding Basis	
	2024	2023	2024	2023
Total Assets	$ 2.81	$ 2.49	$ 2.84	$ 2.52
Primarily, investments	$ 2.74	$ 2.42	$ 2.74	$ 2.42
Total Liabilities	$ 2.78	$ 2.75	$ 2.66	$ 2.66
Primarily, insurance contracts	$ 2.71	$ 2.68	$ 2.58	$ 2.56
Funded (unfunded) position (in millions)	$ 31	$ (259)	$ 177	$ (136)
Funded ratio	101.1%	90.6%	106.7%	94.9%
Discount rate	4.75%	4.85%	5.50%	5.50%

	IFRS	Measurement	Reclassification	Funding Basis
Total Assets	$2,806,615	-	$35,556	$2,842,171
Total Liabilities	$2,775,525	($146,174)	$35,556	$2,664,907
Funded Ratio	101.1%			106.7%

The key difference between IFRS and the funding basis relates to the liability discount rate. The IFRS 17 discount rate is market-based (4.75 per cent) and the funding basis utilizes the long-term expected return of the investment portfolio (5.5 per cent). There is potential for volatility of liability values with IFRS. At the end of 2024, a one per cent decrease in the market-based discount rate would decrease the funded ratio by approximately 8 per cent.

FINANCIAL RESULTS: FUNDING BASIS

In the first year of the **Protect More Strategic Plan 2024-2030**, aimed at better protecting the workforce in Nova Scotia - healthy, working, and on the job - WCB ended 2024 ahead of funding plan and in a strengthened financial position. The funded ratio increased to 106.7 per cent. Positive contributions from insurance revenue, investment income, and favourable actuarial adjustments resulted in total comprehensive income of $313.1 million.

Operating Results on a Funding Basis Attributed to	2024	2023
Assessment revenue in excess of current year costs*	$ 82.7	$ 69.6
Investment income above liability requirements	187.0	51.2
Actuarial liabilities less than (greater than) previously anticipated	39.5	(53.8)
Other comprehensive gain (loss) from actuarial re-measurement of post-employment benefits	3.9	(2.3)
Total comprehensive income	$ 313.1	$ 64.7

*Pursuant to Section 115/116, Workers' Compensation Act

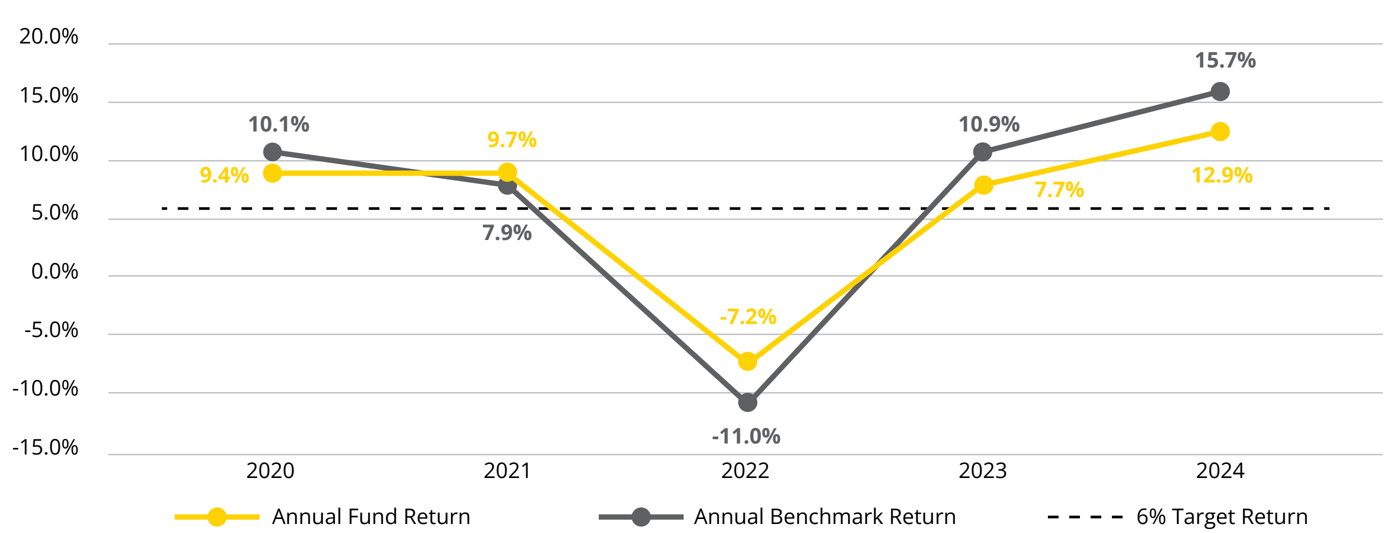
Total revenues of $759.2 million: $442.1 million in assessment revenues; plus $4.4 million in contributions from the Province of Nova Scotia; plus $312.7 million in investment income less total expenditures of $450.0 million; plus the gain on the re-measurement of post-employment benefit liabilities of $3.9 million yielded comprehensive income from operations of $313.1 million.

KEY COMPONENTS OF THE FINANCIAL STATEMENTS

INVESTMENTS

Investments included in the statement of financial position totaled $2.74 billion. The investment portfolio is held to secure benefits payment obligations that extend many years into the future. Benefits for injuries occurring in a year are paid in the year of injury and, for some workers, for many years after the injury. The valuation of investments is a point in time metric that is subject to change. **Note 7** of the financial statements demonstrates some key market factors volatility and their anticipated effects on the portfolio. The investment portfolio is well diversified and periodically optimized through asset-liability modelling to enhance asset class expected returns relative to total portfolio risk.

PORTFOLIO RETURN, BENCHMARK RETURN & FUNDING TARGET



WCB has a fund of fund managers' arrangement with Mercer Global Investments Canada Limited. The portfolio's long-term asset allocation forms a benchmark portfolio that reflects the fund's long-term risk tolerance. The portfolio is managed actively and the benchmark is the primary reference for assessing the portfolio performance.

WCB continues to transition funds into alternative investments through limited partnerships. Moving to these partnerships is intended to achieve greater returns through outperformance of each classes' public equivalents and to grow assets while reducing risk through further diversification of the investment portfolio and decreasing WCB's exposure to equities.

The fund's objective is to exceed the performance of the benchmark portfolio over a five-year moving average period (before investment management fees). The five-year fund return of 6.2 per cent was slightly lower than 6.4 per cent benchmark return.

Performance is reviewed at the fund and asset class levels relative to the benchmark portfolio by the Investment Committee, which is a sub-committee of the Board of Directors.

The Statement of Operations and Comprehensive Income includes investment income of $312.7 million for 2024, an increase of $141.3 million from the 2023 gain of $171.4 million. This reflects a strong absolute investment return on the externally managed portfolio of 12.9 per cent (7.7 per cent, 2023), well ahead of the 6 per cent in funding strategy. The one-year target benchmark was 15.7 per cent. The benchmark's higher one-year return is a function of the strength of the public markets in 2024 and key performance from a smaller number of stocks that outperformed the broader market. WCB recognizes changes in market value of investments in the year of occurrence. **Note 6** of the financial statements provides further context on investment income.

BENEFITS LIABILITIES

WCB's benefits liabilities represent the actuarial present value of all expected benefit payments that will be made in future years, which relate to claims arising from events that occurred on or before December 31, 2024. The benefits liabilities represent the best estimate of the payments that would be required if these liabilities were settled in cash, utilizing the discount rate for the long-term expected return on invested assets.

The valuation considers claims costs incurred, claims payments made, growth in the present value of the contract liabilities, legislated change, change in assumptions, and actuarial experience adjustments.

These experience adjustments include an adjustment for the change in liability for latent occupational disease and the impact of the change in the discount rate.

The benefits liability changed by $23.9 million (0.9 per cent) during the year, with specific contributions as follows:

- Growth in the present value of the liability of $125.7 million.
- Favourable actuarial experience adjustments, decreasing the liability by $39.5 million.
- Net payments made of $62.3 million over claims cost incurred, decreasing the liability.

Growth in the present value of liabilities is the increase in the present value of prior years' obligations at an interest amount reflecting the time value of money. This amount varies slightly by benefit category as the expected inflation component varies.

Actuarial experience adjustments represent the difference between what was predicted based on the actuarial assumptions and methods used in the prior valuation years, and what actually occurred in the year. In 2024, the number and cost of new extended earnings replacement benefits (EERBs) granted in 2024 was lower than expected resulting in a gain, reversing a trend of higher than expected longer term awards in the past few years. Partially offsetting the gain, a higher number and cost of new permanent impairment benefits granted in 2024 and health care costs were higher than expected. In addition, other experience results also had a lesser impact such as the difference between actual and expected payments, mortality experience, inflation experience, future claims administration costs, and occupational disease costs. All of these items combined to produce the overall favourable actuarial adjustment of $39.5 million.

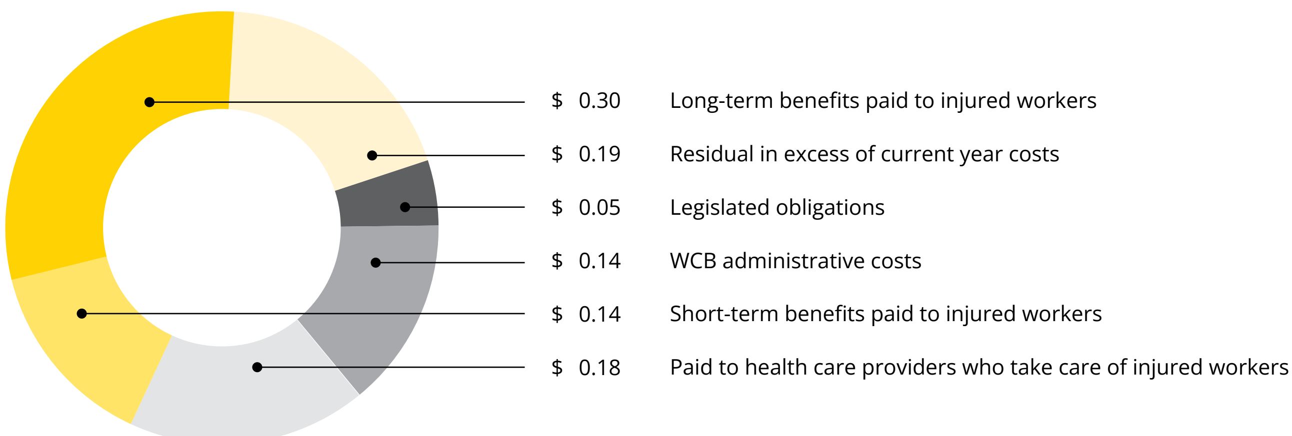
INSURANCE REVENUE

WCB receives two types of insurance revenue. Most employers pay an insurance premium with rates established based on prior years' experience. Federal and provincial government agencies and departments are self-insured. Rather than paying an insurance premium, they reimburse WCB for claims payments made on their behalf plus an administration fee.

Total insurance revenue from insured firms of $432.7 million increased $33.4 million (8.4 per cent) from 2023. This was the result of a 7.5 per cent increase in the payroll base to $16.5 billion, which reflects increases in the maximum assessable earnings, inflationary impacts on wages, and an increase in the 2.3 per cent insured workforce. Revenue estimates include remittances received and collected in the following year. The 2024 self-insured administration fees totaled $9.4 million. Administration fees are calculated based on 2023 claims payments and administration costs.

The actual average assessment rate per $100 of assessable payroll, net of conditional surcharge refunds and practice incentive rebates, was $2.63 (2023 rate: $2.63). For both years, the actual average rate collected is slightly below the target of $2.65 because the mix of payroll amounts submitted by employers in high-rate industries and those in low-rate industries was different than anticipated. The last two years demonstrate how relatively small differences between the assumed and the actual distribution of payroll can affect the average rate collected.

$1 OF EMPLOYER PREMIUMS IN 2024



ADMINISTRATIVE COSTS

Administrative expenditures in 2024 totaled $78.8 million, an increase of 11 per cent from 2023. Expenditures were in support of the implementation of initiatives to enable achievement of the strategic plan goals, preparing and providing support for new gradual onset psychological injury (GPI) legislation, ongoing investment required to modernize and simplify systems to enable improved service, prevent workplace injury in the first place, and focus on return to work.

LEGISLATED OBLIGATIONS

WCB reimburses the Province of Nova Scotia for the operating costs of the Occupational Health and Safety Division of the **Department of Labour, Skills and Immigration**, the **Workers' Advisers Program**, and the **Workers' Compensation Appeals Tribunal**. WCB and the Province of Nova Scotia have different fiscal years. WCB's year-end is December 31, and the province's year-end is March 31. WCB's expenses for legislated obligations are estimates based on the forecasts of expenditures supplied by the Province of Nova Scotia. The legislated obligation expenses reported by WCB and the amounts reported by the Province can vary.

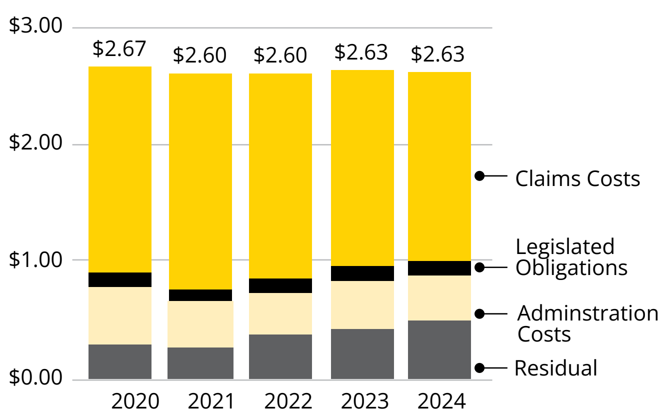
FUNDING STRATEGY

WCB's funding strategy is the primary instrument for capital management and provides direction for rate setting purposes. The funding strategy considers assumptions about revenue from the covered workforce payroll base, operational results, and investment returns. The funding strategy assumes a growing economy, reasonable long-term investment return expectations from a diversified portfolio and stabilized claims costs for a financially sustainable system. WCB collects premiums from employers to pay the benefits resulting from workplace injuries that occurred in the year. These are invested to maintain sufficient invested assets to cover the obligations for benefits awarded in the past.

At the end of 2024, invested assets exceeded total liabilities. The funding strategy estimated total comprehensive income for 2024 of $62.5 million and a funded ratio of 96.4 per cent. The actual total comprehensive income for 2024 on a funding basis was $313.1 million – well ahead of plan. The improvement is primarily due to greater investment returns (12.9 per cent versus 6.0 per cent); greater than expected premium revenue; lower than expected claim costs; and favourable actuarial experience adjustments.

In 2024, the portion of the $2.63 actual average rate required to fund injuries that occurred in the year was $1.61 (lower than prior year as payroll increased greater than claims costs incurred), with administration and legislated obligations costs requiring $0.52; slightly decreased from the prior year largely due to a favourable adjustment in other than pension benefits in 2024 that offset the portion applied to administrative costs, and the residual balance of $0.50.

COMPOSITION OF THE AVERAGE RATE SINCE 2020



Financial progress over the past several years has been encouraging though and there are many factors that can influence the funding strategy. All funding assumptions are based on long-term expectations. By nature, annual investment returns are unpredictable, and it is expected that short-term results will periodically vary from the long-term expectations. Revenue from the covered workforce is dependent on economic activity and the size of the covered workforce, meaning claims experience can vary. Risk areas below, and **Note 11** to the financial statements, each detail areas of uncertainty, including actuarial experience, which may have a significant impact on WCB's benefits, liabilities, and funding strategy.

KEY FINANCIAL RISKS

WCB is inherently susceptible to risks that, if unmitigated, could lead to significant financial consequences. Benefits (cost and duration), the injury rate, economic conditions, inflation rate, investment returns, and cybersecurity/technology risk can affect the WCB's performance and financial results.

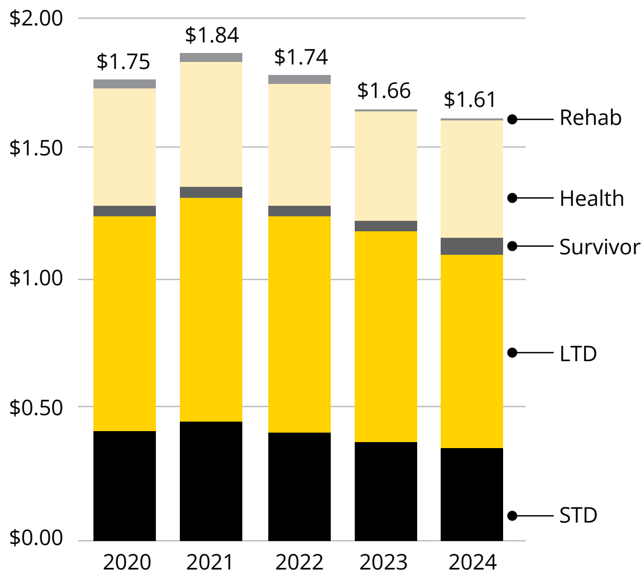
BENEFIT COSTS

WCB strives for continuous improvement in outcomes for workers through prevention and return to work. The **strategic plan** looks to continue the progress of the prevention mandate and maintain a steady reduction in the volume of injuries occurring in workplaces across the province and to improve return-to-work outcomes. Both reductions in injuries and improving return-to-work outcomes require strong internal accountabilities and along with holding employers, workers, and health care providers accountable for a safe and timely return to work.

New in 2024, gradual onset psychological injury (GPI) legislation became effective September 1st. In line with the strategic priority of protecting more Nova Scotians, the WCB was prepared with a new team of staff specifically trained and dedicated to service this new area of claims.

The total volume of time-loss claims was 5,260, an increase over the prior year of volume of 5,217. With strategies in place, the expectation is lost-time claim volumes will begin to decrease and more complex claims will be resolved, resulting in lower numbers of new long-term awards. Long-term disability is the largest component of benefits costs (46 percent in 2024). Long-term disability costs were lower than actuarial estimates in 2024 as the number of long-term EERB awards was lower than assumed for valuation purposes. Total claims volumes and impacts of new GPI claims will be monitored.

BENEFIT COSTS PER $100 OF ASSESSABLE PAYROLL



INJURY RATE

The injury rate is one of the most significant drivers of benefit costs, and a key strategic focus. At the end of 2024, the injury rate was 1.38 time-loss claims per 100 covered workers, down from 1.40 in 2023.

The data over the past two decades shows a clear trend of dramatically reduced injury rates. The cooperation of employers is key to WCB's integrated prevention and return to work strategies. WCB established a **comprehensive psychological injury prevention suite of resources** for employers to promote psychologically healthy workplaces, and for workers to help them understand their role in safety and rights in the workplace. There will be a continued focus on rolling out psychological health and workplace injury prevention tools.

BENEFIT DURATION

In Nova Scotia, people injured at work stay on short-term benefits longer than in many other provinces and a higher proportion of workers go on to receive long-term benefits. Claim durations reflect the persistence of injuries that occur in the workplace. There is a focus to improve outcomes for people injured at work and reduce the human and financial cost of workplace injuries in Nova Scotia. Progress has been slow as the nature and mix of injuries has changed over time. Following an improvement in 2023, time-loss days per 100 covered workers increased from 259 days in 2023 to 269 days in 2024, reflecting the strategy to explore return to work and vocational rehabilitation opportunities, for claims of longer durations.

Everyone has a role to play and is accountable for improving prevention and return-to-work outcomes - reducing claims costs incurred over time and reducing the number of workers going on to long-term disability. WCB is holding itself accountable – introducing service level agreements, early intervention, and new return-to-work approaches designed to help workers safely return to work more quickly - by focusing on the first 30 days of injury. WCB is holding employers accountable by focusing on the 25 system impact employers that contribute the highest proportion of claim volumes and costs, and with new legislation in 2025, employers may face fines if they do not cooperate in return to work, which includes finding safe, suitable work for people injured on the job. WCB is also focused on holding workers accountable, who have their part in the return-to-work process and holding health care providers accountable to support appropriate treatment and lowering overall costs of health care.

ECONOMIC CONDITIONS

Geopolitical and trade tensions in the short term can be a source of significant market volatility and have the ability to restrain economic growth and increase inflation within the province and across Canada, which can create challenging conditions for WCB's funding system. Based on prior global financial pressures observed as tests of the WCB funding system, WCB has the ability to continue as a going concern across market conditions.

INFLATION RATE

The rate of inflation, or Canadian Consumer Price Index (CPI) annual growth, is an important driver of insurance contract liabilities. WCB uses customized rate of inflation assumptions based on the liability type are indexed at varying percentages to the long-term expected inflation rate of 2 per cent. This aligns with the level of inflation that the Bank of Canada has set as a policy target.

INVESTMENT RETURNS

WCB's assets are diversified among a variety of asset classes and fund managers in order to optimize returns and manage risk. External investment managers must comply with the WCB's Statement of Investment Policies and Objectives (SIPO) that outlines permissible investments. The SIPO is designed so the portfolio will provide reasonably secure payment of the long-term liabilities of WCB.

Some risks cannot be directly controlled by WCB. These risks include market volatility and interest rate changes. Investment returns that are different than the long-term expectation for returns in the funding strategy can have a significant impact on the funded ratio. The target asset mix optimizes risk and return expectations and is reviewed through an asset-liability management study every four to five years. The most recent study completed in December 2024 updated the target asset allocations to provide further opportunities for enhancing returns while managing risk.

CYBERSECURITY/TECHNOLOGY

The reliability of information technology is crucial to supporting the organization's operations and safeguarding personal records. System failures or security breaches are significant risks to WCB. The organization has taken steps to mitigate these risks by investing in technology, maintaining backup systems and processes, developing staff expertise, having disaster recovery plans and policies for information management, cyber-related controls, and enterprise architecture purposes.

LOOKING AHEAD

The **Protect More Strategic Plan 2024 - 2030** sets ambitious goals to enhance outcomes and be identified as among the best in the country at providing services and creating a stronger system for both workersand employers. The focus of WCB's efforts over the next several years will be to 'protect more'. Protect More reflects our focus on prevention of workplace injuries, supporting timely, healthy and safe return to work for injured workers, and delivering exceptional service.

In August 2024, the Province of Nova Scotia's **Department of Labour, Skills and Immigration** released a public review of the workers' compensation system. The work to make our province's workplaces safer continues and the WCB team will be there every step of the way driving positive change towards a healthier, safer future for workers in Nova Scotia. With better outcomes based on stricter accountability, WCB becomes more financially stable.

FUNDING OUTLOOK

WCB operates as a going concern. The funding strategy supports WCB's ability to remain financially sustainable while maintaining the system and balancing worker and employer perspectives. The financial position of WCB is a critical consideration in decisions around system improvements, such as increases to benefits and/or reductions of employer assessment rates. The Approved Rate Range framework developed by the Board provides guidance on when system changes may be considered. The organization recognizes that having a strong funded percentage is a necessity to support system reform and to withstand potential system shocks (through factors such as adverse economic growth, investment returns or claim costs).

Given the level of benefits provided is set by the Government of Nova Scotia, and subject to interpretation by the Courts, the funding equation is not entirely within the control of WCB as the neutral administrator. The ***Workers' Compensation Act*** states that WCB's current year costs must be covered by the current year's premium revenue regardless of the funded position. Additional information on the approved rate range can be found under Approved Rate Range at **wcb.ns.ca**.

Although the funding strategy clearly labels assumptions as such, it is possible to read more certainty and precision into the strategy than warranted, given the number and nature of the assumptions the strategy contains. It is important to note that the funding strategy is the best estimate of what will happen given the number of variables in the funded ration over time. As noted in **previous annual reports** and in the funding strategy, actual results will differ from the projections and these differences may be material.

The Board of Directors reviewed the funding strategy in May 2025. WCB and all system partners must recognize and appreciate the volatility, and the delicate nature of the funding ratio, where global markets can cause increases in volatility, suddenly causing investment assets to either rapidly increase or decline.

INDEPENDENT AUDITOR'S REPORT

To the members of the Board of Directors
Workers' Compensation Board of Nova Scotia

Opinion

We have audited the financial statements of Workers' Compensation Board of Nova Scotia (WCB), which comprise the statement of financial position as at December 31, 2024, and the statement of operations and comprehensive income, statement of 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 Workers' Compensation Board of Nova Scotia as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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 Company 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.

Information Other than the Fnancial Statements and Auditor's Report thereon

Management is responsible for the other information. The other information comprises the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of Management and those charged with governance for the financial statement

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Doane Grant Thornton LLP

Halifax, Canada
June 26, 2025

Chartered Professional Accountants

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

as at December 31 (thousands of dollars)

	2024	2023
Assets		
Cash and cash equivalents	$ 26,750	$ 30,602
Other receivables (**Note 5** and **20**)	10,428	10,187
Investments (**Note 6**)	2,744,278	2,418,598
Property and equipment (**Note 8**)	3,179	3,304
Intangible assets (**Note 9**)	21,980	24,141
	$ 2,806,615	$ 2,486,832
Liabilities and funded (unfunded) position		
Other payables and accrued liabilities	$ 41,864	$ 38,409
Post-employment benefits (**Note 10**)	21,069	23,658
Insurance contract liabilities (**Note 11**)	2,712,592	2,684,037
	2,775,525	2,746,104
Funded (unfunded) position	31,090	(259,272)
Total liabilities and funded (unfunded) position	$ 2,806,615	$ 2,486,832

Commitments (**Note 22**)
Capital Management (**Note 24**)
Subsequent Event (**Note 25**)

Approved on behalf of the Board of Directors on June 26, 2025:

S Eldarahali — Angus Bonnyman

Saeed El-Darahali
Chair, Board of Directors

Angus Bonnyman
Chair, Finance, Audit and Risk Committee

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

STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME

year ended December 31 (thousands of dollars)

	2024	2023
Insurance service result		
Total insurance revenue (**Notes 3** and **12**)	$ 437,094	$ 403,719
Insurance service expenses (**Note 13**)	(282,015)	(351,355)
Insurance finance result		
Investment income (**Note 6**)	312,689	171,451
Insurance financial expense (**Note 14**)	(149,427)	(216,827)
Other revenues and expenses (**Note 16**)	(31,902)	(28,390)
Excess of revenue over expenses (expenses over revenues)	286,439	(21,402)
Other comprehensive income (loss)		
Re-measurement of post-employment benefits (**Note 10**)	3,923	(2,362)
Total comprehensive income (loss)	$ 290,362	$ (23,764)

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

STATEMENT OF FUNDED POSITION
year ended December 31 (thousands of dollars)

	2024	2023
Funded (unfunded) position excluding accumulated other comprehensive income		
Balance, beginning of year	$ (265,242)	$ (243,840)
Excess of revenues over expenses (expenses over revenues)	286,439	(21,402)
	21,197	(265,242)
Accumulated other comprehensive income		
Balance, beginning of year	5,970	8,332
Other comprehensive income (loss)	3,923	(2,362)
	9,893	5,970
Funded (unfunded) position, end of year	$ 31,090	$ (259,272)

STATEMENT OF CASH FLOWS
year ended December 31 (thousands of dollars)

	2024	2023
Operating Activities		
Cash received from:		
Employers, for insurance premiums and self-insured administration fees	$ 440,821	$ 406,760
Contribution from Province of Nova Scotia	4,371	4,371
Net investment income	111,874	16,367
Cash paid to:		
Claimants or third parties on their behalf	(324,880)	(324,031)
Suppliers, for administrative and other goods and services	(108,813)	(76,960)
Net cash provided by operating activities	123,373	26,507
Investing Activities		
Increase in investments, net	(124,670)	(23,857)
Purchases of equipment and intangible assets	(2,555)	(3,378)
Net cash used in investing activities	(127,225)	(27,235)
Net decrease in cash and cash equivalents	(3,852)	(728)
Cash and cash equivalents, beginning of year	30,602	31,330
Cash and cash equivalents, end of year	$ 26,750	$ 30,602

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

NOTES TO THE FINANCIAL STATEMENTS

year ended December 31, 2024 (thousands of dollars)

1. NATURE OF OPERATIONS

The Workers' Compensation Board of Nova Scotia (WCB) is a board established by the Nova Scotia Legislature in 1917, under the *Workers' Compensation Act (Act)*, and is exempt from income tax. The address of the WCB's primary operations is 5668 South Street in Halifax, Nova Scotia. Pursuant to the Act, the WCB strives to prevent workplace injury, but when it occurs, supports injured workers and their employers to achieve a safe and timely return to work; administers the payment of benefits to injured workers and dependents; levies and collects insurance revenues from established classes of employers in amounts sufficient to cover the costs of claims and administration; and invests funds held for future benefit payments.

The current Act came into force February 1, 1996. Various amendments have since occurred to the Act and have received Royal Assent.

2. BASIS OF PREPARATION

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) in effect as at December 31, 2024. The principal accounting policies applied in preparation of these financial statements are set out below.

Going concern

The WCB has assessed all relevant financial and economic indicators and has determined that there is an ability to operate as a going concern, as supported by the funding strategy in place to maintain a funded position.

Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value as explained in the material accounting policies below. Historical cost is based on the fair value of the consideration given in exchange for assets.

These financial statements are prepared and rounded in thousands of Canadian Dollars unless otherwise stated.

3. MATERIAL ACCOUNTING POLICIES

These financial statements have been prepared within the framework of the following accounting policies:

a) Insurance Contracts

The WCB has two types of employers registered: assessed and self-insured.

The Act outlines responsibilities and requirements of the insurance contract between employers and the WCB. Each individual assessed employer is required to report insurable earnings and remit premiums, and the WCB administers injured worker benefits. The arrangement with assessed employers is accounted for under IFRS 17, Insurance Contracts.

The nature of the arrangement with the self-insured employers (non-insured contracts) include federal and provincial government agencies and departments, is assessed under IFRS 15 - Revenue from Contracts with Customers (refer to **Note 19** – Self-insured Employers).

The nature of the material accounting policies for the insurance contracts described above recognized as Insurance Contracts under IFRS 17, can be summarized, as follows:

i. Level of aggregation

The WCB Nova Scotia provides one insurance product - one type of coverage protection in the event of a workplace injury. All policies are grouped as a single portfolio. The single portfolio includes both special protection policies and regular-classified employer policies.

IFRS 17 requires dividing a portfolio of contracts into annual cohorts based on time. There is one time cohort, commencing January 1 and concluding December 31, with employer policies re-priced annually.

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The WCB assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. The WCB considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognized
- Environmental factors, e.g., a change in market experience

ii. Recognition of Insurance Contracts

Recognition of the group of insurance contracts arises from the earliest of the following:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from employer in the group is due or when the first payment is received if there is no due date
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous

The coverage begins at the beginning of each calendar year on January 1, unless new policies are added to the group in the reporting period in which that contract meetsone of the other criteria set out above.

iii. Contract boundary

Rates attached to insurance contracts are effective January 1, reflecting the risks for the calendar year. The contract boundary concludes at the end of each calendar year on December 31.

Included in the measurement of a group of contracts are all the future cashflows within the contract boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the assessed employers are required to pay premiums and the WCB has a substantive obligation to provide the assessed employer with insurance contract services.

The WCB's contract boundary ends at the end of each calendar year on December 31, which is when the WCB can set a price that fully reflects its risks for the following calendar year.

iv. Discount rate

Insurance contract liabilities are calculated by discounting expected future cash flows utilizing the Fiera Capital's Canadian Institute of Actuaries IFRS 17 market illiquid reference curve at December 31. The WCB uses a bottom-up approach to determine an additional illiquidity premium of 50 basis points that is added to the curve. The illiquid curve and illiquidity premium are used due to the long-term nature of WCB liabilities.

The WCB Nova Scotia will record the impact of discount rate and rate changes through profit or loss for the Insurance Contracts Liabilities; and therefore, directing fair value changes for both the Insurance Contracts Liabilities and Investments through profit and loss.

v. Insurance contracts – initial measurement

For recognition and measurement of insurance contract liabilities issued, the WCB applies the Premium Allocation Approach (PAA). The PAA simplifies the measurement of insurance contracts in comparison with the general measurement model. The insurance contract between the WCB and assessed employers is eligible for the PAA as the contract boundary is one year or less.

vi. Insurance contracts – subsequent measurement

At December 31, the liability for remaining coverage (LFRC) is equal to the premiums received for the next contract year.

The WCB estimates the liability for incurred claims (LFIC) as the fulfillment of cash flows related to incurred claims. Fulfillment cash flows include premiums receivable for contract years that have ended. The fulfillment cash flows incorporate all reasonable and supportable information available and a near nil adjustment for non-financial risk (the risk adjustment).

An independent actuary completes a valuation of the benefits liabilities of the WCB at each year-end. The benefits liabilities represent the actuarial present value of all future benefits payments expected to be made for injuries which occurred in the current fiscal year or in any prior year including, exposure for occupational diseases. The benefits liabilities includes provisions for all benefits provided by current legislation, policies and/or administrative practices in respect of existing claims and for future costs of administering existing claims. Changes to the benefits liability arising from growth in present value, changes in actuarial methods and assumptions and actuarial experience adjustments are recognized in expense annually.

vii. Insurance revenue

The insurance revenue for the period is the amount of expected premium from assessed employers and is allocated to each period of insurance contract services on the basis of the passage of time.

Premiums are billed when employers report their employees' insurable earnings for an applicable assessment year. For employers who have not reported, premiums are generally estimated, based on historical experience. A portion of premium income for the year is not received until after year end, with the amount recorded being a combination of actual and estimate based on statistical data. The difference between the estimate and the actual income received is adjusted to income in the following year. Historically, the difference has not been material.

viii. Onerous contracts

The WCB assumes that contracts are not onerous (operating at a loss) at initial recognition as insurance contract revenue covers the current year's costs of the system unless facts and circumstances indicate. Where, during the coverage period, circumstances indicate the group of insurance contracts are onerous, the loss is recognized immediately and is amortized through comprehensive income by the end of the year. A loss component is established for the liability for remaining coverage for such onerous contracts. Accordingly, by the end of the coverage period for the contract group, the loss component will be zero.

ix. Insurance service expense

These include payments to (or on behalf of) a policyholder (employers), claims costs, policy and claims administration costs, and an allocation of fixed and variable overhead costs. These costs are allocated to WCB Nova Scotia's insurance contracts using estimates and professional judgement applied with methods that are systematic and rational, and are consistently applied to all costs that have similar characteristics.

x. Insurance finance income and expense

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from: the growth in present value of the liabilities and the effect of the discount rate is market based – this is referenced as changes in financial risk.

xi. Risk adjustment for non-financial risk

The risk adjustment for non-financial risk reflects the uncertainty about the amount and timing of the cash flows of groups of insurance contracts, and is a nil risk adjustment, and corresponds with a 50% confidence level.

b) Cash and Cash Equivalents

Money market instruments (cashable with 24 hours' notice), with original maturities of one year or less are considered to be cash equivalents and are recorded at cost, which approximates fair market value.

Bank indebtedness includes the utilization of a line of credit. Cash advances from the line of credit are to a maximum of $20,000 and bear interest at the bank's prime interest rate less 0.85 per cent.

c) Investments

All portfolio investments are designated as fair value through profit and loss. Realized gains and losses on the sale of investments and unrealized gains and losses arising from the change in the fair value of investments are recorded in investment income in the period in which they arise. All purchases and sales of portfolio investments are recognized on the date the trades are executed. Income from interest, dividends, and distributions from pooled funds and investment foreign currency gains and losses are recognized as investment income in the period incurred. Distributions from pooled funds are automatically reinvested within the pooled funds. Investment income is presented net of investment expenses.

The following determines fair value of investments:

- Pooled fund units (equities and fixed income) are valued at their year-end net asset values (NAV) as determined by the fund managers.
- Structured entities such as limited partnerships in infrastructure, private equity private debt, credit opportunities, global real estate, as well as hedge funds are valued at the most recent available NAVs as determined by the fund managers.
- The fair value of real estate fund units is based on independent property appraisals net of fund liabilities as determined by the fund manager.

Unconsolidated structured entities

Investments in limited partnerships for alternative asset classes do not satisfy the elements for control or significant influence and therefore have not been consolidated into these financial statements. Financial instruments accounting has been applied. The WCB's financial exposure is limited to the net carrying amount of the investments. Obligations are imposed on funds committed in structured entities; once committed, an investor is expected to fund the entire subscribed amount over the term of the agreement.

d) Property and Equipment

Property and equipment is stated at cost, less accumulated depreciation and when applicable, write-downs for impairment. Depreciation is charged using the straight-line method over the estimated useful life of the asset. A useful life of 3 to 40 years is used for building components and from 4 to 20 years for furniture and facilities, equipment and computer hardware. With the exception of equipment under finance leases, in the year of acquisition, a half year's depreciation is taken. The useful lives of items of property and equipment are reviewed at each balance sheet date and adjusted if required.

Leases

For new lease contracts entered into, a determination is made if the contract is or contains a lease. A lease is defined as a contract or part of a contract that conveys the right to use an asset for a period of time in which consideration is paid. The lease liability is measured at the present value of the remaining unpaid lease payments discounted using the interest rate implicit in the lease if readily determinable or the lessee's incremental borrowing rate. The right-of-use asset is measured at the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred, and an estimate of costs to be incurred, if any, in dismantling or removing the underlying asset or restoring the site. Right-of-use assets are depreciated over the useful life of the asset or over the lease term, whichever is shorter. Short-term leases and leases of low-value assets where the payments are recognized as expense in profit or loss on a straight-line basis over the lease term, using the practical expedients options available.

e) Post-Employment Benefits

An independent actuary is appointed to prepare the post-employment benefit estimates. The amounts are accrued over the periods during which the employees render services in return for these benefits. The projected unit credit method is used to calculate the defined benefit obligations and current service costs. Actuarial gains and losses arise from the actual experience of the plan's liabilities for a period and are recorded through other comprehensive income with no subsequent reclassification to comprehensive income. Current service, past service (including curtailment and settlement) and interest costs are recorded through profit and loss in the period in which they arise. Discount rates are based on the market yields of high quality corporate bonds.

f) Foreign Currency Translation

Investments denominated in foreign currencies are converted to Canadian dollars at rates of exchange prevailing at the Statement of Financial Position date. The resulting translation adjustment is accounted for on a basis consistent with the accounting policy for investments.

g) Financial Instruments

The WCB uses IFRS 9 for financial instruments, which requires financial instruments to be classified as either amortized cost, or fair value through profit and loss. The applicable financial instruments for the WCB are as follows:

- Cash and cash equivalents – recorded at cost, which approximates fair value
- Accounts receivable and payable – recorded at amortized cost
- Investments – recorded as fair value through profit and loss

The carrying values of accounts receivables and payables approximate fair values due to the short-term maturity and/or underlying terms and conditions. Accounts receivable are not subject to material concentration of credit risk as the accounts are owed by a large number of employers, the Province of Nova Scotia and the Government of Canada on normal credit terms. Accounts receivable include an estimate for the lifetime expected credit losses using the simplified method with a provision matrix in the allowance for doubtful accounts and are regularly reviewed to determine whether the account should be written-off. Accounts are written-off when there is no reasonable expectation of recovery.

The investment portfolio does not contain any derivatives intended for speculation or trading purposes. The portfolio includes a currency hedging strategy by investing in the Hedged Mercer Global Equity Fund. The WCB does not apply hedge accounting.

h) Intangible Assets

Intangible assets are stated at cost, less accumulated depreciation and when applicable, write-downs for impairment. Intangible assets consist of externally purchased software applications, and process development costs. To qualify for capitalization, the intangible asset must be separately identifiable, the WCB must have control of the asset and the asset must have future economic benefits.

Depreciation is charged on a straight-line basis over a period of 5 to 10 years for internally generated software and process development costs, with one half year's depreciation taken in the year of completion. Intangible assets which are under development and not yet ready for its intended use are not subject to depreciation. Assets under development and not ready for their intended use are tested for impairment annually.

Expenditures related to the research phase of an internal project are recognized as an expense in the period incurred. Software purchases are depreciated on a declining-balance basis at an annual rate of 50 per cent. The useful lives of intangible assets are reviewed at each reporting date and adjusted if required.

i) Asset Impairment Testing

IFRS requires a test for impairment at least annually whenever there is objective evidence that the carrying value of an asset may exceed its fair value. Impairment tests must be conducted for an individual asset, an asset group or at the cash-generating unit level which is the smallest identifiable group of assets that generates cash inflows independent of cash inflows of other assets.

Based on the analysis of the entity and its cash flows, the WCB has determined that it is a single cash generating unit. Impairment of assets at the entity level is unlikely as the WCB has the power under the Act to revise premiums to ensure the continuity of the workers' compensation system. Therefore, individual assets are monitored for impairment using a variety of qualitative considerations including, but not limited to: obsolescence, damage, and reduction in asset performance, disposal or the existence of plans to discontinue the use of the asset. If an asset is deemed impaired, the asset is written off completely or subjected to accelerated depreciation, whichever is appropriate.

4. ACCOUNTING JUDGEMENTS & ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, in particular, insurance contract liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results may differ materially from those estimates. Decisions of the WCB may be appealed to the Workers' Compensation Appeals Tribunal, subsequently to the Nova Scotia Court of Appeal, and finally, to the Supreme Court of Canada. Rulings by these bodies have the potential to impact benefits liabilities. Legislated Obligations, excluding the Workers' Compensation Appeals Tribunal, are based on forecasts supplied by the Province of Nova Scotia with the actual billing through an Order in Council occurring post release of the annual report.

Information about the judgments and estimates in applying accounting policies that have the most material effect on the amounts recognized in the financial statements are discussed in detail in the following notes:

- **Note 6 – Investments**
- **Note 7 – Financial risk management**
- **Note 10 – Post-employment benefits**
- **Note 11 – Insurance contracts**
- **Note 12 – Insurance revenue**
- **Note 15 – Administration costs**

5. OTHER RECEIVABLES

	2024	2023
Self-insured employers	$ 6,102	$ 7,367
Other receivables	4,326	2,820
Total other receivables	$ 10,428	$ 10,187

6. INVESTMENTS

	2024	2023
Equities		
Canadian	$ 114,884	$ 95,861
Global	194,715	177,778
Global hedged	62,624	49,505
Global low volatility	115,963	96,022
Global small cap	88,697	73,391
Emerging markets	115,102	94,813
Private equity[1]	473,441	389,920
	$ 1,165,426	$ 977,290
Fixed income		
Liability-matching bonds[2]	$ 484,186	$ 469,817
Opportunistic fixed income	115,502	128,726
Private debt[3]	136,270	102,805
	$ 735,958	$ 701,348
Real estate[4]	$ 335,554	$ 295,357
Hedge funds	159,115	181,960
Infrastructure	340,560	262,399
Cash and money market	7,665	244
Total investments	$ 2,744,278	$ 2,418,598

Investment income	2024	2023
Distributions from pooled funds	$ 83,657	$ 50,455
Unrealized fair value gain on investments	201,011	155,087
Realized gains (losses) from the sale of investments	41,523	(15,309)
Portfolio management expenses	(13,502)	(18,782)
Net investment income	$ 312,689	$ 171,451

[1] Private equity includes private equity, private equity co-investments and private equity secondary markets.

[2] Liability-matching bonds include synthetic federal real return bonds, synthetic mid-term provincial bonds, universe bonds and real return bonds.

[3] Private Debt includes private debt and credit opportunities.

[4] Real estate includes Canadian real estate and global real estate.

Funding Commitments

The WCB has entered into limited partnership agreements with externally managed funds that commit the WCB to contribute into these investments which will be drawn down over the next several years. Unfunded commitments as of December 31, are as outlined in the table below:

Mandate (USD)	2024 Undrawn Funding Commitments	Total Commitments
Infrastructure	$ 74,213	$ 278,588
Private Equity	$ 111,118	$ 357,147
Private Debt	$ 64,803	$ 146,179
Global Real Estate	$ 72,294	$ 164,102

Mandate (USD)	2023 Undrawn Funding Commitments	Total Commitments
Infrastructure	$ 98,766	$ 278,588
Private Equity	$ 132,130	$ 357,147
Private Debt	$ 75,560	$ 146,179
Global Real Estate	$ 105,158	$ 164,102

7. FINANCIAL RISK MANAGEMENT

In accordance with IFRS 7 – Financial Instruments: Disclosure, the following provides qualitative and quantitative information relating to market risk (price risk, interest rate and currency risks), credit risk and liquidity risk.

The WCB manages its investments in accordance with a Statement of Investment Policies and Objectives and manages investment risk by using a diversified portfolio both across and within asset classes engaging fund managers with a broad range of investment practices and styles.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument or insurance contract will fluctuate as a result of changes in market prices. Market risk comprises three types of risk: market prices (price risk); market interest rates (interest rate risk); and foreign exchange rates (currency risk).

The nature of the WCB's exposure to market risks and its objectives, policies and processes used to manage and measure the risks have not changed from the previous period.

a) Price risk

Price risk is the risk that the fair value or future cash flows of financial instruments or insurance contract assets and/or liabilities will fluctuate because of changes in market prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual financial instrument, or by factors affecting all similar contracts or financial instruments traded in the market.

The WCB's price risk exposure relates to financial assets or insurance contract assets and/or liabilities, whose values will fluctuate as a result of changes in market prices.

Equity investments are sensitive to market risks. The following table presents the decrease to total comprehensive income and funded position as a result of potential adverse change in the key risk variable – the sector benchmark – for each public equity mandate in the WCB's investment portfolio. Possible outcomes are estimated using the historical 5-year variability as measured by the standard deviation of each mandate.

Equities	2024		2023	
	% Change (1 Std Deviation)	CI Impact	% Change (1 Std Deviation)	CI Impact
Canadian	16.0%	$ (18,335)	15.9%	$ (15,242)
Global	13.4%	$ (26,131)	13.5%	$ (24,000)
Global hedged	16.7%	$ (10,458)	17.0%	$ (8,416)
Global low volatility	13.4%	$ (15,562)	13.5%	$ (12,963)
Global small cap	17.4%	$ (15,389)	17.0%	$ (12,476)
Emerging markets	14.6%	$ (16,839)	14.6%	$ (13,843)

A sensitivity analysis of fluctuations to Fiera Capital's CIA IFRS 17 market illiquid reference curve is shown in **Note 11 – Insurance Contract Liabilities**.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument or insurance contract will fluctuate because of changes in market interest rates. Fluctuations in interest rates can impact the market value of the fixed-term investment portion of the portfolio.

Interest rate risk is mitigated through diversification of the term to maturities to partially match the duration of the benefits liabilities of 8.0 years. The duration of the fixed income investments are as outlined in the following table.

Duration of bond portfolios (in years)	2024	2023
Long term bonds	-	15.0
Universe bonds	7.3	7.4
Synthetic mid-term provincial bonds	19.0	19.0
Synthetic federal real return bonds	41.1	41.3
Real return bonds	12.6	13.3
Opportunistic fixed income	4.5	4.9

The following table presents the effect of an increase in market interest rates for fixed income investments and the resulting decrease to comprehensive income.

0.5% change	2024 CI Impact	2023 CI Impact
Long term bonds	$ -	$ (2,095)
Universe bonds	$ (2,307)	$ (2,167)
Synthetic mid-term provincial bonds	$ (14,276)	$ (13,181)
Synthetic federal real return bonds	$ (23,492)	$ (23,261)
Real return bonds	$ (9,849)	$ (8,822)
Opportunistic fixed income[1]	$ (2,599)	$ (3,154)

[1] This fund holds debt securities that are outside of Canada. The holdings that are outside of Canada will not be impacted by a change in Canadian interest rates.

A sensitivity analysis of the impact of an inflationary increase on the insurance contract liabilities is presented in **Note 11 – Insurance Contract Liabilities**.

c) Currency risk

Currency risk is the risk of gain or loss due to movements in foreign currency rates as compared to the Canadian Dollar. To mitigate these risks, the WCB holds approximately 15 per cent of its total currency-exposed assets in hedged products.

The following table presents the effect of a 10 per cent appreciation in the Canadian Dollar as compared to the US Dollar, Euro, Japanese Yen and British Pound and the decrease to comprehensive income.

Currency	2024 CI Impact	2023 CI Impact
USD	$ (145,108)	$ (115,721)
EURO	$ (4,744)	$ (4,424)
YEN	$ (2,324)	$ (2,723)
POUND	$ (1,869)	$ (1,199)

Credit risk

Credit risk with financial instruments and insurance contracts arises from the possibility that the counterparty to an instrument may fail to meet its obligations. There could be increased credit risk on trade receivables if employers are not able to pay on their accounts. The WCB mitigates credit risk through a well-diversified portfolio with limited exposure to any one entity, industry or country, and a Statement of Investment Policies and Objectives that addresses asset mix and investment constraints with respect to the credit quality of short-term investments, fixed-term investments, and foreign exchange forward contract counterparties.

The credit ratings of the WCB's fixed-income securities at December 31 are listed in the table below.

	2024		2023	
Credit Rating	Total	%	Total	%
AAA	$ 293,356	39.9%	$ 267,183	38.1%
AA	170,822	23.2%	181,132	25.9%
A	40,647	5.5%	41,552	5.9%
BBB	38,708	5.3%	49,332	7.0%
Below BBB/ Not Rated	$ 192,426	26.1%	$ 162,149	23.1%
Total	735,959	100.0%	701,348	100.0%

The WCB is also exposed to credit risk through its insurance contract related receivables and other receivables. The risk is mitigated through assigned staff monitoring and collecting overdue accounts. Risk is reduced due to the large number of customers and their different geographic areas and industries. The allowance for doubtful accounts is reviewed and updated on a regular basis.

Liquidity risk

The WCB has contractual obligations and financial liabilities and therefore is exposed to liquidity risk. The WCB generally generates sufficient cash to meet obligations from revenue from employers. The WCB monitors its current and expected cash flow requirements to ensure it has sufficient cash and cash equivalents to meet its liquidity requirements short and long term. In addition, the WCB maintains a line of credit with its principal banker to meet potential short-term liquidity requirements.

The WCB's investment portfolio is well diversified in pooled funds that are primarily highly liquid, or open-ended funds that have liquidity terms available within one year. Further exceptions are listed in the following table. Due to the absence of active markets and the contract terms, the investments cannot be sold or converted easily to cash in a timely and cost-effective manner.

Mandate	December 31, 2024	December 31, 2023
Infrastructure[1]	$ 340,560	$ 262,399
Private equity[1]	473,441	389,920
Private debt[1]	136,270	102,805
Global real estate[1]	132,592	76,890
Hedge funds[2]	159,115	181,960
Total	$ 1,241,978	$ 1,013,974

[1] These funds are closed-end funds with a 12-14 year life expected to end between 2031 - 2036. The general partner has the option to extend the funds' lives by 1 year.

[2] The liquidity of this fund is subject to change but is estimated to be 71 per cent (2023 – 74 per cent) redeemable within 1 year of redemption request, 22 per cent (2023 - 19 per cent) within two years, 2 per cent (2023 – 3 per cent) within three years, and 5 per cent (2023 – 4 per cent) thereafter.

Fair value hierarchy

A fair value hierarchy is used to categorize valuation techniques used in the determination of fair value. Quoted market prices are categorized as Level 1, internal models using observable market information as inputs are Level 2, and internal models without observable market information as inputs are Level 3 reflecting assumptions about market pricing using the best internal and external information available.

The following fair value hierarchy table presents information about the financial assets measured at fair value on a recurring basis as of December 31. There were no transfers between levels during either year.

2024	Level 1	Level 2	Level 3	Total - 2024	Total - 2023
Short-term investments	$ 7,665	$ -	$ -	$ 7,665	$ 244
Equities	-	691,985	473,441	1,165,426	977,290
Fixed Income	-	599,688	136,270	735,958	701,348
Real estate	-	-	335,554	335,554	295,357
Hedge funds	-	-	159,115	159,115	181,960
Infrastructure	-	-	340,560	340,560	262,399
	$ 7,665	$ 1,291,673	$ $1,444,940	$ 2,744,278	$ 2,418,598

Investments classified as level 2 represent units held in pooled funds operated by a number of fund managers and units held in synthetic bonds. The pooled funds are comprised of publicly traded securities and fixed income holdings with observable market information with respect to value. Investments classified as level 3 include units of pooled funds in private equity, private debt, real estate, hedge funds and infrastructure investments. Valuations are provided by the fund managers for financial reporting purposes. Valuation techniques are selected based on the characteristics of the investments, with the overall objective of maximizing market-based information. Management is responsible for ensuring the technique is appropriate in the circumstances.

2024 **Source of Change in Value of Level 3 investments**	Private Equities	Real Estate	Hedge Funds	Infrastructure	Private Debt	Total
Value Dec. 31, 2023	$ 389,920	$ 295,357	$ 181,960	$ 262,399	$ 102,805	$ 1,232,441
Purchases & Capital Calls	28,930	44,794	-	34,144	14,615	122,483
Unrealized gains	56,703	11,010	17,736	45,215	19,283	149,947
Sales of Investments	-	(14,300)	(40,000)	-	-	(54,300)
Investment management fees	(2,112)	(1,307)	(581)	(1,198)	(433)	(5,631)
Value Dec. 31, 2024	$ 473,441	$ 335,554	$ 159,115	$ 340,560	$ 136,270	$ 1,444,940
Value Dec. 31, 2023	$ 389,920	$ 295,357	$ 181,960	$ 262,399	$ 102,805	$ 1,232,441

Concentration Risk

The WCB has concentrations in countries other than Canada through investments in the global pooled funds, hedge fund, opportunistic fixed income fund, long bond fund, private equity and infrastructure totalling $1,736,170 at December 31 (2023 - $1,424,546). The WCB's most significant foreign country concentrations are summarized in the following table.

Significant exposure	2024	2023
United States	53.5%	53.5%
United Kingdom	8.2%	6.1%
Germany	4.5%	3.3%
France	3.9%	4.8%
China	3.4%	3.5%
All other global	26.5%	28.8%
	100.0%	100.0%

8. PROPERTY AND EQUIPMENT

	Land and building[1]	Furniture and facilities	Equipment and computer hardware	Total
Historical Cost				
Balance at Jan.1, 2024	$ 4,667	$ 2,644	$ 4,027	$ 11,338
Additions	38	397	355	790
Disposals and retirements	(743)	(1,246)	(305)	(2,294)
Balance at Dec. 31, 2024	$ 3,962	$ 1,795	$ 4,077	$ 9,834
Depreciation and impairment				
Balance at Jan. 1, 2024	$ (3,103)	$ (2,052)	$ (2,879)	$ (8,034)
Current period depreciation	(156)	(287)	(471)	(914)
Impairment losses	-	(2)	-	(2)
Disposals and retirements	743	1,246	306	2,295
Balance at Dec. 31, 2024	$ (2,516)	$ (1,095)	$ (3,044)	$ (6,655)
Carrying amount at Dec. 31, 2024	$ 1,446	$ 700	$ 1,033	$ 3,179

	Land and building[1]	Furniture and facilities	Equipment and computer hardware	Total
Historical Cost				
Balance at Jan.1, 2023	$ 4,949	$ 3,473	$ 3,864	$ 12,286
Additions	5	2	430	437
Disposals and retirements	(287)	(831)	(267)	(1,385)
Balance at Dec. 31, 2023	$ 4,667	$ 2,644	$ 4,027	$ 11,338
Depreciation and impairment				
Balance at Jan. 1, 2023	$ (3,133)	$ (2,557)	$ (2,650)	$ (8,340)
Current period depreciation	(171)	(325)	(495)	(991)
Impairment losses	(86)	(1)	-	(87)
Disposals and retirements	287	831	266	1,384
Balance at Dec. 31, 2023	$ (3,103)	$ (2,052)	$ (2,879)	$ (8,034)
Carrying amount at Dec. 31, 2023	$ 1,564	$ 592	$ 1,148	$ 3,304

[1] Includes $155 cost of the land which has an indefinite useful life and is not depreciated.

Right-of-use assets

Included in Furniture and Facilities are right-of-use assets for office space and included in Equipment and Hardware are right of use assets for office copiers and postal equipment where the WCB is a lessee. The WCB has right to use assets totaling $307 at December 31 (2023 - $372).

9. INTANGIBLE ASSETS

	Acquired software	Internally generated software	Total
Historical Cost			
Balance at Jan.1, 2024	$ 738	$ 40,317	$ 41,055
Additions	44	1,879	1,923
Disposals and retirements	(90)	(22)	(112)
Balance at Dec. 31, 2024	$ 692	$ 42,174	$ 42,866
Depreciation and impairment			
Balance at Jan. 1, 2024	$ (617)	$ (16,297)	$ (16,914)
Current period depreciation	(30)	(4,054)	(4,084)
Disposals and retirements	90	22	112
Balance at Dec. 31, 2024	$ (557)	$ (20,329)	$ (20,886)
Carrying amount at Dec. 31, 2024	$ 135	$ 21,845	$ 21,980

	Acquired software	Internally generated software	Total
Historical Cost			
Balance at Jan.1, 2023	$ 918	$ 39,007	$ 39,925
Additions	9	3,178	3,187
Disposals and retirements	(189)	(1,868)	(2,057)
Balance at Dec. 31, 2023	$ 738	$ 40,317	$ 41,055
Depreciation and impairment			
Balance at Jan. 1, 2023	$ (757)	$ (13,897)	$ (14,654)
Current period depreciation	(49)	(3,869)	(3,918)
Impairment losses	-	(399)	(399)
Disposals and retirements	189	1,868	2,057
Balance at Dec. 31, 2023	$ (617)	$ (16,297)	$ (16,914)
Carrying amount at Dec. 31, 2023	$ 121	$ 24,020	$ 24,141

10. POST-EMPLOYMENT BENEFITS

The WCB provides post-employment benefits other than pensions (**Note 23**) consisting of retirement allowances, post-employment life insurance, dental and medical programs. An actuarial valuation was performed as at December 31, 2024.

The material actuarial assumptions adopted in measuring these accrued benefit obligations (ABO) as at December 31 are as follows:

	2024	2023
Discount rate, benefit expense for the year	4.70%	4.65%
Discount rate, accrued benefit obligation	4.70%	4.65%
Expected health care costs trend rate; reducing linearly to an ultimate rate of 3.6% in 2040	5.85%	5.66%
Drug claim increases trend rate; reducing linearly to an ultimate rate of 3.6% in 2040	5.85%	5.66%
Dental cost escalation; reducing linearly to an ultimate rate of 3.6% in 2027	4.22%	5.66%
Retirement age assumption (a)	Later of 59 years and full eligibility	Later of 59 years and full eligibility

Costs arising in the period	2024	2023
Current service costs	$ 603	$ 501
Past service costs	-	366
Interest costs	1,119	1,043
Total employee future benefits expense	$ 1,722	$ 1,910

Accrued benefit obligation	2024	2023
Beginning of year	$ 23,658	$ 19,727
Total employee future benefits expense	1,722	1,910
Actuarial losses (gains) on ABO through OCI (b)	(3,923)	2,362
Regular benefits paid	(388)	(341)
End of year	$ 21,069	$ 23,658

a) Full eligibility is the earliest of age 55 with 2 years of service (10 years if hired on or after October 1, 2018) and the earliest unreduced age under the Public Service Super Annuation Act.

b) The net actuarial gains of $3,923,000 as at December 31, 2024 arises from the recognition of updated claims and premium experience, a gain due to an increase in the discount rate, a gain due to change in the termination rates, a gain due to the experience in age difference assumption between retiree and spouse offset by a loss due to the change in the assumed portion of members electing family health and dental coverage upon retirement and a loss in prescription drugs and extended health cost increase assumption. The actuarial loss of $2,362,000 as at December 31, 2023 is due to a change in the discount rate.

c) Estimates are highly sensitive to changes in discount rates and health care usage and cost trends.

The table below provides sensitivity for changes to the discount rate or the assumed health care cost trend rates with resulting increases (decreases) to Comprehensive Income (CI).

	2024 CI Impact	2023 CI Impact
1% decrease in the discount rate	$ (4,592)	$ (5,474)
1% increase in the discount rate	$ 3,490	$ 4,116
1% decrease in the assumed health care cost trend rate	$ 3,182	$ 4,134
1% increase in the assumed health care cost trend rate	$ (4,101)	$ (5,453)

11. INSURANCE CONTRACTS LIABILITIES

Roll-forward of liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims as at December 31, 2024 is disclosed in the table below:

2024	**Liabilities for remaining coverage**	**Liabilities for incurred claims**	Total
	Excluding loss component	Estimates of the PV of future cash flows	
Insurance contract (assets) liabilities as at January 1	$ 1,160	$ 2,682,877	$ 2,684,037
Insurance revenue	(437,094)	-	(437,094)
Insurance service expenses			
Incurred claims and other expenses	-	335,310	335,310
Losses on onerous contracts and reversals of those losses[1]	-	-	-
Changes to liabilities for incurred claims	-	(53,295)	(53,295)
Insurance service result	(437,094)	282,015	(155,079)
Insurance finance expenses	-	149,427	149,427
Total changes in comprehensive income	(437,094)	431,442	(5,652)
Cash flows:			
Premiums received	436,942	-	436,942
Claims and other expenses paid	-	(402,735)	(402,735)
Total cash flows	436,942	(402,735)	34,207
Insurance contract (assets) liabilities as at December 31	$ 1,008	$ 2,711,584	$ 2,712,592

2023	Liabilities for remaining coverage	Liabilities for incurred claims	Total
	Excluding loss component	Estimates of the PV of future cash flows	
Insurance contract (assets) liabilities as at January 1	$ 1,188	$ 2,471,926	$ 2,473,114
Insurance revenue	(403,719)	-	(403,719)
Insurance service expenses			
Incurred claims and other expenses	-	309,380	309,380
Losses on onerous contracts and reversals of those losses[1]	-	-	-
Changes to liabilities for incurred claims	-	41,975	41,975
Insurance service result	(403,719)	351,355	(52,364)
Insurance finance expenses	-	216,827	216,827
Total changes in comprehensive income	(403,719)	568,182	164,463
Cash flows:			
Premiums received	403,691	-	403,691
Claims and other expenses paid	-	(357,231)	(357,231)
Total cash flows	403,691	(357,231)	46,460
Insurance contract (assets) liabilities as at December 31	$ 1,160	$ 2,682,877	$ 2,684,037

[1] In 2023 and 2024, there is no loss component as no onerous contracts occurred.

Insurance Contracts Liabilities by Benefit Category - 2024

	Short-term Disability	Long-term Disability	Survivor Benefits	Health Care	Rehab-ilitation	Subtotal	Claims Admini-stration	Total 2024
Balance, beginning of year[1]	$ 173,601	$ 1,619,050	$ 120,633	$ 615,858	$ 2,513	$ 2,531,655	$ 151,899	$ 2,683,554
Growth in present value	8,312	77,703	5,750	29,770	119	121,654	7,299	128,953
Change in discount rate (a)	780	11,113	1,019	6,396	7	19,315	1,159	20,474
Actuarial experience adjustments (b)	576	(56,167)	(2,422)	7,902	(168)	(50,279)	(3,016)	(53,295)
Total growth	9,668	32,649	4,347	44,068	(42)	90,690	5,442	96,132
Claims costs incurred	59,443	130,663	6,407	80,399	661	277,573	16,654	294,227
Less: Claims payments made	(63,885)	(164,539)	(10,541)	(84,475)	(764)	(324,204)	(19,452)	(343,656)
Balance, end of year[1]	$ 178,827	$ 1,617,823	$ 120,846	$ 655,850	$ 2,368	$ 2,575,714	$ 154,543	$ 2,730,257

Insurance Contracts Liabilities by Benefit Category - 2023

	Short-term Disability	Long-term Disability	Survivor Benefits	Health Care	Rehab-ilitation	Subtotal	Claims Admini-stration	Total 2023
Balance, beginning of year[1]	$ 169,841	$ 1,501,999	$ 117,024	$ 553,193	$ 2,867	$ 2,344,924	$ 140,695	$ 2,485,619
Growth in present value	8,954	78,575	5,989	29,089	152	122,759	7,366	130,125
Change in discount rate (a)	3,220	48,707	4,393	25,443	32	81,795	4,907	86,702
Actuarial experience adjustments (b)	(6,627)	28,674	1,278	16,798	(524)	39,599	2,376	41,975
Total growth	5,547	155,956	11,660	71,330	(340)	244,153	14,649	258,802
Claims costs incurred	57,594	125,430	2,360	71,974	648	258,006	15,481	273,487
Less: Claims payments made	(59,381)	(164,335)	(10,411)	(80,639)	(662)	(315,428)	(18,926)	(334,354)
Balance, end of year[1]	$ 173,601	$ 1,619,050	$ 120,633	$ 615,858	$ 2,513	$ 2,531,655	$ 151,899	$ 2,683,554

[1] Reconciliation of insurance contracts liabilities to insurance contract sub liabilities table at December 31.

	2024	2023
Insurance contracts sub-liabilities at December 31	$ 2,730,257	$ 2,683,554
Insurance contracts-related assets	(35,556)	(32,332)
Insurance contracts-related liabilities	17,891	32,815
Insurance contracts liabilities at December 31	$ 2,712,592	$ 2,684,037

The Actuarial Standards Board requires workers' compensation organizations to include an estimation of liabilities for occupational disease during the latency period rather than when the occupational disease is confirmed through diagnosis. The liability for latent occupational disease is estimated at $259,436 (2023 - $254,998) and is included in the total Insurance Contracts Liabilities.

a) In 2024, the discount rate used to present value of the insurance contracts liabilities changed from 4.85 per cent at January 1 to 4.75 per cent at December 31, resulting in a $20,474 loss. In 2023, the discount rate changed from 5.30 per cent to 4.85 per cent, resulting in a loss of $86,702.

b) Actuarial experience adjustments represent the difference between what was predicted based on the actuarial assumptions and methods used in the prior valuation and what actually occurred in the year. In 2024, actuarial experience adjustments decreasing the insurance contracts liabilities totaled $53,295.

- A net decrease of $37,100 as a result of lower than expected volume and cost of new Extended Earnings Replacement Benefits and new survivor awards.
- A decrease of $13,400 as a result of lower than expected costs for future Extended Earnings Replacement Benefits and future Permanent Impairment Benefits.
- A net decrease of $9,900 as a result of change in provision for occupational disease awards.
- A net decrease of $8,800 as a result of mortality experience.
- A net decrease of $6,100 as a result of lower than anticipated inflation on awards in pay.
- A net decrease of $2,500 as a result of changes in the provision for future administrative costs.
- A net increase of $14,400 for changes in claiming patterns across all benefit categories, primarily Health Care.
- A net increase of $5,700 as a result of changes in actual payments across all benefit categories being higher than expected, primarily Long-Term Disability and Health Care.
- An increase of $3,900 as a result of changes in the provision for outstanding Extended Earnings Replacement Benefits and Permanent Impairment Benefits.
- A net increase of $505 for other unallocated items.

In 2023, actuarial experience adjustments increasing the insurance contracts liabilities totaled $41,975.

- A net increase of $20,200 as a result of changes in actual payments across all benefit categories being higher than expected, primarily Long Term Disability and Health Care.
- A net increase of $22,700 as a result of higher than expected volumes of new Extended Earnings Replacement Benefits and new Permanent Impairment Benefits and Survivor Awards.
- A net increase of $11,500 for changes in claiming patterns across all benefit categories, primarily Health Care.
- A net increase of $2,486 as a result of changes in the provision for future administrative costs.
- A net increase of $1,900 as a result of higher than anticipated inflation on awards in pay.
- A net decrease of $8,161 as a result of lower than expected average cost of new Extended Earnings Replacement Benefits and new Permanent Impaiment Benefits.
- A net decrease of $6,700 as a result of mortality experience.
- A net decrease of $1,950 as a result of a change in provision for occupational disease awards.

Liability for remaining coverage:

At December 31, 2024, a Liability for Remaining Coverage (LFRC) of $1,008 (2023 - $1,160) relating to prepaid premiums related to the 2025 insurance year.

Liability for incurred claims:

Actuarial Assumptions and Methods

In 2024, the liabilities were calculated using Fiera Capital's CIA IFRS 17 market illiquid reference curve at December 31, 2024 plus an illiquidity premium of 50 basis points for a total discount rate of 4.75 per cent (2023 - 4.85 per cent). With an underlying long-term assumption of an increase to CPI of 2.00 per cent per annum, the resulting net discount rate is 2.75 per cent (2023 - 2.85 per cent). The inflation assumptions and the resulting net discount rates are presented below:

2024

Category	Expected Inflation	Resulting Inflation Rate	Resulting Net Discount Rate
Supplementary Benefits	0.50% + CPI	2.50%	2.25%
All other LTD, Survivor Pensions	50% * CPI	1.00%	3.75%
Health Care	2.25% + CPI	4.25%	0.50%
All Others	CPI	2.00%	2.75%

2023

Category	Expected Inflation	Resulting Inflation Rate	Resulting Net Discount Rate
Supplementary Benefits	0.50% + CPI	2.50%	2.35%
All other LTD, Survivor Pensions	50% * CPI	1.00%	3.85%
Health Care	2.25% + CPI	4.25%	0.60%
All Others	CPI	2.00%	2.85%

General Statement – Given the statutory nature of its operations, the WCB adopts a long-term view for running its business. A long-term perspective avoids overreaction to what may be a temporary trend and provides for more stable assessment rates. Economic assumptions are chosen to be consistent with the WCB's approved investment and funding strategies, both of which consider very long-term trends. Demographic assumptions are chosen to reflect the WCB's actual underlying experience. Given the significant statistical volatility associated with workers' compensation benefits, demographic assumptions are not updated each year in response to emerging experience. Rather, they are updated over time once enough experience is available to credibly suggest that deviations are due to actual trends rather than statistical fluctuations.

Discount Rate – Insurance contract liabilities are calculated by discounting expected future cash flows utilizing the Fiera Capital's CIA IFRS 17 market illiquid reference curve at December 31 plus an illiquidity premium of 50 basis points. The illiquid curve and illiquidity premium are used because WCB liabilities are viewed as illiquid as claimants generally cannot elect to receive a lump sum payout in lieu of future claims payments.

The table below shows Fiera Capital's CIA IFRS 17 Reference Curve sample spot rates, each includes a 50 basis point illiquidity premium, and the single equivalent rate used to discount future cash flows.

Year	2024	2023
1	3.82%	5.39%
3	3.97%	4.86%
5	4.20%	4.75%
10	4.73%	4.79%
20	5.07%	4.91%
30	4.97%	4.78%
Single equivalent rate	4.75%	4.85%

Consumer Price Index – The 2.00 percent assumption for 2024 (2023 – 2.00 per cent) for the rate of increase in CPI is chosen to be consistent with assumptions used by the Bank of Canada inflation-controlled target rate range of 1.00 to 3.00 per cent. This rate is consistent with long-term averages and assumptions on the assets backing the benefits liabilities.

Benefit Inflation – The inflation rates assumed for the specific benefit categories are based on their relation to general consumer price inflation, as follows:

LTD & Survivor Benefits – The Act specifies indexing these benefits at a rate equal to 50 per cent of the change in the CPI. The assumption is 50 per cent of CPI or 1.00 per cent (i.e. 50 per cent of 2.00 per cent); (2023 – 1.00 per cent).

Medical Aid Benefits – The cost of medical care has historically increased at rates exceeding the general rate of inflation. To account for this, the assumption is that increases due to medical inflation and utilization will be 2.25 per cent higher than the general rate of inflation. As a result, medical inflation assumption is 4.25 per cent (i.e. 2.25 per cent + 2.00 per cent; (2023 – 4.25 per cent). The appropriateness of this rate is monitored on a regular basis.

Supplementary Awards – Supplementary awards provide an income tested benefit to certain claimants injured prior to March 23, 1990. The assumption is that indexing for supplementary awards will be 0.50 per cent higher than the general rate of inflation, or 2.50 per cent (2.00 per cent + 0.50 per cent); (2023 – 2.50 per cent). Past reviews of supplementary award experience have shown this assumption to be adequate.

All Other Benefits – All other benefits are subject to general inflation; therefore utilizing the same assumption as used for CPI (i.e. 2.00 per cent); (2023 – 2.00 per cent).

Future Administration – Future administrative expenses are assumed to be equal to 6.00 percent of future benefit payments. This assumption is based on an internal review of past administrative expenses conducted by WCB staff and is assessed each year to ensure that it remains appropriate.

Occupational Disease – The valuation includes a provision for all recognized occupational diseases that are expected to arise from past workplace exposures. The 2024 assumption consistent with 2023 is 10.50 per cent of the benefits liabilities.

Mortality – Mortality for permanent awards is based on the 1983 Group Annuitant Mortality Table (GAM 1983) with a 10.00 per cent margin (i.e. mortality rates are reduced by 10.00 per cent to reflect on-going increases in life expectancy). This table was selected based on the results of a study of the WCB's mortality experience conducted during 2010. The study concluded that this table is reasonable based on the number of deaths that occurred among the injured worker population over the past several years.

Future Permanent Awards – Future Extended Earnings Replacement Benefits (EERB) and Permanent Impairment Benefit (PIB) awards are assumed to occur in accordance with claims run-off tables. These run-off tables are based on the past claims patterns for the WCB and are updated from time to time as emerging experience dictates. The run-off tables currently in use for EERB awards were developed for the 2008 valuation. In 2017, the run off tables for PIBs were updated to reflect increasing PIB experience. The average accident age for future EERB awards is 47 years. The average accident age for future PIB awards is 48 years. Each year, actual claim experience is compared to that expected by the table and minor experience adjustments are implemented when warranted.

Risk adjustment for non-financial risk – 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.

The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount and is separate from the discount rate assumptions. Insurance contract revenue is set to cover the current costs of the system and therefore, actuarial assumptions used in projecting future claims cash flows (for purposes of determining liability for remaining coverage and liability for incurred claims) will be determined on a best estimate basis, implying a nil risk adjustment, and corresponds with a 50% confidence level.

Sensitivity Analysis of Insurance Risk – The insurance contract liabilities determined in the report are estimated using many actuarial assumptions. The two most material assumptions are the discount rate (4.75 per cent) and the long-term inflation rate (2.00 per cent). The liability estimates are highly sensitive to small changes in these assumptions. The following table provides examples of their sensitivity along with the implied investment rate for the test.

Section 2800 of the actuarial standards of practice for Public Personal Injury Compensation Plans requires that plans (at minimum) provide sensitivity testing for certain specified scenarios. These mandated scenarios are tested, along with other plausible scenarios, in the table below. The scenarios tested can be summarized as follows:

1. Scenario 1 tests the impact of a 1.00 per cent decrease in the discount rate with all other assumptions are held equal.
2. Scenario 2 tests the impact of a 1.00 per cent increase in the discount rate with all other assumptions are held equal.
3. Scenario 3 provides an integrated test of the impact of a high inflation, low real rate of return environment.
4. Scenario 4 provides the impact of a 1.00 per cent increase in the assumed healthcare inflation rate.

Sensitivity of Valuation Assumptions

	Assumptions				Change to insurance contract liabilities	
Scen-ario	Net Discount Rate	Inflation	Gross Discount Rate	Effect	Insurance contract liabilities	Incurred claims
1	1.75%	2.00%	3.75%	Increase	$ 223,688	$ 22,968
2	3.75%	2.00%	5.75%	Decrease	$ (191,356)	$ (19,577)
3	1.75%	3.00%	4.75%	Increase	$ 146,898	$ 16,872
4	Increase healthcare					

Claims risk management

a) Managing insurance risk

The WCB has an objective to manage claims risk. In addition to the inherent uncertainty of claims risk, which can lead to significant variability in the loss experience, performance from operations are significantly affected by factors external to the WCB.

Insurance risk associated with the volume and cost of claims is managed by focusing on performance at the system level, the industry level and the employer level. The balanced scorecard includes corporate performance measures for financial and operational results. Annually, these metrics are linked to the funding strategy and go through a targeting exercise where corporate targets are developed. Metrics are tracked and reported to the Board of Directors quarterly.

At the industry level, Integrated Service Teams are aligned by industry, in order to focus on a single industry, and add value from an injury prevention and return-to-work perspective. Work includes assisting the industry safety associations to understand the trends in their industries and target areas where value can be added. At the employer level, employer injury rate and trends are used to identify those employers that could improve results from a prevention and return-to-work perspective. In addition, the rate-setting model provides incentives through Experience Rating for employers to manage injuries and work to prevent future injuries.

b) Concentration of insurance risk

A large proportion of the covered workers are employed in a relatively small number of workplaces. These workplaces receive more personalized services through Integrated Service Teams, including relationship management, prevention and return-to-work consulting. In addition to focusing on workplaces with a large number of employees, the Nova Scotia Department of Labour, Skills and Immigration is provided with data to allow targeted occupational health and safety inspections.

Financial risk management

a) Liquidity risk of insurance contract liabilities

The following tables show the estimated claims payments underlying the valuations at December 31. These payments are the projected cash flows before any discounting is applied. These estimates involve substantial uncertainty as they extend far into the future.

Estimated Future Claims Payments

Year	At December 31, 2024
2025	$ 264,385
2026	232,672
2027	212,652
2028	198,506
2029	189,401
2030 and subsequent years	2,581,323
Total	$ 3,678,939

Year	At December 31, 2023
2024	$ 259,711
2025	229,709
2026	210,033
2027	197,030
2028	186,890
2029 and subsequent years	2,514,448
Total	$ 3,597,821

b) Market risk of insurance contract liabilities

The WCB's exposure to market risks, including price risk, foreign exchange risk and interest rate risk, arises primarily in relation to the investment portfolio. Information about the WCB's exposure to each of the above risks, including objectives, policies and processes for monitoring and managing the risk, is presented in **Note 7, Financial Risk Management**.

Claims Development Table

The following claims development table is a required disclosure under International Financial Reporting Standards. The top section of the table shows the total dollar amount expected to be paid on claims incurred in the accident year as estimated at various times. Note that claims paid are referred to as “cash flows” in the table so to be clear that these figures do not include discounting.

To put the top section of the table in context, consider the entry in accident year 2015, and year of estimate 2015 (i.e. $293,116). This figure was the estimated total cash flows expected to be paid on accidents in 2015, as measured at December 31, 2015. The amount in accident year 2015, and year of estimate 2024 (i.e. $245,057) provides the same figure re-estimated at December 31, 2024. Estimated cash flows in respect of individual accident years will continue to change over time to the extent there are changes in actuarial assumptions and experience is different than expected.

The lower section of the table shows the development of the liability (or present value of future cash flows associated with each accident year) for accident years 2015 through 2024, as well as the liability for accident years prior to 2015.

Accident Year

	Year of Estimate	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Estimated Total Cash Flow	2015	$ 293,116										293,116
(Including Past and	2016	287,475	$ 309,241									596,716
Future Cash Flows)	2017	260,226	282,282	$ 299,129								841,637
	2018	257,554	274,944	299,625	$ 322,735							1,154,858
	2019	249,629	255,353	276,400	306,018	$ 320,637						1,408,037
	2020	243,714	252,742	268,077	299,132	315,688	$ 332,965					1,712,318
	2021	241,039	259,661	291,813	328,299	331,960	334,081	$ 356,472				2,143,325
	2022	245,574	264,282	301,651	348,902	365,007	351,674	367,101	$ 381,980			2,626,171
	2023	244,518	265,268	306,506	362,864	378,710	363,745	363,094	391,328	$ 401,945		3,077,978
	2024	245,057	259,471	306,709	364,988	378,909	361,391	354,362	364,083	385,808	$ 420,664	$ 3,441,442
Current (2024) Estimate of Total Cash Flow		245,057	259,471	306,709	364,988	378,909	361,391	354,362	364,083	385,808	420,664	3,441,442
Total Cash Flows Paid to December 31, 2024		(133,381)	(133,928)	(140,727)	(157,951)	(154,856)	(127,621)	(122,519)	(102,317)	(76,428)	(36,382)	(1,186,110)
Estimated Future Cash Flows		111,676	125,543	165,982	207,037	224,053	233,770	231,843	261,766	309,380	384,282	2,255,332
Impact of Discounting		(39,061)	(43,893)	(59,992)	(76,118)	(79,491)	(84,722)	(83,021)	(93,764)	(108,763)	(134,941)	(803,766)
Liability in Respect of Accident years 2015 to 2024		$ 72,615	$ 81,650	$ 105,990	$ 130,919	$ 144,562	$ 149,048	$ 148,822	$ 168,002	$ 200,617	$ 249,341	1,451,566
Liability for Accident years 2014 and prior												879,397
Claims Administration												139,858
Latent Occupational Disease Provision												259,436
Liability for Incurred Claims, Including Latent Occupational Disease Provision												2,730,257
Insurance Contracts Fulfilment Cash Flows at December 31, 2024												(17,665)
Insurance Contracts Liabilities at December 31, 2024												**$ 2,712,592**

12. TOTAL INSURANCE REVENUE

	2024	2023
Insurance revenue	$ 435,609	$ 401,931
Practice incentive rebates and surcharge rebates[1]	(2,886)	(2,583)
Insurance Revenue before Other Contribution	432,723	399,348
Other contribution – Province of Nova Scotia[2]	4,371	4,371
Total Insurance Revenue	$ 437,094	$ 403,719

[1] Practice incentive rebates and surcharge refund programs are voluntary and offer refunds and rebates to those registered workplaces that have met certain eligibility requirements. They are payable in the following year.

[2] Effective July 1, 2022, amendments to the Firefighters' Compensation Regulations expanded the number of cancers with presumptive benefits from six to 19, and also expands coverage to include heart attacks that occur within 24 hours of an emergency call, with off-setting contributions received from the Province of Nova Scotia.

13. INSURANCE SERVICE EXPENSES

	2024	2023
Claims costs incurred (**Note 11**)		
Short-term	$ (59,443)	$ (57,594)
Long-term	(130,663)	(125,430)
Survivor	(6,407)	(2,360)
Health care	(80,399)	(71,974)
Rehabilitation	(661)	(648)
	(277,573)	(258,006)
Assumptions change and actuarial experience adjustment (**Note 11**)		
Assumptions change and actuarial experience	43,419	(43,925)
Latent occupational disease experience adjustment	9,876	1,950
	53,295	(41,975)
Administration costs (**Note 15**)	(57,737)	(51,374)
Insurance service expenses	$ (282,015)	$ (351,355)

14. INSURANCE FINANCE EXPENSE

	2024	2023
Growth in present value of the liabilities (**Note 11**)	$ (128,953)	$ (130,125)
Effect of changes in the discount rate[1] (**Note 11**)	(20,474)	(86,702)
Insurance finance expense	$ (149,427)	$ (216,827)

[1] The discount rate used to calculate present value of the future cash flows related to the Insurance Contracts Liabilities decreased from 4.85 per cent (5.30 per cent - 2023) at January 1, 2024 to 4.75 per cent (4.85 per cent - 2023) at December 31, 2024.

15. ADMINISTRATION COSTS

	2024	2023
Salaries and staff expense	$ 55,015	$ 47,511
Services contracted	7,757	6,982
Professional fees, and consulting	7,206	7,729
Depreciation	4,777	5,165
Building operations	1,367	1,415
Communications	731	825
Training and development	708	359
Supplies	657	614
Travel and accommodations	549	443
	78,767	71,043
Change in liability for future administration costs (**Note 11**)	(2,798)	(3,445)
Total	$ 75,969	$ 67,598
Attributable expenses (Included in insurance service expenses)[1]	$ 57,737	$ 51,374
Non-attributable expenses (Included in other expenses)	18,232	16,224
Total	$ 75,969	$ 67,598

[1] Administration costs attributable to insurance service expenses are allocated using a detailed and systematic approach with significant estimates and judgments. When allocating costs related to the provision of insurance services, a review of costs associated with the service and management employer policies and all services related to and supporting claims, plus an allocation of overhead expenses. In 2024, the allocation was calculated to be 76 per cent, unchanged from 2023.

16. OTHER REVENUE AND EXPENSES

	2024	2023
Self-insured revenue (**Note 19**)	$ 9,413	$ 8,239
Other administration expenses (**Note 15**)	(18,232)	(16,224)
System support (**Note 17**)	(1,186)	(1,145)
Legislated obligations (**Note 18**)	(21,897)	(19,260)
Other revenue and expenses	$ (31,902)	$ (28,390)

17. SYSTEM SUPPORT

	2024	2023
System support	$ 1,186	$ 1,145

System support costs are costs associated with providing support and funding for the Workplace Safety Insurance System (WSIS) agencies – the Office of the Employer Advisor and the Office of the Worker Counsellor. Both offices are focused on improving the ease of interacting with the Workplace Safety and Insurance System agencies.

18. LEGISLATED OBLIGATIONS

	2024	2023
Occupational Health and Safety	$ 16,154	$ 14,090
Workers' Advisers Program	3,823	3,192
Workers' Compensation Appeals Tribunal	1,920	1,978
	$ 21,897	$ 19,260

The WCB is required by the Act to reimburse the Province of Nova Scotia for part of the operating costs of the Occupational Health and Safety Division of the Nova Scotia Department of Labour, Skills and Immigration.

The Workers' Advisers Program (WAP) offers legal advice and assistance to eligible injured workers on workers' compensation matters. The WAP operates autonomously from the WCB. The WCB is required by the Act to absorb the operating costs of the WAP.

Combined with the Workers' Advisers Program are the Injured Workers' Associations which provide advice and assistance to workers on workers' compensation issues. The WCB is required by the Act to provide funding to Injured Workers' Associations on such terms and conditions as the Minister of the Nova Scotia Department of Labour, Skills and Immigration deems appropriate, or the Governor in Council prescribes.

The Workers' Compensation Appeals Tribunal (WCAT) is an independent organization formed to hear appeals of workers' compensation claims and assessment decisions. The WCB is required by the Act to absorb the operating costs of the WCAT.

19. SELF-INSURED EMPLOYERS

Self-insured employers - federal and provincial government bodies directly bear the costs of their own incurred claims. The WCB administers these claims and charges self-insured employers an administration fee based on their pro-rata share of WCB administration costs and it is included in revenue on the Statement of Comprehensive Income.

The benefits liabilities related to self-insured employers have not been included in the WCB's Insurance contract liabilities. Section 134.3 of the Act references that self-insured employers are liable individually to pay an amount based on the cost of claims plus administrative costs incurred by the WCB with respect to those claims. As these liabilities will be borne by those employers when paid in future years, they do not add to the WCB's unfunded liability.

During the year, the following self-insured revenue and claims cost reimbursements were levied:

	2024	2023
Self-insured revenue	$ 9,413	$ 8,239
Claims cost reimbursements		
Short-term disability	$ 11,890	$ 10,730
Long-term disability	22,976	25,233
Survivor benefits	2,827	3,047
Health care	12,258	10,528
	$ 49,951	$ 49,538

20. RELATED PARTY TRANSACTIONS

The WCB provides self-insured coverage to provincial government agencies and departments. The Province is considered a related party as the Province administers the Act through which the WCB is governed. The Province, as a self-insured employer, reimburses the WCB for its own incurred claims and a share of WCB administration costs. The amounts included in **Note 19** for the Province of Nova Scotia are as follows:

	2024	2023
Self-insured revenue	$ 3,315	$ 2,867
Claims cost recoveries	$ 12,089	$ 11,957

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The balances due from the Province of Nova Scotia are non-interest bearing and under normal credit terms. At December 31, 2024, the amount receivable from the Province of Nova Scotia was $3,553 (2023, $3,408) for claims payments made and administration costs.

Key management personnel of the WCB (CEO, C-Suite Officers, Vice Presidents, Directors and the Board of Directors) are deemed related parties. In addition, close family members of the key management personnel are also related parties of the WCB. There were no transactions or relationships with these related parties, with the exception of salaries and benefits shown below, that require disclosure.

WCB Salaries and Benefits (in actual dollars)

	2024						2023	
	Number of Individuals	Salary	Benefits	Other	Total	Notes	Number of Individuals	Total
Board of Directors	10	$ 170,946	$ 7,912	$ -	$ 178,858	1	10	$ 237,135
Executive Leadership Team	7	1,367,324	204,353	105,019	1,676,696		6	1,350,028
All Employees (Average: 2024-$89,566; 2023-$86,871)	548	42,446,856	8,490,441	598,478	51,535,775	2	489	44,129,569
Post-employment Benefits			1,749,721		1,749,721			1,913,587
Salaries & Benefits	565	$ 43,985,126	$ 10,452,427	$ 703,497	$ 55,141,050	3	505	$ 47,630,319

1 The Chair's combined remuneration was based on a daily per diem allowance of $300 in addition to an honorarium of $20,000 annually, to a maximum of $50,000 per year. All other Board members received a daily allowance of $300 for attendance at Board meetings and related work. In addition to the per diem, the Deputy Chair received an honorarium of $5,000 per annum and the Committee Chairs received an honorarium of $2,000 per annum.

2 This figure represents the average number of employees on payroll during the fiscal year.

3 Salary includes regular base pay, and settlement provisions of the collective agreement. Benefits include the employer's share of the employee benefits - CPP, EI, pension, health/dental, life insurance and long term disability. 'Other' includes vacation payout and travel allowance. Total salaries and benefits in 2024 of $55,141,050 (2023 of $47,630,319) varies by $125,970 (2023 - $119,172) from **Note 15** in the financial statements due to travel allowance disclosed in 'Other', which is posted to 'Travel and accommodations' in **Note 15**.

21. INDUSTRY LEVIES

As a result of Orders-in-Council or agreements with the industry associations, the WCB has levied a surcharge against the industries listed below to fund a portion of the operating costs of health and safety programs conducted by the industries. The amounts collected have been disbursed as directed by the Orders-in-Council or agreements with the industry associations. As the funds collected on behalf of these industries are not those of the WCB, they have not been included as revenue or costs in the Statement of Comprehensive Income.

Industry	Payee	2024	2023
Construction	Construction Safety Nova Scotia	$ 3,384	$ 3,197
Fishing	Fish Safe NS	427	428
Trucking	Nova Scotia Trucking Safety Association	419	435
Forestry	Forestry Safety Society of Nova Scotia	127	142
Auto Retailers	Nova Scotia Automobile Dealers' Safety Association	167	164
Retail Gasoline	Retail Gasoline Dealers Association	37	40
		$ 4,561	$ 4,406

22.COMMITMENTS

Leases

The WCB leases an office space which has been recorded in the financial statements as right-of-use assets. The lease term is 5 years, with two optional renewal periods of 5 years each.

The WCB also has right of use asset leases for various items of equipment. Lease terms range from 3 to 5 years and have no terms of renewal, purchase options or escalation clauses. Leased equipment assets are pledged as collateral for the related right-of-use assets.

The maturity analysis of all lease liabilities at December 31 is as follows:

2024	Within One Year	Within one to five years	Total
Lease payments (principal and interest)	$ 93	$ 217	$ 310

2023	Within One Year	Within one to five years	Total
Lease payments (principal and interest)	$ 229	$ 162	$ 391

The WCB's liquidly risk inherent in the maturity of lease liabilities is low. The WCB has a capital management plan to fund current operations. See **Note 24** for further details.

The future aggregate minimum lease payments relating to leases that are short-term or low value in nature, which are not included in the measurement of lease liabilities, and are not material to the financial statements.

Investment Commitments

There are undrawn investment commitments for certain limited partnerships and pooled funds. See **Note 6** "Investments".

23.EMPLOYEE PENSION PLAN

Employees of the WCB participate in the Public Service Superannuation Fund (Plan), a contributory pension plan administered by the Pension Services Superannuation Plan Trustee Incorporated, which provides pension benefits based on length of service and earnings. Contributions to the Plan are required by both employees and the WCB. Total WCB employer contributions for 2024 were $3,564 (2023 - $3,279) and are recognized as an expense in the period. The WCB is not obligated for any unfunded liability, nor does the WCB have entitlement to any surplus that may arise in this Plan.

24.CAPITAL MANAGEMENT

The capital management objective reflects the mandate to pay benefits and to ensure the long-term financial sustainability of the Workers' Compensation System. The funding strategy outlines the WCB's planned approach to secure financial obligations of current and future benefits to workers and operations. Funding of the Workers' Compensation System requires consideration of a number of complex variables and assumptions (rates, benefits, funding period and investment returns).

For funding purposes and rate setting purposes, a going-concern discount rate that reflects the best estimate of the long-term rate of return on assets consistent with the strategic asset allocation adopted by the Board's statement of investment policies and objectives. The discount rate as at December 31, 2024 is 5.50 per cent (unchanged from 2023).

The funded ratio is monitored, the funding percentage calculated by the ratio of total assets to total liabilities for rate setting purposes is 106.7 per cent (2023 – 94.9 per cent).

Reconciliation between IFRS and Funding Basis

All figures are as at December 31, 2024

	IFRS	Measurement	Reclassification	Funding Basis
Total Assets	$2,806,615	-	$35,556	$2,842,171
Total Liabilities	$2,775,525	($146,174)	$35,556	$2,664,907
Funded Ratio	101.1%			106.7%

25.SUBSEQUENT EVENT

Management has evaluated subsequent events through June 26, 2025, the date of financial statements approval.

On May 21, 2025, a lease agreement was signed for new office space located in Dartmouth, Nova Scotia for a ten year term.

In accordance with IFRS 16 – Leases, the WCB will recognize a lease liability in the 2025 financial statements. As the lease was entered into after the reporting date of December 31, 2024, it is considered a non-adjusting event and is not reflected in the accompanying financial statements.

We have completed an actuarial valuation of the benefit liabilities for insured employers under the Workers' Compensation Act of Nova Scotia (the "Act") in accordance with IFRS 17 as at December 31, 2024, for the purpose of providing input to the financial statements of the Workers' Compensation Board of Nova Scotia (the "Board"). The valuation is in respect of assessed firms only and does not include any provision for future payments in respect of self-insured firms.

Our estimate of the benefits liabilities of $2,730,257,000 represents the actuarial present value at December 31, 2024, of all expected health-care payments, short-term disability benefits, long-term disability benefits, survivor benefits, rehabilitation and other payments which will be made in future years, and which relate to claims arising from events which occurred on or before December 31, 2024. The liabilities include a provision for future administrative expenses. The liabilities also include a provision for potential occupational diseases in the latency period. No allowance has been made in these liabilities for any future deviations from the present policies and practices of the Board or for the extension of new coverage types.

Data required for the valuation has been provided by the Board. We have reviewed the valuation data to test for reasonableness and consistency with the data used in prior years.

The liabilities have been allocated into six categories, namely: short-term disability; long-term disability; survivors' benefits; health care; rehabilitation and administration.

All liabilities have been calculated using underlying assumptions of 2.75% per annum for the real rate of return on invested assets and 2.00% per annum for the rate of increase in the Consumer Price Index.

The CPI assumption equates to inflation rates for indexing benefits of 1.00% per annum in respect of long-term disabilities and permanent survivor benefits, because indexing for these benefits is specified under the Act as 50% of the rate of increase in the Consumer Price Index.

Liabilities in respect of permanent long-term disability and survivor benefits in-pay have been determined by projecting cash flows on an individual claimant basis using mortality as the only decrement.

Liabilities in respect of future permanent long-term disability and survivor benefits awards have been determined based on factors developed from historical patterns of permanent awards and using mortality and valuation interest rate assumptions identical to those used in determining the existing pension and long-term disability liabilities.

The liabilities in respect of short-term disability, health care, rehabilitation and the non-permanent portion of survivors' benefits have been determined from projections of future claim payments. These projections have been based on continuation of recent payment patterns by years since the injury. An inflation rate of 2.00% per annum has been used to project future cash flows for short-term disability claims, rehabilitation, and the non-permanent portion of survivors' benefits. For health care, an inflation rate of 4.25% per annum was used, reflecting the greater expected inflation and utilization rate for this benefit category.

Effective September 1, 2024, amendments to the Act allow workers to be compensated for gradual onset psychological injury. Given this coverage is new, any impact will be reflected in future actuarial valuations. We are not aware of any events subsequent to the valuation date that would have a material impact on our liability calculations.

It is our opinion that:

- the data on which the valuation is based are sufficient and reliable for the purpose of the valuation;
- the assumptions are appropriate for the purpose of the valuation;
- the methods employed in the valuation are appropriate for the purpose of the valuation; and
- the amount of the benefits liabilities makes appropriate provision for all personal injury compensation obligations and the financial statements fairly present the results of the valuation.

Our valuation report has been prepared and our opinions have been given in accordance with accepted actuarial practice in Canada.

Further information on the data, assumptions, methods, and valuation results can be found in our actuarial valuation report.

Jeff Turnbull, FSA, FCIA

Scott Mossman, FSA, FCIA

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FOR LIFE.
WORKERS' COMPENSATION BOARD OF NOVA SCOTIA

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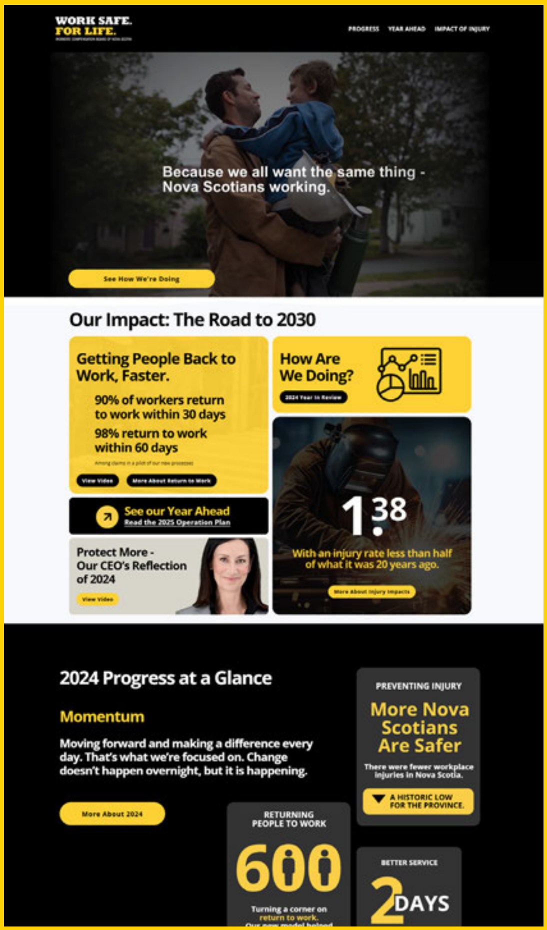

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