ANNUAL PERFORMANCE REPORT 2024

WorkplaceNL

Health | Safety | Compensation

Our purpose

To improve quality of life through safe workplaces and support for our clients

Contents

This document is available in alternate formats upon request.

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Message from the Board Chair

I am pleased to present WorkplaceNL's 2024 Annual Performance Report in accordance with the **Transparency and Accountability Act** and the Guidelines for Annual Performance Reports for Category 1 Government Entities.

The Board of Directors is accountable for the contents and results reported within. Our focus is to: build healthy and safe workplaces, support return to work and recovery after a work-related injury or illness, as well as grow strategic partnerships.

This report outlines our achievements and outcomes in these areas, as set out in the second year of our 2023-25 Strategic Plan. The 2024 lost-time injury rate reached a new historic low of 1.2 per 100 workers (2023: 1.3). As of December 31, 2024, the Injury Fund was 131.6 per cent funded (2023: 121.0). The average discounted assessment rate paid by employers in 2024 increased to \$1.73 per \$100 payroll (2023: \$1.69 average discounted rate). The rate increased as it cost more to cover a claim, primarily due to benefit changes and inflation. The rate contains a \$0.21 discount to help reduce the surplus in the Injury Fund. The 2025 discounted average assessment rate remains at \$1.73.

Guided by the 2023-28 workplace injury prevention strategy, we continue to work with our many partners to build physically and psychologically safe workplaces throughout our province. Should an incident happen, we are here to support workers as they recover and return to work, if appropriate. We are continuing our shift to a wellness model, where we work with workers, health care providers and employers to focus on what a worker can do at work during their recovery – getting them back to connections, routines and safe work.

The Board of Directors is committed to maintaining a sustainable, employer-funded, no-fault workers' compensation system to provide support to injured workers and coverage for employers for years to come. Thank you to our employees, stakeholders, workers and employers for their relentless energy and collaboration towards workplace safety and effective return-to-work programs.

John Peddle, ICD.D
Chair, Board of Directors, WorkplaceNL

Overview

WorkplaceNL administers Newfoundland and Labrador's mandatory, no-fault workers' compensation system. The system is funded by assessments collected from employers and investment returns.

As of December 31, 2024, our 334 employees (78 per cent female and 22 per cent male) were located in three offices: St. John's (289 employees), Grand Falls-Windsor (18 employees) and Corner Brook (27 employees). On a funding basis, our total revenue was $429.0 million and total expenses were $271.2 million.

Vision

Our vision is of safe and healthy workplaces within a sustainable insurance system that reduces the impact of workplace injuries by providing fair and adequate benefits to injured workers and the highest level of service to all workers and employers.

Mandate

Under the authority of the **Workplace Health, Safety and Compensation Act, 2022** (the Act), WorkplaceNL:

- Promotes workplace health and safety in order to prevent and reduce workplace injury and illness.
- Strives to ensure injured workers receive the best care possible and the benefits to which they are entitled.
- Facilitates injured workers' recovery, and early and safe return to work.
- Administers an employer classification and assessment system.
- Ensures adequate funding for services through sound financial management.

Lines of business

WorkplaceNL fulfills its mandate through three lines of business:

1. Education on the prevention of workplace injury, illness and occupational disease.
2. Claims management and benefits for injured workers.
3. Employer assessments (no-fault compensation coverage).

These lines of business are supported by departments with specialized knowledge, ensuring WorkplaceNL is effective in serving workers and employers throughout the province.

Employer advisors and worker advisors, funded by WorkplaceNL, also serve employers and workers in the province by providing free-of-charge independent assistance. Employer advisors are located at the Board of Trade (see https://workplacenl.ca/employers/employer-advisors/) and worker advisors are located at the Newfoundland and Labrador Federation of Labour (see https://workplacenl.ca/workers/worker-advisors/).

Board governance

In accordance with the Act, the Board of Directors (the Board) consists of ten members appointed by the Lieutenant-Governor in Council. The Board is also required to have two non-voting members: Chief Executive Officer of WorkplaceNL and a Provincial Government employee, designated by the Minister responsible for WorkplaceNL.

Chair: John Peddle

Members representative of workers:	**Members representative of employers:**	**Members representative of the public:**
James Farrell	Patsy Coish-Snow	Lana Collins
David Hammond	Wayne Pardy	Anne Fagan
Wayde Rowsell	Gregory Viscount	Louise Bradley (Injured Worker Representative)

Non-voting members: Ann Martin, Chief Executive Officer, WorkplaceNL and Gail Boland, Assistant Deputy Minister, Digital Government and Service NL[i]

[i] The Department name of Digital Government and Service NL changed to Government Modernization and Service Delivery in 2025, prior to publishing this report.

At a glance statistics[1]	2024	2023	2022	2021	2020
Injury Rate[2]	1.2	1.3	1.5	1.5	1.4
Soft-tissue Injury Rate[3]	0.8	1.0	1.0	1.1	1.1
Total New Claims	4,029	4,301	4,760	4,407	4,302
Short-term Disability Claims[4]	2,971	3,193	3,540	3,259	3,106
Health Care Only Claims[5]	1,032	1,093	1,190	1,130	1,161
Accepted Fatality Claims[6]	26	15	30	18	35
Accidents	11	1	8	3	13
Occupational Disease	15	14	22	15	22
Hearing Loss Claims[7]	270	246	248	162	163
Claims Denied[8]	372	400	332		
Short-term Claims Duration (days)[9]	49	47	42	50	54
Average Assessment Rate ($)[10]	1.73	1.69	1.69	1.69	1.69
Registered Employer Accounts	17,236	17,208	17,355	17,537	17,680
Employer Assessments ($ million)	171.4	153.2	150.3	144.1	131.4
Claims Costs Incurred ($ million)[11]	197.1	193.0	195.0	177.8	176.5
Fund Balance ($ million)	454.7	297.0	226.2	430.1	333.6
Funded Ratio (%)	131.6	121.0	116.2	132.3	125.5

1. Represents a point in time. Data reported in other sources may differ as updates may occur if further claim decisions are made. Financial results are based on the funding basis of accounting method.
2. Number of lost-time claims accepted and paid, per 100 workers employed.
3. Number of lost-time soft-tissue injury claims accepted and paid, per 100 workers employed.
4. Number of new lost-time claims reported, accepted and paid up to March 31 of the following calendar year.
5. Number of new claims with no lost time from work reported, accepted and paid up to March 31 of the following calendar year.
6. Number of claims accepted in the calendar year. Claims may have been reported in prior years.
7. A subset of the reported lost-time or health care only claims.
8. Number of claims that are adjudicated and denied upon initial review, up to March 31 of the following calendar year. Reporting this metric started in 2022.
9. Average number of days for which temporary earnings loss benefits are paid for injuries occurring in the same reference year.
10. A provisional rate per $100 of assessable payroll, established before the beginning of the year based on cost estimates charged to employers. Rates for 2020-2024 include the $0.21 discount.
11. Includes current year payments plus expected future payments for all injuries occurring and accepted in the year, excluding actuarial adjustments.

Highlights and partnerships

Client service

In 2024, results from client service surveys showed that 82 per cent of employers, 77 per cent of workers on short-term claim and 75 per cent of workers on long-term claim were satisfied with the quality of service received from WorkplaceNL.

Figure 1. Employers agree that WorkplaceNL...

80%	provides information that is useful to them.
76%	does a good job of keeping them informed about important changes.
72%	does a good job educating employers and workplaces about how to prevent workplace injuries, PRIME and other WorkplaceNL programs.
29%	has too much paperwork or unnecessary requirements.

Figure 2. Injured workers satisfied with service received from WorkplaceNL

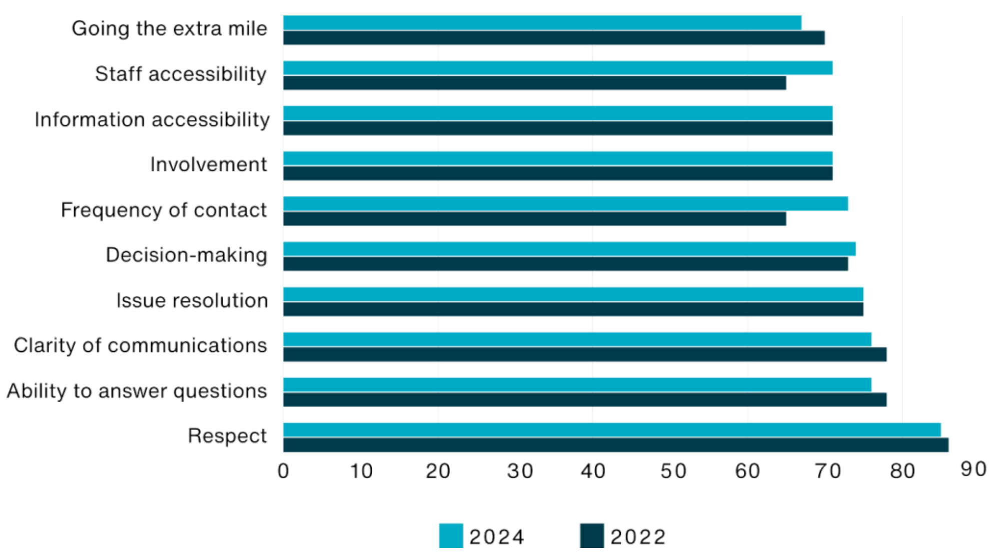
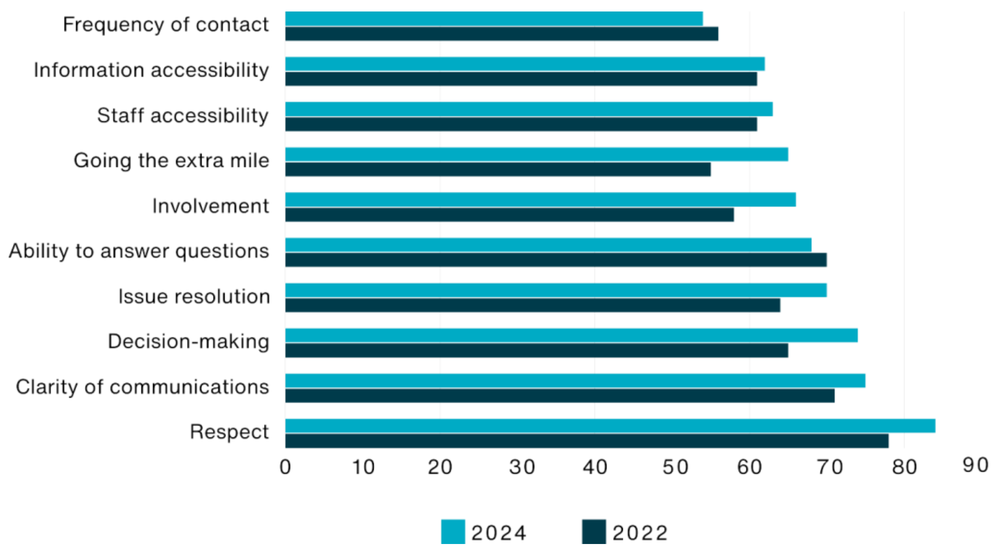


Figure 3. Extended Earnings Loss clients satisfied with service received from WorkplaceNL



Research projects

In 2024, we approved funding with Memorial University's School of Nursing to research safety culture and attitudes in health care settings from the perspective of internationally educated nurses. Our Research Initiatives Program fulfills our mandate under the Act by funding research projects that inform innovative and easy-to-implement solutions to prevent workplace injury and illness or re-integrate workers into the workforce, post injury.

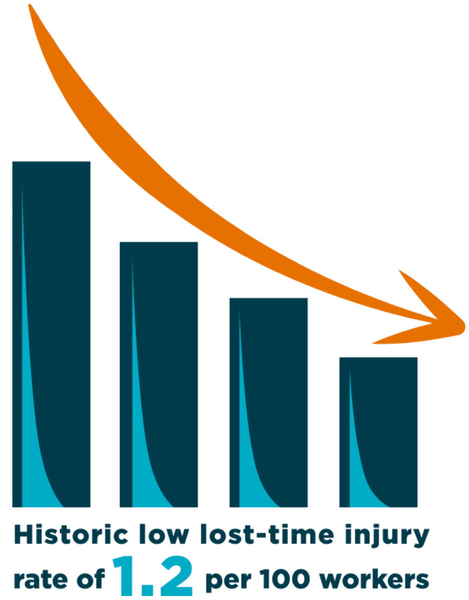
Information on previous and ongoing research projects is posted to our website at: https://workplacenl.ca/about/research/.

Accessible and inclusive services

Highlights of 2024 activities from our Accessibility Plan 2024-26 include:

- Worked with DiversityNL to deliver a series of workshops and information sessions to increase our employees' awareness of diversity, equity, inclusion and belonging.
- Engaged the Autism Society to provide our employees with a greater understanding of neurodiversity and ways to better support neurodivergent clients and employees.
- Tested closed captioning for our live stream safety webinars. Closed captioning is available via the YouTube platform for our on-demand webinars.

More highlights



- Reached a new historic low lost-time injury rate of 1.2 per 100 workers, down from 1.3 in 2023.
- Announced that the 2025 average assessment rate paid by employers will remain at $1.73 per $100 of assessable earnings, which includes a $0.21 temporary discount.
- Launched new online health and safety courses for employers in Musculoskeletal Injury Prevention and Hazard Recognition, Evaluation, and Control, and completed work on additional courses in Incident Investigation and Workplace Inspections.
- Delivered our annual Health and Safety Learning Symposium for workers and employers, with over 350 in-person attendees and 88 on the live stream.

- Over 62,000 workers received safety training certifications in 2024 to make workplaces safer, a new record high (2023: over 57,000).
- Announced recipients of annual safety awards:
  - Student safety video ad: Good Visibility is no Accident, submitted by Bethany Reid of Corner Brook Regional High, Corner Brook
  - Student safety radio ad: The Safety Stand-up, submitted by Samantha Meadus of Southwest Arm Academy, Little Heart's Ease
  - Safe Student of the Year: Jacob Tilley of Random Island Academy, Hickman's Harbour
  - Health and Safety Educator of the Year: Leslie Tucker of Gonzaga High School, St. John's
  - Safety Leadership Award for Employers: RothLochson Constructors Inc.
  - Safety Leadership Award for Workers: Kiel Williams, a powerline technician with Newfoundland Power

- Hosted our 2024 psychological health and safety webinar series with over 1,500 attendees, to support knowledge gains with both workers and employers (2023: over 1,100).

participated in our 2024 psychological health and safety webinar series

Statutory review brings positive changes

Workers and employers will benefit from progress made in 2024 on recommendations from the 2019 statutory review of the workers' compensation system:

- Concluded public and stakeholder consultations to consider expanding Policy EN-18 Traumatic Mental Stress to include chronic stress, particularly from workplace harassment (see the What We Heard document on https://workplacenl.ca/about/consultations/past-consultations/).

- Expanded the scope of the Employer Advisors with the Board of Trade to support and represent employers at review hearings as of January 1, 2025, consistent with the role of Worker Advisors with the Newfoundland and Labrador Federation of Labour (NLFL).

- Implemented a new procedure to review new information received from a client during an internal or external review, to avoid delays during a review of a claim decision.

- Collaborated with NL Health Services' (NLHS) Strategic Health Network to bring occupational health concepts into already established family care teams – highlighting the importance of their role in preventing and treating work-related injury and illness, as well as supporting workers as they recover at and return to work.

- Collaborated with NLHS to develop an NLHS Health and Safety Council, to focus on preventing injury and improving return-to-work outcomes with the province's largest health care employer.

Statutory reviews seek to improve the system based on feedback from many people, groups, partners and stakeholders. We continue to implement changes and analyze options, as directed by the Minister Responsible for WorkplaceNL.

Partners

We are proud to collaborate with a broad range of stakeholders and community partners to improve client service and help prevent workplace injury or illness, including:

Association for New Canadians
Association of Workers' Compensation Boards of Canada
Board of Trade (including Newfoundland and Labrador Employers' Council)
Canadian Centre for Occupational Health and Safety
Canadian Manufacturers and Exporters – Newfoundland and Labrador
Canadian Mental Health Association
Canadian National Institute for the Blind
Empower NL, Disability Resource Centre
Fish, Food and Allied Workers – Unifor
Forestry Safety Association of Newfoundland and Labrador
Government of Newfoundland and Labrador
International Association of Fire Fighters
Made Safe NL
Memorial University of Newfoundland
Minister's Advisory Council on Occupational Health and Safety
Newfoundland and Labrador Association of Public and Private Employees
Newfoundland and Labrador Construction Safety Association
Newfoundland and Labrador Federation of Labour
Newfoundland and Labrador Fish Harvesting Safety Association
Newfoundland and Labrador Occupational Health and Safety Association
NL Health Services
Paramedic Association of Newfoundland and Labrador
SafetyNL
SeniorsNL
Task Force on Mental Health and Suicide Prevention in Construction
Threads of Life
Workers' Compensation Independent Review Board

Report on performance

2024 marks the second year of WorkplaceNL's 2023-25 strategic plan. In keeping with the **Transparency and Accountability Act**, the plan identifies strategic issues, three-year goals and objectives for each of the three years.

Our strategic issues are:

1. Building healthy and safe workplaces
2. Return to work and recovery
3. Growing strategic partnerships

Strategic Issue 1: Building healthy and safe workplaces

Goal 1: By December 31, 2025, WorkplaceNL will have concentrated efforts to impact the safety culture of workplaces.

Improved workplace health and safety outcomes remain a goal for WorkplaceNL. Our efforts to meet this goal are driven by the 2023-28 Workplace Injury Prevention Strategy. We have observed positive outcomes to date, reaching a record low lost-time injury rate of 1.2 lost-time injuries per 100 workers in 2024. This is the second consecutive year with a new record low lost-time injury rate, and it remains one of the lowest rates in the country. Another positive outcome is that over 93 per cent of Newfoundland and Labrador workplaces were injury free in 2024 (2023: 93 per cent). Continued work will be required to sustain this positive health and safety performance in workplaces.

2024 Objective for Goal 1: By December 31, 2024, WorkplaceNL will have continued program and service enhancements to advance the safety culture of workplaces.

Indicator 1.1: Updated programs and services to align with operational and legislative improvements

2024 Result

We continued our multi-year initiative to transform our Prevention and Return-to-Work Insurance Management for Employers/Employees (PRIME) program to grow the safety culture of the provinces' workplaces. The PRIME program provides financial incentives for employers with good health and safety performance in their workplaces.

The phased approach to update the PRIME program shifts from three to two paths. PRIME Path 1 was introduced for small employers and was updated in 2024 to target workplaces with fewer than 20 workers at a workplace or who pay less than $10,000 in average assessments. Path 1 employers are required to complete two education courses per year and have a certified Occupational Health and Safety (OHS) committee, representative or designate, depending on their size.

In 2024, we began developing Path 2 for larger employers with $10,000 or more in average assessments and 20 or more workers at a workplace. Beginning in 2026, Path 2 employers are required to have a 15-element OHS program and pass a safety assessment of their program. In addition, we procured a new software tool for employers to use when completing their safety assessments, beginning in 2026. This new software will help employers increase OHS compliance, reduce risk and improve safety performance.

We updated our policies and procedures for the PRIME program in 2024 to assist Path 2 employers. This included creating a new policy and procedure outlining the eligibility criteria and assessment process for Path 2 employers (Policy PR-15 PRIME Practice Incentive for Path 2 Employer (OHS Certification) and Procedure 507.00 PRIME Path 2 Employer (OHS Certification) Criteria), outlining the PRIME eligibility criteria and assessment process.

We also hosted webinars, workshops and presentations to help employers understand Path 2 requirements. This included a presentation at our annual Health and Safety Learning Symposium and a webinar with the Board of Trade.

The two new paths under the PRIME program align with amendments made to the **Occupational Health and Safety Act** (OHS Act), which came into force on March 1, 2024. The OHS Act now requires an OHS committee in workplaces with 20 or more workers, instead of 10 or more workers as previously required. We also updated our OHS committee educational materials to reflect this change.

We revised Policy HS-03 Occupational Health and Safety Certification Training in 2024. The revisions clarify roles and responsibilities, increase accountability for training providers and improve overall awareness of requirements and processes related to certification training standards. Clarifying language, roles, responsibilities and processes supports the delivery of high-quality and inclusive training for workers in a consistent, standardized way. Associated procedures were also revised and were published on our website in early 2025.

Indicator 1.2: Began development of resources that support today's workplaces

2024 Results

We developed new resources to promote healthy and safe workplaces that will be available in 2025, including:

- Two online courses for PRIME Path 1 employers: Introduction to Incident Investigations and Introduction to Workplace Inspections.
- An online cancer prevention course for firefighters, in consultation with the Provincial Firefighter OHS Working Group.

We revised the Power Line Hazards Training curriculum, including the facilitator's guide and participants' manual. The changes clarify training and recertification requirements for workers, helping ensure training commitments and learning outcomes are fully understood. Virtual training delivery options are also highlighted in the revised curriculum, making this training more accessible for workers. We ensured inclusive program development by engaging a Technical Advisory Committee, soliciting stakeholder feedback and piloting the new materials.

We worked with the Association for New Canadians to identify resources that will assist safety efforts in diverse workplaces. As a result, we began to develop an educational video and poster focusing on workers' rights with respect to workplace health and safety.

We delivered 11 new podcasts with 681 streams in 2024. Topics included: mental health and stress management, occupational disease prevention, OHS legislation changes, PRIME program changes, health surveillance and identifying risk factors for musculoskeletal injuries. These podcasts are available to the public to promote awareness of these safety topics (see https://workplacenl.ca/resources/the-signal-workplacenls-health-and-safety-podcast/).

Discussion of overall results

WorkplaceNL met its objective of continuing program and service delivery enhancements to advance the safety culture of workplaces by:

- Revising and creating policies and procedures for new PRIME requirements.
- Delivering education sessions and updating courses to reflect OHS legislative changes.
- Updating training certification policy and procedures to clarify roles and enhance accountability.
- Developing new online courses for small employers (incident investigations and workplace inspections) and firefighters (cancer prevention).
- Developing a revised power line hazards certification training standard curriculum.
- Developing new resources for increasingly diverse workplaces.
- Delivering 11 new podcasts on various safety-related topics.

We will continue these efforts in 2025 to reach our overall goal of concentrating efforts to impact the safety culture of workplaces.

Looking forward: building healthy and safe workplaces 2025 objective and indicators

2025 Objective: By December 31, 2025, WorkplaceNL will have furthered program and service enhancements to advance the safety culture of workplaces.

Indicator 1.1: Completed PRIME program changes to improve safety outcomes for large employers

Indicator 1.2: Provided support to employers on the prevention of psychological injuries

Strategic Issue 2:
Return to work and recovery

Goal 2: By December 31, 2025, WorkplaceNL will have modified delivery approaches that support return-to-work and recovery from workplace injuries.

We support injured workers throughout their recovery journey. In 2024, we identified business process improvements to ensure we provide appropriate, timely services and benefits. Our continuous focus on helping workers return to work and recover from workplace injuries lessens the impact on workers, their families, employers and communities.

2024 Objective for Goal 2: By December 31, 2024, WorkplaceNL will have continued enhancements to return-to-work and recovery approaches.

Indicator 2.1: Continued a review of programs and services to improve return-to-work and recovery approaches

2024 Results

WorkplaceNL continued reviewing its Early and Safe Return-to-Work (ESRTW) and Labour Market Re-entry programs throughout 2024 to identify potential improvement opportunities. We reviewed the scope of work for our Labour Market Re-entry service providers and established a new service agreement to provide enhanced on-the-job training supports to help workers find fulfilling and suitable work within their functional abilities. We also conducted a jurisdictional review of employer reporting requirements for ESRTW processes and reviewed our forms to identify opportunities to reduce the administrative burden for clients. We will conduct further analysis in 2025 and implement changes, if determined to be beneficial for our clients.

We reviewed research and best practices in care pathways. Care pathways are evidence-based care models and protocols to treat specific injury types. They provide decision makers with standard recommendations on the types of care a worker may require at specific intervals during their recovery. Based on this review and an analysis of our claim data, we identified concussions as the injury type for which we will develop our first care pathway.

We began implementing the recommendations from our 2023 review of our Traumatic Psychological Injury Program to improve processes and overall care for workers. We revised the program's reporting tools to enhance program monitoring, including clarifying treatment methods for workers and better tracking of their overall progress in meeting their recovery and return-to-work goals. Our program service provider also added a psychiatrist to their team for situations where a worker needs an independent assessment. A stabilization period is also now provided when workers, who are experiencing elevated symptoms, need time to prepare to work through their trauma.

We also developed a program accountability framework to help objectively assess whether the Traumatic Psychological Injury Program is meeting its intended results. This included a logic model establishing a goal, outputs and outcomes, a performance monitoring plan and an evaluation framework.

In 2023, we funded 80 seats for health care providers in the Getting Your Patients Back to Work: Work Disability Prevention for Clinicians course delivered through the American College of Environmental and Occupational Medicine (ACOEM). At year-end 2024, 12 providers had completed the course, 20 were in progress and an additional 29 were registered. We also rolled out a survey in 2024 to measure the value of the course for health care providers.

Indicator 2.2: Improved business processes that support return to work and recovery

2024 Results
We continued our transition to a wellness model for supporting workers. The wellness model is a philosophical shift from our former medical model of case management. The medical model focused on illness, injury, limitations and inabilities. Our new wellness model takes a more positive approach that places the worker at the center of the recovery process and focuses on their functional abilities. In 2024, we developed an internal Collaborative Care Planning training model for case managers. Collaborative Care Planning gives case managers new language, tools and approaches that support what injured workers are able to do while they recover. The formal curriculum will be incorporated into the overall training program for new case managers in 2025.

We updated the process and reporting requirements for providers who offer worksite occupational rehabilitation to workers. The new process standardizes reporting and increases providers' accountability, ensuring they provide appropriate support to workers. It also enhances communication between providers and case managers, improving timely decision making on claims for clients. We ran a trial with three providers to refine the process. We then trained 57 providers from 19 clinics who have memoranda of understanding with WorkplaceNL. We plan to implement the process and train the remaining providers in 2025.

We began implementing the recommendations from our 2023 review of our Priority Employer Program to improve collaboration between our health and safety advisors in Prevention Services and return-to-work facilitators in Claims Services. In 2024, we began a more focused effort to identify priority employers who may benefit from return-to-work support, based on individualized data analysis. An approach was developed for advisors and facilitators to work together to support identified employers, to help them understand the benefits of improving their return-to-work program.

We also added a My Letters feature to MyWorkplaceNL, which is the online service platform for workers. In 2024, we added 11 claim-related letters to MyWorkplaceNL, accounting for over 50 per cent of the volume of letters we send to workers. This means clients with an online account are now able to receive near-instant access to the correspondence from WorkplaceNL related to their claim. We also reviewed those letters to ensure they were written in clear language, making it easier for clients to understand our decisions and processes.

In 2024, we began a continuous improvement initiative with our prescription drug administrator to consolidate drug formularies resulting in a more efficient approval process for case managers and timely service for workers. Drug formularies are groups of drugs; each group has specific rules about how prescriptions are approved for payment.

Discussion of overall results

WorkplaceNL met the 2024 objective of continuing enhancements to return-to-work and recovery approaches by:

- Expanding on-the-job training supports as part of the Labour Market Re-entry Program.
- Researching best practices with care pathways.
- Implementing recommendations from the Traumatic Psychological Injury Program process review.
- Reviewing the use of ACOEM training procured for health care providers.
- Developing a collaborative care training curriculum.
- Updating process and reporting requirements for worksite occupational rehabilitation.
- Improving return-to-work support provided to employers in the Priority Employer Program.
- Beginning to consolidate drug formularies.

We will continue these efforts in 2025 to reach our overall goal of modifying delivery approaches that support workers' return to work and recovery from workplace injuries.

Looking forward: return to work and recovery 2025 objective and indicators

2025 Objective: By December 31, 2025, WorkplaceNL will have furthered enhancements to return-to-work and recovery approaches.

> **Indicator 2.1:** Implemented changes to improve return-to-work and recovery approaches in support of program review findings
>
> **Indicator 2.2:** Continued improving business processes that support recovery and return to work

Strategic Issue 3: Growing strategic partnerships

Goal 3: By December 31, 2025, WorkplaceNL will have strengthened partnerships with organizations, industries and employers to improve programs and services.

Collaboration, communication and strong strategic partnerships help us achieve our mandate and provide the best service for all workers and employers in the province. We all have a part to play in preventing and minimizing the impact of a workplace injury or illness. We collaborated with organizations, industries and employers to strengthen our partnerships and achieve many improvements.

2024 Objective for Goal 3: By December 31, 2024, in collaboration with our partners, WorkplaceNL will have continued the implementation of innovative program changes.

Indicator 3.1: Consulted with partners to begin implementing solutions that impact WorkplaceNL's mandate

2024 Results

We completed a consultation process to consider expanding Policy EN-18 Traumatic Mental Stress to include chronic stress, particularly from workplace harassment. The consultation concluded in May 2024 and feedback is included in the What We Heard document on https://workplacenl.ca/about/consultations/past-consultations/. We subsequently met with and collected feedback from our primary stakeholders to discuss possible options and next steps.

We continued work in 2024 with NL Health Services to develop a new health and safety council. Through this partnership, we will collaborate to prevent injuries and promote return to work within the province's largest employer in the health care sector. The council is expected to be established in 2025. We also began exploring opportunities to establish working groups to address health and safety outcomes in other areas of the health care sector, including personal care homes and home care agencies.

A new Mine Rescue Certification Training Program was launched in 2024, through our collaboration with the Provincial Mine Rescue Technical Advisory Committee. The committee includes WorkplaceNL, the Department of Justice and Public Safety, the Department of Digital Government and Service NL[ii] and representatives from the five underground workplaces in the province. We established a new partnership with Fire and Emergency Services (FES) to facilitate firefighting training for mine rescue teams. The five underground workplaces can now register with FES as industrial fire departments. This allows these workplaces to avail of fire prevention training courses from FES-certified instructors, who are the only certified National Fire Protection Association instructors in the province.

We also worked with Memorial University to deliver two sessions to second-year medical students on occupational medicine, return to work and completing WorkplaceNL's Form MD. Students were provided practical, hands-on training in gathering information from patients to identify potential work-related injuries and illnesses.

Indicator 3.2: Initiated program and service delivery changes, in collaboration with partners

2024 Results

We introduced a new Clinic Profile Report in collaboration with physiotherapy clinics in 2024. We now provide each clinic a confidential and objective report that outlines their performance. This helps drive consistency and accountability for recovery and return-to-work outcomes for workers. Similar approaches are planned with other health care providers in 2025 and beyond.

We collaborated with the Workers' Compensation Independent Review Board (WCIRB) to develop a procedure that formalizes how we review new information received on claims. The new procedure (Procedure 72.00 New Information) establishes the process for handling new claim information while a decision is undergoing internal review at WorkplaceNL or external review at WCIRB. The procedure is designed to ensure the timely consideration of new information for clients and avoid potential delays in review processes.

We established new agreements for the continued delivery of worker and employer advisor programs at the NLFL and the Board of Trade starting January 1, 2025. The new agreements aim to ensure the delivery of effective services for workers and employers – such as expanded duties for Employer Advisors at the Board of Trade to represent their clients at external review hearings, similar to how Worker Advisors represent their clients. Updated planning and reporting

[ii] The Department name of Digital Government and Service NL changed to Government Modernization and Service Delivery in 2025, prior to publishing this report.

requirements were also introduced for both programs to ensure they are effective in meeting client needs.

WorkplaceNL's long-standing Sector Council Program was enhanced in 2024 through collaborative input from the four sector councils that represent over 7,560 employers with 60,600 employees in industries with high injury rates. New guidelines and planning, reporting and budgeting templates were implemented to enhance clarity and increase focus on safe and healthy workplaces and return to work. These changes came from the 2023 Sector Council Review.

Discussion of overall results

With our partners, we met the 2024 objective of continuing the implementation of innovative program changes. Throughout the period, we consulted or collaborated with partners to:

- Consider expanding Policy EN-18 Traumatic Mental Stress to include chronic stress, particularly as it relates to workplace harassment.
- Initiate development of a new NL Health Services Health and Safety Council.
- Launch a new Mine Rescue Training Program.
- Develop workplace health and safety education for post-secondary students.
- Provide physiotherapy clinics with new Clinic Profile Reports.
- Formalize the process for handling new information on claim files to avoid delays in review processes.
- Enhance the delivery of advisor programs at NLFL and the Board of Trade for both workers and employers.

We will continue these efforts in 2025 to reach our overall goal of strengthening partnerships with organizations, industries and employers to improve programs and services.

Looking forward: growing strategic partnerships 2025 objective and indicators

2025 Objective: By December 31, 2025, in collaboration with our partners, WorkplaceNL will have furthered the implementation of innovative program changes.

> **Indicator 3.1:** Consulted with partners to implement solutions that impact WorkplaceNL's mandate
>
> **Indicator 3.2:** Strengthened engagement with employers and providers to improve program and service delivery

Opportunities and challenges

Preventing injury and illness

WorkplaceNL values the contributions of employers, workers and all safety partners in the province to reduce the injury rate to a new historic low of 1.2 in 2024. When injuries and illnesses are prevented in our workplaces, and workers are protected from workplace hazards, our safety culture grows. Workplaces are achieving new levels of health and safety performance, and effective partnerships, collaboration, and engagement have been the driving forces in this process.

Sustained health and safety education, enforcement and safety management systems will be required to maintain or exceed the injury rates in Newfoundland and Labrador. By collaborating with our many partners, and guided by the 2023-28 workplace injury prevention strategy, further achievements can be attained.

Return to and recovery at work

We believe that getting back is part of getting better. Stay connected to routines, get support for your injury or illness and focus on what you can do. This helps mitigate emotional and financial impacts, and the effect this may have on workers, their families and their employers.

We continue our focus on a wellness model – supporting workers and what they can do while they recover. We will continue to explore approaches to provide workers with a better opportunity to recover at or return to work.

Rising claims costs

The average assessment rate that employers pay increased by four cents in 2024 in response to rising costs due to inflation and changes to benefits. The rate remains steady at $1.73 for 2025. Preventing injuries and implementing appropriate return-to-work programs will help create safer workplaces while lowering costs.

Managing financial sustainability

As a responsible steward of the Injury Fund, we continue to rely on stakeholder-agreed policies to guide us in setting annual assessment rates to ensure sufficient funds will be available to pay wage-loss benefits and health care costs for injured workers for the duration of their claims. These policies allow us to respond to external influences in a responsible, controlled manner. Fluctuations in global financial markets may impact our Injury Fund investments. We will continue to maintain a long-term view and diversified investment portfolio to mitigate impacts.

Innovating service delivery

We recognize there are opportunities to make our services even more accessible and modern for our clients, such as expanding our online services to provide easier access and more real-time information. We will continue to modernize based on feedback from clients, health care providers and vendors as well as technology trends and best practices in service delivery in the public sector.

We continue to offer service options to our clients, including digital, telephone, in-person and mail.

Management discussion and analysis

December 31, 2024

The management discussion and analysis (MD&A) of the annual performance report provides management's perspective on the operations and the financial position of WorkplaceNL. The MD&A and the accompanying audited International Financial Reporting Standards (IFRS) financial statements reflect amounts and information available as of the reporting date. The Board of Directors (Board) has approved the MD&A following the recommendation of the Financial Services Committee.

Forward-looking information

This report contains forward-looking information about certain matters that are by their nature subject to many risks and uncertainties. This may cause actual results to differ materially from the statements made herein.

Forward-looking information includes, but is not limited to: the organization's objectives, strategies, targeted and expected financial results; and the outlook for the provincial, national and global economies.

Risks and uncertainties include, but are not limited to: changing market, industry and general economic factors or conditions; changes in legislation affecting the organization's policies and practices; changes in claims experience; changes in accounting standards and other risks, known or unknown.

The reader is cautioned not to place undue reliance on forward-looking information contained within this report.

Note to readers on IFRS financial statements

Publicly accountable enterprises in Canada are required to prepare financial statements in accordance with IFRS, including all Canadian workers' compensation boards. WorkplaceNL implemented IRFS 17 Insurance Contracts effective January 1, 2023. The consolidated audited financial statements and accompanying notes for the year ended December 31, 2024, are prepared using IFRS.

As with prior years, WorkplaceNL continues to apply a long-term view to measure funding levels and set assessment rates using financial information based on a going concern (funding basis) method. This method aligns with the objectives of our Policy IF-01 Long-term Financial Strategy to maintain a funded position that will provide for the security of benefits into the future, as promised to workers.

The funding basis financial results use a discount rate based on WorkplaceNL's long-term expected rate of return to value the benefit liabilities, which is consistent with the long-term duration of many claims. By comparison, IFRS 17 uses a discount rate generated from a point-in-time, market-based interest rate, which may cause significant fluctuations in the value of the liabilities.

As we use the funding basis to manage our overall operations, the funding basis results are discussed in detail in this MD&A. The following two tables reconcile the 2024 IFRS financial statements and 2023 IFRS financial statements to the funding basis for 2024 and 2023.

Table 1: 2024 IFRS financial statements reconciliation to 2024 funding basis

As of December 31, 2024 ($ millions)	IFRS financial statements	Reclass insurance receivables and payables [1]	Discount rate adjustment [2]	Funding basis
Statement of Financial Position				
Total assets	1,867.9	7.0		1,874.9
Total liabilities	1,507.4	7.0	(94.2)	1,420.2
Fund balance	360.5			454.7
Reserves	5.0			5.0
Funded ratio	N/A			**131.6%**
Statement of comprehensive income				
Operating surplus	145.6		12.2	157.8

Table 2: IFRS Financial Statements Reconciliation to 2023 Funding Basis				
As of December 31, 2023 ($ millions)	**IFRS financial statements**	**Reclass insurance receivables and payables (1)**	**Discount rate adjustment (2)**	**Funding basis**
Statement of financial position				
Total assets	1,670.2	10.5		1,680.7
Total liabilities	1,455.2	10.5	(82.0)	1,383.7
Fund balance	215.0			297.0
Reserves	5.0			5.0
Funded ratio	N/A			**121.0%**
Statement of comprehensive income				
Operating surplus	13.7		57.1	70.8

1. Reclassification of insurance receivables and payables to insurance contract liabilities.
2. Discount rate methodology difference between IFRS 17 discount rate generated from a point-in-time market-based interest rate compared to the funding basis discount rate based on WorkplaceNL long-term expected rate of return.

2024 financial highlights funding basis

Table 3: 2025 Financial Highlights Funding Basis		
($ millions)	**2024**	**2023**
Investments	1,829.3	1,644.6
Benefit liabilities	1,392.2	1,356.6
Fund balance	454.7	297.0
Assessment revenue	171.4	153.2
Investment income	254.2	171.8
Claims costs incurred	197.1	193.0
Actuarial adjustments	28.0	16.7
Administration costs	22.9	20.0
Legislated obligations	8.5	8.1
Operating surplus	157.8	70.8
Average assessment rate	$1.73	$1.69
Rate of return on investments	15.6%	11.6%
Funded ratio	131.6%	121.0%

Statement of financial position funding basis

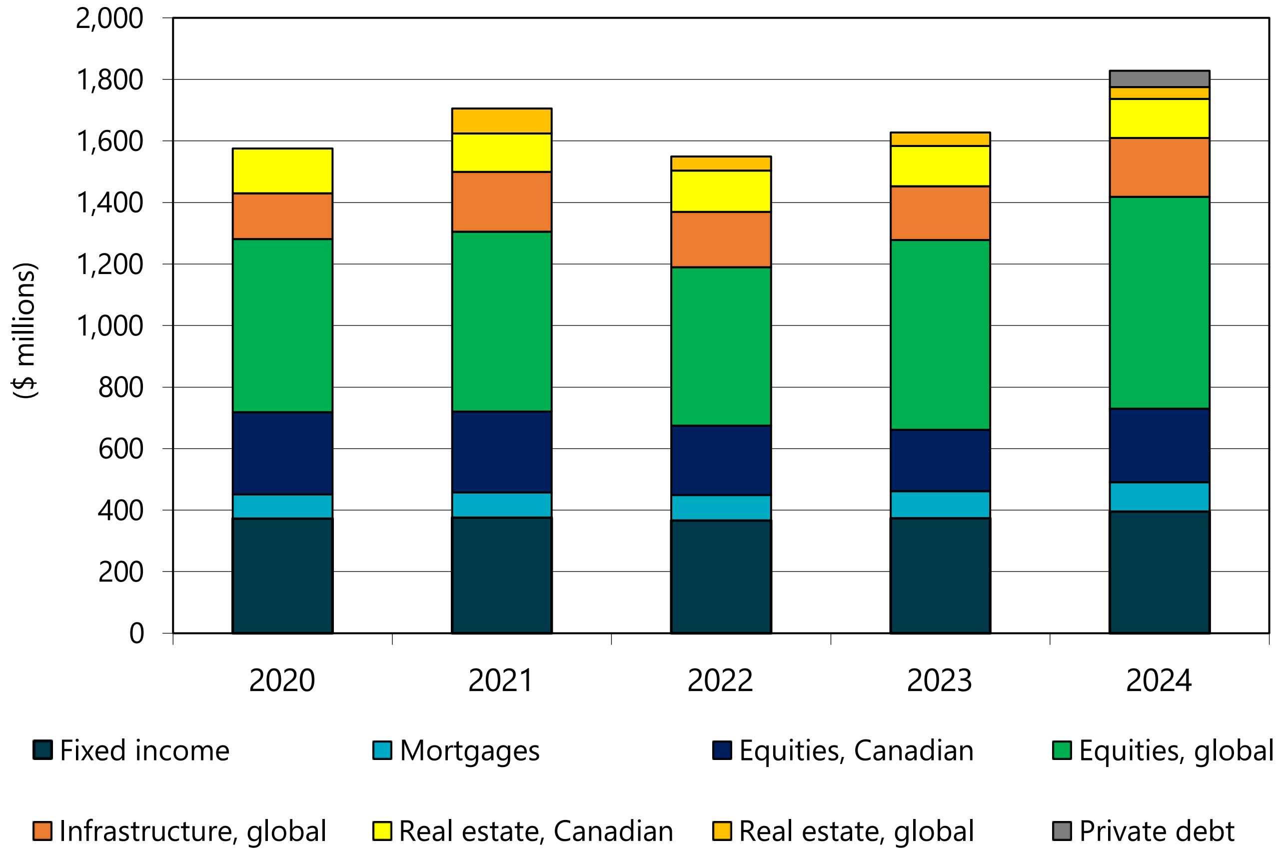
Investments

Table 4: Investments funding basis		
($ millions)	**2024**	**2023**
Investments	1,829.3	1,644.6

WorkplaceNL's Injury Fund is a diversified investment portfolio that provides for the security of benefits owed to workers. The fair value of the Injury Fund increased by $184.7 million to $1,829.3 million at December 31, 2024, from $1,644.6 million at the end of 2023. This reflects investment gains of $252.2 million and withdrawals of $66.5 million to fund benefit payments and operations.

Figure 1 illustrates the Injury Fund value and asset mix over five years.

Figure 1: Injury fund value and asset mix over five years



The Board's responsibilities include ensuring the assets of the Injury Fund, along with future investment income, are sufficient to pay future benefits for existing claims. The Board takes a long-term approach to manage the Injury Fund given the majority of benefits promised to workers extend over many years.

The Statement of Investment Principles and Beliefs (SIPB) and Policy IF-01 Long-term Financial Strategy guide WorkplaceNL's investment strategy. The SIPB outlines the governance structure for the Injury Fund, the importance of asset allocation in achieving long-term return objectives, the importance of diversification and the process to select a manager and evaluate performance. Policy IF-01 documents the long-term asset mix target, return objectives, acceptable investments and limits on risk concentration.

WorkplaceNL undertakes an asset liability study approximately every three years. The study reviews the asset allocation strategy of our investment portfolio. It tests asset mixes under a range of economic scenarios to recommend a mix that provides for anticipated higher long-term returns and meets our funding objectives within acceptable risk levels. It considers three elements: maintain a funded position that will provide for the security of benefits to workers; the liability structure; and the long-term risks and diversification attributes of each primary asset class.

An asset liability study was finalized in December 2023, with a new asset mix effective January 1, 2024. As a result, the December 31, 2024, financial statements reflect the following changes in asset mix: 10 per cent Canadian equity (down from 15 per cent), 0 per cent high yield fixed income (down from five per cent) and 10 per cent private debt (up from 0 per cent).

The following table outlines the policy asset mix, drift ranges, and actual asset mix at December 31, 2024.

Table 5: 2025 Financial highlights funding basis

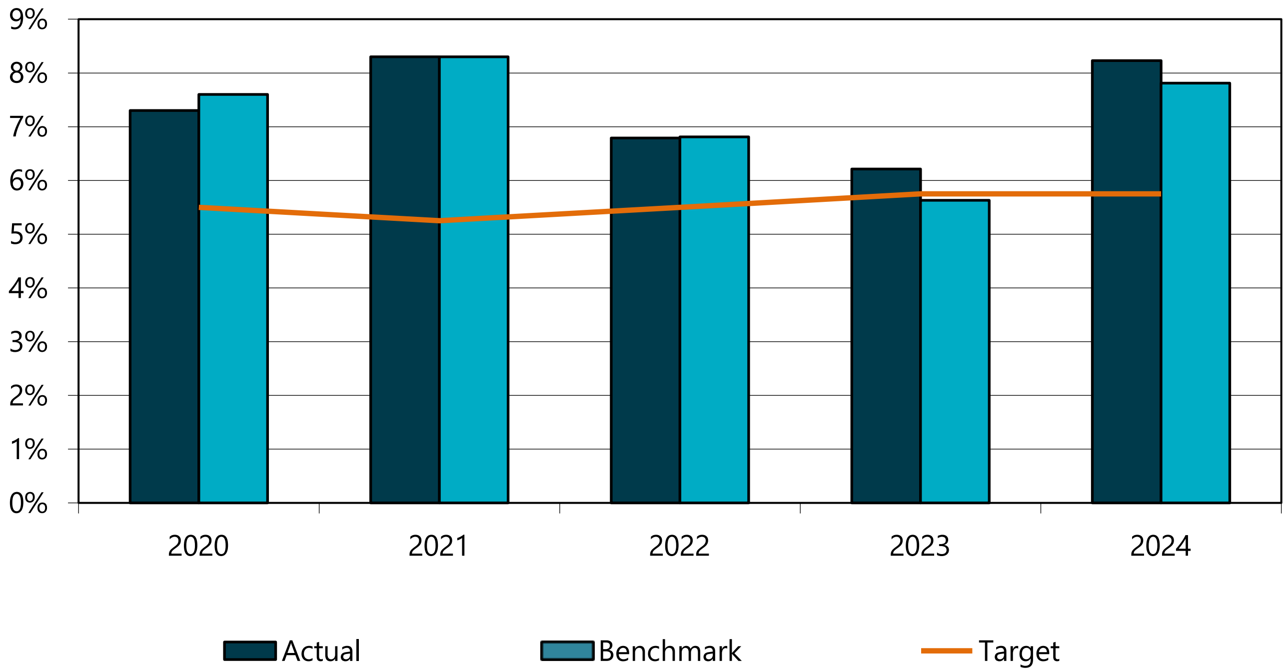
Asset class	Policy mix	Drift range	Actual mix
Fixed income	20.0%	±5 %	21.7%
Mortgages	5.0%	±2.5 %	5.2%
Equities, Canadian	10.0%	±5 %	13.1%
Equities, global	35.0%	±5 %	37.6%
Infrastructure, global	10.0%	±5 %	10.5%
Real Estate, Canadian	7.5%	±2.5 %	6.9%
Real Estate, global	2.5%	±2.5 %	2.1%
Private debt	10.0%	±5 %	2.9%
	100.0%		100.0%

The asset mix at December 31, 2024, varies from the targets due to differences in the relative performance of the various financial market segments. All asset classes were within their respective tolerance ranges, except private debt. Private debt was added to the actual asset mix in November 2024 and will continue to be funded throughout 2025 to meet the target mix of 10 per cent.

An objective of the Injury Fund is to exceed the return of the benchmark portfolio on a four-year moving average basis. The benchmark return is the return the Injury Fund would have earned had each asset class achieved the return of its respective passive index.

Figure 2 summarizes the four-year annualized actual, benchmark and long-term target returns in each of the last five years.

Figure 2: Four-year annualized returns



WorkplaceNL sets a long-term investment target that considers the long-term expected returns. Management estimates the long-term target rate of return for the investment portfolio to be 5.75 per cent for 2024, which is consistent with 2023 expectations.

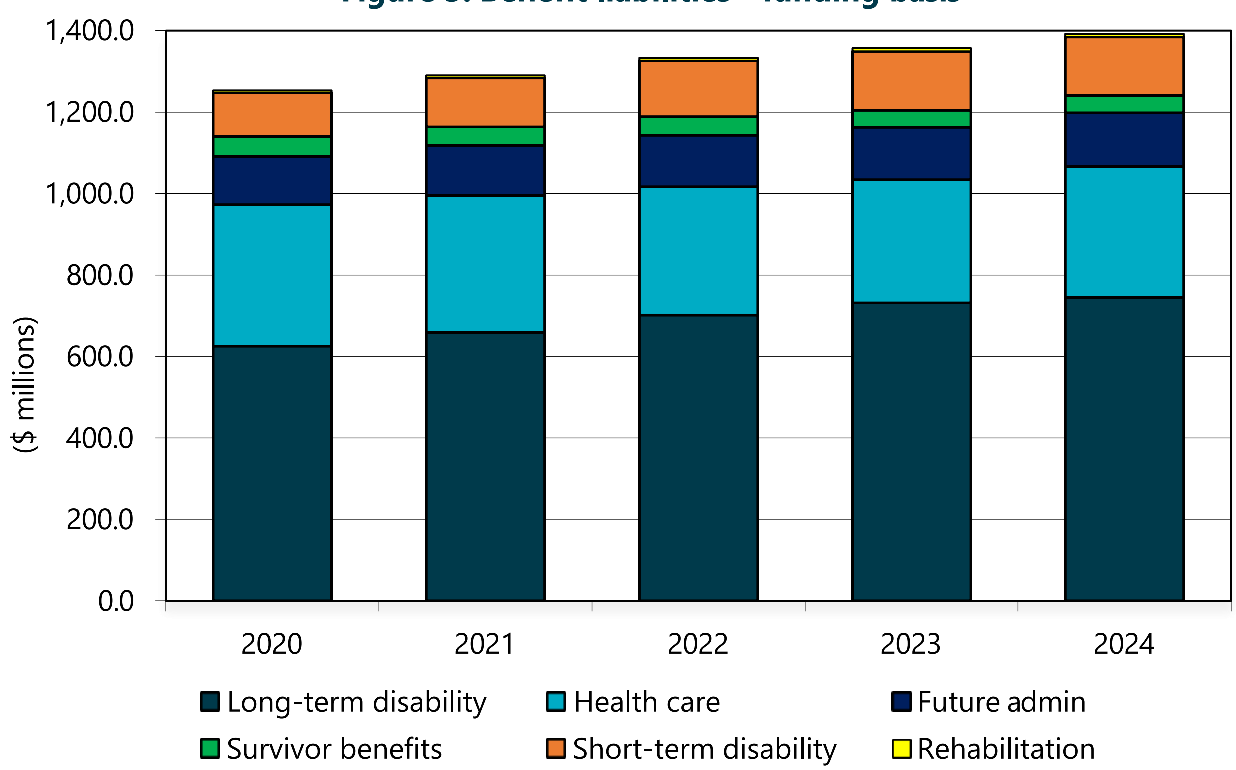
For the four-year period ending December 31, 2024, the Injury Fund earned an annualized return of 8.2 per cent, which was above the four-year benchmark of 7.8 per cent over the same period.

Benefit liabilities

Table 6: Benefit liabilities funding basis				
($ millions)	2024		2023	
	$	%	$	%
Long-term disability	745.0	54%	731.6	54%
Health care	321.0	23%	302.1	22%
Future administration	132.3	10%	128.9	10%
Survivor benefits	42.0	3%	41.8	3%
Short-term disability	144.3	10%	144.6	11%
Rehabilitation	7.6	1%	7.6	1%
Benefit liabilities	**1,392.2**	**100%**	**1,356.6**	**100%**

Benefit liabilities reflect the present value of all future payments expected to be made on behalf of workers for accepted claims for injuries occurring up to December 31, 2024, and the future cost of administering those claims. WorkplaceNL has also included a provision for future claims related to potential occupational disease claims expected to arise after December 31, 2024, due to long latency exposures that were incurred in workplaces in previous years.

Figure 3: Benefit liabilities - funding basis



Benefit liabilities increased $35.6 million, or 2.6 per cent, from $1,356.6 million at the end of 2023, to $1,392.2 million at the end of 2024 (see figure 3).

The main components of the increase in benefit liabilities are $4.3 million for higher-than-expected new long-term disability claims in 2024, a $15.8 million experience loss for changes in the expected number of long-term disability claims and an experience loss of $16.4 million for health care. This is partially offset by a $9.2 million experience gain in short-term disability and rehabilitation.

The actuarially reviewed discount rate represents the best estimate of the long-term average return that can be expected based on the benchmark asset allocation. The weighted average real rate of return of 3.75 per cent is compounded by the long-term inflation rate of 2.0 per cent to obtain the gross rate of return of 5.75 per cent. The underlying assumption is that investment income will be earned at an annual rate that is 3.75 per cent higher than the annual rate of long-term inflation.

Long-term disability benefits provided under the Act are indexed to inflation each year. WorkplaceNL calculates the annual inflation adjustment based on the year-over-year change in the Canadian Consumer Price Index at July each year and applies the adjustment January 1 of the following year.

The inflation adjustment calculated in 2024 was 3.1 per cent. An assumed inflation rate of 2.0 per cent was used for 2025, 2026 and 2027 in this year's valuation, compared to previous assumed rates in 2023 of 3.2 per cent for 2025, 2.2 per cent for 2026 and 2.0 per cent thereafter. The long-term inflation rate used was 2.0 per cent and is consistent with that used in the prior year.

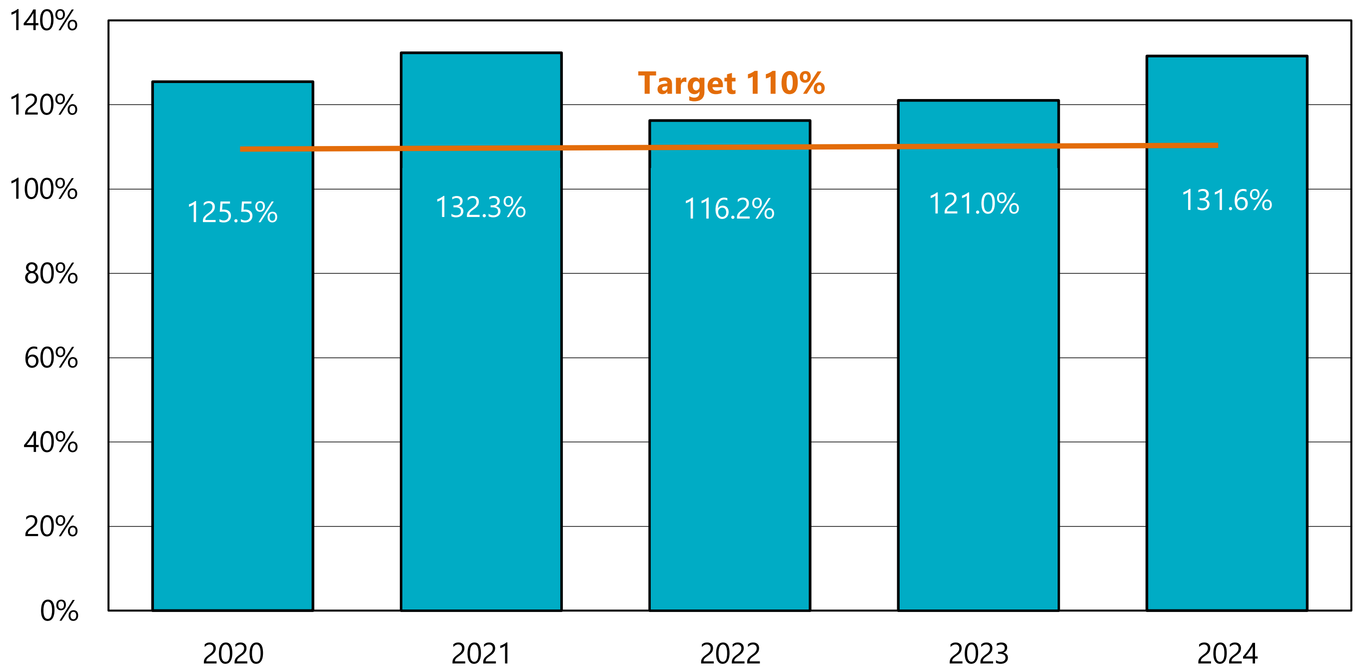
Funding policy and funded ratio

The Funding Policy guides WorkplaceNL's response to external factors, such as volatile investment markets, in a controlled and responsible manner.

The Injury Fund is fully funded when total assets equal or exceed total liabilities plus reserves. Due to potential volatility of investment market returns, the Board has established a funding target of total assets equal to 110 per cent of total liabilities.

Figure 4 depicts the five-year history of the funded ratio versus target ratio.

Figure 4: Funded ratio



Assessment rates for each year are established at a level that, along with investment revenue sources, will generate sufficient revenue to cover the anticipated lifetime cost of new injuries in the year. The Funding Policy specifies a funding target range of 100 to 120 per cent and requires WorkplaceNL to adjust the assessment rates paid by employers using a surcharge or discount amortized over 15 years to return to the desired funding target if the funded status moves outside this range. Since 2019, the average assessment rate includes a $0.21 discount aimed at returning the funded ratio to 110 per cent.

Using the funding basis method, the funded ratio is calculated by dividing total assets by total liabilities and reserves. This allows for a comparison to both the Funding Policy and to historical funding information.

The funded ratio increased to 131.6 per cent at December 31, 2024, from 121.0 per cent at December 31, 2023. This is primarily due to positive investment returns of 15.6 per cent as a result of global financial markets recording gains across most asset classes.

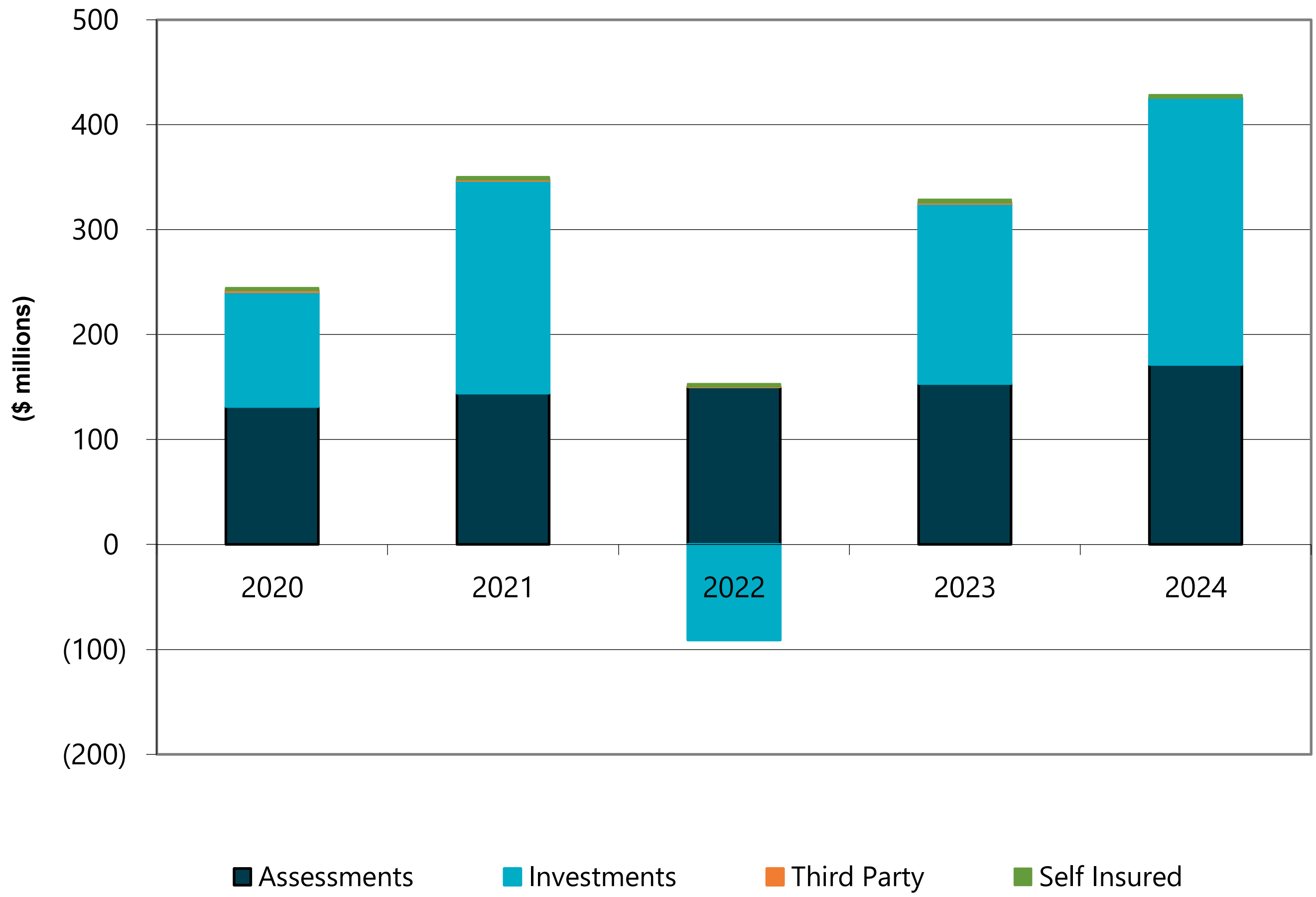
Statement of comprehensive income funding basis

Table 7: Statement of comprehensive income funding basis		
($ millions)	**2024**	**2023**
Revenue		
Assessments revenue	171.4	153.2
Investment income	254.2	171.8
Third-party recoveries	0.7	0.9
Self-insured employer revenue	2.7	2.7
	429.0	328.7
Expenses		
Claims cost incurred	197.1	193.0
Actuarial adjustments	28.0	16.7
	225.1	209.7
Administration	22.9	20.0
Legislated obligations	8.5	8.1
Fees and interest	10.2	9.3
Amortization and depreciation	3.2	3.5
Other expenses	1.3	7.3
	271.2	257.9
Operating surplus	157.8	70.8
Other comprehensive income	0.2	0.2
Total comprehensive income	**158.0**	**71.0**

Revenue

WorkplaceNL’s revenue sources are assessments paid by employers for workplace injury coverage, investment income as well as other revenue from self-insured administration fees and third-party recoveries. In 2024, revenue totaled $429.0 million, a $100.3 million increase from 2023 revenue of $328.7 million (see figure 5), driven by investment gains both realized and unrealized.

Figure 5: Revenue

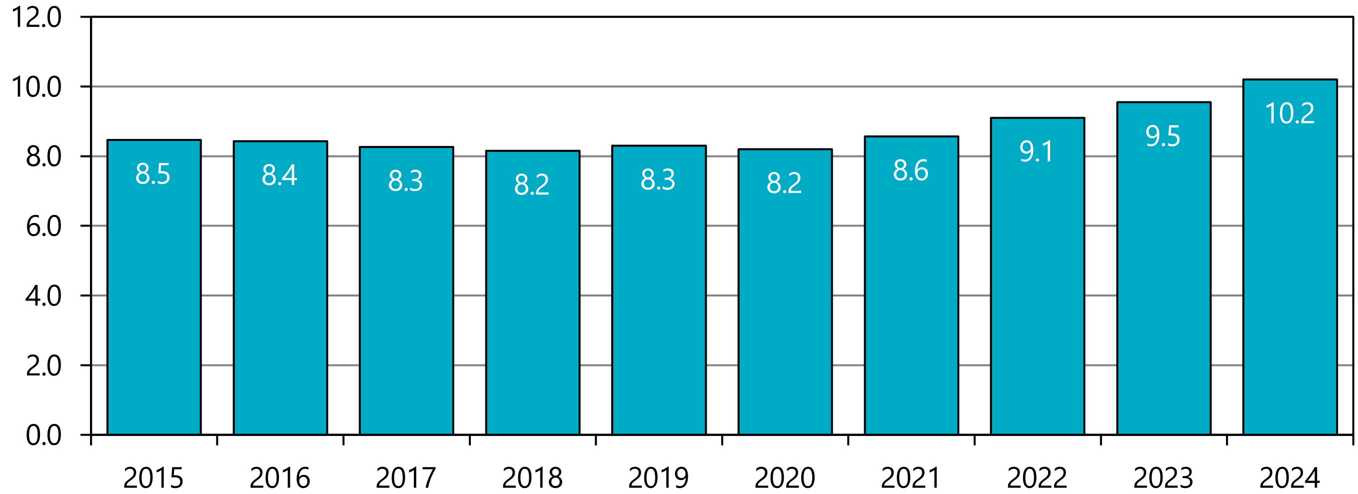


Assessment revenue

Assessment revenue from rate-based employers increased 11.9 per cent to $171.4 million in 2024 from $153.2 million in 2023. Revenue from assessments, as per note 16 of the financial statements, consists of base assessments as well as refunds and charges administered through the PRIME program.

The higher revenue is due to a 6.8 per cent increase in employer assessable payrolls, to $10.2 billion in 2024 compared to $9.55 billion in 2023 (see figure 6) and a 2.4 per cent increase in the average assessment rate. Most sectors grew, led by the Fishing, Oil and Gas and Transportation industries. However, Forestry, Business Services and Mining experienced declines.

Figure 6: Assessable payroll
($ billions)



The average base assessment rate paid by employers in 2024 increased four cents to $1.73 per $100 of assessable payroll due to increased claims costs primarily driven by previous legislative changes to expand benefits for workers, as well as inflationary increases. The average rate continues to include a temporary $0.21 discount in accordance with WorkplaceNL's Policy IF-01 Long-term Financial Strategy.

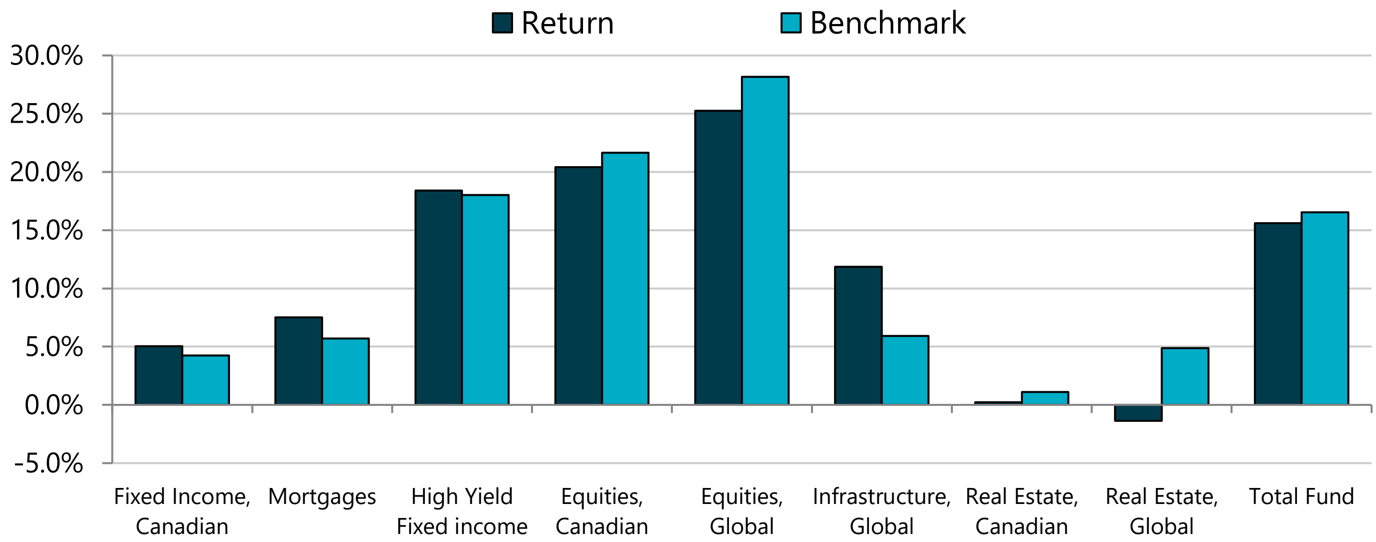
Investment income

Table 8: Investments funding basis		
($ millions)	**2024**	**2023**
Investments	254.2	171.8
Rate of return on investments	15.6%	11.6%

Investment income includes dividends and interest from the Injury Fund portfolio and short-term investments, as well as gains and losses arising from changes in the market value of investments. In accordance with IFRS, investment income includes both realized and unrealized gains and losses.

In 2024, WorkplaceNL's investment income was $254.2 million (2023 – $171.8 million). The Injury Fund had a rate of return of 15.6 per cent (2023 – 11.6 per cent) compared to the long-term target of 5.75 per cent. Figure 7 shows the 2024 fund return by asset class. Private debt was added to the actual asset mix in November 2024 and will continue funding throughout 2025. Private debt performance monitoring will commence in the first quarter of 2025.

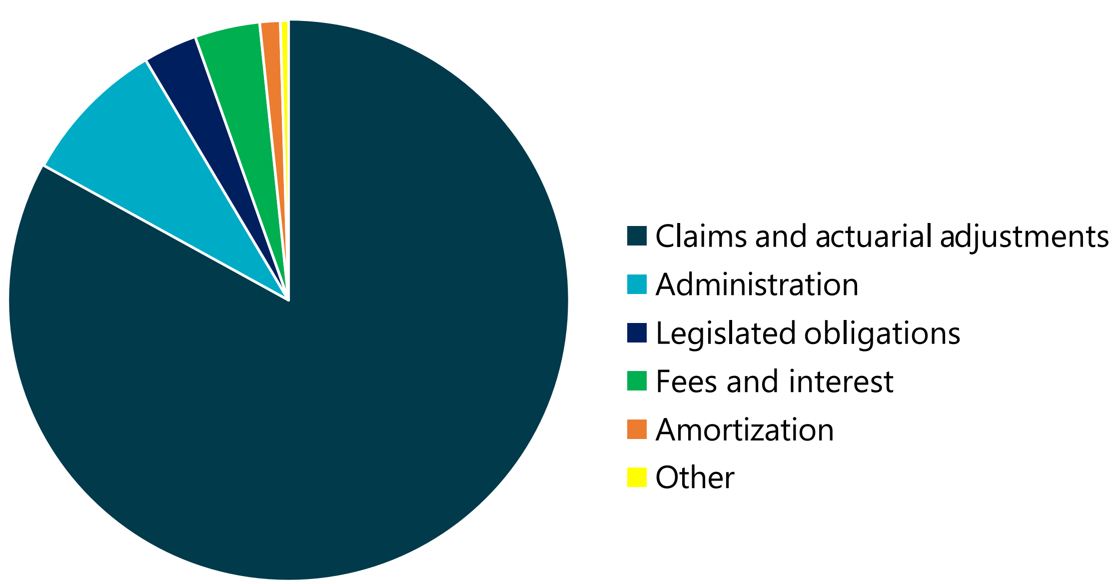
Figure 7: 2024 Returns by Asset Class



Expenses

WorkplaceNL's expenses include benefit costs, administrative expenses, legislated obligations, fees and interest, amortization and other expenses. Benefits for workers are the most significant component at 83 per cent (2023 – 81 per cent) of expenses (see figure 8)

Figure 8: Expenses 2024 - funding basis



Claims costs incurred

Table 9: Claims costs incurred funding basis		
($ millions)	**2024**	**2023**
Claims costs incurred		
Short-term disability	57.0	57.4
Long-term disability	72.0	72.6
Survivor benefits	3.8	3.0
Health care	45.2	41.3
Rehabilitation	2.4	2.4
Future administration costs	16.7	16.3
Subtotal	197.1	193.0
Actuarial adjustments	28.0	16.7
Total	225.1	209.7

Claims costs incurred are actuarially determined and include the full costs related to new injuries that occured during the year and the interest expense due to the growth in the present value of the prior year benefit liabilities. Actuarial adjustments represent changes in assumptions used in prior years' valuations to the current year. These adjustments can be significantly impacted by economic assumptions, including changes in the discount rate and inflation.

Claims cost incurred and actuarial adjustments totaled $225.1 million, an increase of $15.4 million (7.3 per cent) from $209.7 million in 2023. This increase is primarily due to the change in actuarial adjustments over the prior year. Actuarial adjustments of $28.0 million in 2024 were mainly a result of new long-term disability awards granted in 2024 that were $4.3 million more than expected, a $15.8 million experience loss in long-term disability, a $16.4 million experience loss in health care, partially offset by an experience gain of $9.2 million in short-term disability and rehabilitation (also referenced in the benefit liabilities section).

Claims benefit payments – monetary payments issued

Table 10: Claims benefits cash payments made in 2024 and 2023		
($ millions)	**2024**	**2023**
Claims benefit payments - cash		
Short-term disability	50.2	53.9
Long-term disability	81.2	75.7
Health care	46.3	44.3
Survivor	5.9	6.0
Rehabilitation	0.9	0.9
Total	184.5	180.8

Claims benefit payments paid include actual cash payments made to workers for wage-loss and other benefits, payments to health care providers for services rendered to workers and payments to suppliers for health care goods and devices. These amounts also include payments made on behalf of self-insured employers.

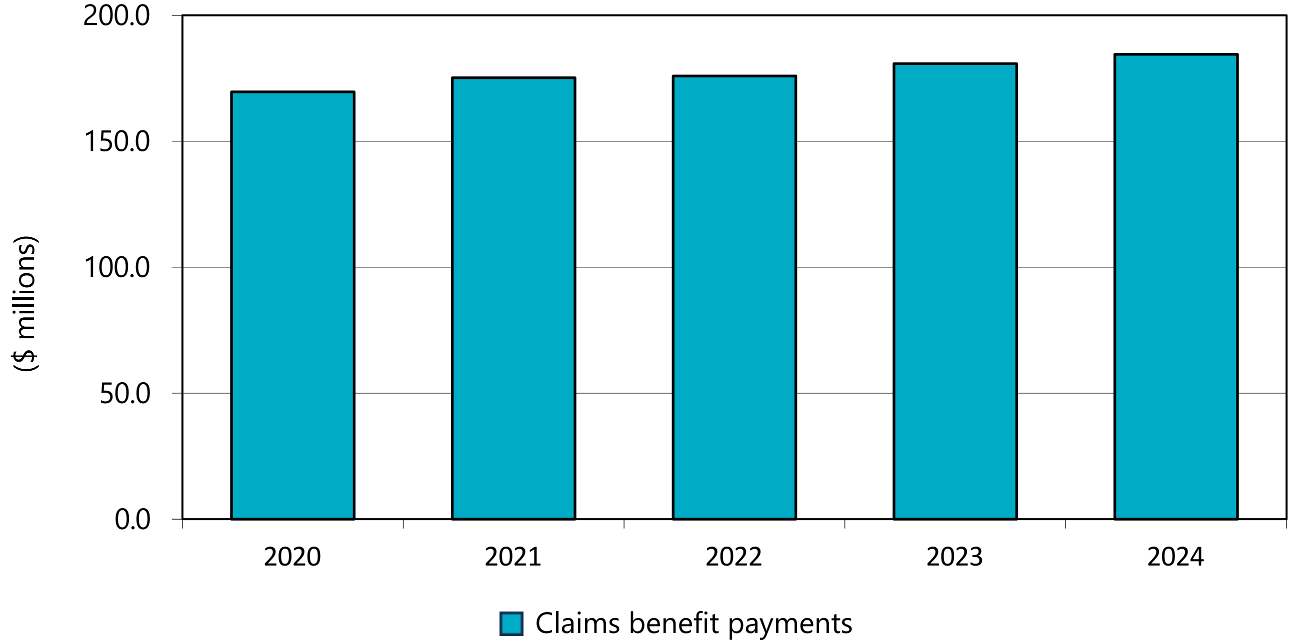
In total, claims benefit payments increased 2.0 per cent to $184.5 million in 2024, from $180.8 million in 2023. The average rate of increase of these payments from 2020 to 2024 has been 1.8 per cent per year (see Figure 9). The major components are long-term disability, short-term disability and health care payments. Rising claims costs are primarily due to recent legislative changes that increased or added benefits for workers as well as the impact of inflation on health care costs and wage-loss benefits.

Short-term disability payments – including temporary earnings loss, rehabilitation wage loss and early and safe return to work – decreased by 6.9 per cent to $50.2 million in 2024 from $53.9 million in 2023. This mainly resulted from fewer new claims and more short-term disability claims moving to long-term disability claims in 2024.

Long-term disability payments increased by 7.3 per cent to $81.2 million in 2024 from $75.7 million in 2023. This is primarily due to indexing extended earning loss benefits by 3.1 per cent in 2024 and an increase in workers who are eligible for extended earnings loss benefits.

Health care payments increased by 4.5 per cent to $46.3 million in 2024 from $44.3 million in 2023 primarily due to inflation.

Figure 9: Claims benefit payments - cash payments



Outlook

WorkplaceNL maintained the average assessment rate at $1.73 for 2025, continuing to include the temporary $0.21 discount to enable the funded position to return to the desired target of 110 per cent. WorkplaceNL is forecasting assessable payrolls of approximately $10.5 billion in 2025, an increase of 2.9 per cent from 2024.

Last year started with continued geopolitical uncertainties and higher inflation. The Bank of Canada reduced interest rates five times in 2024. The easing of monetary policy resulted in inflation hovering around the two per cent target by the end of the year. Financial markets, particularly global equities, had strong positive performances throughout 2024.

With global trade concerns, ongoing geopolitical tensions and the potential of escalating US tariffs, Canada's economy may slow with the potential for inflationary pressure again in 2025. As markets remain volatile in the near term, WorkplaceNL continues to deploy a long-term approach using a diversified investment portfolio. Our primary objective is to maximize returns at an acceptable level of risk through a range of economic scenarios.

2024 financial statements

Management responsibility for financial reporting

The accompanying financial statements of WorkplaceNL have been prepared by management, who is responsible for the integrity and fairness of the information presented, including significant accounting judgments, estimates and actuarial assumptions. This responsibility includes selecting appropriate accounting principles and actuarial assumptions consistent with International Financial Reporting Standards. Financial information contained elsewhere in this Annual Performance Report is consistent with these financial statements.

In discharging its responsibility for the integrity and reliability of the financial statements, management maintains a system of internal controls designed to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded. The Internal Auditor performs audits designed to test the adequacy and consistency of WorkplaceNL's internal controls, practices and procedures.

The Board of Directors oversees management's responsibility for financial reporting through its Financial Services Committee, which recommends approval of the financial statements. The Financial Services Committee oversees the external audit of WorkplaceNL's annual financial statements and the accounting and financial reporting and disclosure processes and policies of WorkplaceNL. The Financial Services Committee of the Board meets with management, the independent consulting actuary and the independent auditors to discuss the results of the external audit, the adequacy of internal accounting controls and the quality and integrity of financial reporting. WorkplaceNL's Board of Directors has approved the financial statements included in this Annual Performance Report.

Eckler Ltd. has been appointed as independent consulting actuary to WorkplaceNL. Its role is to complete an independent actuarial valuation of the benefit liabilities of WorkplaceNL annually and to report thereon in accordance with accepted actuarial principles. Ernst & Young LLP, the independent auditors of WorkplaceNL, have performed an audit of the 2024 financial statements of WorkplaceNL in accordance with Canadian generally accepted auditing standards and their report follows.

Ann Martin
On behalf of WorkplaceNL

Joelle Yetman
Chief Financial Officer

Actuarial statement of opinion

We have completed the actuarial valuation of the benefit liabilities of the Workplace Health, Safety and Compensation Commission of Newfoundland and Labrador ("WorkplaceNL") as at December 31, 2024 (the "valuation date") in accordance with IFRS 17. The valuation is based on the provisions of the Workplace Health, Safety and Compensation Act of Newfoundland and Labrador (the "Act") and on WorkplaceNL's policies and practices in effect on the valuation date.

The estimate of the actuarial liabilities for assessed employers as at the valuation date is $1,486,417,000. The actuarial liabilities include provisions for benefits and administration expenses expected to be paid after the valuation date for accidents that occurred on or before the valuation date. They also include a provision for potential long-latency occupational disease claims associated with exposure that occurred on or before the valuation date. Self-insured employers are not included in this valuation.

Details of the data, actuarial assumptions, valuation methods and results are included in the actuarial valuation report as at the valuation date, of which this statement of opinion forms part. In our opinion:

1. The data on which the valuation is based are sufficient and reliable for the purpose of the valuation. Data for the valuation were supplied by WorkplaceNL in accordance with specifications provided by us and we applied such checks of reasonableness of the data as we considered appropriate.
2. The assumptions are appropriate for the purpose of the valuation.
3. The methods employed in the valuation are appropriate for the purpose of the valuation.
4. The amount of the actuarial 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.

Emerging experience, differing from the assumptions, will result in gains or losses which will be revealed in future valuations.

Respectfully submitted,

Scott Mossman, FSA, FCIA

Jeff Turnbull, FSA, FCIA

Independent auditor's report

To the Board of Directors of
Workplace Health, Safety and Compensation Commission

Opinion

We have audited the financial statements of **Workplace Health, Safety and Compensation Commission** [the "Organization"], which comprise the statement of financial position as at December 31, 2024, and the statement of comprehensive income, statement of changes in funded position and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2024 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards ["IFRSs"].

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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Organization's Management's Discussion and Analysis other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

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

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

Ernst & Young LLP

Chartered Professional Accountants

St. John's, Canada
May 9, 2025

Statement of FINANCIAL POSITION

(thousands of dollars)	2024	2023
Assets		
Cash, cash equivalents and short-term investments	$ **17,621**	$ 3,737
Receivables and other [note 6]	**6,166**	4,817
Investments [note 7]	**1,829,280**	1,644,590
Right-of-use assets [note 10]	**919**	1,144
Property, plant and equipment [note 11]	**7,547**	7,655
Intangible assets [note 12]	**6,398**	8,231
	$ **1,867,931**	$ 1,670,174
Liabilities		
Payables and accrued liabilities [note 15]	**6,618**	5,396
Employee future benefits [note 19]	**1,478**	1,326
Lease liabilities [note 10]	**1,018**	1,244
Insurance contract liabilities [note 18]	**1,498,291**	1,447,206
	$ **1,507,405**	$ 1,455,172
Fund balance	**360,526**	215,002
	$ **1,867,931**	$ 1,670,174

Authorized for issue on April 29, 2025 on behalf of the Board of Directors

John Peddle
Chair

Gregory Viscount
Director

Statement of COMPREHENSIVE INCOME
Year ended December 31

(thousands of dollars)	2024	2023
Insurance revenue [note 16]	$ 171,437	$ 153,247
Insurance service expense [note 17]	178,951	180,447
Total insurance service result	(7,514)	(27,200)
Total insurance finance (expense) income [note 18]	(74,652)	(105,269)
Investment Income [note 8]	254,185	171,855
Other income (expense) [note 20]	(26,445)	(25,640)
	153,088	40,946
Net Income	145,574	13,746
Other comprehensive income		
Remeasurement of employee future benefits [note 19]	156	161
Total comprehensive income	$ 145,730	$ 13,907

Statement of CHANGES IN FUNDED POSITION
Year ended December 31

(thousands of dollars)	2024	2023
Balance, beginning of year	$ 210,457	$ 197,155
Operating surplus	145,574	13,746
Reserve allocation [note 25]	(206)	(444)
	355,825	210,457
Accumulated other comprehensive income		
Balance, beginning of year	(455)	(616)
Other comprehensive income	156	161
	(299)	(455)
Reserves		
Occupational Health and Safety Research [note 25]	5,000	5,000
Fund balance, end of year	$ 360,526	$ 215,002

Statement of CASH FLOWS
Year ended December 31

(thousands of dollars)	2024	2023
Cash flow from operating activites		
Cash received from:		
Employer premiums	$ 173,017	$ 154,522
Self-Insured administration and claims cost	13,711	13,053
Third parties	630	865
	187,358	168,440
Cash paid to:		
Claimants or third parties on their behalf	(184,480)	(180,796)
Suppliers and employees for administrative and other goods and servicees	(44,222)	(45,637)
Investment manager, interest & other fees	(7,375)	(7,626)
	(236,077)	(234,059)
Net cash used in operating activities	$ (48,719)	$ (65,619)
Cash flows from investing activities		
Cash received from:		
Interest	$ 21,612	$ 18,652
Dividends	15,997	17,375
Sale of investments	745,514	1,089,281
	783,123	1,125,308
Cash paid for:		
Purchase of investments	(719,271)	(1,058,571)
Purchase of property, plant and equipment	(438)	(294)
Purchase of intangible assets	(811)	(227)
	(720,520)	(1,059,092)
Net cash provided by investing activities	62,603	66,216
Net change in cash and cash equivalents	13,884	597
Cash and cash equivalents beginning of year	3,737	3,140
Cash, end of year	$ 17,621	$ 3,737

Notes to FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS

The Workplace Health, Safety and Compensation Commission (WorkplaceNL) was established by the Newfoundland Legislature in 1951, under the **Workplace Health, Safety and Compensation Act, 2022** (the Act), as amended. WorkplaceNL is a legislative incorporated entity with no share capital. The main office of WorkplaceNL is located at 146-148 Forest Road, St. John's, Newfoundland and Labrador, Canada. WorkplaceNL operates two additional offices in Newfoundland and Labrador in Grand Falls-Windsor and Corner Brook.

WorkplaceNL is responsible for, in accordance with the provisions of the Act, preventing and reducing the occurrence of workplace injuries and diseases through the promotion of health and safety in workplaces; the establishment of occupational health and safety certification standards and certification of trainers; facilitating the claims management process and administering the payment of benefits to injured workers and dependents of fatally injured workers; levying and collecting assessment revenues from established classes of employers in amounts sufficient to cover the current and future costs of existing claims; and investing funds, following investment policies which are approved by WorkplaceNL. The Workers' Compensation Independent Review Board is established under the Act to make rulings on any appeals pertaining to WorkplaceNL assessment or benefit decisions. WorkplaceNL does not receive government funding or other assistance.

The funds, investments and income of WorkplaceNL are free from taxation pursuant to Section 12(2) of the Act.

2. BASIS OF PREPARATION

Statement of Compliance
These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Going concern
WorkplaceNL has assessed the relevant financial and economic indicators and has determined that there is an ability to operate as a going concern.

Basis of measurement
The financial statements have been prepared on the historical cost basis unless otherwise explained in the significant accounting policies below. Historical cost is based on the fair value of the consideration given in exchange for assets.

The financial statements are presented in Canadian currency.

3. MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents and short-term investments
Cash and cash equivalents and short-term investments include cash at banks and on hand, bank overdrafts and money market instruments. Those assets with original maturity dates at time of purchase of three months or less are classified as cash equivalents, whereas those with original maturities beyond 3 months and less than 12 months are classified as short-term investments. Cash, cash equivalents and short-term investments are measured at fair value. Cash equivalents bear interest rates in the range of 3.75% to 5.5% [2023 - 5% to 5.5%].

Insurance revenue
At the beginning of each year, an assessment is levied on employers by applying their industry assessment rate to their estimated payrolls. The assessment levy is payable by installments within the current year. At year-end, assessment revenue is adjusted based on a review of the employers' actual payrolls, as well as for the estimate of practice and experience incentive refunds which are payable to the employers under the Prevention & Return-to-Work Insurance Management for Employers/Employees Program (PRIME).

Right-of-use assets
Right-of-use assets are recognized at the lease commencement date. They are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Office premises	10 years

If ownership of the leased asset transfers to WorkplaceNL at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are also subject to impairment.

Lease liabilities
At the commencement of the lease, liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments are discounted using WorkplaceNL's incremental borrowing rate.

Property, plant and equipment
Property, plant and equipment are reported at cost, less accumulated amortization. These assets are amortized on a straight-line basis over their estimated useful lives, as follows:

Building	40 years
Furniture and equipment	10 years
Computer equipment	1 to 5 years

3. MATERIAL ACCOUNTING POLICIES (continued)

At the end of each reporting period, the useful lives of items of property, plant and equipment are reviewed and adjusted if required, and an assessment is made whether there is any indication of impairment. If an item of property, plant and equipment is determined to be impaired, its carrying value is reduced to the net recoverable amount.

Intangible assets
Intangible assets, which include purchased software and internally developed systems including systems not available for use, are recorded at cost. Assets in service are amortized monthly on a straight-line basis over their estimated useful lives of five to ten years. The amortization method and period are reviewed at the end of each reporting period. Intangible assets are assessed for impairment whenever there is an indicator that the intangible assets may be impaired. If an asset is determined to be impaired, its carrying value is reduced to the net recoverable amount.

Software as a service
Software-as-a service arrangements are service contracts which provide WorkplaceNL with the right to access a cloud provider's software for a specified period. Costs incurred to configure, customize, and the ongoing fees for access to the software, are recognized as operating expenses when services are received.

Insurance contract liabilities
Insurance contract liabilities include the liabilities for remaining coverage and liabilities for incurred claims. Based on the contract boundary of one year, from January 1^{st} to December 31^{st}, WorkplaceNL has a substantive obligation to provide assessed employers of Newfoundland and Labrador an insurance contract service. The liabilities for incurred claims represent the actuarial present value of all future benefit payments expected to be made for injuries which occurred in the current fiscal year or in any prior year. The liabilities for incurred claims include a provision for all benefits provided by current legislation, policies and/or business practices in respect of existing claims, as well as the estimated liability for latent occupational disease, an estimate for presumptive coverage for firefighters and a provision for the future costs of administering claims. The liabilities for incurred claims were valued by an independent actuary using accepted actuarial practices in accordance with the standards established by the Canadian Institute of Actuaries.

3. MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency translation
Assets and liabilities denominated in foreign currencies are translated into their Canadian dollar equivalent using exchange rates in effect on the reporting date. Revenues and expenses are translated using exchange rates in effect at the transaction date. Realized and unrealized exchange gains or losses are included in comprehensive income.

Investments
Investments are designated as fair value through profit or loss (FVTPL). Realized gains and losses on the sale of investments, and unrealized gains and losses arising from the change in fair value of the investments are recorded in investment income during the period in which they arise. All purchases and sales of investments are recognized on the dates the trades are executed. Income from interest and dividends are recorded as investment income in the period earned.

Financial instruments
WorkplaceNL's financial instruments consist of cash, cash equivalents and short-term investments, accounts receivable, investments, accounts payable and accrued liabilities. The carrying value of financial instruments, with the exception of investments, approximate fair value due to their immediate or short-term maturity and normal credit terms. Losses arising from impairment of accounts receivable are recognized in the statement of operations in fees and interest expense.

Financial assets and liabilities are initially recognized at fair value. Financial instruments are classified as follows for purposes of subsequent measurement:

Asset/Liability	Classification	Measurement
Cash, cash equivalents & short-term investments	FVTPL	Fair Value
Accounts receivable	Loans and receivables	Amortized cost
Investments	FVTPL	Fair value
Accounts payables and accrued liabilities	Other liabilities	Amortized cost

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial instruments are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1 Valuation based on quoted prices [unadjusted] in active markets for identical assets or liabilities.

3. MATERIAL ACCOUNTING POLICIES (continued)

Level 2 Valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly [i.e., as prices] or indirectly [i.e., derived from prices].

Level 3 Valuation techniques using inputs for the asset or liability that are not based on observable market data [unobservable inputs].

WorkplaceNL uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Financial instruments included in level 1 of the fair value hierarchy consist of cash and cash equivalents and equities. Fixed income investments and real estate financial instruments are included in level 2 with infrastructure and private debt investments in level 3. WorkplaceNL determines whether transfers have occurred between levels in the hierarchy for reassessing categorization at the end of each reporting period.

The fair value of publicly traded investments is based on quoted prices from security exchanges, while that of domestic real estate investment funds and pooled fund units are valued at their year-end net asset value, based on associated net asset value transactions. There are pooled unit funds in both the fixed income and equity investments [Note 7]. For infrastructure classified as level 3, values represent WorkplaceNL's proportionate share of the underlying net assets at fair values estimated using one or more methodologies including multiples of earnings or discounted cash flows. These values are supported by periodic appraisals performed by independent qualified appraisers. Private debt classified as level 3 is valued at the most recent available net asset values determined by the fund managers.

Employee future benefits

Employees participate in the Province of Newfoundland and Labrador's Public Service Pension Plan (PSPP), a multi-employer defined benefit plan. The employer's contributions are expensed as incurred. WorkplaceNL is neither obligated for any unfunded liability, nor entitled to any surplus that may arise in this plan. WorkplaceNL's share of the future contributions are dependent upon the funded position of the PSPP.

WorkplaceNL provides a payout of accumulated paid leave balances and had provided a severance payment upon retirement, resignation or termination without cause. The expected costs of providing these employee future benefits are accounted for on an accrual basis and have been determined using management's best estimate of wage inflation and retirement ages of employees. Discount rates are based on the market yields of high-quality corporate bonds. Actuarial gains and losses are recognized immediately

3. MATERIAL ACCOUNTING POLICIES (continued)

through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. These benefits are unfunded. Severance benefits were discontinued as of March 31, 2018 and the payout of accumulated entitlements is substantially complete.

Reserves

In accordance with Section 30 (1) of the Act, WorkplaceNL maintains a special reserve fund for the purpose of health and safety research. The Act permits WorkplaceNL to allocate up to a maximum of 2% of its total assessment and investment income in each calendar year to establish and maintain this special reserve fund.

In accordance with Section 138 (1) of the Act, WorkplaceNL may, at its discretion, establish reserves for the following:

- To meet an increase in the capitalization of compensation payments payable in future years where the increase cannot be provided without placing an undue burden on the employers in an industrial classification;
- To meet the part of the cost of claims of workers suffering enhanced disabilities, because of similar or other disabilities previously suffered, that in the opinion of WorkplaceNL is the result of the previous disabilities, and to meet the cost of subsequent injuries resulting while a worker is participating in a rehabilitation program;
- To meet the loss arising from a disaster or other circumstances which would unfairly burden the employers in an industrial classification; or
- Subject to the approval of the Lieutenant-Governor in Council, to meet the costs of particular needs of WorkplaceNL that it considers necessary.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of WorkplaceNL's financial statements are disclosed below. WorkplaceNL intends to adopt these standards, if applicable, when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements effective January 1, 2027. WorkplaceNL is assessing the impact of the standard.

5. SIGNIFICANT JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of WorkplaceNL's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Liabilities for Incurred Claims
An actuarial valuation of the liabilities for incurred claims is prepared by an independent firm of consulting actuaries who have rendered their opinion that the valuation was prepared in accordance with accepted actuarial practice, and that the actuarial assumptions are appropriate.

A variety of estimation techniques are used in performing the valuation. They are generally based on statistical analyses of historical experience, which assume the development pattern of the current claims will be consistent with past experience. Due to the nature of the estimated liabilities for latent occupational disease and presumptive coverage for firefighters and the extent of historical information available, these liabilities by their nature are more uncertain than other liabilities for incurred claims.

WorkplaceNL believes that the amount provided for the liabilities for incurred claims as at December 31, 2024, is adequate, recognizing that actuarial methods and assumptions as disclosed in note 17 may change over time to reflect underlying economic trends. Changes in assumptions could have a material impact on the liabilities for incurred claims.

Employee future benefits
A valuation of severance and accumulated paid leave liabilities is prepared using the assumptions disclosed in note 19.

Other disclosures relating to WorkplaceNL's exposure to risks and uncertainties includes:
- Level 3 investments — Note 7
- Financial risk management — Note 9
- Sensitivity analyses disclosures — Notes 18 and 19

6. RECEIVABLES AND OTHER

(thousands of dollars)		**2024**		2023
Prepaid Expenses	$	**2,724**	$	2,218
Other		**3,442**		2,599
	$	**6,166**	$	4,817

Aging of Receivables
Receivables aging is less than one year.

7. INVESTMENTS

Fair value Hierarchy (thousands of dollars)		**2024**		2023
Level 1				
Cash and cash equivalents	**$**	**33,177**	$	16,764
Domestic equities		**233,753**		195,447
Foreign equities		**710,448**		632,114
		977,378		844,325
Level 2				
Fixed income investments		**490,390**		479,231
Real Estate Funds		**165,212**		173,859
		655,602		653,090
Level 3				
Infrastructure		**160,071**		147,175
Private Debt		**36,229**		-
		196,300		147,175
	$	**1,829,280**	$	1,644,590

There have been no transfers between levels during 2024 [2023-Nil].

Summary of changes in level 3 fair value measurements:

Fair value Hierarchy (thousands of dollars)		**2024**		2023
Balance, beginning of year	**$**	**147,175**	$	127,014
Purchases of level 3 investments		**40,828**		14,043
Sale of level 3 investments		**(10,981)**		-
Interest and dividends		**1,896**		1,622
Expenses		**1,667**		(967)
Foreign exchange gains		**(406)**		(437)
Unrealized change in fair market value		**16,121**		5,900
Balance, end of year	**$**	**196,300**	$	147,175

The level 3 investments consist of infrastructure and private debt. The infrastructure investments consist of a limited partnership interest in a closed fund investing in global infrastructure assets with a market value of $33.4 million (2023- $34.0 million), and a balance of $126.7 million in open funds [2023-$113.2 million]. The closed partnership will dissolve on December 31, 2032. The general partner has the option to extend the fund’s

7. INVESTMENTS (continued)

life for up to three additional one-year periods. These funds have no active market and no published net asset value as of December 31, 2024, and are therefore classified as level 3 investments in the fair value hierarchy.

The private debt investments include $17 million in cash as a level one investment and $36.2 million in as a level three investment. Private debt was added to the asset mix in 2024.

8. INVESTMENT INCOME

Investment income is comprised of the following:

(thousands of dollars)		2024		2023
Interest and dividends	$	**37,141**	$	35,612
Realized gain on sale of investments		**146,581**		47,639
Interest on short-term investments		**469**		415
Unrealized change in fair market value		**69,994**		88,189
Investment income	$	**254,185**	$	171,855

9. FINANCIAL RISK MANAGEMENT

WorkplaceNL manages its investment portfolio in accordance with its long-term investment policy. The investment risk inherent in an investment portfolio is managed through diversification in both asset classes and investments within each asset class. WorkplaceNL also engages a number of different fund managers with a broad range of investment philosophies and styles.

The Board of Directors is ultimately responsible for the governance and strategic direction of WorkplaceNL's investments through its review and approval of the long- term investment policy and ensuring adherence to the policy.

Management is responsible for monitoring performance, regular reporting to the Board and recommending changes in the investment policy or fund managers. The Board and Management use the services of an external consultant to benchmark the performance of fund managers and to provide advice on investment policies and practices. The following sections describe the key financial risk exposures and management strategies to mitigate these risks.

9. FINANCIAL RISK MANAGEMENT (continued)

Credit risk

Credit exposure on fixed income securities arises from the possibility that the issuer of an instrument fails to meet its obligation to make interest payments and repay principal. WorkplaceNL does not anticipate that any issuers will fail to meet their obligations. The credit ratings of WorkplaceNL's fixed income investments at December 31 are listed in the following table.

(thousands of dollars)	2024		2023	
Credit Rating				
Cash & Short-term notes	**$ 16,656**	**3.4%**	$ 6,211	1.3%
AAA	**64,448**	**13.1%**	62,534	13.0%
AA	**114,179**	**23.3%**	123,085	25.7%
A	**44,959**	**9.2%**	55,886	11.7%
BBB	**77,886**	**15.9%**	56,257	11.7%
BB and below	**69,415**	**14.2%**	80,143	16.7%
Foreign currency	**1,421**	**0.3%**	1,355	0.3%
Not rated	**101,426**	**20.7%**	93,760	19.6%
	$ 490,390	**100%**	$ 479,231	100%

WorkplaceNL may also invest in short-term commercial debt or paper rated R1 in accordance with Dominion Bond Rating Service. Provincial short-term debt and debt of agencies guaranteed by the provinces may be rated lower than R1. The short-term portfolio investments held with any one corporate issuer is limited to 10%, at any given time, of WorkplaceNL's estimated annual cash receipts.

Currency risk

Currency risk is the risk that the value of financial assets and liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates compared to the Canadian dollar. Investments denominated in foreign currency are translated into Canadian dollars at the exchange rate in effect at the reporting date. Funds significantly invested in foreign denominated fixed-term investments manage their foreign exchange exposure through forward foreign exchange and future contracts. Hedge accounting has not been applied to hedging arrangements.

As at December 31, 2024, WorkplaceNL's holdings in foreign currencies had a market value of $1.1 billion [2023 - $1.0 billion] representing 62.5% [2023 – 62.5%] of the market value of the total investment portfolio.

9. FINANCIAL RISK MANAGEMENT (continued)

Credit risk

The table below presents the impact on comprehensive income of a 10% appreciation in the value of the Canadian dollar to the following selected currencies.

(thousands of dollars)	2024	2023
CAD/US	$ 61,625	$ 53,802
CAD/EURO	10,994	11,498
CAD/British Pound	5,096	4,536
CAD/Japanese Yen	2,949	3,402
CAD/Australian Dollar	3,805	2,002
CAD/Swiss Franc	1,865	1,487
CAD/Danish Krone	909	1,311
CAD/ Mexican Peso	-	1,150
CAD/Hong Kong Dollar	1,306	1,107
CAD/Norwegian Krone	599	785
CAD/Swedish Kronor	481	223

Interest rate risk

Interest rate risk is the risk that the value of a financial security will fluctuate due to changes in market interest rates. WorkplaceNL is exposed to interest rate risk through investment in fixed income securities. Interest rate risk is managed through diversification of fixed income securities through sector allocation and security duration.

The table below presents the impact on comprehensive income of changes in interest rates on the fixed income portfolio:

(thousands of dollars)	2024		2023	
Change in nominal interest rates	+/-50 bps	+/-100bps	+/-50 bps	+/-100bps
Impact on comprehensive income	$ 13,838	$ 28,186	$ 14,031	$ 28,490

The table below represents the remaining term to maturity of WorkplaceNL's fixed-term investments:

(thousands of dollars)	Remaining Term to Maturity				
Fixed-term investments	Within 1 year	1 to 5 years	5 to 10 years	10 + years	Total
2024 Fair value	$ 22,780	$ 97,075	$ 127,326	$ 88,961	$ 336,142
2023 Fair Value	$ 26,201	$ 67,038	$ 140,535	$ 86,103	$ 319,877

9. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

WorkplaceNL maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseeable interruption of cash flow. WorkplaceNL also has committed lines of credit that it can access to meet liquidity needs.

Insurance funding risk – insurance contract liabilities

WorkplaceNL provides workplace injury insurance for all assessed employers with workers in the Province. Insured events can occur at any time during the coverage period and can generate losses of variable amounts. WorkplaceNL is exposed to the risk that the actual obligations for claim payments exceed its estimate of insurance contract liabilities. Insurance contract liabilities are influenced by factors such as:

- The discount rate used to value future claims;
- Expected inflation;
- Availability, utilization and cost of health care services;
- Injury severity and duration;
- Availability of return-to-work programs and re-employment opportunities at pre-injury employers;
- Wage growth;
- New medical findings that affect the recognition of occupational diseases;
- Legislated changes to benefit rates or modification of the recognition of workplace injuries, which are sometimes applied retroactively; and
- Precedents established through various claims appeals processes.

WorkplaceNL mitigates these risks by utilizing both proprietary and commercially available actuarial models and assessing historical loss development patterns and other predictive analytics. These risks are also mitigated by engaging independent actuaries annually to review actuarial assumptions and methodologies in establishing insurance contract liabilities.

Note 18 provides further information regarding the nature of insurance risk associated with the insurance contract liabilities.

Equity price risk

Equity price risk is the risk that the fair value of marketable securities or long-term investments will change as a result of changes in the market price. Market prices of securities are subject to change as a result of perceived or real underlying changes in the economic condition of the issuer, the relative price of alternative investments and general market conditions.

9. FINANCIAL RISK MANAGEMENT (continued)

WorkplaceNL manages market risk through adherence to an investment policy that prescribes an asset mix that provides for the diversification of risk across a broad group of securities that meet the long-term return objectives of the investments portfolio.

The table below presents the impact on comprehensive income of a material change in the key risk variable measured as 1 or 2 standard deviations (std dev) of the sector benchmark, for each of the equity mandates in WorkplaceNL's equity portfolio.

(thousands of dollars)	**2024**		2023	
Equities	**1 std dev**	**2 std dev**	1 std dev	2 std dev
% Change in market benchmark	**17.2%**	**34.3%**	15.9%	31.8%
Canadian equity	**$ 35,124**	**$ 61,272**	$ 27,334	$ 48,070
% Change in market benchmark	**13.6%**	**27.2%**	13.1%	26.2%
All world equity	**$ 82,314**	**$ 147,032**	$ 71,425	$ 128,035

10. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

WorkplaceNL has entered into leases for office premises with lease terms of five years with the option to renew for additional term of five years. The carrying amounts of the right-of-use assets recognized and movements during the period:

Right-of-Use Assets		
(thousands of dollars)	**2024**	2023
Balance, beginning of year	**$ 1,144**	$ 1,369
Additions	**-**	-
Depreciation	**(225)**	(225)
Balance, end of year	**$ 919**	$ 1,144

10. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The carrying amounts of lease liabilities and the movements during the period:

Lease Liabilities				
(thousands of dollars)		**2024**		2023
Balance, beginning of year	$	**1,244**	$	1,461
Additions		-		-
Interest		**45**		54
Payments		**(271)**		(271)
Balance, end of year	$	**1,018**		1,244

The table below represents the contractual undiscounted payments of WorkplaceNL's lease liabilities:

(thousands of dollars)	Remaining Term to Maturity					
		1 to 5 years		Over 5 years		**Total**
Lease Liabilities	$	1,108	$	-	$	**1,108**

11. PROPERTY, PLANT AND EQUIPMENT

(thousands of dollars)		**2024**					
		Opening Balance		**Additions/ Depreciation**		**Disposals**		**Closing Balance**
Cost								
Land	$	**3,000**		**-**		**-**	$	**3,000**
Buildings		**10,959**		**71**		**-**		**11,030**
Furniture & equipment		**424**		**30**		**(43)**		**411**
Computer equipment		**2,918**		**360**		**(135)**		**3,143**
Total		**17,301**		**461**		**(178)**		**17,584**
Accumulated Depreciation								
Buildings		**7,318**		**221**		**-**		**7,539**
Furniture & equipment		**204**		**34**		**(43)**		**196**
Computer equipment		**2,124**		**313**		**(135)**		**2,302**
Total		**9,646**		**568**		**(178)**		**10,037**
Net Book Value	$	**7,655**	$	**(107)**	$	**-**	$	**7,547**

11. PROPERTY, PLANT AND EQUIPMENT (continued)

(thousands of dollars)	2023			
	Opening Balance	Additions/ Depreciation	Disposals	Closing Balance
Cost				
Land	$ 3,000	-	-	$ 3,000
Buildings	10,959	-	-	10,959
Furniture & equipment	505	21	(102)	424
Computer equipment	2,968	273	(323)	2,918
Total	17,432	294	(425)	17,301
Accumulated Depreciation				
Buildings	7,139	180	-	7,318
Furniture & equipment	270	36	(102)	204
Computer equipment	2,142	304	(323)	2,124
Total	9,551	520	(425)	9,646
Net Book Value	$ 7,881	$ (226)	$ -	$ 7,655

12. INTANGIBLE ASSETS

(thousands of dollars)	Cost	Accumulated Amortization	Net Book Value
Balance at January 1, 2023	$ 33,372	$ (22,618)	$ 10,754
Additions	228	-	228
Disposals	(76)	76	-
Amortization	-	(2,751)	(2,751)
Balance at December 31, 2023	**33,524**	**(25,293)**	**8,231**
Additions	**811**	-	**811**
Disposals	**(577)**	**577**	-
Amortization	-	**(2,644)**	**(2,644)**
Closing balance, December 31, 2024	**$ 33,758**	**$ (27,360)**	**$ 6,398**

Intangible assets include $620,290 [2023 - $445,975] related to internally developed software which is not yet available for use.

13. AMORTIZATION AND DEPRECIATION

(thousands of dollars)		2024		2023
Right-of-use assets depreciation [note 10]	$	**225**	$	225
Property plant and equipment depreciation [note 11]		**568**		520
Intangible assets depreciation [note 12]		**2,644**		2,751
		3,437		3,496
Less: Insurance service expense allocation- Other [note 17]		**2,722**		2,766
	$	**715**	$	730

14. FEES AND INTEREST

Fees and interest are comprised of the following:

(thousands of dollars)		2024		2023
Fund managers' investment fees	$	**9,758**	$	8,706
Banking fees		**308**		354
Lease liabilities		**45**		54
Interest paid to claimants		**117**		205
		10,228		9,319
Less: Insurance service expense allocation- Other [note 17]		-		8
Fees and interest, net	$	**10,228**	$	9,311

WorkplaceNL has established an operating line of credit with its banker in the amount of $20 million for 2024 ($20 million for 2023). Advances on the line of credit bear interest at the bank’s prime interest rate less 50 basis points. The credit facility is unsecured and $19 million was utilized during 2024 ($18 million for 2023). Nil was outstanding at December 31 each year 2024 and 2023.

15. PAYABLES AND ACCRUED LIABILITIES

(thousands of dollars)		2024		2023
Payables	$	**5,475**	$	4,522
Amounts due to employees		**1,143**		874
	$	**6,618**	$	5,396

16. INSURANCE REVENUE

(thousands of dollars)		2024		2023
Assessments	$	**177,913**	$	158,775
Assessment reporting penalties & interest		**1,024**		984
PRIME refunds		**(7,500)**		(6,512)
Total insurance revenue	$	**171,437**	$	153,247

17. INSURANCE SERVICE EXPENSE

(thousands of dollars)		2024		2023
Claims cost incurred	$	**113,190**	$	111,166
Actuarial adjustment		**33,479**		34,648
Administration insurance service expense		**29,212**		26,822
Other insurance service expense		**3,070**		7,811
Total insurance service expense	$	**178,951**	$	180,447

18. INSURANCE CONTRACT LIABILITIES AND CLAIM COSTS

Insurance contract liabilities represent the liabilities for incurred claims, reflecting the present value of all future payments expected to be made on behalf of all injured workers as well as receivables, payables and accruals to insurance contract fulfillment.

18. INSURANCE CONTRACT LIABILITIES AND CLAIM COSTS (continued)

Insurance contract liabilities

(thousands of dollars)	2024			
	Liabilities for Remaining Coverage		Liabilities for Incurred Claims	Total
	Excluding Loss Component	Loss Component	Estimates of the Present Value of Future Cash Flows	
Insurance contract liabilities as at January 1, 2024	**$ (10,023)**	**-**	**$ 1,457,229**	**$ 1,447,206**
Insurance revenue	**(171,437)**	**-**	**-**	**(171,437)**
Current year incurred and other	**-**	**(7,514)**	**145,472**	**137,958**
Prior year development	**-**	**-**	**33,479**	**33,479**
Losses on onerous contracts	**-**	**7,514**	**-**	**7,514**
Total insurance service expense	**-**	**-**	**178,951**	**178,951**
Insurance service result	**(171,437)**	**-**	**178,951**	**7,514**
Insurance finance expense			**74,652**	**74,652**
Total changes in the statement of comprehensive income	**(171,437)**	**-**	**253,603**	**-** **82,166**
Cash Flows				
Employer premiums	**173,017**	**-**	**-**	**173,017**
Claims and other expenses paid-excludes self insurer's and includes other cash outflows required for contract fulfilment	**-**	**-**	**(204,098)**	**(204,098)**
Total cash flows	**173,017**	**-**	**(204,098)**	**(31,081)**
Insurance contract liabilities as at December 31, 2024	**$ (8,443)**	**-**	**$ 1,506,734**	**$ 1,498,291**

18. INSURANCE CONTRACT LIABILITIES AND CLAIM COSTS (continued)

(thousands of dollars)	2023			
	Liabilities for Remaining Coverage		Liabilities for Incurred Claims	Total
	Excluding Loss Component	Loss Component	Estimates of the Present Value of Future Cash Flows	
Insurance contract liabilities as at January 1, 2023	$ (11,298)	-	$ 1,376,841	$ 1,365,543
Insurance revenue	(153,247)	-	-	(153,247)
Current year incurred and other		(27,200)	145,799	118,599
Prior year development			34,648	34,648
Losses on onerous contracts		27,200		27,200
Total insurance service expense	(153,247)	-	180,447	180,447
Insurance service result	(153,247)	-	180,447	27,200
Insurance finance expense	-	-	105,269	105,269
Total changes in the statement of comprehensive income	(153,247)	-	285,716	- 132,469
Cash Flows				
Employer premiums	154,522	-	-	154,522
Claims and other expenses paid-excludes self insurer's and includes other cash outflows required for contract fulfilment	-	-	(205,328)	(205,328)
Total cash flows	154,522	-	(205,328)	(50,806)
Insurance contract liabilities as at December 31, 2023	$ (10,023)	-	$ 1,457,229	$ 1,447,206

Onerous contracts

Under the Act employers are liable for assessments due January 1 in each year for workers employed at that time and updated throughout the year for additional worker employment. Insurance contacts for WorkplaceNL have a term of one year under legislation from January 1 to December 31 of each year. As at December 31, 2024, based on the 1-year duration, no obligations for onerous contracts exist.

18. INSURANCE CONTRACT LIABILITIES AND CLAIM COSTS (continued)

Claims Development

The table that follows presents the development of the estimated ultimate cost of claims and claim payments for accident years 2015-2024. The top part of the table illustrates how the estimate of total claims benefits for each accident year has changed with more experience over succeeding year-ends. It shows the estimated cost of claims for an accident year in the year of accident, one year after the year of accident, two years after the year of accident and so on, and compares the total estimated cost to the actual cumulative payments over the development period. Due to the extremely long duration of many WorkplaceNL benefits, significant amounts may be paid out in the distant future beyond the valuation date. The bottom part of the table reconciles the total outstanding benefits amount to the discounted amount reported in the statement of financial position.

(thousands of dollars)

Accident Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Estimate of cumulative claims:											
At end of accident year	140,967	141,515	144,998	134,992	155,063	146,635	137,143	163,480	153,869	155,364	
One year later	131,833	130,872	134,716	142,027	162,441	143,336	144,323	167,759	160,334		
Two years later	137,731	138,611	138,638	145,829	170,243	146,939	146,721	171,675			
Three years later	137,169	138,831	138,861	145,768	176,983	174,852	166,514				
Four years later	138,417	137,558	152,438	159,407	189,897	178,733					
Five years later	135,566	143,128	159,665	162,391	201,127						
Six years later	133,666	144,321	162,523	165,929							
Seven years later	136,356	147,960	167,420								
Eight years later	134,500	150,303									
Nine years later	136,046										
Estimate of cumulative claims											
	136,046	150,303	167,420	165,929	201,127	178,733	166,514	171,675	160,334	155,364	1,653,445
Cumulative payments	(80,482)	(84,387)	(83,926)	(86,161)	(94,578)	(76,508)	(64,113)	(58,314)	(43,833)	(21,031)	(693,335)
Estimate of future Payments	55,564	65,916	83,494	79,767	106,549	102,225	102,401	113,361	116,500	134,332	960,110
2013 and prior years											825,635
Effect of discounting											(602,655)
Occupational disease											106,478
Firefighter presumptive coverage											55,605
Claims administration											141,243
Other insurance liabilities											20,317
Liabilities for Incurred Claims at December 31, 2024											**$ 1,506,734**

18. INSURANCE CONTRACT LIABILITIES AND CLAIM COSTS (continued)

The table below lists the principal assumptions used in the valuation of the liabilities for incurred claims.

	2024		2023	
	CPI- Indexed awards	Other Payments	CPI- Indexed awards	Other Payments
Discount Rate	**4.75%**	**4.75%**	4.85%	4.85%
Inflation Year 1	**3.10%**	**2.00%**	5.60%	2.00%
Inflation Year 2	**2.00%**	**2.00%**	3.20%	2.00%
Inflation Year 3	**2.00%**	**2.00%**	2.20%	2.00%
Inflation later years	**2.00%**	**2.00%**	2.00%	2.00%
Net rate of return year 1	**1.65%**	**2.75%**	-0.75%	2.85%
Net rate of return year 2	**2.75%**	**2.75%**	1.65%	2.85%
Net rate of return year 3	**2.75%**	**2.75%**	2.65%	2.85%
Net rate of return later years	**2.75%**	**2.75%**	2.85%	2.85%
Occupational disease	**9.00%**	**9.00%**	9.00%	9.00%
Presumptive firefighters coverage	**4.70%**	**4.70%**	4.70%	4.70%
Future administration	**10.50%**	**10.50%**	10.50%	10.50%

A description of the processes used to determine these assumptions is provided below:

General statement
Liabilities for incurred claims are valued based on the primary assumption that the system will be in operation for the long term. Economic assumptions are formulated to be consistent with the funding and investment policies adopted by the Board. Demographic assumptions are chosen to reflect WorkplaceNL's underlying experience and are updated over time as enough experience is available to suggest an underlying trend, rather than statistical fluctuations.

Discount rate
WorkplaceNL determines the IFRS 17 discount rates using a bottom-up approach. Under the bottom-up approach, discount rates are determined by adjusting a liquid risk-free yield curve to reflect the differences between the liquidity characteristics of the financial instruments that underlie the rates observed in the market and the liquidity characteristics

18. INSURANCE CONTRACT LIABILITIES AND CLAIM COSTS (continued)

of the insurance contracts. For purposes of developing the IFRS 17 discount rate under a bottom-up approach, the Canadian Institute of Actuaries ("CIA") has retained the services of Fiera Capital Corporation ("Fiera Capital") to produce, on a monthly basis, the "Fiera Capital's CIA IFRS 17 Market Curves and Reference Curves".

The key inputs used in the establishment of the IFRS 17 reference curve are the observable market rates in the Canadian bond market. This includes a Government of Canada (i.e., "risk-free") market curve, a provincial bond market curve and a corporate bond market curve. The IFRS 17 spot rates are determined as follows:

- Illiquid reference curve spot yield = risk-free spot rate + liquidity spread + additional liquidity premium, where
    - The risk-free spot rate is developed from Government of Canada bond yield data.
    - The liquidity spread is a portion of the spot yield spread between government of Canada bond yields and high quality Canadian corporate bond yields.
    - The additional liquidity premium is a constant 0.5% to reflect the fact that the illiquid cash flows have liquidity characteristics more similar to those of mortgages and private debt than high quality corporate bonds.

The gross discount rate in accordance with IFRS 17 is 4.75% as at December 31, 2024 compared to 4.85% as at December 31, 2023.

Inflation

The indexation rate for year one is known at the time of the valuation WorkplaceNL calculates the change in the Consumer Price Index (CPI) for the 12-month period July – June, over the previous 12-month period July – June, and any resulting increase is applied beginning in January of the following year to dependency benefits, extended earnings loss benefits and maximum compensable earnings and assessable earnings, pursuant to the Act. The inflation rate assumption for later years is management's best estimate, consistent with the range of accepted actuarial practice for workers' compensation organizations in Canada.

Mortality

The mortality rates used in the valuation of the liabilities for incurred claims are based on general population experience, since actual injured worker mortality data is inadequate to develop a reliable assumption. The current valuation is based on the Newfoundland Life Table 2018-20 from Statistics Canada.

18. INSURANCE CONTRACT LIABILITIES AND CLAIM COSTS (continued)

Occupational disease

The liability for occupational disease is intended to provide a reasonable allowance for future claims for known occupational diseases which arise from past workplace exposures. An actuarial study of WorkplaceNL's occupational disease exposure is conducted periodically, focusing on long latency claims related to cancers, respiratory illnesses and hearing loss. These categories comprise the majority of long latency occupational disease claims accepted by WorkplaceNL. The most recent study was conducted in 2019 and concluded that reasonable range would be 8.3%-10.5% of the liabilities for incurred claims. WorkplaceNL has included a provision of 9.0% of the liabilities for incurred claims for latent occupational disease (2023 – 9.0%).

Presumptive coverage for firefighters

The Government of Newfoundland and Labrador enacted legislation to provide presumptive coverage for certain cancers for the province's career and volunteer firefighters. An actuarial study conducted in 2022 concluded a reasonable estimate would be 4.7% of the liabilities for incurred claims and maintained in 2024 at 4.7%.

Future administration

The future administration liability is intended to provide a reasonable allowance for the management of claims, including compensation for lost wages and paying for health care services over the life of the claim. A detailed analysis of administration costs is performed periodically and an estimate made of the proportion attributable to the management of claims, including a proportionate share of overhead costs. WorkplaceNL completed a recent analysis in 2024 and concluded that an allowance of 10.5% of the liabilities for incurred claims was still reasonable (2023 – 10.5%).

Sensitivity of insurance risk

In determining WorkplaceNL's liabilities for incurred claims, a primary risk is that the actual benefit payments may exceed the amount estimated in determining the liabilities, particularly with potentially long claims run-off periods. The table below shows the sensitivity of the liabilities for incurred claims and claims costs to changes in the key economic assumptions.

(millions of dollars)

1% Change in Assumption	Impact	Liabilities for Incurred Claims	Claim Costs	Income/ Fund Balance
Decrease discount rate	Increase	$ 108.9	$ 6.5	$ 115.4
Increase inflation rate	Increase	$ 51.5	$ 3.2	$ 54.7
Increase Health Care Inflation	Increase	$ 56.7	$ 2.2	$ 58.9

18. INSURANCE CONTRACT LIABILITIES AND CLAIM COSTS (continued)

Claims risk

WorkplaceNL has an objective to manage claims risk, which can lead to significant variability in the loss experience due to its inherent uncertainty. Performance from operations is also significantly affected by external factors.

Insurance risk associated with the volume and cost of claims is addressed through prevention and proactive claims management. The Prevention Strategy focuses attention on workplace risks that lead to the highest frequency of claims. WorkplaceNL provides a Priority Employer Program to assist employers with high claims and costs, and invests in educating young workers, developing safety associations at the industry level and delivering safety education to employers and workers to control workplace risks. The Early and Safe Return-to-Work process facilitates recovery at work and helps manage claim costs. In addition, the rate setting model provides incentives to employers through the PRIME program to manage injuries and work to prevent future injuries.

Liquidity risk

Liquidity risk is the risk that WorkplaceNL will encounter difficulty in meeting obligations associated with insurance liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events, there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries.

(thousands of dollars)	Undiscounted Estimated Future Claims Payments as at December 31, 2024
2025	$ 161,726
2026	137,219
2027	123,683
2028	113,809
2029	106,411
2030 and subsequent years	1,142,897
	$ 1,785,745

18. INSURANCE CONTRACT LIABILITIES AND CLAIM COSTS (continued)

(thousands of dollars)	Undiscounted Estimated Future Claims Payments as at December 31, 2023
2024	$ 158,036
2025	135,021
2026	121,777
2027	111,583
2028	102,246
2029 and subsequent years	1,108,443
	$ 1,737,106

19. EMPLOYEE FUTURE BENEFITS

Public Service Pension Plan

WorkplaceNL's contributions to the PSPP of $2,308,963 [2023 - $2,234,776] are included in administration expenses and have been expensed as incurred. The expected contributions to the PSPP in 2025 are $2,450,000.

Severance payments and paid leave

Cash payments for paid leave were $15,000 [2023 - $154,000] and severance was $27,000 [2023 –Nil]. The weighted average time to expected benefit payment is 10 years [2023 - 11.0].

(thousands of dollars)	2024	2023
Accrued benefit obligation, beginning of year	**$ 1,326**	$ 1,547
Current service cost	**285**	32
Past service cost	**-**	-
Interest cost	**66**	62
Benefit expense	**351**	94
(Gain) loss	**(156)**	(161)
Benefits paid	**(43)**	(154)
Accrued benefit obligation, end of year	**$ 1,478**	$ 1,326

19. EMPLOYEE FUTURE BENEFITS (continued)

The significant assumptions used in measuring the accrued benefit obligation and benefit expense are as follows:

	2024	2023
Discount rate- benefit cost	**3.00%**	3.00%
Discount rate- accrued benefit obligation	**4.50%**	4.60%
Rate of compensation increase	**3.00%**	3.00%

The table below shows the sensitivities of the accrued benefit obligation to a 25 basis point change in the key assumptions:

(thousands of dollars)		Increase		Decrease
Discount rate	$	(24)	$	24
Rate of compensation increase	$	24	$	(24)

20. OTHER INCOME AND EXPENSE

(thousands of dollars)		2024		2023
Other Revenue	**$**	**3,376**	$	3,602
Administration [note 21]		**(9,492)**		(8,893)
Legislated obligations [note 22]		**(8,456)**		(8,073)
Fees and interest, net [note 14]		**(10,228)**		(9,311)
Amortization and depreciation [note 13]		**(715)**		(730)
Other expenses [note 23]		**(838)**		(822)
System support [note 24]		**(92)**		(1,413)
	$	**(26,445)**	$	(25,640)

21. ADMINISTRATION

(thousands of dollars)		2024		2023
Salaries and employee benefits	**$**	**31,591**	$	29,826
Office and communications		**4,189**		3,518
Professional fees		**1,926**		1,487
Building operations		**703**		683
Travel and vehicle operating		**295**		201
		38,704		35,715
Less: Insurance service expense allocation [note 17]		**29,212**		26,822
	$	**9,492**	$	8,893

22. LEGISLATED AND OTHER OBLIGATIONS

WorkplaceNL is required by legislation to fund the operating costs of the Occupational, Health and Safety Division of Digital Government and Service NL in delivering their occupational health and safety mandate, and all of the costs of the Workers' Compensation Independent Review Board and statutory reviews that take place approximately every five years. WorkplaceNL is contractually required to fund the operating costs of the employer and worker advisors. Total expenses incurred by WorkplaceNL for legislated obligations are detailed below:

(thousands of dollars)		2024		2023
Digital Government and Service NL	**$**	**5,225**	$	5,847
Workers' Compensation Independent Review Board		**1,783**		1,154
Employer and Worker Advisors		**1,448**		1,072
	$	**8,456**	$	8,073

23. OTHER EXPENSES

(thousands of dollars)		2024		2023
Sector advisors and grants	**$**	**836**	$	822
Bad debt		**26**		4
		862		826
Less: Insurance service expense allocation [note 17]		**24**		4
	$	**838**	$	822

24. SYSTEM SUPPORT

Other expenses in 2024 include $417,000 information systems projects cost related to software as a service (2023 - $6,446,009).

(thousands of dollars)		2024		2023
Information systems projects	$	**417**	$	6,446
Less: Insurance service expense allocation [note 17]		**325**		5,033
	$	**92**	$	1,413

25. RESERVES

As provided by legislation, WorkplaceNL maintains a reserve for funding studies, projects and research relating to the enhancement of occupational health and safety in the workplace. During 2024, $206,436 was charged to the reserve [2023 - $252,696] and $206,436 was allocated to the reserve in accordance with Section 30 (1) of the Act.

26. RELATED PARTY TRANSACTIONS

These financial statements include amounts resulting from normal operating transactions with various provincial government departments, agencies and Crown corporations with which WorkplaceNL may be considered related.

The provincial government is also a self-insured employer, and account balances resulting from these transactions are included in the financial statements and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

The amounts included on the statements of operations and cashflows for the Province of Newfoundland and Labrador are as follows:

(thousands of dollars)		2024		2023
Claims cost	$	**4,759**	$	4,589
Administration charges		**970**		909
	$	**5,729**	$	5,498

WorkplaceNL has identified the Board of Directors and Senior Management team as related parties. The Senior Management team includes the Chief Executive Officer, Chief Financial and Information Officer, Vice President Prevention and Workplace Services, General Counsel and Corporate Secretary and three other senior staff members. Compensation related to these parties is shown below:

26. RELATED PARTY TRANSACTIONS (continued)

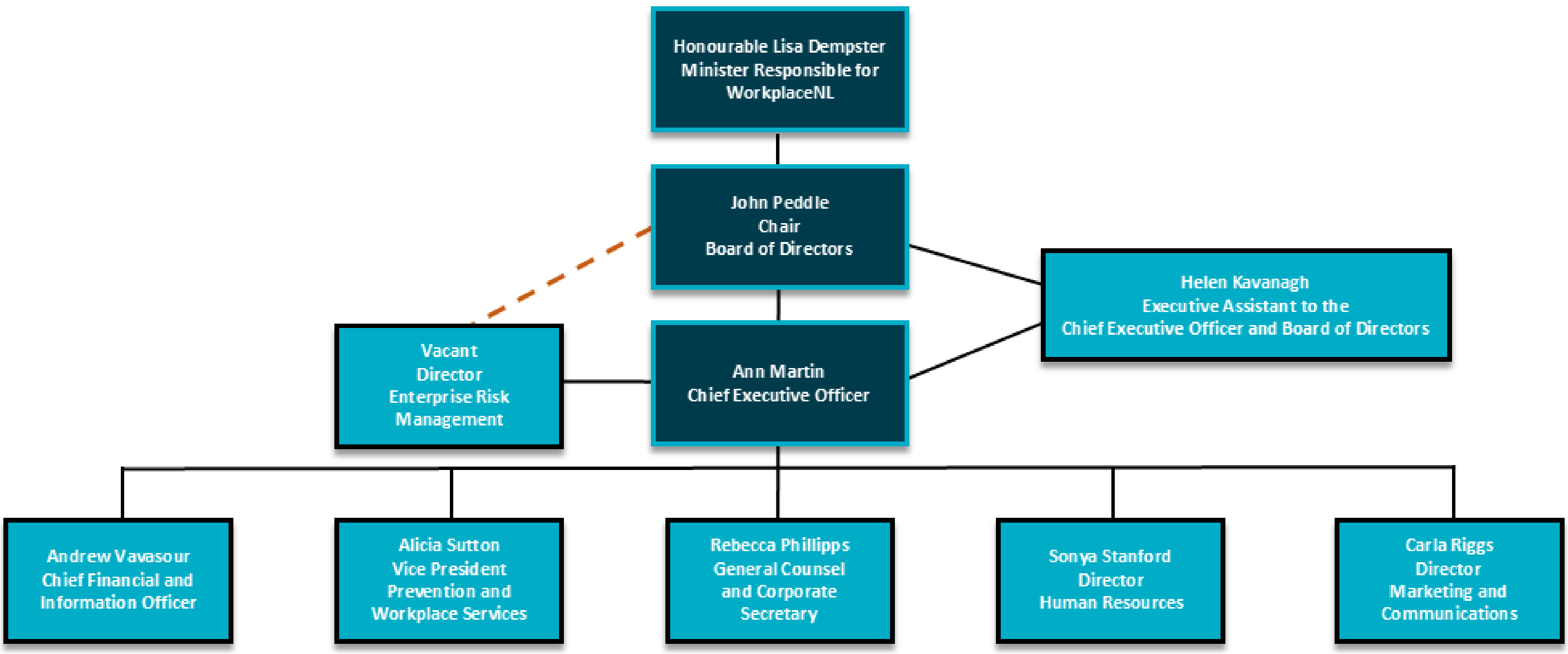
(thousands of dollars)	2024			2023		
	Number	Total		Number	Total	
Board of Directors						
Salary and Benefits	**10**	**$**	**73**	10		70
Senior Management						
Salary and Benefits	**7**	**$**	**1,176**	7	$	1,094

27. CAPITAL MANAGEMENT

The objective of WorkplaceNL's long-term financial strategy is to maintain a funded position that will provide for the security of benefits promised to injured workers within employers' ability to pay assessments.

The Board of directors has established a funding basis target of total assets equal to 110% of total liabilities. When the funded basis ratio is less than 100% or more than 120%, WorkplaceNL adjusts subsequent years assessment rates. These funding basis targets are not based on the financial statements prepared under IFRS 17.

Organizational chart



As of December 31, 2024

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