Workers' Safety and Compensation Commission
Northwest Territories and Nunavut

Annual Report 2025



WSCC Workers' Safety & Compensation Commission | ᐃᕆᑲᓇᐃᔭᕆᐱᒻᒪᓂᖅ ᐊᒋᑲᓇᕐᓂᖅ ᐊᑐᕐᓇᖅᑐᓂ ᖃᐅᔨᓴᕐᓂᖅ

wscc.nt.ca 1.800.661.0792 wscc.nu.ca 1.877.404.4407

Workers' Safety and Compensation Commission
Northwest Territories and Nunavut

YELLOWKNIFE
Centre Square Tower, 5th Floor
5022 49 Street
Box 8888
Yellowknife, NT X1A 2R3

Telephone: 867-920-3888
Toll-free: 1-800-661-0792
Fax: 867-873-4596
Toll-free Fax: 1-866-277-3677

IQALUIT
Qamutiik Building
2A-630 Queen Elizabeth Way
Iqaluit, NU X0A 3H0

Telephone: 867-979-8500
Toll-free: 1-877-404-4407
Fax: 867-979-8501
Toll-free Fax: 1-866-979-8501

INCIDENT AND INJURY REPORTING
1-800-661-0792

wscc.nt.ca
wscc.nu.ca

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Letter of Transmittal

April 30, 2026



The Honourable Gerald W. Kisoun
Commissioner of the Northwest Territories

The Honourable Eva Qamaniq Aariak
Commissioner of Nunavut

The Honourable Vince McKay
Northwest Territories Minister Responsible for the Workers' Safety and Compensation Commission

The Honourable Annie Tattuinee
Nunavut Minister Responsible for the Workers' Safety and Compensation Commission

In accordance with Section 106(1) of the Northwest Territories and Nunavut *Workers' Compensation Acts*, it is my pleasure to present the Workers' Safety and Compensation Commission's (WSCC) Annual Report for the year ending December 31, 2025.

The Governance Council, in collaboration with the WSCC Senior Management Team, shares the vision and responsibility to eliminate workplace diseases and injuries across the Northwest Territories and Nunavut. Operating in a manner consistent with the *Workers' Compensation Acts*, policies, and corporate governance directives, the Governance Council oversees the business, management, and accountability of the WSCC.

The *2025 Annual Report* provides an update on the progress towards achieving our strategic commitments and goals and is generally a summary of last year's operations. Also included are audited financial statements, which reflect our commitment to sustaining the Workers' Protection Fund.

Accompanying the financial statements is an actuarial opinion on the reasonableness of future pension and claims liabilities, and the adequacy of the WSCC's contingency reserves.

I congratulate the Governance Council, employees, and WSCC partners on their continued dedication to serving our stakeholders and ensuring workplace safety and care for workers throughout the Northwest Territories and Nunavut.

Jenni Bruce
Chairperson

Message from the President



This is the third year of our 2023-2027 Strategic Plan, *Paths Towards Safety*. We continue to focus on our mission to promote workplace health and safety while providing no-fault insurance to employers and care for injured workers through our three strategic priorities: *Advancing Safety Outcomes, Delivering Quality Services,* and *Ensuring Financial Sustainability.*

Continuing to build on the foundation set in 2023, we've put some key systems and processes in place, strengthened our core programs and operational capabilities, and aligned our people, resources, and culture with our strategic priorities.

Key achievements in 2025 include: amendments to the *Workers' Compensation Act,* approval of the new Employer Support Model, implementation of the Occupational Health and Safety Funding program and the Safety Outreach program.

The 2025 Annual Report outlines our progress toward achieving our strategic priorities and annual objectives. Please visit **wscc.nt.ca** or **wscc.nu.ca** to view the overarching Strategic Plan.

Rick Hunt
President and CEO

our MISSION

We promote workplace health and safety while providing no-fault insurance to employers and care for injured workers.

our VISION

Eliminate workplace diseases and injuries.

our VALUES

Respect
We demonstrate care, compassion, and honesty.

Engagement
We ensure meaningful participation and collaboration.

Integrity
We honour our commitments and act fairly.

Openness
We are accessible, clear, and transparent.

Cultural Safety
We recognize, gain knowledge of, and respect cultural dignity.

Excellence
We are efficient and service-focused.

Stewardship
We sustain the Workers' Protection Fund through accountability and fiscal responsibility.

2025 Strategic Priorities and Objectives



Strategic Priority 1.0
Advancing Safety Outcomes

Objectives

1.1 Expand occupational health and safety (OHS) education

1.2 Improve our incident and injury prevention activities

1.3 Review the employer assessment rate model

Strategic Priority 2.0
Delivering Quality Services

Objectives

2.1 Actively seek stakeholders' feedback

2.2 Develop innovative and efficient operations and processes

2.3 Support staff to successfully deliver services

2.4 Review the legislation WSCC administers

2.5 Improve claims management

Strategic Priority 3.0
Ensuring Financial Sustainability

Objectives

3.1 Confirm the Workers' Protection Fund is well managed

3.2 Increase WSCC's funded position

Governance Council



Clockwise from top left: Joseph Ohokannoak, Jenni Bruce, Derek Allerton, Eleese Scott (Chief Governance Officer and Senior Advisor), Rick Hunt (President & CEO), Peter Mackey, Cathy Cudmore, Jill Rivera.

Representing Your Interests….

A seven-person Governance Council guides the WSCC's strategic direction. Individuals from Nunavut and the Northwest Territories who represent the interests of workers, employers, and the general public sit on the Governance Council to oversee the WSCC's management and provide responsible stewardship of the Workers' Protection Fund.

The Governance Council oversees the WSCC as outlined in the *Workers' Compensation Acts*, WSCC policies, and Governance Council directives. Meeting quarterly, the Governance Council monitors WSCC's financial and strategic performance, and provides a consistent point of contact for governance.

Jenni Bruce, Chairperson

Peter Mackey, Vice-Chairperson, *Nunavut Public Interest Representative*

Cathy Cudmore, Northwest Territories, *Employer Representative*

Vacant, Northwest Territories, *Employer Representative*

Jill Rivera, Northwest Territories, *Worker Representative*

Joseph Ohokannoak, *Nunavut Public Interest Representative*

Derek Allerton, *Nunavut Worker Representative*

About the WSCC

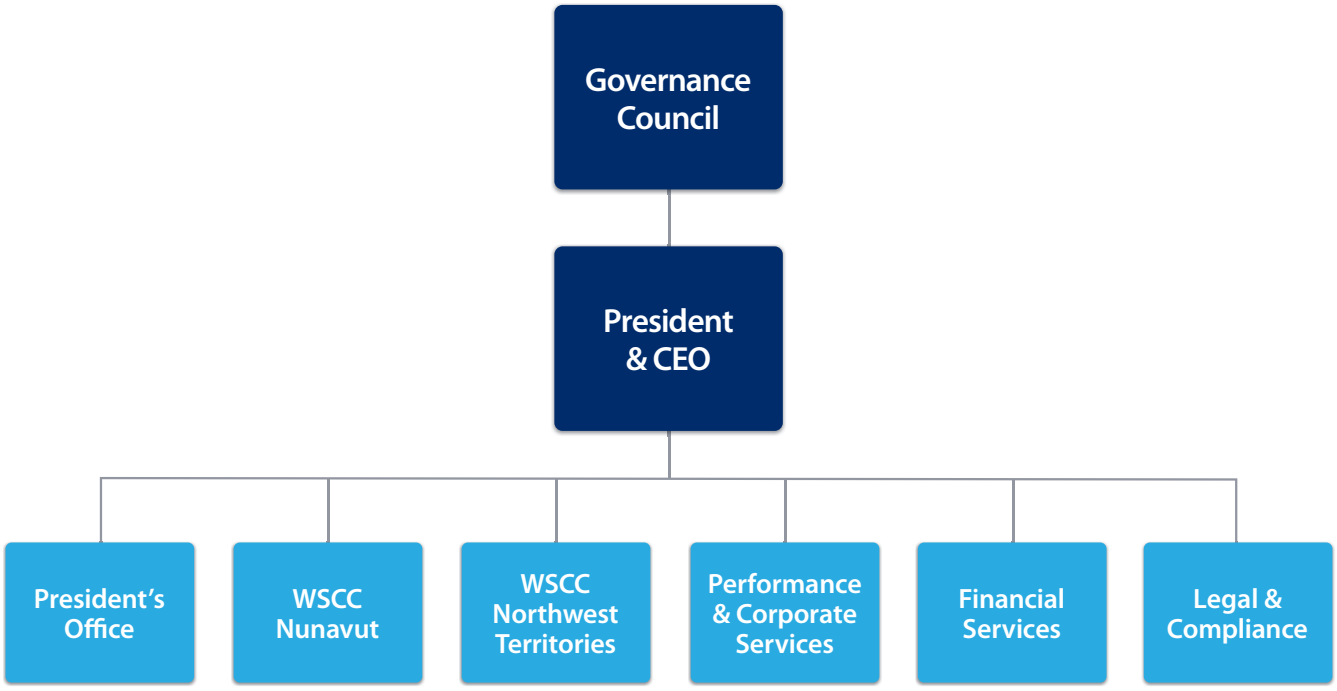
Safety and Care

The WSCC is an independent statutory agency responsible for administering the *Workers' Compensation Acts, Safety Acts, Explosives Use Acts,* and *Mine Health and Safety Acts* of the Northwest Territories and Nunavut. The WSCC provides services to approximately 40,000 workers and 4,000 employers across the two territories. These *Acts* and the associated *Regulations* help protect and care for workers and employers in the Northwest Territories and Nunavut.

With the broad mandate of safety and care, the WSCC's 2023–2027 Strategic Plan, *Paths Towards Safety,* included three strategic priorities: *Advancing Safety Outcomes, Delivering Quality Services,* and *Ensuring Financial Sustainability.*

WSCC's Corporate Structure

A team of senior level staff lead the WSCC. Members reside in both Nunavut and the Northwest Territories. They provide leadership and direction to staff and guide WSCC's operations.



WSCC Statistics

Data pulled is from a point-in-time measure[1]. Information is adjusted to provide the most up-to-date statistics, which may reflect adjusted values when compared against previous year's data.

	2021	2022	2023	2024	2025
Assessable Employers	4,064	4,168	3,989	4,359	4,710
New Employers[2]	601 288 NU 313 NT	594 263 NU 331 NT	518 267 NU 251 NT	708 348 NU 360 NT	586 240 NU 298 NT
Reactivated Employer Accounts	289 129 NU 160 NT	292 126 NU 166 NT	295 133 NU 162 NT	249 148 NU 178 NT	252 108 NU 127 NT
Reported Claims	3,073	3,401	3,033	2,935	2,879
Accepted Claims	2,065 947 NU 1,118 NT	2,414 1,204 NU 1,219 NT	1,946 820 NU 1,126 NT	1,883 794 NU 1,089 NT	1,871 819 NU 1,052 NT
Review Requests	46	37	51	68	78
Work-related Fatality	10	2	2	11	3
Assessable Payroll (reported in millions)	$3,474	$3,680	$3,912	$4,280	$4,330
Assessment Revenue (reported in millions)	$84.35	$90.14	$96.11	$103.4	$103.2
YMIR[3]	$97,300	$102,200	$107,400	$110,600	$113,900 NU $112,600 NT
Inspections Conducted	623 215 NU 408 NT	640 261 NU 373 NT	958 388 NU 570 NT	654 318 NU 340 NT	564 300 NU 264 NT
Engagements[4]	1,591	640	828	294	318
Average number of orders per inspection	2.42 2.72 NU 2.27 NT	1.70 2.06 NU 1.44 NT	1.72 2.17 NU 1.54 NT	1.69 2.04 NU 1.32 NT	2.66 2.82 NU 2.47 NT
Orders issued	1,510	1,087	1,654	1,113	1,498
Reports of Unsafe Work received through *WSCC Connect*	129	133	140	143	135
Reportable Incidents[5]	228 125 NU 103 NT	275 123 NU 152 NT	265 125 NU 140 NT	208 102 NU 106 NT	184 96 NU 88 NT
Investigations	7	12	6	6	11
Prosecutions					
Employers/Supervisors Charged	5	3	2	1	1
Employers/Supervisors Sentenced	3	1	3	2	0

(1) Data in table for 2025 was pulled week of February 25, 2026. The other years remain static.

(2) New employers include instances where an employer is registered in both territories.

(3) In 2025, WSCC introduced for the Northwest Territories and Nunavut, distinct Year's Maximum Insurable Remuneration (YMIR) values.

(4) Engagements include consultation and education and are tracked separately from inspections.

(5) Under the Occupational Health and Safety Regulations *and the* Mine Health and Safety Regulations.



Report on 2025 Activities

Advancing Safety Outcomes

Workers' Safety and Compensation Commission
Northwest Territories and Nunavut

2025 Key Performance Indicators

Advancing Safety Outcomes

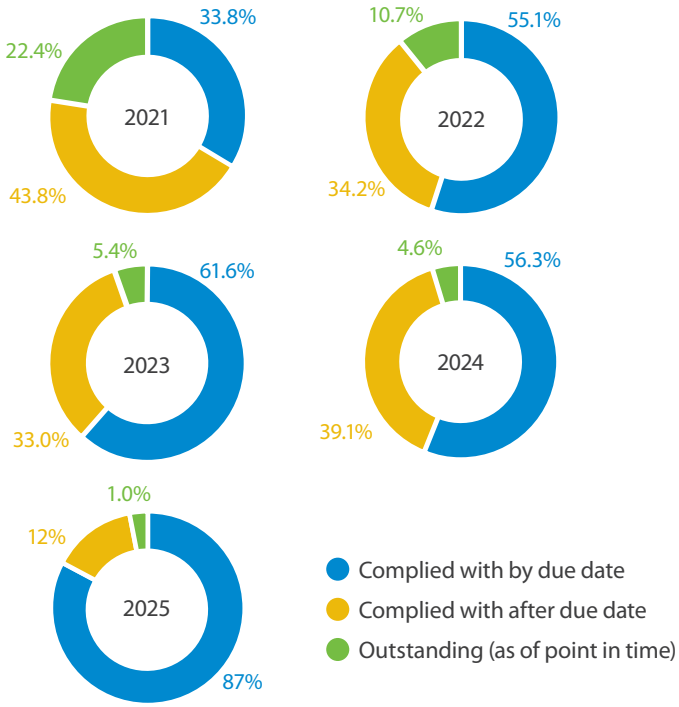
The WSCC uses Key Performance Indicators (KPI's) to track progress towards our Strategic Priorities.

Key Performance Indicator	2025 Target	2025 Results	Assessment	2027 Target
Lost Time Injury Frequency	1.74	1.64	✓	1.68
Percentage of priority worksites that receive OHS resources from Prevention Services	60%[1]	65.2%	✓	100%
Percentage of employers satisfied with the resources and information provided	N/A[2]	92.9%	○	75%
Percentage of total assessable payroll classified as a Safe Workplace	52%	63.9%	✓	5% increase/year from 2022 baseline
Percentage of eligible employers classified as a Safe Workplace	42%	47.9%	✓	5% increase/year from 2022 baseline
Develop OHS policies according to the Comprehensive Policy Review Plan (CPRP)	2025 policies approved	Completed	✓	CPRP on schedule
Status of the employer assessment rate model project	On track with project plan	On Track	✓	Completed

Performance meeting or exceeding target — *Performance marginally off target* — *Performance off target* — *Reprioritized for future or change in direction*

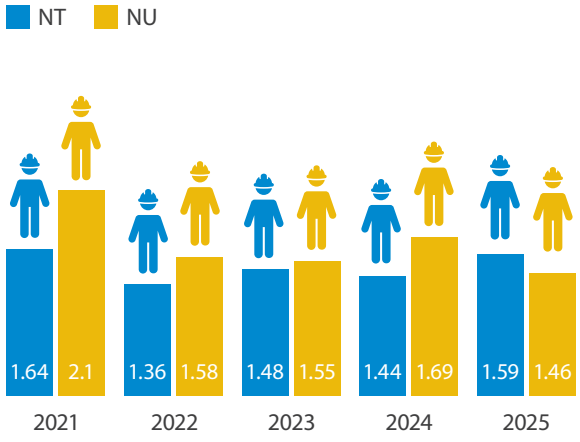
(1) The measurement for this KPI has changed from cumulative to a median baseline.
(2) Data had been manually collected and collated for the first quarter of 2024. In the second quarter of that year, data collection for this KPI stopped due to changes in data collection methods.

Order Compliance 2021-2025



Lost Time Injury Frequency 2021-2025

This is the number of time loss claims per 100 workers



How did we do with our 2025 Advancing Safety Outcomes initiatives?

1.1 Expand occupational health and safety (OHS) education

To raise the understanding of OHS requirements by providing information and resources to the WSCC's stakeholders.

INITIATIVE	TARGET	PERFORMANCE
Continue development of the OHS funding program	• Program launch July 15, 2025	✓

1.2 Improve our incident and injury prevention activities

To increase the number of employers with OHS programs by making policies clearer and providing guidance on procedures and appropriate tools to reduce and prevent work-related injuries and incidents, thereby creating safer workplaces.

INITIATIVE	TARGET	PERFORMANCE
Identify, research, and develop OHS policies	• Submit 2 OHS policies to the Governance Council for approval	✓
Develop internal Prevention procedures which operationalize newly created policies	• Create or update 5 procedures	✓
Host targeted information sessions to educate large employers and associations on the Safe Workplace program	• Engage with 4 large employers	✓

Initiative completed[1] | *Performance meeting or exceeding target* | *Performance marginally off target* | *Performance off target* | *Reprioritized for future or change in direction*

(1) Additional performance rating added in 2025 for clarity.



In **2025**, more than

$1 Million

was allocated for OHS projects in the North.

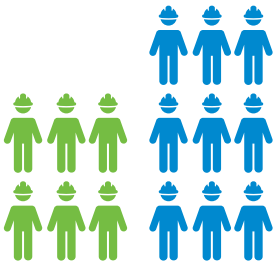
The OHS Funding program supports services and programs that improve workplace safety and help employers comply with OHS legislation in the NWT and Nunavut.

1.3 Review the employer assessment rate model

To review the employer assessment rate model and identify approaches that may better reward excellent safety performance and motivate weaker-performing employers.

INITIATIVE	TARGET	PERFORMANCE
Support the actuary to create a decision paper based on recommendations.	• Submit decision paper to Governance Council for review	

Initiative completed | *Performance meeting or exceeding target* | *Performance marginally off target* | *Performance off target* | *Reprioritized for future or change in direction*





Exceeding the **2025** Target, the percentage of eligible employers classified as a safe workplace was

47.9%



***Advancing Safety Outcomes* remains central to our vision** of eliminating workplace diseases and injuries. It emphasizes WSCC's ongoing commitment to safe workplaces, continuously raising awareness of safety rights and responsibilities, and preventing and reducing accidents and incidents.



Report on 2025 Activities

Delivering Quality Services

Workers' Safety and Compensation Commission
Northwest Territories and Nunavut

2025 Key Performance Indicators

Delivering Quality Services

The WSCC uses Key Performance Indicators (KPIs) to track progress towards our Strategic Priorities.

Key Performance Indicator	2025 Target	2025 Results	Assessment	2027 Target
Stakeholder Satisfaction Score	N/A	N/A[1]	○	80%
Percentage of stakeholder engagements that have the stakeholder engagement framework applied	100%	100%	✓	100%
Percentage of WSCC public engagements that meet their response rate target	90%	100%	✓	90%
Net Maturity Score (5-point scale)	2.8	2.9	✓	3.0
Percentage of clients satisfied with e-Business functions	80%	70%	✗	80%
Net Promoter Score	80%	83%	✓	80%
Retention Rates	Exceed GNWT and GN rates[2]	91%	✓	Exceed GNWT and GN rates
Status of Legislation Review Project	On track with project plan	On Track	✓	Completed
Average Cost per Claim	5% reduction from 2022	17% increase from 2022	✗ [3]	10% reduction from 2022 baseline
Number of non-responsiveness complaints forwarded from the Workers' Advisor Office	33% reduction from 2022	84% reduction from 2022	✓	Zero

✓ *Performance meeting or exceeding target* — − *Performance marginally off target* — ✗ *Performance off target* — ○ *Reprioritized for future or change in direction*

(1) This KPI has been put on hold until 2026.

(2) Retention rates: GNWT 2023-2024, 87.5%; GN 2022-2023, 82%.

(3) Claims Services has implemented several cost containment measures, with more planned. Short-term results may not be visible. The current cost increase will be assessed to distinguish internal from external factors. Rising medical costs, claim variability, and inflation are likely contributors. The business unit remains focused on sustainable cost control.

There are 4 official languages of the WSCC: English, French, Inuktitut, and Inuinnaqtun. *What translations did the WSCC do in 2025?*



In 2025*, the WSCC had an employee retention rate of



**Flex Surveys recognized WSCC as a Top Employer for 2025. One criterion of a Top Employer is the employer's commitment to employee job satisfaction.*

How did we do with our 2025 Delivering Quality Services?

2.1 Actively seek stakeholders' feedback

To ensure stakeholders have opportunities to share their experiences and suggestions for improvements by broadening the stakeholder engagement process

INITIATIVE	TARGET	PERFORMANCE
Implement evaluation cycle for WSCC programs and services	• Evaluate WSCC programs as per review schedule	✓
Integrate cultural safety in the engagement framework	• Continue appropriate integration of Indigenous Governments and Organizations in WSCC engagements	✓

2.2 Develop innovative and efficient operations and processes

To create defined processes that deliver the most value to stakeholders by leveraging appropriate tools, technologies, data and solutions to simplify and streamline our work

INITIATIVE	TARGET	PERFORMANCE
Improve employer experience	• Continue planning and start implementation of Phase 1 of the Employer Support Model	✓
Modernize records and information management	• Finalize procurement and initiate Electronic Content Management System project	✓
Enhance Information Systems' operational efficiency	• Continue development for the comprehensive lifecycle roadmap of the WSCC Financial System	✓
Strengthen cyber security defenses to protect critical data and systems	• Develop security framework and Security Tool Gap Analysis	✓
Develop and enhance online stakeholder experience	• Introduce new reporting tools • Incorporate feedback driven updates • Streamline navigation and employer e-services	✓
Website redesign plan complete	• Benchmark current website performance and determine website redesign goals	✓
Replace translation management system	• Procure and implement replacement software	✓

Initiative completed | *Performance meeting or exceeding target* | *Performance marginally off target* | *Performance off target* | *Reprioritized for future or change in direction*

2.3 Support staff to successfully deliver services

To ensure that robust strategies are in place to respond to an ever-changing labour market by supporting, engaging, and empowering WSCC's employees to deliver excellent services to our stakeholders

INITIATIVE	TARGET	PERFORMANCE
Modernize HR services	• Automate HR Services for internal efficiencies	
Implementation of Workforce Planning Strategy	• Review Learning and Development Program	
Optimize office space	• Procure design services for optimization of NWT 5th floor	

2.4 Review the legislation WSCC administers

To update the legislation WSCC administers

INITIATIVE	TARGET	PERFORMANCE
Develop options for the modernization of occupational health and safety legislation in collaboration with the Mine Occupational Health and Safety Legislation Committee and the Safety Advisory Committee	• Review previous research and engagement conducted on OHS ticketing initiative • Advance review of safety legislation prioritized by the OHS Steering Committee	(1)
Review *Occupational Health and Safety Regulations* and *Mine Health and Safety Regulations*	• Continue review of OHS regulations prioritized by the Legislative Review Committee and deliver harmonization commitments	
Continue the legislative process for the *Workers' Compensation Act* pension amendments	• Support Bill submission to NWT and Nunavut legislatures • Initiate Change Management Plan	

Initiative completed | *Performance meeting or exceeding target* | *Performance marginally off target* | *Performance off target* | *Reprioritized for future or change in direction*

(1) This initiative was deferred and other commitments were prioritized under legislative review.

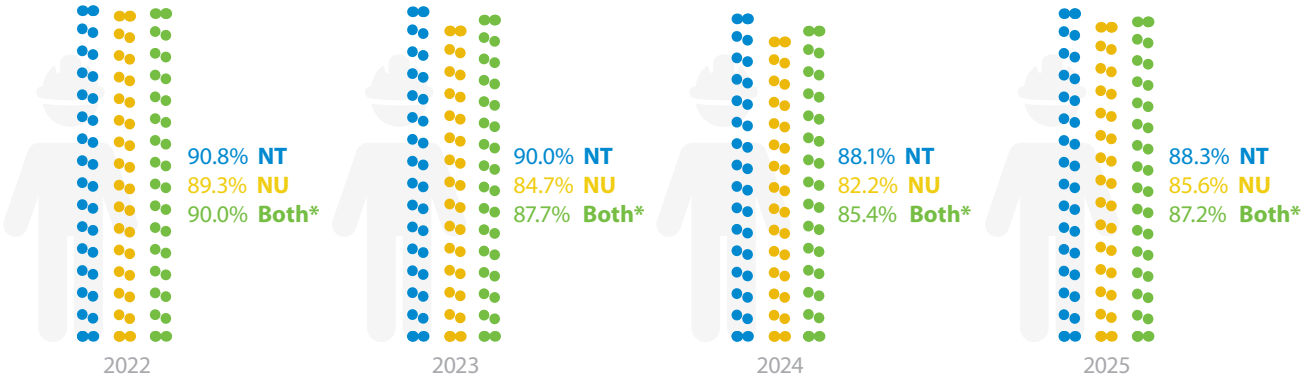
2.5 Improve claims management

To manage claims effectively and responsibly using appropriate processes, tools and systems, thereby lessening the challenges of staff workloads while improving stakeholder claims experiences

INITIATIVE	TARGET	PERFORMANCE
Enhance claims management communications	• Complete the Claims Processing standardization of claims letters • Create 1 to 2 substantial resources for employers on return to work	✓
Evaluate the design of the case management role and the optimal capacity of case managers in Nunavut	• Complete the study and begin implementation of recommendations	✓
Develop onboarding and training program for claim owners	• Utilize the new Learning Management System to create comprehensive learning modules for claim owners	✓

Initiative completed | *Performance meeting or exceeding target* | *Performance marginally off target* | *Performance off target* | *Reprioritized for future or change in direction*

Percentage of injured workers who returned to work within 6 months



** The number represents the two territories' cumulative percentage of injured workers who returned to work within six months*

Looking Forward

We continue our work on *Delivering Quality Services*, by improving processes and empowering WSCC staff to provide timely, accessible, understandable, and effective services to those we serve.



Report on 2025 Activities

Ensuring Financial Sustainability

Workers' Safety and Compensation Commission
Northwest Territories and Nunavut

2025 Key Performance Indicators

Ensuring Financial Sustainability

The WSCC uses Key Performance Indicators (KPIs) to track progress towards our Strategic Priorities.

Key Performance Indicator	2025 Target	2025 Results	Assessment	2027 Target
Average Composite Claim Duration	101.76	98.03	✓	10% reduction from 2022 year end
Return on Investment	5.5%	8.4%	✓	5.25% per year
Funded Position	113%	119%	✓	116.4%

✓ *Performance meeting or exceeding target* — *Performance marginally off target* — ✗ *Performance off target* — ○ *Reprioritized for future or change in direction*



The **2027** Target for Funded Position is

116.4%

The Target for Funded Position in 2025 was 113%.
The **2025** Result is **119%**.

How did we do with our 2025 Ensuring Financial Sustainability?

3.1 Confirm the Workers' Protection Fund is well managed

To review if outsourcing the WSCC's investment management of the Workers' Protection Fund remains appropriate and to understand if WSCC has gained in overall return on investment by outsourcing this function

INITIATIVE	TARGET	PERFORMANCE
Reassess pacing of the global private credit allocation and recommit capital, as required	• Determine if an increase or decrease in provided credit is required	
Build on the renewed contract and implement an improved investment reporting structure to meet the additional complexities from increased private asset allocations	• Enhance information sharing between the Outsource Chief of Investments and the Investment Custodian	

3.2 Increase the WSCC's funded position

To maintain a balance between the provision of quality benefits to injured workers while maintaining stable and affordable employer assessment rates

INITIATIVE	TARGET	PERFORMANCE
Transition to paperless payment system and optimize payment cycle for claimants and vendors	• Reduce paper cheques to reduce cost and time	
Establish a wage calculation portal to manage requests	• Centralize requests to enhance transparency and improve efficiency	

Initiative completed | *Performance meeting or exceeding target* | *Performance marginally off target* | *Performance off target* | *Reprioritized for future or change in direction*



***Ensuring Financial Sustainability* is continuous.** By maintaining sufficient funds through a fair funding mechanism, the WSCC is ensuring the Workers' Protection Fund is well-resourced to care for injured workers.



Our Finances

Workers' Safety and Compensation Commission
Northwest Territories and Nunavut

Management's Discussion and Analysis

For the year ended December 31, 2025



Introduction

This Management's Discussion and Analysis (MD&A) provides management's perspective on the financial condition and operating results of the Workers' Safety and Compensation Commission (WSCC) of the Northwest Territories and Nunavut for the year ended December 31, 2025. It should be read in conjunction with the WSCC's 2025 financial statements and accompanying notes, which have been prepared in accordance with International Financial Reporting Standards (IFRS). All amounts are in thousands of Canadian dollars unless otherwise indicated.

Forward-looking information

This MD&A includes forward-looking information about WSCC priorities, strategies, financial outlook and the expected impact of economic and legislative developments. Forward-looking information is based on assumptions and is subject to inherent risks and uncertainties that may cause actual results to differ materially. Key factors that could cause results to vary include changes in economic conditions, investment markets, claims experience, demographics, legislation, accounting standards, and appeals or court decisions. Readers should not place undue reliance on forward-looking information and should recognize that it reflects management's views as at the date of this MD&A.

Organizational overview

The WSCC is a territorial entity established under the *Workers' Compensation Acts* of the Northwest Territories and Nunavut to provide no-fault workplace injury insurance and to promote safe and healthy workplaces. The WSCC levies assessments on employers to fund the current and future costs associated with workplace injuries and latent occupational diseases. In addition to providing compensation and rehabilitation services to injured workers, the WSCC delivers prevention, education and enforcement programs under the *Safety Acts, Mine Health and Safety Acts* and *Explosives Use Acts* in both territories. WSCC operations are in Yellowknife, Northwest Territories and Iqaluit, Nunavut, serving employers and workers across a geographically vast and diverse region.

Executive summary

WSCC's financial position continued to strengthen in 2025, reflecting solid investment performance over time, prudent risk management and disciplined control of operating and claims-related costs. Under IFRS 17, total assets increased to approximately $639.0M at December 31, 2025 from $589.9M in 2024, while total liabilities increased to $559.1M from $544.8M over the same period. Equity under IFRS 17 grew to $79.9M from $45.1M, driven mainly by strong investment income and an improved insurance service result.

On a funding basis, which management uses for long-term capital management and rate-setting, total assets were $644.0M at December 31, 2025 and total liabilities were $541.1M, resulting in equity of $103.0M compared with $73.7M in 2024. The funded ratio under this basis improved to 119.0% from 114.0%. Under IFRS 17, the funded ratio, defined as total assets divided by total liabilities, improved to 114.3% from 108.3%, indicating that assets comfortably exceed insurance liabilities on both measurement bases.

Key 2025 financial highlights (IFRS 17)

- Insurance revenue increased modestly to $104.2M in 2025 from $103.9M in 2024, reflecting a 1.1% increase in assessable payroll while maintaining a stable provisional assessment rate.
- Insurance service expenses decreased to $89.4M from $110.5M, primarily due to lower current and prior years' injuries costs, favourable claims experience and updates to actuarial assumptions.
- The insurance service result improved to a profit of $14.8M in 2025 from a loss of $6.6M in 2024, highlighting the effectiveness of WSCC's prevention and claims management strategies.
- Net investment income was $45.0M, compared with $67.9M in 2024, a decrease of 33.6% that reflects lower realized gains and higher unrealized losses after a particularly strong year in 2024.
- Insurance finance expenses decreased to $16.8M from $18.1M in 2024, mainly due to changes in discount rates applied to the insurance contract liability.
- Total comprehensive income under IFRS 17 was $34.8M in 2025, compared with $35.9M in 2024.

Operating environment

In 2025, global economic conditions were characterized by moderating growth, persistent geopolitical tensions and uneven financial market performance. Commodity prices and interest rates remained volatile, and inflationary pressures, particularly in healthcare and construction, continued to affect costs. In the Northwest Territories and Nunavut, employers and workers operated in a small, open and resource-oriented economy where project activity, labour availability and government spending can have a pronounced impact on employment levels and assessable payroll. Despite these challenges, WSCC maintained stable assessment rates and continued to invest in prevention and return to work programs to support safe, sustainable workplaces across the North.

Changes to actuarial valuation assumptions

Management reviews the underlying assumptions supporting the valuation of the insurance contract liability each year to ensure they reflect current experience and expectations. For 2025, key changes to assumptions included the impact of pension legislation (Bill 21/57), an updated discount rate and revised estimates for future capitalizations. The discount rate increased from 4.81% to 4.97%, reducing the overall liability, while the estimated future capitalization count increased the liability. Taken together, these changes contributed to the movement in the insurance contract liability reported in the 2025 financial statements.

Financial performance under IFRS 17

Total comprehensive income

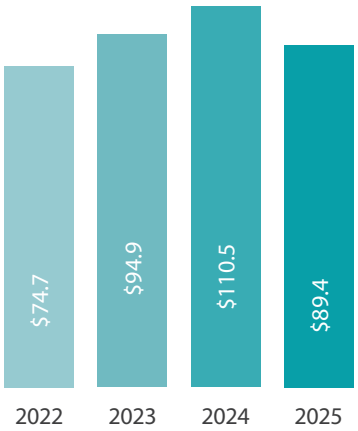
Total comprehensive income under IFRS 17 was $34.8M in 2025, compared with $35.9M in 2024, a decrease of $1.1M or 3.2%. The year over year change reflects a combination of lower net investment income, a significantly improved insurance service result and a modest remeasurement loss on the defined benefit plan. Remeasurement losses on the defined benefit plan were $0.2M in 2025, compared with $0.3M in 2024, and are recognized in other comprehensive income.

Insurance revenue and service result

Insurance revenue increased modestly to $104.2M in 2025 from $103.9M in 2024, mainly due to growth in assessable payroll while maintaining the provisional assessment rate of $2.40 per $100 of assessable payroll. Insurance service expenses declined materially to $89.4M from $110.5M, primarily reflecting lower medical and compensation costs, favourable claims experience on both current and prior years' injuries and updates to actuarial assumptions, including

discount rate changes and future capitalization estimates. As a result, the insurance service result improved to a profit of $14.8M in 2025, compared with a loss of $6.6M in 2024. This improvement demonstrates the combined impact of effective prevention, claims management and assumption updates in a more stable claims environment.

Insurance Service Expense ($'M)

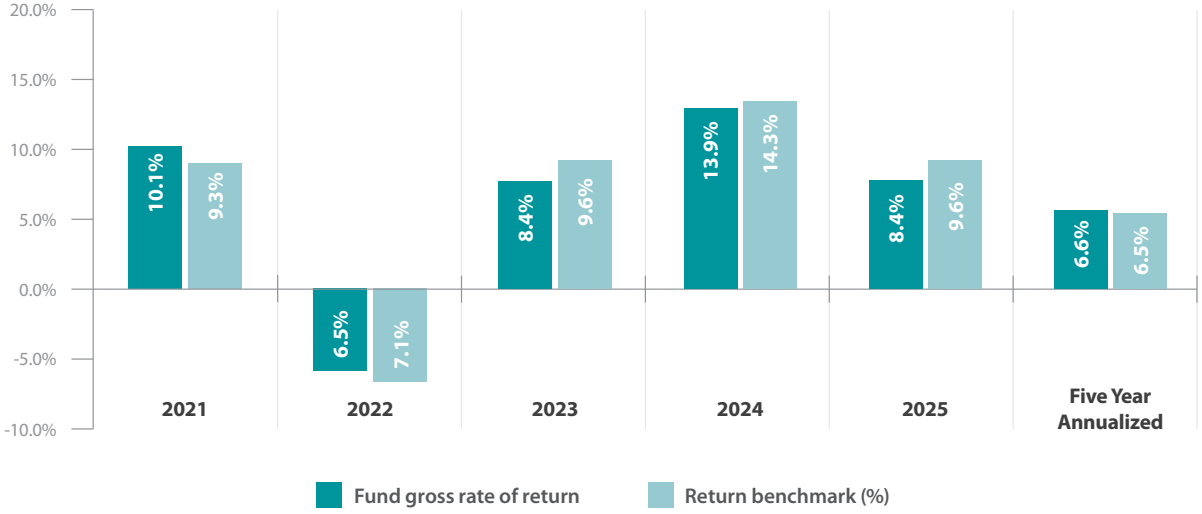


Investment strategy and portfolio performance

The WSCC's investment portfolio is managed on a long-term basis to support its obligations to injured workers while maintaining stable assessment rates for employers. The portfolio is diversified across asset classes, including fixed income, private debt, infrastructure, equities and real estate, and is managed through an Outsourced Chief Investment Officer (OCIO) model.

Net investment income was $45.0M in 2025, compared with $67.9M in 2024, a decrease of $22.8M or 33.6%. The decline was driven primarily by lower realized gains and a modest reduction in unrealized gains following a particularly strong year in 2024. The investment portfolio continued to generate solid positive income from interest and dividends, reflecting the WSCC's long-term, diversified investment strategy. While the portfolio delivered a solid positive return, defensive positioning and market volatility contributed to underperformance relative to the benchmark. Over a five-year period, investment results demonstrate the expected volatility of capital markets, with annual net investment income of $45.0M in 2025, $67.9M in 2024, $38.9M in 2023, a loss of $31.3M in 2022 and income of $44.2M in 2021. This reinforces the importance of maintaining a disciplined, long term investment strategy rather than reacting to short term market fluctuations.

Investment portfolio's gross rate of return



Insurance finance expenses and net insurance financial results

Insurance finance expenses represent the impact of the time value of money and changes in financial assumptions on the measurement of insurance contract liabilities under IFRS 17. These expenses decreased to $16.8M in 2025 from $18.1M in 2024, largely due to changes in interest rates and the resulting discount rate applied to the insurance contract liability.

The net insurance financial result, which combines the insurance service result, net investment income and insurance finance expenses, was $43.1M in 2025 compared with $43.2M in 2024, remaining broadly consistent year over year. A positive net insurance financial result indicates that insurance revenue and investment income exceeded the cost of claims and the growth in the insurance contract liability in the year.

Other income and expenses

Administrative and general expenses represent the excess of administrative costs after claims management allocation. These expenses increased to $10.3M in 2025 from $8.8M in 2024, largely due to wage and inflationary pressures as well as credit losses on receivables. WSCC continues to focus on operating efficiency and cost discipline to ensure that administrative costs remain appropriate relative to the size and complexity of the WSCC.

Fines and miscellaneous income, which include late payment penalties and recoveries, increased moderately to $2.2M from $1.9M in the prior year.

Financial position under IFRS 17

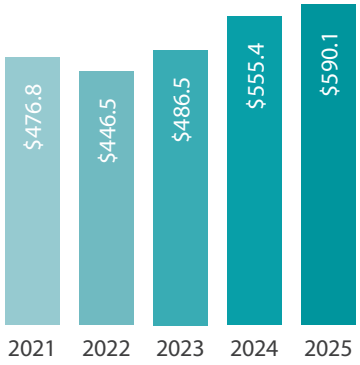
Assets

Total assets under IFRS 17 increased to approximately $639.0M at December 31, 2025 from $589.9M in 2024. The increase was driven largely by higher investments, which grew to $590.1M from $555.4M, as well as higher cash and cash equivalents. Property and equipment, intangible assets and right of use assets also increased slightly, reflecting ongoing investment in facilities, technology and leased premises to support service delivery.

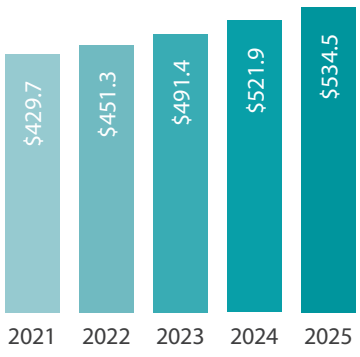
Liabilities

Total liabilities under IFRS 17 increased to $559.1M at December 31, 2025 from $544.8M at the prior year end. The insurance contract liability increased to $534.5M from $521.9M, primarily due to assumption changes, new pension legislation, normal claims development on prior years' injuries and changes in estimates for future capitalizations. Other liabilities, including accounts payable, salaries and wages payable, contract liabilities, deferred revenue and post employment benefits, remained stable and manageable in relation to the overall balance sheet.

Investment Portfolio ($'M)



Insurance Contract Liability ($'M) - IFRS 17



Equity and reserves

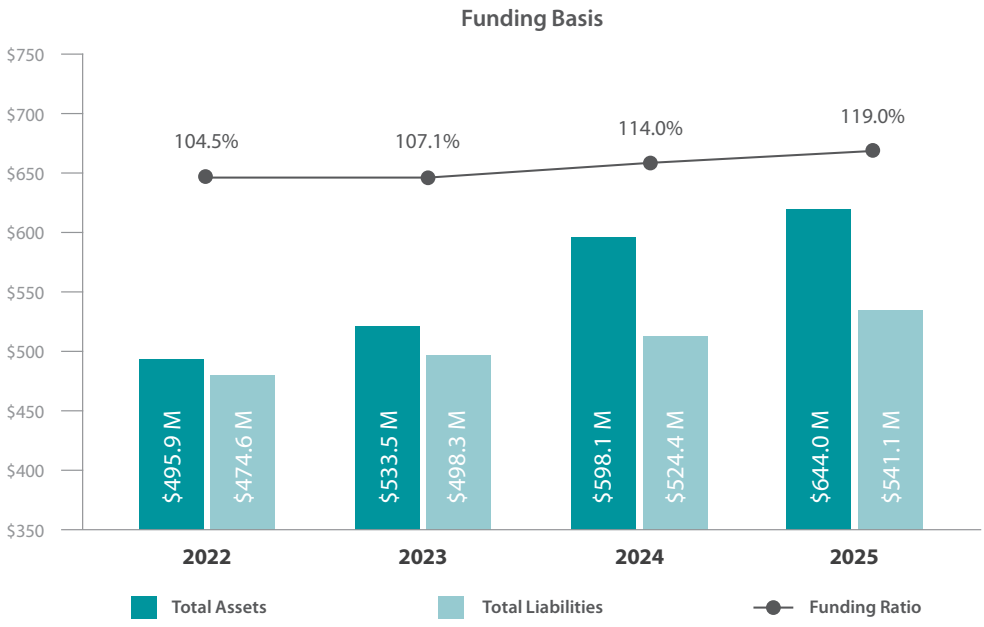
Equity under IFRS 17 increased to $79.9M at December 31, 2025, from $45.1M in 2024, an improvement of approximately 77%. The operating reserve under IFRS 17 grew to $59.7M from $23.4M, driven by strong earnings and reserve transfers. The capital asset replacement reserve decreased to $1.0M from $2.5M, consistent with planned capital spending. The catastrophe reserve remained unchanged at $19.2M, continuing to provide an additional buffer against low-probability, high-severity events. On a funding basis (unaudited), total equity was $103.0M in 2025 (2024: $73.7M), with a funding-basis operating reserve of $75.7M, capital asset replacement reserve of $1.0M, and catastrophe reserve of $26.2M.

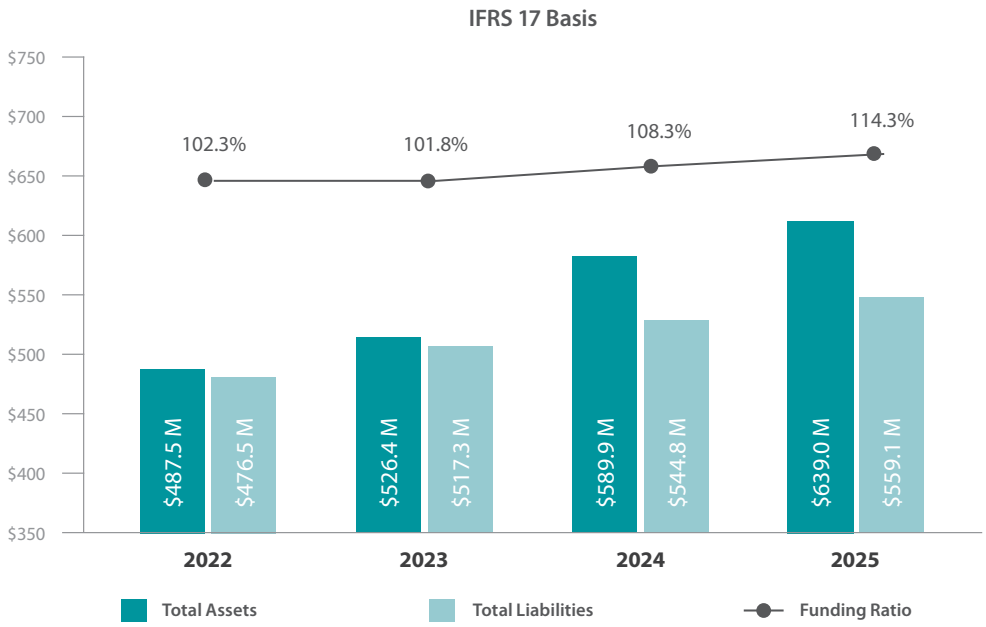
	Funding basis (Unaudited)		**IFRS 17**	
	2025	2024	**2025**	2024
	($,000)	($,000)	**($,000)**	($,000)
Operating reserve	**75,689**	44,952	**59,683**	23,415
Capital asset replacement reserve	**1,038**	2,494	**1,038**	2,494
Catastrophe reserve	**26,230**	26,230	**19,173**	19,173
Total Equity	**102,957**	73,676	**79,894**	45,082

Capital management and funded position

WSCC manages capital to ensure that it can meet its long-term obligations to injured workers while maintaining fair and stable assessment rates for employers. Management monitors funding on both an IFRS 17 basis and a funding basis, the latter of which reflects long term actuarial and investment assumptions used for rate setting and capital planning.

On a funding basis, total assets were $644.0M at December 31, 2025 and total liabilities were $541.1M, resulting in equity of $103.0M and a funded ratio of 119.0%, compared with total assets of $598.1M, total liabilities of $524.4M, equity of $73.7M and a funded ratio of 114.0% in 2024. Under IFRS 17, total assets were $639.0M and total liabilities were $559.1M at year end, resulting in a funded ratio of 114.3% compared with 108.3% at December 31, 2024





Both measures indicate that assets exceed liabilities by a comfortable margin, positioning WSCC well to absorb volatility and sustain its commitments. WSCC's long term target funded position is 125%, with a preferred operating range around this level to absorb market and insurance risk volatility. Management will continue to use levers such as assessment rates, investment strategy and expense management to move toward and maintain the target range over time.

Risk management

WSCC is exposed to a range of financial and nonfinancial risks that require careful management and oversight. Key risk categories include:

- **Insurance risk:** the risk that the frequency and severity of workplace injuries, the emergence of latent occupational diseases or changes in legislation result in higher-than-expected claims costs. WSCC manages insurance risk through prevention and safety programs, underwriting and classification policies, robust claims management and regular actuarial valuations of the insurance contract liability.
- **Market and investment risk:** the risk that movements in equity prices, interest rates, credit spreads and foreign exchange rates affect the value of the investment portfolio and, under IFRS 17, the measurement of insurance contract liabilities. WSCC manages this risk through a diversified investment strategy across asset classes, geographies and sectors, the use of an OCIO, and regular monitoring of portfolio performance and risk exposures.
- **Inflation risk:** the risk that rising inflation, particularly in medical costs and wages, increases insurance service expenses and long-term liabilities. WSCC incorporates inflation assumptions into its actuarial models and monitors emerging experience to adjust assumptions as needed.
- **Credit and liquidity risk:** the risk that counterparties fail to meet their obligations or that WSCC is unable to meet its own obligations as they come due. Credit risk relates primarily to the collectability of assessments and the creditworthiness of counterparties in the investment portfolio. Liquidity risk is managed through diversified, liquid investments and active cash flow forecasting.
- **Operational and technology risk:** the risk of loss resulting from inadequate or failed processes, people, systems or external events, including cyber threats. WSCC manages operational risk through internal controls, policies and procedures, business continuity planning and ongoing investment in systems and cybersecurity.
- **Governance and compliance risk:** the risk of noncompliance with laws, regulations and internal policies, or inadequate governance structures. WSCC is overseen by a Governance Council that provides independent oversight of strategy, risk and financial reporting. External auditors and independent actuaries review the financial statements and key assumptions annually.

Outlook

Financial performance and funding approach

While IFRS 17 is a principles-based standard that introduces additional market volatility into reported results, WSCC will continue to base funding decisions on a long-term view that balances the rights and obligations of injured workers and covered employers. The funded basis approach, which aligns with accepted actuarial practices and WSCC's investment policy, remains central to maintaining stable and predictable assessment rates.

In 2025, the Year's Maximum Insurable Remuneration (YMIR) increased to $112,600 in the Northwest Territories and $113,900 in Nunavut. YMIR represents the maximum level of employee covered wages used for benefits determination and is a critical determinant in claims compensation and employer assessable earnings. The provisional assessment rate of $2.40 per $100 of assessable payroll was maintained for 2025.

For 2026, YMIR will increase to $116,000 in the Northwest Territories and $117,300 in Nunavut, reflecting wage inflation and helping to ensure adequate coverage for workers. Based on the improved financial position and funded ratios, management expects to maintain stable provisional assessment rates, subject to ongoing monitoring of experience and economic conditions.

Economic environment and investments

Uncertainty is expected to persist in the global economy amid geopolitical tensions, conflicts and changes in trade policy. As of February 28, 2026, the investment portfolio had increased by approximately 2.5% or $15.0M since year end, although the sustainability of this growth is uncertain given the challenging global backdrop. The Bank of Canada's monetary policy decisions will continue to influence interest rates, inflation and financial market conditions, and therefore WSCC's investment returns and insurance contract liabilities.

WSCC will continue to manage the investment portfolio through its OCIO, maintaining a diversified, long-term strategy designed to support the funded position and limit the impact of short-term market volatility on assessment rates.

Strategic priorities for 2026

Looking ahead to 2026, WSCC's key priorities include: Continuing to strengthen workplace safety through programs and services to reduce the frequency and severity of injuries.

- Enhancing return to work and rehabilitation outcomes to support injured workers and manage long term claims costs.
- Implementing enhanced cost control measures and further improving claims management practices to sustain the positive insurance service result.
- Advancing digital services and tools for employers and workers to improve access, efficiency and data quality.
- Monitoring legislative developments, including pension and benefit changes, and updating actuarial assumptions and policies as appropriate.

WSCC remains committed to transparent reporting, sound stewardship of the accident fund and supporting safe, healthy and productive workplaces across the Northwest Territories and Nunavut. The significant improvement in the financial position and funded ratios in 2025 provides a strong foundation for meeting future obligations to stakeholders while navigating an evolving economic and regulatory environment.



Dr. Harry Cassie, MBA, MPhil, CPA, CGA, FCCA, CFE, CMgr FCMI
Vice President & CFO

Management's Responsibility for Financial Reporting

April 17, 2026

The accompanying financial statements of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut (the Commission), and all information in this annual report are the responsibility of the Commission's management and were reviewed and approved by the Governance Council. The financial statements were prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and include some amounts, such as the insurance contract liability, that are necessarily based on management's best estimates and judgement. Financial information contained elsewhere in the annual report is consistent with that contained in the financial statements.

In discharging its responsibilities for the integrity and fairness of the financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are authorized in accordance with the specified legislation, assets are safeguarded, and proper records are maintained.

The Governance Council is responsible for ensuring management fulfills its responsibilities for financial reporting and internal control. The Governance Council exercises this responsibility and is composed of Directors who are not employees of the Commission. The Governance Council meets with management and the external auditors on a regular basis. The external auditors have full and free access to the Governance Council.

The Auditor General of Canada annually conducts an independent, objective audit of the financial statements of the Commission for the purpose of expressing an opinion on the financial statements. She also considers whether the transactions that come to her notice in the course of the audit are, in all material respects, in accordance with specified legislation.

TELUS Health, an independent firm of consulting actuaries, performed an actuarial valuation and provided an opinion on the adequacy and appropriateness of the Insurance contract liability of the Commission.



Rick Hunt
President and CEO



Dr. Harry Cassie, MBA, MPhil, CPA, CGA, FCCA, CFE, CMgr FCMI
Vice President & CFO

Actuarial Statement of Opinion

TELUS® Health

I have completed the actuarial valuation of the insurance contract liability of the Workers' Safety and Compensation Commission (the "Commission") as at December 31, 2025 (the "valuation date") in accordance with the requirements under IFRS 17. 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 my opinion:

1. The data on which the valuation is based were supplied by the Commission in accordance with specifications provided by us. We applied such checks of reasonableness of the data as we considered appropriate, and have concluded that the data are sufficient and reliable for the purpose of the valuation.

2. The actuarial assumptions adopted in computing the liabilities are adequate and appropriate for the purpose of the valuation.

3. The methods used are appropriate for the purpose of the valuation and are in accordance with accepted actuarial practice for Workers' Compensation organizations in Canada.

4. The estimate of the actuarial liabilities as at the valuation date is $528,820,000. This includes provisions for benefits and future administration expenses expected to be paid after the valuation date for claims that were incurred on or before the valuation date. A provision for future claims arising from long latency occupational diseases is included in this valuation. This liability does not include any self-insured employers or Harvester claims.

5. The liability includes provisions for suspended pension payments, comprising historical unclaimed balances; this figure was obtained from the Commission's Financial Services staff.

6. The amount of the actuarial liabilities makes appropriate provision for all personal injury compensation obligations given the plan's accounting.

7. This report has been prepared, and my opinions given, in accordance with accepted actuarial practice in Canada.

8. The valuation is based on the provisions of the Workers' Compensation Act S.N.W.T. 2007, c. 21, the Workers' Compensation Act S.Nu. 2007, c. 15 and on the Commission's policies and practices in effect on the valuation date.



Jeff Queen, FCIA

This report has been peer reviewed by Sekayi Campbell, FCIA

Independent Auditor's Report



Office of the Auditor General of Canada

Bureau du vérificateur général du Canada

INDEPENDENT AUDITOR'S REPORT

To the Ministers responsible for the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut (the Commission), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in equity 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 Commission as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the financial statements, we have audited transactions of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are Part IX of the *Financial Administration Act* of Nunavut and regulations, the *Workers' Compensation Act* of the Northwest Territories and regulations, and the *Workers' Compensation Act* of Nunavut and regulations.

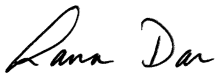
In our opinion, the transactions of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Financial Administration Act* of Nunavut, we report that, in our opinion, the accounting principles in IFRS Accounting Standards as issued by the IASB have been applied on a basis consistent with that of the preceding year. In addition, in our opinion, proper books of account have been kept by the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut and the financial statements are in agreement therewith.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut to comply with the specified authorities.

Auditor's Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.



Lana Dar, CPA, CA
Principal
for the Auditor General of Canada

Vancouver, Canada
17 April 2026

Financial Statements

Statement of Financial Position

As at December 31 (in thousands of Canadian dollars)

	2025	2024
	$	$
ASSETS		
Cash and cash equivalents	**34,537**	19,906
Investments (Note 5 & 20)	**590,143**	555,418
Receivables (Note 6)	**1,728**	1,833
Prepaid expenses	**713**	1,375
Property and equipment (Note 7)	**6,002**	5,851
Intangible assets (Note 8)	**1,310**	1,098
Right of use assets (Note 9)	**4,585**	4,408
TOTAL ASSETS	**639,018**	589,889
LIABILITIES AND EQUITY		
LIABILITIES		
Accounts payable, accrued and other liabilities (Note 10)	**2,610**	2,318
Salaries and wages payable	**3,621**	3,242
Lease liabilities (Note 9)	**4,791**	4,584
Insurance contract liability (Note 11)	**534,855**	521,935
Contract liability (Note 13)	**10,164**	9,710
Deferred revenue (Note 13)	**2,134**	2,039
Post-employment benefits	**949**	979
	559,124	544,807
EQUITY		
Operating reserve (Note 14.a)	**59,683**	23,415
Capital asset replacement reserve (Note 14.b)	**1,038**	2,494
Catastrophe reserve (Note 14.c)	**19,173**	19,173
	79,894	45,082
TOTAL LIABILITIES AND EQUITY	**639,018**	589,889

Commitments (Note 15), Contingencies (Note 16)

Approved by the Governance Council:

Jenni Bruce
Chairperson, Governance Council

The accompanying notes form an integral part of these financial statements

Statement of Comprehensive Income

For the year ended December 31 (in thousands of Canadian dollars)

	2025 $	2024 $
INSURANCE REVENUE AND EXPENSES		
Insurance revenue	**104,203**	103,920
Insurance service expense (Note 12)	**(89,362)**	(110,541)
Insurance service result	**14,841**	(6,621)
Investment income/(loss)		
Interest income	**936**	1,059
Dividends	**50,456**	33,435
Investment (losses)/gains (Note 5.a)	**(4,978)**	34,628
Investment fees	**(1,378)**	(1,252)
Net investment income	**45,036**	67,870
Insurance finance (expenses) for insurance contracts issued (Note 12)	(16,757)	(18,097)
Net insurance financial result	**43,120**	43,152
OTHER INCOME AND EXPENSES		
Administration and general expenses (Note 18)	**(10,271)**	(8,849)
Fines and miscellaneous income	**2,186**	1,905
Net other income and (expenses)	**(8,085)**	(6,944)
Income/(loss) before other comprehensive income/(loss)	**35,035**	36,208
OTHER COMPREHENSIVE INCOME/(LOSS)		
Items that will not be reclassified to profit or loss in subsequent periods:		
Re-measurement (loss)/gain on defined benefit plan	**(223)**	(260)
Total comprehensive income/(loss)	**34,812**	35,948

The accompanying notes form an integral part of these financial statements

Statement of Changes in Equity

For the year ended December 31 (in thousands of Canadian dollars)

	Operating Reserve	Capital Asset Replacement Reserve	Catastrophe Reserve	Total
	$	$	$	$
Balance at December 31, 2023	**(16,123)**	**2,163**	**23,094**	**9,134**
Income before other comprehensive income/(loss)	36,208	-	-	36,208
Re-measurement loss on defined benefit plan	(260)	-	-	(260)
Transfer from Catastrophe reserve	3,921	-	(3,921)	-
Transfer to Capital asset replacement reserve	(331)	331	-	-
Balance at December 31, 2024	**23,415**	**2,494**	**19,173**	**45,082**
Income before other comprehensive income/(loss)	35,035	-	-	35,035
Re-measurement loss on defined benefit plan	(223)	-	-	(223)
Transfer from Capital asset replacement reserve	1,456	(1,456)	-	-
Balance at December 31, 2025	**59,683**	**1,038**	**19,173**	**79,894**

Capital management and reserves (Note 14)

The accompanying notes form an integral part of these financial statements

Statement of Cash Flows

For the year ended December 31 (in thousands of Canadian dollars)

	2025 $	2024 $
OPERATING ACTIVITIES		
Cash received from:		
Employers, insurance revenue	**111,244**	102,779
Miscellaneous income	**1,544**	2,498
Cash paid for:		
Payments for claims cost and claims management	**(96,329)**	(99,439)
Net recovery (payment) for Harvesters	**454**	(819)
Purchase of goods and services	**(8,470)**	(6,867)
Interest portion of lease liabilities	**(255)**	(119)
Investment fees	**(1,378)**	(1,252)
Cash provided by (used in) operating activities	**6,810**	(3,219)
INVESTING ACTIVITIES		
Proceeds on sale of investments	**49,522**	141,881
Purchases of investments	**(89,238)**	(176,210)
Dividends received	**50,469**	33,424
Interest received	**929**	1,100
Purchases of intangible assets	**(572)**	-
Purchases of property and equipment	**(904)**	(383)
Cash provided by (used in) investing activities	**10,206**	(188)
FINANCING ACTIVITIES		
Principal portion of lease liabilities payments	**(2,385)**	(2,177)
Cash (used in) financing activities	**(2,385)**	(2,177)
Net increase / (decrease) in cash and cash equivalents	**14,631**	(5,584)
Cash and cash equivalents, beginning of year	**19,906**	25,490
Cash and cash equivalents, end of year	**34,537**	19,906

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements

For the year ended December 31, 2025 (in thousands of Canadian dollars)

1. Nature of operations

The Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut (the Commission) is domiciled in Canada. The Commission, a territorial entity, was established by and operates under the authority of the *Workers' Compensation Acts* of the Northwest Territories and of Nunavut (the Acts). In addition, the Commission is also responsible for the administration of the *Safety Acts, Mine Health and Safety Acts*, and the *Explosives Use Acts* of the Northwest Territories and of Nunavut. The Commission is exempt from income tax and the goods and services tax.

The Commission has its corporate office in Yellowknife, Northwest Territories, Canada, and area offices in Iqaluit, Nunavut.

The Commission's mandate is to provide benefits to injured workers and to levy assessments on employers to cover the current and future costs of existing claims and claims related to latent occupational diseases. The Commission is also responsible for developing safety awareness programs and monitoring and enforcing safety practices in the workplace.

The Government of the Northwest Territories and the Government of Nunavut have signed an inter-governmental agreement for a shared Workers' Safety and Compensation Commission to allow the Commission to remain as a single entity serving both territories. Cancellation of this agreement by either party requires minimum notice of one full fiscal year.

2. Statement of compliance, basis of preparation and summary of material accounting policy information

The financial statements of the Commission have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

The financial statements were authorized for issue by the Governance Council on April 17, 2026.

Basis of preparation

The financial statements have been prepared on a historical cost basis except for certain assets and liabilities, which are measured at fair value, as explained in the accounting policies. The financial statements are presented in Canadian dollars and all values are rounded to the nearest thousand ($'000). The following is a summary of the material accounting policy information:

a) Financial statements presentation

The Commission presents assets and liabilities in the statement of financial position in order of liquidity. When items contain amounts expected to be recovered or settled after more than one year, and amounts expected to be recovered within one year after the reporting period, the Commission discloses both components within the accompanying notes.

2. Statement of compliance, basis of preparation and summary of material accounting policy information (continued)

b) Financial Instruments

Financial assets and financial liabilities are recognized when the Commission becomes party to the contractual provision of the financial instrument. Financial assets are derecognized when contractual rights have expired, or when the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Financial assets are classified as either fair value through profit or loss, fair value through other comprehensive income or amortized cost. The classification is determined by the Commission's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Initial recognition depends on the purpose for which the investment was acquired. The purchase and sale of financial assets is recognized on the settlement date for all financial instruments.

Income and expenses relating to financial assets that are recognized in profit or loss are presented within investment income, except for impairment of receivables which is presented within administration expenses.

Investment income is comprised of interest and dividends earned in the period; realized gains and losses earned in the period arising on the sale of investments; unrealized gains and losses from fluctuations in fair value in the period; net of investment management fees.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model than "hold to collect" or "hold to collect and sell" are categorized at FVTPL. Also, irrespective of the business model, financial assets whose contractual cash flows are not solely payment of principal and interest are accounted for at FVTPL. A company can also elect to classify assets at FVTPL if classifying them in another category would result in an accounting mismatch.

Assets in this category include the Commission's investment portfolio, including fixed income, infrastructure fund, equity, and real estate portfolio investments.

These assets are measured at fair value with realized gains or losses as well as changes in unrealized gains and losses recognized in net income as investment income. The fair values of quoted investments are based on closing market prices. Transaction costs directly related to the fair value through profit or loss financial assets are expensed as incurred.

All investments, including cash and cash equivalents managed by investment managers are classified as fair value through profit or loss investments, which have been designated by the Commission as fair value through profit or loss investments as permitted under IFRS 9.

Financial assets at amortized cost

Financial assets are measured at amortized cost if the asset meets the following conditions:

2. Statement of compliance, basis of preparation and summary of material accounting policy information (continued)

b) Financial Instruments (continued)

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- The contractual terms of the financial assets give rise to cash flows that are solely payment of principal and interest on the principal amount outstanding.

These assets are recorded initially at fair value and subsequently measured at amortized cost using the effective interest rate method. Interest and realized gains or losses are included in net income. Cash and cash equivalents and accounts receivables fall into this category.

Receivables are recognized when owed pursuant to the terms of the related contract and are short-term; therefore, the net carrying value is considered to be a reasonable approximation of fair value.

Transaction costs are capitalized on initial recognition and are recognized in income using the effective interest rate method. Realized gains and losses as well as interest are recognized in income as investment income.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognize expected credit losses – the "expected credit loss (ECL) model". Instruments within the scope of the requirements include financial assets measured at amortized cost.

The recognition of an impairment requires the Commission to consider a broad range of information when assessing credit risk and measuring expected credit losses including past events, current conditions and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. The Commission has elected to use the simplified method of credit losses for receivables. Receivables include an estimate for the lifetime expected credit losses using the simplified method with a provision in the allowance for doubtful accounts and are regularly reviewed to determine whether the account should be written-off. Receivables are written-off when there is no reasonable expectation of recovery. Any reversals of write-offs are charged to the statement of comprehensive income when received.

Other

Interest and dividends are recognized as income in the period earned. Interest income on financial assets is calculated using the effective interest method. Dividend income is recognized in profit or loss when the right to receive payment is established. Transaction costs are recognized as an expense in the period incurred. Purchases and sales of investments are recognized on the settlement date.

Investments denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the end of the year. Interest, dividends, and realized gains and losses are translated at the exchange rates in effect on the transaction date. Exchange gains and losses resulting from the translation of foreign currency balances at year end and transactions during the year are recognized as investment income in the statement of comprehensive income.

2. Statement of compliance, basis of preparation and summary of material accounting policy information (continued)

b) Financial Instruments (continued)

Financial liabilities

Financial liabilities are initially classified as 'subsequently measured at amortized cost' or 'financial liabilities at fair value through profit or loss'. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs, unless designated as financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest related charges and, if applicable, changes in a financial liability's fair value that are reported in profit or loss are included within finance costs or finance income.

The Commission's financial liabilities include accounts payable, accrued and other liabilities, salaries and wages payable, lease liabilities and contract liability and are classified and measured at amortized cost. Due to their short-term nature the carrying values of these payables are a reasonable approximation of fair value.

De-recognition of financial assets and liabilities

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the rights to receive the cash flows are transferred in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. The Commission derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized using the following hierarchy of valuation techniques:

- Level 1 is used when there are quoted (unadjusted) prices in active markets for identical assets, for example:
    - Traded on stock exchange.
    - Notional unit values for segregated funds are established daily.
- Level 2 is used when there are other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly, for example:
    - Valuations are based on appraisals of the properties that are based on observable market metrics, such as capitalization rates, growth rates, or lease rates.
    - Bonds are traded over the counter rather than on an exchange.

2. Statement of compliance, basis of preparation and summary of material accounting policy information (continued)

b) Financial Instruments (continued)

Fair value hierarchy (continued)

- Level 3 is used when there are techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Changes in valuation methods may result in transfers into or out of an asset's assigned level. The Commission's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

c) Cash and cash equivalents

For the purposes of the statement of cash flows and the statement of financial position, cash includes cash and money market instruments with a term to maturity of three months or less when acquired and which are readily convertible to cash. Cash held by investment managers for investment are included in cash.

d) Insurance contracts

Classification

Insurance contracts are contracts under which the Commission accepts significant insurance risk from an employer, by agreeing to compensate the injured worker if a workplace injury occurs. The Commission determines whether it has significant insurance risk by comparing benefits payable after an insured event with benefits payable if the insured event did not occur.

Separating components

The Commission assesses its insurance contracts to determine whether they contain distinct components which must be accounted for under another IFRS. After separating distinct components, the Commission applies IFRS 17 to all remaining components of the insurance contract. The Commission has separated the arrangement with renewable resource harvesters (hunters and trappers) and applies IFRS 15 Revenue from Contracts with Customers, as further described in Note 13.

Level of aggregation

IFRS 17 requires the Commission to determine the level of aggregation for applying its requirements. Groups of contracts with similar risks are managed together and are aggregated into portfolios. Portfolios of contracts are further divided based on expected profitability at inception into three categories: onerous contracts (if any), contracts with no significant risk of becoming onerous (if any) and the remaining contracts. IFRS 17 also requires that no group for level of aggregation purposes may contain contracts issued more than one year apart.

2. Statement of compliance, basis of preparation and summary of material accounting policy information (continued)

d) Insurance contracts (continued)

Level of aggregation (continued)

The Commission has elected to group the insurance contracts issued as a single portfolio by year, these contracts' durations are all one year (January to December), as all of the Commission's insurance contracts are issued at the same time annually or within the same annual coverage period for new employers; they share similar risks and are managed together. The single portfolio consists of individual insurance contracts to provide insurance benefits to injured workers. The portfolio of contracts is then divided by profitability. Within each year, portfolio of insurance contracts are divided into the following:

- Group of insurance contracts that are onerous at initial recognition (if any);
- Group of insurance contracts that at initial recognition have no significant possibility of becoming onerous subsequently (if any); and
- Group of remaining insurance contracts within the group (if any).

The Commission performs an annual assessment of the profitability of its portfolio to determine the expected profitability. The Commission allocates each annual portfolio to the same profitability grouping based on the Commission's pricing and risk management strategies based on the collective risk of all insured employers. The Commission has determined that all contracts within each annual portfolio fall within the same profitability grouping as a result of the Commission's pricing and risk management strategies which are based on the collective risk of all insured employers.

Recognition

The Commission recognizes groups of insurance contracts it issues at the earliest of the following:

- The beginning of the coverage period of the group of insurance contracts;
- The date when the first payment is due from an employer or when the first payment is received or
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous.

The Commission's insurance contracts are recognized on an annual basis with initial recognition generally being January 1, aside from new employers to the Commission. The Commission's contracts become effective on January 1 annually for existing employers which coincides with the beginning of the coverage period and when the premium rates are considered binding. New employers are added to the insurance contract portfolio when one of the above conditions are met.

Contract boundary

The contract boundary is used to determine the cash flows to be included in the groups of insurance contracts. A substantive obligation to provide insurance contract service ends when:

2. Statement of compliance, basis of preparation and summary of material accounting policy information (continued)

d) Insurance contracts (continued)

Contract boundary (continued)

- The Commission has the ability to reassess risks of the employer and as a result can set a price that reflects those risks or;
- Both of the following criteria are satisfied:
    - The Commission has the ability to price the group of contracts so that the price reflects the reassessed risk of the group of insurance contracts; and
    - The pricing of premiums related to coverage to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

The Commission has determined that the insurance contracts have annual terms that are guaranteed to be renewable each year; however, the Commission has the ability to re-price the premiums based on risk, experience and historical information annually. As the substantive obligation to provide the employer with insurance coverage ends when the Commission has the ability to reprice the risks of the employer, the contract boundary and cash flows are considered to be one year.

Measurement

The Commission uses the Premium Allocation Approach (PAA) for all groups of insurance contracts that it issues to employers due to the fact that the coverage period of each insurance contract is one year or less, including insurance contract services arising from all premiums within the contract boundary.

Initial measurement

For groups of insurance contracts that are not onerous at initial recognition, the Commission measures the liability for remaining coverage at inception as the premiums, if any, received at initial recognition. The Commission has elected to immediately expense any acquisition costs and does not incur any other cash flows prior to the contract commencement date; therefore, no other adjustments are made to the liability for remaining coverage at initial recognition. Where the contract boundary is one year, there is no adjustment required for accretion of interest on the liability for remaining coverage.

For insurance contracts that facts and circumstances indicate that the group of insurance contracts is onerous at initial recognition, the Commission separately groups the onerous contracts from other contracts and recognizes a loss as an element of Insurance Service Expense. The Commission would also establish a loss component for the liability for remaining coverage for such onerous contracts on initial measurement.

2. Statement of compliance, basis of preparation and summary of material accounting policy information (continued)

d) Insurance contracts (continued)

Measurement (continued)

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Commission requires for bearing the uncertainty about the amount and timing of the cash flow of insurance contracts. Although non-financial risks are inherent in the operations of the Commission, due to the nature of operations, the Commission does not seek compensation for the uncertainty around the amount and timing of cash flows that arise from the non-financial risks. As the Commission generates sufficient premiums and income from investments to fully fund the operations of the insurance business and other administrative activities, there is no compensation required or earned by the Commission for such risk and as such, the risk adjustment was determined to be approximately nil or negligible.

The Commission estimated the risk adjustment using a 50% confidence level, which is the probability that the actual outcome of future cash flows associated with the Commission's claims and expenses will be less than the liability.

Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows as the sum of a risk-free yield curve derived from Government of Canada bonds and an illiquidity premium derived from a reference portfolio. The bottom-up approach was applied in the determination of the discount rate using the Fiera Capital Corporation IFRS 17 reference curve.

Fulfillment cash flows

Fulfillment cash flows comprise the probability-weighted estimates of future cash flows, discounted to reflect the time value of money and the associated financial risks, plus a risk adjustment for non-financial risk which is determined to be negligible. Fulfillment cash flows are comprised of direct expenditures related to insurance activities plus an allocation of indirect expenditures. Claims management expenses included in future cash flows reflect a systematic allocation of overhead expenses directly attributable to contract fulfillment. Administration salaries and expenses are allocated to claims management based on the level of functional activities of the business units involved in claims processing. The current level of expenses is taken as an appropriate baseline, adjusted for expected expense inflation, if required.

See Note 18 Administration and general expenses for details of total overhead allocated to claims management and to corporate administration.

2. Statement of compliance, basis of preparation and summary of material accounting policy information (continued)

d) Insurance contracts (continued)

Measurement (continued)

Subsequent measurement

Liability for remaining coverage

At the conclusion of each reporting period, the Commission measures the carrying amount of the liability for remaining coverage as:

- The liability for remaining coverage at the beginning of the period;
- Plus premiums received in the period; and
- Minus the amount recognized as insurance revenue for the services provided in the period.

Where the Commission's insurance contracts align precisely with the annual reporting period, the liability for remaining coverage at the conclusion of each annual reporting period is nil, signifying the fulfillment of all contractual obligations. Any employer prepaid premiums relating to a future contract year are included in liability for remaining coverage. The Commission measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period.

Because the contract boundary is one year and the Commission is using the Premium Allocation Approach, any onerous loss recognized at January 1 is fully recognized by the end of the year.

Liability for incurred claims

The Commission estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, reflect current estimates from the Commission, and include an explicit adjustment for non-financial risk. The Commission does not adjust the future cash flows for the time value of money and the effect of financial risk for incurred claims that are expected to be paid within one year of being incurred.

The liability for incurred claims represents the present value of expected future payments in respect of claims arising from accidents that occurred prior to the end of the fiscal year as well as an allowance for all recognized latent occupational disease claims expected to arise in the future as a result of past exposures. Occupational diseases differ from other types of occupational injuries in that there can be a considerable time lag between the exposure, the manifestation of the disease and the identification of the ensuing disability as a claim. Further, it may be difficult to establish a link between an occupational disease and the workplace. A portion of the total liability is held based on the accumulated exposure up to the valuation date relative to total exposure before manifestation of the occupational disease. The liability for incurred claims also includes an allowance for future claims management costs.

2. Statement of compliance, basis of preparation and summary of material accounting policy information (continued)

d) Insurance contracts (continued)

Measurement (continued)

The liability for incurred claims includes provision for all benefits provided by current legislation, policies, and administrative practices. Many assumptions are required to calculate the benefits liability, including estimates of future inflation, interest rates, and mortality rates. The liability for incurred claims is determined annually by an independent actuary. The independent actuary's opinion on the adequacy and appropriateness of the benefits liability is attached to these financial statements.

Onerous contracts

If, during the contract period, facts and circumstances indicate that a group of insurance contracts is onerous, the Commission recognizes a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Commission for the liability for remaining coverage for the onerous group showing the losses recognized.

The change in the liability for incurred claims as a result of changes in discount rates will be captured within insurance finance income or expense.

Modification and derecognition

The Commission derecognizes insurance contracts when the rights and obligations relating to the contract are extinguished or the contract is modified such that the modification results in a change in the measurement model, substantially changes the contract boundary or requires the modified contract to be included in a different group. As a result, the Commission derecognizes the initial contract and recognizes the modified contract as a new contract. When a modification does not result in derecognition, the Commission recognizes amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

Insurance revenue

At the beginning of each year, the Commission levies assessments on employers by applying their industry assessment rate to their estimated payrolls for the year. The assessment levy is payable by instalments during the year. At year end, employers file a statement of actual assessable payroll and the difference between the estimated assessment and the actual assessment is recognized either as an increase in insurance revenue and recognized as a receivable, or as a decrease in insurance revenue and recognized as assessment refundable. When an employer does not provide estimated payroll, the Commission estimates, and levies assessments based on prior experience with the employer and industry.

Insurance revenue recognized for the period is the amount of expected assessment receipts allocated to the period. The Commission allocates the expected assessment receipts to each period of the insurance contract service on the basis of the passage of time (the calendar year).

2. Statement of compliance, basis of preparation and summary of material accounting policy information (continued)

d) Insurance contracts (continued)

Measurement (continued)

Insurance finance income and expense

Insurance finance income or expense comprise the change in the carrying amount of the insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

The Commission recognizes all insurance finance income and expense through profit and loss.

e) Third party legal claims recoveries

Under Section 64 of the Acts, the Commission is deemed to be an assignee of a cause of action in respect of a claimant's injury. If settled, or as a result of a Court decision, the settlement amount less recoveries of legal costs and costs associated with the claim which were incurred by the Commission is distributed to the claimant.

The recoveries from third parties are recognized when receipt is virtually certain and the amount can be reliably measured. Recoveries for claims costs are recognized in the statement of comprehensive income net of contingency-based legal expenses. Non-contingency based legal expenses are recognized in professional services and subsequent recoveries of such expenses are recognized in recoveries within administration and general expenses.

f) Property and equipment

Property and equipment are measured at cost less accumulated depreciation and impairment losses. Depreciation is recognized over the estimated useful lives using the straight-line method as follows:

• Building	15 – 50 years
• Equipment	2 – 10 years
• Furnishings	5 – 15 years
• Vehicles	7 years
• Leasehold improvements	lesser of useful life or lease term

Where an item of property and equipment is comprised of significant components with different useful lives, the components are accounted for separately. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Depreciation expense is recognized in administration and general expenses in the statement of comprehensive income.

2. Statement of compliance, basis of preparation and summary of material accounting policy information (continued)

g) Intangible assets

Research costs are expensed as incurred. Development costs of internally developed software systems are capitalized when the system is technically feasible, resources are available, costs can be measured reliably, management intends to use the asset and future economic benefits are probable. The asset is derecognized when it no longer meets these criteria. When the asset is substantially complete and is available for use, development costs capitalization ceases, and the costs are transferred to the related asset category and amortized.

Amortization is recognized over the asset's estimated useful life (2 – 15 years) using the straight-line method. Amortization expense is recognized in administration and general expenses in the statement of comprehensive income.

h) Contract liability

The contract liability represents pre-funded amounts received from the Governments of the Northwest Territories and of Nunavut. This transaction is considered as self-insurance by these governments for administration of claims by the Commission acting as an agent under the respective Memorandums of Understanding for Hunters and Trappers that the Commission has with these parties. The liability balance is derecognized as claim payments are made by the Commission to Hunters and Trappers.

i) Deferred revenues

The deferred revenues represent administration fee amounts received in advance from the Governments of the Northwest Territories and of Nunavut for administration of claims by the Commission acting as agent under the respective Memorandums of Understanding for Hunters and Trappers that the Commission has with these parties. The Deferred revenue will be recognized as miscellaneous income on the Statement of comprehensive income as the related services are performed.

j) Employee benefits

Pension Plan

Substantially all of the employees of the Commission are covered by the public service pension plan (the Plan), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employee and the Commission to cover current service cost. Pursuant to legislation currently in place, the Commission has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Commission.

2. Statement of compliance, basis of preparation and summary of material accounting policy information (continued)

j) Employee benefits (continued)

Other long-term employee benefits

Benefits that are expected to be settled beyond twelve months are determined based on an actuarial valuation as the best estimate of future cash flows discounted to present value with actuarial gains and losses recognized in profit and loss as incurred. These benefits include sick leave and special leave benefits earned but not used.

Post-employment benefits

Under the terms and conditions of employment, employees may earn non-pension benefits for severance upon resignation, or retirement based on years of service and final salary, and ultimate removal assistance based on years of service. The obligation is calculated using the projected unit credit method prorated on service on an actuarial basis. The liability for accrued employee benefits is based on the December 31, 2025, actuarial valuation as calculated by the Commission's actuary. Any actuarial gains or losses are recognized as income or loss through other comprehensive income in the year they are incurred and any remeasurements are not reclassified to profit or loss in subsequent periods. The amounts recognized in other comprehensive income for the year are immediately transferred to the operating reserve.

Short-term employee benefits

Employee benefits that are expected to be settled within twelve months of the reporting date are measured on an undiscounted basis. These benefits include wages and salaries, and annual vacation leave earned but not yet used.

k) Right of use assets and lease liabilities

The Commission assesses whether a contract is or contains a lease, at inception of the contract. The Commission recognizes a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for leases of low value assets (such as personal computers and office equipment). For these leases, the Commission recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the Commission's incremental borrowing rate.

The lease liability is presented as a separate line in the statement of financial position and is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Commission remeasures the lease liability (and makes a corresponding adjustment to the related right of use asset) whenever the lease term has changed.

2. Statement of compliance, basis of preparation and summary of material accounting policy information (continued)

k) Right of use assets and lease liabilities (continued)

The right of use assets comprise the initial measurement of the corresponding lease liabilities, plus lease payments made at or before the commencement day. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right of use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right of use assets are presented as a separate line in the statement of financial position.

l) Impairment of non-financial assets

The Commission assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Commission estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. This is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Based on an analysis of cash flows, the Commission identifies that the appropriate CGU for impairment review is the entity. The Commission has statutory power under the Acts to increase premiums and/or charge a premium surcharge to ensure full funding into the foreseeable future and impairment at the entity level is remote.

3. New and revised accounting standards

The new and revised IFRS Accounting standard in issue but not yet effective is:

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 replaces IAS 1 and introduces new requirements to:

• Present specified categories and defined subtotals in the statement of comprehensive income;

• Provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements: and

• Improve aggregation and disaggregation of items in the financial statements

IFRS 18 requires retrospective application with specific transition provisions. The new standard is effective for annual periods beginning on or after January 1, 2027 and early adoption is allowed. This new standard is expected to impact how performance is presented on the statement of comprehensive income, and related disclosure on annual performance. The Commission has not elected an early adoption in this financial year ended December 31, 2025.

3. New and revised standardsNew and revised accounting standards (continued)

The Commission plans to undertake a formal assessment of the impact of adopting IFRS 18 during the upcoming fiscal year. At this time, the impact of adopting the standard on the Commission's financial statements is not yet reasonably estimable.

4. Critical accounting estimates and judgements

The Commission makes estimates and judgements in respect of certain key assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in Note 11 Insurance contracts. The estimation uncertainty relates to the determination of assumptions.

In particular, information about applying critical judgements in accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in the following notes:

- Note 11 - Insurance contracts, specifically, the determination of assumptions as discussed in Note 2.d); assessment of whether contracts are onerous, judgements regarding aggregation of contracts, determination of contract boundaries and allocation of general and administrative expenses to insurance related activities
- Note 2.b) and Note 5. – Investments, classification and valuation of financial instruments
- Note 2.b) - Impairment of financial assets
- Note 2.d) - Determination of estimated payroll as part of estimating accrued insurance revenue

5. Investments

The Commission indirectly owns investments in the asset classes listed below through ownership of units in funds which hold the related investments. The Commission's investment objective is to achieve a long-term rate of return that is sufficient to allow the Commission to fund its insurance contract liability, cover its operating costs, and set reasonable and stable assessment rates for employers. The Commission uses judgement to classify securities held in a pooled fund on the basis of the assets comprising the major portion of the pooled fund.

The fair value and cost of the investments are as follows:

	As at December 31, 2025		As at December 31, 2024	
	Fair Value **$**	Cost $	Fair Value $	Cost $
Pooled funds				
Fixed income				
Indexed bond funds	196,712	203,702	194,478	200,695
Mortgage funds	-	-	15,684	9,996
Canadian private debt	42,740	40,970	41,088	39,044
Global private debt	28,360	29,190	30,228	27,849
Infrastructure fund	27,362	26,758	25,588	25,529
Equities				
Canadian equities fund	80,722	67,525	67,105	58,532
International equities fund	165,233	159,170	131,637	117,144
Canadian real estate fund	49,014	42,244	49,610	42,257
Total	590,143	569,559	555,418	521,046

a) Investment gains and (losses)

The investment gains and (losses) recognized in the Statement of Comprehensive Income are as follows:

	For the year ended December 31, 2025 $	For the year ended December 31, 2024 $
Realized gain	8,830	19,785
Change in unrealized (loss)/gain	(13,808)	14,843
Investment (losses)/gains - net	(4,978)	34,628

6. Receivables

	As at December 31, 2025 $	As at December 31, 2024 $
Due from claimants	1,725	1,618
Receivable from other governments	-	91
Due from employees and others	883	319
Hunters and trappers receivable	294	-
	2,902	2,028
Less: expected credit loss - employees	(26)	(30)
Less: expected credit loss - claimants	(1,148)	(165)
	(1,174)	(195)
Total receivables	1,728	1,833

The expected credit loss increased during the year because of a Governance Council change in the Commission's claimant overpayment collection policy. The Commission approved a revised collection policy after year end to the effect that certain categories of Due from claimants for claims overpaid will not be subject to recovery. The impact of the policy change was a $983 increase in the expected credit loss – Due from claimants in the current year. The impact of the policy will not have an impact on the estimate of credit loss from Due from claimants in future years.

7. Property and equipment

The table below provides details of property and equipment per asset class.

	Building $	Equipment $	Furnishings $	Vehicles $	Leasehold improvements $	Total $
Cost						
At December 31, 2023	10,470	1,071	2,184	154	957	14,836
Additions	59	120	31	64	109	383
Disposals/write-offs	(156)	(66)	(7)	-	156	(73)
At December 31, 2024	10,373	1,125	2,208	218	1,222	15,146
Additions	7	136	287	62	412	904
Disposals/write-offs	-	(135)	-	-	(28)	(163)
At December 31, 2025	10,380	1,126	2,495	280	1,606	15,887
Accumulated Depreciation						
At December 31, 2023	5,611	570	1,469	67	957	8,674
Depreciation	346	115	176	26	26	689
Disposals/write-offs	-	(61)	(7)	-	-	(68)
At December 31, 2024	5,957	624	1,638	93	983	9,295
Depreciation	350	126	104	33	130	743
Disposals/write-offs	-	(125)	-	-	(28)	(153)
At December 31, 2025	6,307	625	1,742	126	1,085	9,885
Net book value						
At December 31, 2025	4,073	501	753	154	521	6,002
At December 31, 2024	4,416	501	570	125	239	5,851

Included in Property and equipment are certain fully depreciated assets with gross cost of $2,601 (2024: $2,430), accumulated depreciation $2,601 (2024: $2,430) and net book value of $ NIL (2024: $ NIL).

8. Intangible assets

	Purchased software systems $	Internally developed software systems $	Total $
Cost			
At December 31, 2023	574	7,369	7,943
Disposals/write-offs	-	(8)	(8)
At December 31, 2024	574	7,361	7,935
Addition	-	572	572
Disposals/write-offs	(164)	(349)	(513)
At December 31, 2025	410	7,584	7,994
Accumulated Amortization			
At December 31, 2023	442	6,008	6,450
Amortization	49	346	395
Disposals/write-offs	-	(8)	(8)
At December 31, 2024	491	6,346	6,837
Amortization	37	288	325
Disposals/write-offs	(164)	(314)	(478)
At December 31, 2025	364	6,320	6,684
Net book value			
At December 31, 2025	46	1,264	1,310
At December 31, 2024	83	1,015	1,098

Included in Intangible assets are certain fully amortized assets with gross cost of $693 (2024: $800), accumulated amortization $693 (2024: $800) and net book value of $NIL (2024: $NIL).

9. Right of use assets and lease liabilities

a) Right of use asset

The Commission leases several assets including real property. Some leases contain extension options exercisable by the Commission. The Commission has included the extension option in the lease term in calculating the lease liabilities where it is reasonably certain to exercise that option. There are no purchase options, contingent rents or escalation clauses included in the leases.

Amounts expensed for common area maintenance and utilities, not included in the calculation of the lease liabilities, in 2025 is $879 (2024 - $895).

	2025 $	2024 $
Asset balance at January 1,	4,408	3,588
Additions	2,615	2,995
Termination/disposal	(21)	(105)
Depreciation	(2,417)	(2,070)
Asset balance at December 31,	4,585	4,408

b) Lease liability

	2025 $	2024 $
Lease liabilities balance at January 1,	4,584	3,872
Additions	2,615	2,995
Termination/disposal	(23)	(106)
Accretion of interest	255	119
Payments*	(2,640)	(2,296)
Lease liabilities balance at December 31,	4,791	4,584

*The payments include $2,385 for principal payments and $255 for interest.

9. Right of use assets and lease liabilities (continued)

c) Lease liabilities maturity analysis

Contractual undiscounted cash flows as follows:

	December 31, 2025 $	December 31, 2024 $
Year 1	2,299	2,063
Year 2	1,248	1,601
Year 3	452	954
Year 4	231	224
Year 5	121	70
Thereafter	1,001	-
Sub-Total	5,352	4,912
Less: Imputed Interest	(561)	(328)
Lease liability	4,791	4,584

10. Accounts payable and accrued liabilities

	December 31, 2025 $	December 31, 2024 $
Accounts payable	812	1,078
Accrued liabilities	1,798	1,240
Total	2,610	2,318

11. Insurance contract liability

The reconciliation of the net asset or liability for insurance contracts issued, which shows the liabilities for remaining coverage and the liability for incurred claims is disclosed as follows:

	Liabilities for remaining coverage		Liabilities for incurred claims	
	Excluding loss component	Loss component*	Present value of future cash flows	2025 Total
Insurance contract liability, beginning of year	7,213	-	522,941	530,154
Insurance contract asset, beginning of year	(8,219)	-	-	(8,219)
Net Insurance contract liability, beginning of year	(1,006)	-	522,941	521,935
Insurance revenue	(104,203)	-	-	(104,203)
Insurance service expenses:				
Incurred claims expenses	-	-	64,778	64,778
Insurance administrative expenses	-	-	35,441	35,441
Changes to liabilities for incurred claims	-	-	(10,857)	(10,857)
Insurance service result	(104,203)	-	89,362	(14,841)
Insurance finance expenses	-	-	16,757	16,757
Total changes in the statement of comprehensive income	(104,203)	-	106,119	1,916
Premiums received	111,244	-	-	111,244
Claims and other expenses paid	-	-	(96,329)	(96,329)
Total cash flows	111,244	-	(96,329)	14,915
Other adjustments				
Non-cash insurance administration adjustments	-	-	(3,911)	(3,911)
Insurance contract liability, end of year	11,048	-	528,820	539,868
Insurance contract asset, end of year	(5,013)	-	-	(5,013)
Net Insurance contract liability, end of year	6,035	-	528,820	534,855

11. Insurance contract liability (continued)

	Liabilities for remaining coverage		Liabilities for incurred claims	
	Excluding loss component	Loss component*	Present value of future cash flows	2024 Total
Insurance contract liability, beginning of year	7,201	-	491,307	498,508
Insurance contract asset, beginning of year	(7,066)	-	-	(7,066)
Net balance at January 1	135	-	491,307	491,442
Insurance revenue	(103,920)	-	-	(103,920)
Insurance service expenses:				
Incurred claim expenses**	-	-	66,203	66,203
Insurance administrative expenses**	-	-	32,144	32,144
Changes to liabilities for incurred claims	-	-	12,194	12,194
Insurance service result	(103,920)	-	110,541	6,621
Insurance finance expenses	-	-	18,097	18,097
Total changes in the statement of comprehensive income	(103,920)	-	128,638	24,718
Premiums received	102,779	-	-	102,779
Claims and other expenses paid	-	-	(99,439)	(99,439)
Total cash flows	102,779	-	(99,439)	3,340
Other adjustments				
Non-cash insurance administration adjustments	-	-	1,113	1,113
Uncashed claims payments**	-	-	1,322	1,322
Insurance contract liability, end of year	7,213	-	522,941	530,154
Insurance contract asset, end of year	(8,219)	-	-	(8,219)
Net Insurance contract liability, end of year	(1,006)	-	522,941	521,935

*There was no loss component for the 2024 accident year (2023 - $4,249).
**The Commission reclassified uncashed claims payments of $1,322 to the Insurance contract liability. These amounts were previously included in Accounts payable, accrued and other liabilities.

11. Insurance contract liability (continued)

The following table estimates the expected amounts and timing of future benefit payments for the provision of outstanding claims. The expected timing of payments from the provision for outstanding claims involves considerable uncertainty. The projections presented below do not include a provision for future administration expenses or latent occupational diseases.

Expected timing of future payment for outstanding claims:

	2025 %	2024 %
Up to 1 year	8.27	8.47
Over 1 year and up to 5 years	21.82	21.65
Over 5 years and up to 10 years	19.51	16.98
Over 10 years	50.40	52.90
Total	100.00	100.00

Actuarial assumptions and methods

The overall valuation approach is designed to reflect emerging trends without placing too much emphasis on temporary fluctuations. The factors used in the valuation have been developed on a best estimate basis by taking the Commission's historical experience into consideration along with recent trends in that experience. The general philosophy is to avoid reacting too strongly to temporary fluctuations until there is sufficient evidence that a change in assumption is required.

The Insurance contract liability is comprised of the following components: Future Claims Liability; Approved Pension Liability; and Occupational Disease Liability.

(a) Future Claims Liability

The Future Claims Liability represents the present value at December 31, 2025 of expected future payments for Medical Aid and Compensation (hospital and physician services, short-term income compensation benefits, travel expenses, rehabilitation benefits and other eligible medical services under the Acts), Future Pension Awards, and Future Awards for Long Term Benefits (approval of future awards in respect of all claims arising from injuries that occurred on or before December 31, 2025). Also included in the Future Claims Liability is an allowance for claims management expenses expressed as a percentage of future claim payments.

Future Claims Liability – Medical Aid and Compensation

The liability for Medical Aid and Compensation is calculated using the loss development method also known as the "claims run off" approach. In this method, historical paid claims data are summarized by accident year and payment year in order to observe the relationships between payments at different durations for each accident year. Historical factors, at each duration, are developed from prior accident years and are applied to accident years that are not yet fully mature in order to estimate the future timing and amount of remaining benefit payments.

11. Insurance contract liability (continued)

Future Claims Liability – Future Pension Awards

The liability for Future Pension Awards represents the present value of expected future pension awards in respect of all claims arising from accidents which occurred on or before December 31, 2025 that have not yet been approved as of December 31, 2025. The estimated number and timing of these future awards has been developed based on the historical emergence of capitalized claims experience by accident year for the Commission. The expected cost of each capitalized claim has been developed based on actual pension awards approved prior to December 31, 2025.

Future Claims Liability – Future Awards for Long Term Benefits

During 2025, the Governments of the Northwest Territories and of Nunavut enacted Bill 21 and Bill 57, respectively, amending the Workers' Compensation Act in each jurisdiction. The legislative amendments approved by these bills replace the lifetime pension model with a system that aims to achieve greater equity by considering the worker's injury severity, occupation and capacity to earn. The change in the Insurance contract liability as a result of the enactments of Bill 21 and Bill 57 is an overall liability increase of $1,200.

The liability for Future Awards for Long Term Benefits represents the present value of expected future long term benefit awards in respect of all claims arising from accidents which occurred on or before December 31, 2025 that have not yet been approved as of December 31, 2025. The estimated number and timing of these future awards has been developed based on the historical emergence of capitalized claims experience by accident year for the Commission. In addition, the expected cost of each claim evaluated for these benefits has been developed based on actual claims experience for the Commission where possible, supplemented by experience of other Canadian insurance programs and workers' compensation boards.

The following economic assumptions are used in the valuation of the Future Claims Liability: discount rate – 4.97% (2024 – 4.81%), inflation rate – i) future capitalizations and future awards for long term benefits: 2.00% in 2025, and 2.00% per annum thereafter (2024 – 3.12% in 2025, and 2.00% thereafter), and ii) Compensation: 2.00% (2024 – 2.00%) and Medical Aid: 4.00% (2024 – 4.00%).

(b) Approved Pension Liability

The liability for Approved Pensions represents the present value at December 31, 2025 of all expected future pension awards payments, including future inflationary adjustments, to individuals who have been approved for a pension award at December 31, 2025. This portion of the Insurance contract liability is calculated on a seriatim basis using the discounted cash flow method. Pension benefits are indexed annually on January 1 of each year, and this annual index rate is referred to as the Supplementary Pension Increase (SPI) rate.

The SPI is determined by taking into account the average monthly change in consumer price index (CPI) Canada for the most recent July to June period. Mortality rates are used to determine the future life expectancy of individuals in receipt of a pension award. The actual gender and date of birth for all pension recipients is used in the valuation. Pensions are payable to dependent children until age 19 or age 25 if attending school. The probability of a dependent child continuing to receive a pension award from age 19 to 25 is based on actual experience of the Commission. A projection of future pension payments requires that an explicit assumption be made with respect to the rate of award inflation.

11. Insurance contract liability (continued)

The following economic assumptions are used in the valuation of the Approved Pension Liability: discount rate – 4.97% (2024 – 4.81%), inflation rate – 2.00% in 2026, and 2.00% thereafter (2024 – 3.12% in 2025, and 2.00% thereafter). The mortality assumption is determined by the 2020 - 2022 Statistics Canada General Life Mortality Table with a 25% load with future generational mortality improvements according to the CPM Improvement Scale B (2024 - 2020-2022 Statistics Canada General Life Mortality Table with a 25% load with future generational mortality improvements according to the CPM Improvement Scale B).

(c) Occupational Disease Liability

The liability for Occupational Disease claims represents a portion of the present value at December 31, 2025 of the expected future cost of claims that have not yet been filed but are expected to manifest themselves in the future as a result of cumulative exposure to a causative agent in the workplace (i.e. long latency cases). Only a portion of the total provision is held based on the accumulated exposure up to the valuation date relative to total exposure before an occupational disease manifests itself. Occupational diseases differ from occupational injuries in that there can be a considerable time lag between the exposure, the manifestation of the disease and the identification of the ensuing disability as a workers' compensation claim. Furthermore, while the circumstances of an injury usually make it clear whether it is work related or not, the link between an occupational disease and the workplace may be difficult to establish.

The following economic assumptions are used in the valuation of the Occupational Disease Liability: discount rate – 4.97% (2024 – 4.81%), loss of earning award inflation 2.00% (2024 – 2.00%) and medical inflation 4.00% (2024 – 4.00%).

Insurance risk

The Commission has an objective to control insurance risk, thus reducing the volatility of operating results. In addition to the inherent uncertainty of insurance risk, this can lead to significant variability in the experience gain or loss. The Commission's operating results are affected by market factors, particularly movements in investment values.

Key aspects of processes established to mitigate insurance risks include:

- The maintenance and use of management information systems, which provide data on the risks to which the Commission is exposed to at any point in time;
- Actuarial models, using information from the management information system, are used to monitor claims patterns and calculate premiums. Experience and statistical methods are used as part of the process; and
- The mix of assets in which the Commission invests is determined to achieve a long-term rate of return that is sufficient to fund the liability for incurred claims. The management of assets and liabilities is closely monitored to attempt to match assets with the expected pattern of claim payments.

The Commission also faces concentration of risk by industry as some industries have higher claims experience costs than other industries. This is mitigated by higher assessments being charged to industries with proven higher experience costs.

11. Insurance contract liability (continued)

The terms and conditions attached to the Acts affect the level of insurance risk accepted by the Commission. All insurance transactions entered into are in the same standard form and are subject to substantially the same terms and conditions under the Acts.

The most significant assumption in the determination of the insurance contract liability is the net discount rate. The net discount rate is the assumed discount rate in excess of the assumed inflation rate. A reduction in the assumed net discount rate would result in an increase in the actuarial present value of the benefits liability and a decrease in comprehensive income. The Commission is exposed to the risk that interest rate movements may materially impact the value of the benefits liability. The financial impact of changing interest rates on the benefits liability is expected to be offset in the longer term by similar changes in claims inflation.

Medical benefits represent approximately 20.2% (2024 - 20.9%) of the insurance contract liabilities. An increase in the assumed excess medical inflation rate (above the assumed inflation rate) would result in an increase in the benefits liability for medical benefits and a decrease in comprehensive income.

The Approved Pension liability takes into account the future life expectancy of each individual pensioner, surviving spouse or dependent child according to their age and gender. An improvement in the assumed mortality experience would increase the life expectancy of benefit recipients, thereby increasing the actuarial present value of the liability for approved pension awards benefits and decreasing comprehensive income.

Credit risk

The Commission's exposure to credit risk associated with its Insurance contract asset, is the risk that an employer will be unable to pay amounts due to the Commission. The maximum exposure to credit risk is $5,013 (2024 – $8,219). Expected credit loss allowances are provided for lifetime expected losses, taking into consideration future potential losses. The amount disclosed as Insurance contract asset is net of these expected credit losses. The Insurance contract asset is considered for impairment on a case-by-case basis when employer accounts are past due or when objective evidence is received that a employer will default. The Commission takes into consideration the employer's payment history, their credit worthiness and the current economic environment in which the employer operates to assess impairment. The Commission recognizes a specific expected credit loss when management considers that the expected recovery is less than the actual amount receivable. All bad debts are charged to Insurance finance expense for the Insurance contract asset.

The Commission believes that the credit risk of the Insurance contract asset is mitigated by the following:

The employer base is dispersed across various industries, with government comprising a significant concentration.

- As at December 31, 2025, the majority of the Insurance contract asset is outstanding for less than 90 days. The Commission does not require collateral or other security from employers for the Insurance contract asset.

- The Commission has the power and remedies to enforce payment owing.

The Insurance contract asset is reviewed for indicators of impairment on an annual basis.

11. Insurance contract liability (continued)

2025 +/- % change on assumed rates	+ 1% $	- 1% $
Net discount rate	(40,903)	49,161
Excess medical inflation rate	9,402	(8,123)
2024 **+/- % change on assumed rates**	**+ 1%** **$**	**- 1%** **$**
Net discount rate	(42,010)	(51,084)
Excess medical inflation rate	10,057	(8,623)

2025 +/- % change in mortality rates	+ 10% $	- 10% $
Mortality rate	(7,233)	8,009
2024 **+/- % change in mortality rates**	**+ 10%** **$**	**- 10%** **$**
Mortality rate	(7,167)	7,941

11. Insurance contract liability (continued)

Claims development

The following table shows the development of claims cost estimates for the ten most recent injury years:

	2016 $	2017 $	2018 $	2019 $	2020 $	2021 $	2022 $	2023 $	2024 $	2025 $	Total $
Estimate of cumulative claim costs:											
At the end of the accident year	43,611	51,245	53,044	61,637	52,426	68,172	67,185	63,203	81,868	63,978	-
One year later	50,823	55,576	63,383	56,417	51,102	64,236	70,281	70,539	82,191		-
Two years later	50,979	57,815	60,736	53,660	52,086	69,618	74,843	69,547			-
Three years later	50,780	53,429	58,534	53,058	51,796	70,816	73,102				-
Four years later	48,206	50,907	58,660	54,033	52,971	70,487					-
Five years later	47,116	54,573	60,012	56,698	53,153						-
Six years later	46,656	61,130	60,137	58,480							-
Seven years later	48,715	60,652	63,728								-
Eight years later	47,761	62,364									-
Nine years later	46,861										-
Current estimate of ultimate claims costs	46,861	62,364	63,728	58,480	53,153	70,487	73,102	69,547	82,191	63,978	643,891
Cumulative payments	32,502	39,014	40,624	34,469	32,200	38,408	31,428	26,554	19,884	5,759	300,842
Estimate of future payments	14,359	23,350	23,104	24,011	20,953	32,079	41,674	42,993	62,307	58,219	343,049
2015 and prior claims estimate of future payments											332,558
Administrative expenses											79,492
Effect of occupational disease liability											47,007
											802,106
Effect of discounting											(273,286)
Net assessment payable											6,035
Amount recognized on Statement of Financial Position											534,855

There is a possibility that changes may occur in the estimate of the Commission's obligations over time. The above table shows the Commission's estimates of total net and gross claims outstanding for each underwriting year at successive year ends.

12. Insurance service expense and insurance finance expenses

The breakdown of insurance service expenses and insurance finance expenses is presented below:

	2025	2024
Insurance services expense	$	$
Incurred claims and other expenses	64,778	66,203
Administration - Insurance expense	35,441	32,144
Changes to liability of Incurred Claims (LIC)	(10,857)	12,194
Total	89,362	110,541

	2025	2024
Insurance finance (expenses)/ income from insurance contracts issued	$	$
Expected credit loss	(110)	21
Interest accredited to insurance contracts	(23,393)	(22,330)
Changes in economic and other financial assumptions	6,746	4,212
Total	(16,757)	(18,097)

13. Renewable Resources Harvesters - Contract Liability and Deferred Revenue

In accordance with the Memoranda of Understanding on Renewable Resource Harvesters (April 2015 for the Northwest Territories and April 2009 for Nunavut), the Commission administers the claims and charges the Governments an administration fee, which is included in revenue on the Statement of Comprehensive Income.

The contract liability related to the Renewable Resource Harvesters has not been included in the Commission's insurance contract liability account. As these liabilities will be borne by the Governments when paid to claimants in future years, they do not impact the Commission's funded position.

13. Renewable Resources Harvesters - Contract Liability and Deferred Revenue (continued)

	As at December 31, 2025 $	As at December 31, 2024 $
Pre-funded contract liability for Harvesters medical, compensation and capitalized pension claims	1,070	1,092
Pre-funded contract liability for Harvester approved pensions	9,094	8,618
Contract liability	10,164	9,710
Deferred revenue	2,134	2,039

The Commission recognized funds received from the Governments for Harvesters claims as a Contract Liability, and funds received from the Governments for the related administration fee as a Deferred Revenue. The Contract liability is satisfied as pre-funded Harvester claims are paid. Deferred revenue is realized as revenue over time as the Commission satisfies its performance obligations under these arrangements.

14. Capital management and reserves

In accordance with Section 83 of each of the Acts, the Governance Council is responsible for approving the operating and capital budgets of the Commission, for approval of assessment rates for employers and benefits to workers, and for ensuring the proper stewardship of the Workers' Protection Fund. It is the objective of the Governance Council to ensure the financial sustainability of the Commission, while maintaining stability of assessment rates and benefits to injured workers.

The Commission maintains three reserves within the Workers' Protection Fund. All of these reserves are established by the Governance Council, and none are externally restricted. In accordance with Section 70(4) of each of the Act, the annual rate or basis for calculating assessments and any formulas for varying assessments has been sufficient to finance the Workers' Protection Fund to enable it to meet its liabilities.

As the Workers' Protection Fund includes all assessments from employers and amounts to be paid to injured workers, as well as the costs to administer the Acts, the Governance Council considers that capital includes all reserves of the Commission.

The Commission determines the funded position as total assets divided by total liabilities. However, the value of the Insurance contract liabilities included in this determination are based on accepted actuarial practices for going concern valuations, which reflects a discount rate based on the funding and investment policies set by the Commission.

A going concern valuation is based on the primary assumption that the system will be in operation for the long-term, therefore Insurance contract liabilities as calculated for the purpose of the going concern valuation, are calculated under this assumption, which may differ from those required under IFRS. The rate of return reflects the best estimate of the long-term average rate of return that can be expected using the benchmark asset allocation adopted by the Commission. This yields a rate of return assumption of 5.5%.

14. Capital management and reserves (continued)

The Governance Council manages capital by monitoring all revenues and expenses through its budgeting and financial reporting processes, and by establishing assessment rates and an investment policy that maintain the funded status of the Commission and ensure the ability to care for injured workers.

a) Operating reserve

The operating reserve is intended to protect the Commission against adverse fluctuations in claims costs and investment results.

b) Capital asset replacement reserve

This reserve allows multi-year planning and is used to set aside funds for the purchase of property and equipment and intangible assets. The reserve is funded annually through a Governance Council approved lump sum.

c) Catastrophe reserve

The catastrophe reserve is intended to protect the Commission in the event that a catastrophic event results in a substantial increase in the Commission's liabilities. The Commission established specific criteria to determine whether an accident or event meets the definition of a catastrophic claim.

In 2025, no catastrophic event occured that met the criteria for a catastrophic claim. However, in 2024 an event occurred that met the criteria for the occurrence of a catastrophic claim. In accordance with the Commission's capital management policy, the related liability was transferred from the Catastrophe reserve to the Operating reserve in 2024.

15. Commitments

Future minimum contractual payments as at December 31 on contracts for goods and services are as follows:

	$
2026	7,576
2027	3,739
2028	2,495
2029	1,970
2030	1,281
Thereafter	890
Total	17,951

$1,001 in 2026 relates to property and equipment, and the remaining contracts are for standard service and maintenance agreements.

16. Contingencies

In certain circumstances, under both the *Workers' Compensation Act* of the Northwest Territories and of Nunavut, the Commission is deemed to be an assignee of a cause of action in respect of a claimant disability. The amount by which settlements exceed the cost of the action, including administration and future benefit entitlement, is paid to the worker or dependents. Contingent assets may arise in the normal course of operation and their eventual disposition is unknown. WSCC has made claims against external parties for which a recovery is likely to materialize. At December 31, 2025, the estimated claim recovery was $NIL (2024: $300). Amounts received from third-party recoveries are recorded in the year during which the settlement occurs. No provision is made in the insurance contract liability for possible future third-party recoveries due to their contingent nature.

Due to the nature of the Commission's operations, various other legal matters are pending. In the opinion of management, these matters will not have a material effect on the Commission's financial position or results of operations.

17. Financial risk management

The Commission is exposed to a number of risks and uncertainties related to its financial instruments.

Investment risk

The primary financial risk for the Commission is the risk that, in the long term, returns from its investments will not be sufficient to discharge all obligations arising from its insurance liabilities. In order to manage this funding risk, risk management for investments has been integrated with risk management of liabilities. The Commission manages the risk associated to its investments by maintaining a well-diversified portfolio and by engaging external investment managers with different investment styles and objectives. Generally, investments are held until market conditions provide a better investment opportunity. The Commission regularly reviews the performance of its investment portfolio against established industry benchmarks. The Governance Council is responsible for reviewing and approving the Commission's investment policy and plan. The investment policy and plan outline the types and classes of investments the Commission may invest in and how the Commission plans to achieve its investment objective and manage its investment risk.

The Commission has identified key areas of investment risk that directly affect the sufficiency of its investments to fund current and future claim obligations.

17. Financial risk management (continued)
The Commission has exposure to the following financial risks from its use of financial instruments:

- Liquidity risk
- Credit risk
- Market risk
  - *Equity price risk*
  - *Interest rate risk*
  - *Currency risk*
  - *Other price risk - real estate risk*

Other financial instrument risks

The Commission is also exposed to liquidity risk and credit risk from uncertainties related to other financial instruments, Accounts payable, Accrued and other liabilities, Salaries and wages payable, Lease liabilities, Contract liabilities and Receivables.

a) Liquidity risk

Liquidity risk is the risk that the Commission will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk is considered to be low.

	As at December 31 2025 1 year or less $	As at December 31 2024 1 year or less $
Accounts payable, accrued and other liabilities	2,610	2,318
Salaries and wages payable	3,621	3,242
Contract liability	10,164	9,710
Lease liabilities	2,299	2,063
Total	18,694	17,333

17. Financial risk management (continued)

a) Liquidity risk (continued)

Lease liabilities
The maturity analysis of Lease liabilities (Note 9c) shows the undiscounted contractual lease payments over the remaining lease period.

Contract liability
Although the Contract liability is due on demand, based on historical experience the vast majority of the Contract liability is expected to be settled more than 12 months after the statement of financial position date.

The Commission maintains deposits and short-term investments at banks to meet liquidity needs. At December 31, 2025, Cash and cash equivalents was $34,537 or a ratio of 1.85 of short term liabilities (2024 - $19,906 or 1.15).

b) Credit risk

Credit risk on financial instruments arises from the possibility that the customer or counterparty to an instrument fails to meet its obligations.

Credit risk on Cash and Cash equivalents

The Commission holds Cash $29,191 (2024 - $17,278) and Cash equivalents $5,346 (2024 - $2,628). The Commission manages credit risk associated with Cash by dealing with regulated Canadian banks and Cash equivalents by holding short term securities (less than three months) in high quality debt instruments.

Credit risk on fixed income investments

The Commission holds Fixed income investments through ownership of units in fixed income funds which hold investments in fixed income assets, bonds $196,712 (2024 – $194,478) and mortgage and private debt $71,100 (2024 – $87,000). As a result, the Commission is indirectly exposed to credit risk through its unit holdings.

The Commission manages credit risk by way of its investment policy that invests in funds with an average credit rating of A or equivalent. The mortgage and private debt funds are not rated.

The Commission manages credit risk in unrated mortgages and private debt funds by limiting total exposure, enforcing diversification and investing through collateralized pooled vehicles.

Credit risk on Receivables

The Commission holds Receivables of $1,728 (2024 – $1,833).

Credit risk associated with Receivables is mitigated through risk management policies and procedures, which include close monitoring of accounts receivable and follow-up measures with the debtor/employer.

17. Financial risk management (continued)

b) Credit risk (continued)

Expected credit loss allowances are provided for lifetime expected losses, taking into consideration future potential losses. The amounts disclosed on the statement of financial position are net of these expected credit losses. All other receivables and assessments receivable are considered for impairment on a case-by-case basis when they are past due or when objective evidence is received that a customer will default. The Commission takes into consideration the customer's payment history, their credit worthiness and the current economic environment in which the customer operates to assess impairment. The Commission recognizes a specific expected credit loss when management considers that the expected recovery is less than the actual amount receivable. All bad debts are charged to administration and general expenses for non-insurance related receivables.

c) Market risk

Market risk is the risk that the fair value or future cash flows of the Commission's financial instruments will fluctuate in the future because of price changes as a result of changes in market factors, such as public equity prices and valuations of private equity, real estate and infrastructure. These changes are subject to economic factors and other movements in global capital markets.

Equity price risk

The Commission is indirectly exposed to market risk through its investment in units of equity funds investing primarily in equities,$245,955 (2024 - $198,742).

The Commission manages equity price risk by way of its investment policy that invests in funds with diversification between different asset classes, geographic diversification and single entity concentration.

Equity investments are particularly sensitive to market risk. Because equities are recorded as FVTPL, changes in their fair value from the movements in the markets have a significant impact on comprehensive income and reserve values. The following table is a sensitivity analysis that shows the impact of a change depending on asset type, on the average market values of each portfolio, which equates to one standard deviation of the portfolio in the respective stock market index.

17. Financial risk management (continued)

	Index	Exposure December 31, 2025 $	Change one standard deviation %	Change to comprehensive income 2025 $
Canadian equities	TSX 300	80,722	11.00	8,879
International equities	MSCI WORLD	165,233	12.00	19,828

	Index	Exposure December 31, 2024 $	Change one standard deviation %	Change to comprehensive income 2024 $
Canadian equities	TSX 300	67,105	13.62	9,140
International equities	MSCI WORLD	131,637	11.19	14,730

d) Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate in the future because of interest rate changes. Fluctuations in interest rates can affect the fair value of the fixed income investments, as well as shift investor preferences among asset classes.

The Commission is indirectly exposed to interest rate risk through its investment in units in fixed income funds, bonds- $196,712 and private debt- $71,100 (2024 – Bonds- $194,478, mortgage funds- $15,684 and private debt- $71,316) which hold investments in fixed income assets. As a result, the Commission is indirectly exposed to Interest rate risk through its unit holdings.

The Commission manages interest rate risk by way of its investment policy that invests in funds with bonds at market (Universe) duration, limiting the portfolio weight of fixed income investments, and periodically reviewing duration appropriateness against the Insurance contract liability.

The following table provides a sensitivity analysis of the impact of a 1.00% change in nominal interest rates at December 31 assuming the change occurs evenly throughout the sector and all other variables remain constant.

17. Financial risk management (continued)

	Movement in interest rates	Change to comprehensive income 2025
	%	$
Change in nominal interest rates	+1.00	7,935

	Movement in interest rates	Change to comprehensive income 2024
	%	$
Change in nominal interest rates	+1.00	6,973

e) Other price risk - real estate risk

Real estate risk arises from changes in real estate values related to local markets, prevailing interest rates and vacancy rates.

The Commission is indirectly exposed to real estate risk through its investment in units of funds investing primarily in real estate investments $49,014 (2024 - $49,610).

The Commission manages real estate risk by way of its investment policy that invests in funds that are diversified across real estate types and locations. Adverse impacts in any segment of the market or geographic location are reduced by having holdings diversified across residential, commercial, industrial, and developmental markets.

The table below presents the estimated effect of a material adverse change in valuations of the investment in domestic real estate for the year ended December 31. This change to comprehensive income reflects a change in valuation of 6.91% (2024 – 3.68%), which, based on ten years of results, would be one standard deviation of valuation change.

17. Financial risk management (continued)

e) Other price risk - real estate risk (continued)

Portfolio	Exposure December 31, 2025 $	Change %	Change to comprehensive income 2025 $
Canadian real estate	49,014	+6.91%	3,387

Portfolio	Exposure December 31, 2024 $	Change %	Change to comprehensive income 2024 $
Canadian real estate	49,610	+3.68	1,826

f) Currency risk

Currency risk is the risk that the fair value of financial assets and financial liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates relative to the Canadian dollar.

The Commission owns Canadian denominated units of pooled funds. Some of these pooled funds hold foreign currency denominated financial assets International equities $165,233 (2024 - $131,637), US bond fund $ 29,669 (2024 - $38,114), Global private debt fund $28,360 (2024 - $30,228), Infrastructure fund $27,362 (2024 - $25,588). As a result, the Commission is indirectly exposed to currency risk through its unit holdings.

The Commission manages currency risk by way of its investment policy that invests in funds that limit foreign equity exposure through asset allocation, capping unhedged foreign-currency fixed income at 30% of the fund, and permitting the use of approved currency hedging instruments.

17. Financial risk management (continued)

f) Currency risk (continued)

The following tables provide a sensitivity analysis that illustrates the impact of a 10% appreciation in the Canadian dollar relative to the five largest currencies the Commission is exposed to for the year ended December 31. This analysis assumes that all other variables remain constant.

	Exposure December 31, 2025 $	Change %	Change to comprehensive income 2025 $
United States	183,286	+10.00	(16,662)
Europe	20,138	+10.00	(1,831)
United Kingdom	9,806	+10.00	(891)
Japan	8,674	+10.00	(789)
Australia	7,621	+10.00	(693)

	Exposure December 31, 2024 $	Change %	Change to comprehensive income 2024 $
United States	170,267	+10.00	(15,479)
Europe	19,207	+10.00	(1,746)
Japan	12,144	+10.00	(1,104)
United Kingdom	6,547	+10.00	(595)
Switzerland	5,848	+10.00	(532)

18. Administration and general expenses

	For the year ended December 31, 2025 $	For the year ended December 31, 2024 $
Salaries, wages, allowances and benefits	27,152	25,309
Professional services	5,217	4,364
Depreciation on right of use assets	2,417	2,070
Legislative services and partnerships	1,961	1,746
Office repairs and maintenance	1,601	1,528
Amortization and depreciation	1,068	1,083
Bad debt	1,008	542
Office furniture and equipment (non-capital)	904	738
Travel	887	765
Office services and supplies	801	788
Relocation, medical travel and others	799	582
Communications	773	805
Advertising and public information	495	212
Training and development	353	241
Interest expense on lease liabilities	255	119
Office lease payments	179	129
Grants in lieu of property tax	91	85
Recruitment	86	53
Loss (gain) on asset disposal	42	(1)
Honoraria and retainers - non-board members	15	11
Recoveries	(392)	(176)
	45,712	40,993
Less: Allocation to insurance service expense (Note 12)	(35,441)	(32,144)
Total	10,271	8,849

Substantially all of the employees of the Commission are covered by a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Commission. The President of the Treasury Board of Canada sets the required employer contributions, based on a multiple of the employee's required contribution. Total contributions of $2,092 (2024 – $2,148) were recognized as expense in the current year.

19. Related party transactions

The Commission is related to all departments and territorial public agencies of the Governments of the Northwest Territories and Nunavut. The Commission enters into transactions with these entities in the normal course of business. The following tables summarize the Commission's transactions:

Balances due from related parties included in assessments receivable and other receivables:

	As at December 31, 2025 $	As at December 31, 2024 $
Government of Northwest Territories	-	826
Government of Nunavut	350	117
Territorial public agencies	79	120
Total	429	1,063

Balances payable to related parties included in accounts payable, accrued and other liabilities and assessments refundable:

	At at December 31, 2025 $	As at December 31, 2024 $
Government of Northwest Territories	382	246
Government of Nunavut	11	3
Territorial public agencies	548	440
Total	941	689

Insurance revenue, at rates determined using the same method as with others, from related parties for the years ended December 31:

	At at December 31, 2025 $	As at December 31, 2024 $
Government of Northwest Territories	11,926	11,741
Government of Nunavut	10,705	9,106
Territorial public agencies	4,040	4,017
Total	26,671	24,864

19. Related party transactions (continued)

Expenses to related parties for the years ended December 31:

	2025 $	2024 $
Government of Northwest Territories	2,136	2,571
Government of Nunavut	121	304
Territorial public agencies	746	664
Total	3,003	3,539

The Commission does not record the value of services provided in the normal course of operations without charge by the Governments of the Northwest Territories and Nunavut in these financial statements. The services provided without charge are not significant but include areas where the Commission follows government administrative policies and employment contracts. These services include training services, records management, and human resources support.

The Commission entered into two rental contracts with a company in which a key management personnel of the company is a key management personnel of the Commission. The terms of the contract are equivalent to those that prevail in arm's length transactions. The total contract value was $102 (2024 - $102) with payment spread monthly over the contract period. At 31 December 2025, there was no outstanding payable due.

Compensation of key management personnel

	For the year ended December 31, 2025 $	For the year ended December 31, 2024 $
Compensation	1,749	1,758
Post employment benefits - increase in liability	38	38
Employer pension plan contributions	291	327
Total compensation paid to key management personnel	2,078	2,123

The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel, which consists of the members of the Governance Council, the President, Vice-presidents and Directors.

20. Fair value measurement

The Commission's investments categorized according to their fair value hierarchy as described in Note 2 are as follows:

	Level 1 $	Level 2 $	Level 3 $	As at December 31, 2025 $
Financial instruments measured at fair value:				
Equities	244,511	1,444	-	245,955
Indexed bond funds	-	196,633	79	196,712
Private debt	1,069	41,672	28,359	71,100
Real estate	5	49,009	-	49,014
Mortgages	-	-	-	-
Infrastructure funds	-	-	27,362	27,362
Total	245,585	288,758	55,800	590,143

Level 3	2025 $	2024 $
Fair Value, beginning of year	55,844	19,261
Purchases	2,649	33,690
Settlements	-	(12)
Unrealized Gains(Losses)	(2,693)	2,905
	55,800	55,844

20. Fair value measurement (continued)

	Level 1 $	Level 2 $	Level 3 $	As at December 31, 2024 $
Financial instruments measured at fair value:				
Equities	197,515	1,199	28	198,742
Indexed bond funds	122	196,928	-	197,050
Private debt	1,341	39,747	30,228	71,316
Real Estate	5	49,605	-	49,610
Mortgages	-	13,112	-	13,112
Infrastructure funds	-	-	25,588	25,588
Total	198,983	300,591	55,844	555,418

Mortgages are valued based on inputs from a non-active but well-defined market for similar assets. Verifiable discount rates and spreads are utilized that are reflective of the underlying mortgage asset quality.

Pooled fund units are valued at their year-end net asset value, as determined by the fund manager or administrator. For equity and fixed income pooled funds, these values represent the Commission's proportionate share of underlying net assets at fair values determined using either quoted market prices or year-end closing market prices or the average of the latest bid/ask prices based on available public quotations from recognized dealers in such securities. Bonds are valued using the PCBonds TMX Group pricing system. Real estate is valued by comparing the property values to other completed transactions or listings in the market and performing a discounted cash flow analysis based on market rents and comparable discount rates.

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