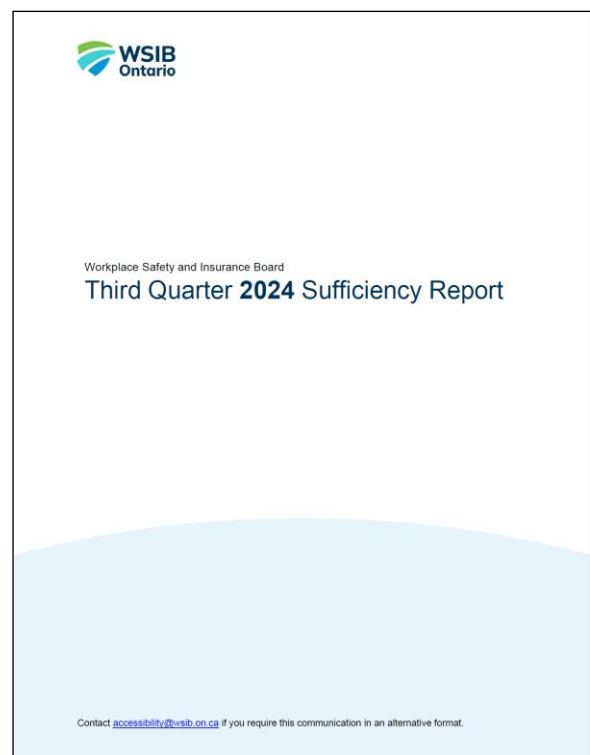
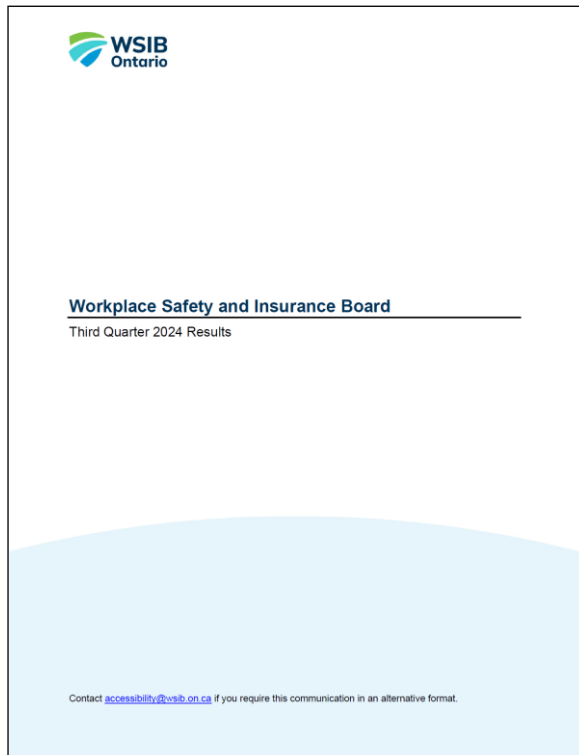


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**LAL Report re WSIB 2024 Q3 financial  
and sufficiency reports**

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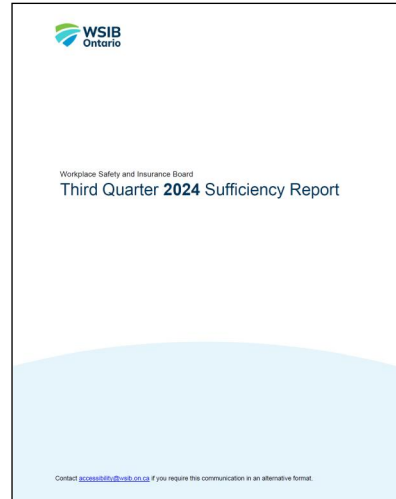


**Prepared December 16, 2024**

## LAL Report re WSIB 2024 Q3 financial and sufficiency reports

**A. 2024 Q3 Sufficiency Summary**

1. At the time of this writing (December 16, 2024), 2024 Q3 summary information has not yet been posted to the WSIB website.
2. The following information is excerpted from the detailed 2024 Q3 Sufficiency Report and the detailed 2024 Q3 Financial Results Report.
3. Both reports are produced by the WSIB but are no longer available on the WSIB website. See the series of **The Liversidge Letter** [October 8, 2024](#), [October 15, 2024](#), [October 25, 2024](#), and [December 4, 2024](#) addressing this issue. From the WSIB 2024 Q3 Sufficiency Report, p. 2:



Workplace Safety and Insurance Board			
Third Quarter <b>2024</b> Sufficiency Report			
Sufficiency Ratio Statement September 30, 2024 (millions of Canadian dollars)			
Sufficiency Ratio Statement			
	Note(s)	September 30 2024	December 31 2023
Total assets under IFRS	1,2	41,303	38,164
Add: Asset adjustments	2,3	116	1,846
Less: Sufficiency Ratio non-controlling interests	3	(274)	(294)
Sufficiency Ratio assets		41,145	39,716
Total liabilities under IFRS	1,2	33,773	33,050
Less: Liability adjustments	2,4	(430)	(637)
Sufficiency Ratio liabilities		33,343	32,413
<b>Sufficiency Ratio (assets divided by liabilities)</b>		<b>123.4%</b>	<b>122.5%</b>

**B. Observations**

1. The total assets on an IFRS basis (International Financial Reporting Standards or cash or wind-up basis), grew a massive \$3.139 billion (+8.2%) during the three-quarters of 2024 from \$38.164 billion to \$41.303 billion.

2. The total assets on a sufficiency basis (unexpected gains and losses amortized over a rolling five-year period, also referred to as a “going concern” basis), grew \$1.430 billion from \$39.716 billion to \$41.145 billion (+3.6%).
3. The gap between the IFRS method and the sufficiency method has narrowed significantly. As at Q3 2024, the funding surplus on a sufficiency basis is \$7.8 billion and on an IFRS basis \$7.5 billion.
4. This means that past unexpected gains and losses (for example (\$2.2) billion in unexpected losses in 2022), have effectively been absorbed by the large recent growth in WSIB assets.
5. Contrasted with the [WSIB 2022 Annual Report](#), on an IFRS basis WSIB assets have appreciated from \$36.351 billion as at December 31, 2022 to \$41.303 as at Q3 2024, an increase of \$4.952 billion, or 13.6%.
6. On an IFRS basis, WSIB liabilities have grown from \$32.728 billion as at December 31, 2022 to \$33.773 billion Q3 2024, an increase of \$1.045 billion, or 3.2%.
7. At first blush, with assets growing 13.6% and liabilities growing only 3.2% over a 21-month period this may seem to be a very positive performance indicator. However, as WSIB liability performance is disconnected from WSIB asset performance, growth in liabilities of \$1.045 billion from Q4 2022 to Q3 2024, with \$0.93 billion of that growth being in the first nine months of 2024, warrants ongoing observance over the next few years.
8. The good news is that the rapid appreciation of WSIB assets now means that the IFRS method and the sufficiency basis method reach almost the same result, affirming the policy integrity of the sufficiency basis method, allowed commencing in 2014 through an amendment to [O. Reg. 141/12](#) (likely requested by then WSIB CEO David Marshall for what has proven to be solid policy reasons; for 2013 the funding ratio was determined only by the IFRS method). In a future issue of **The Liversidge Letter** I will provide a detailed explanation and history of the sufficiency basis calculation.

**C. The bottom line**

1. While a \$2.0 billion funding surplus distribution to Ontario employers is welcomed, the WSIB could have easily increased the surplus distribution beyond \$2.0 billion with no adverse consequences to WSIB funding or funding targets.

**L.A. Liversidge**  
**December 16, 2024**