



2020

Condensed

Annual Report

SOCIAL AND HEALTH INSURANCES
IMPLEMENTING BODY - SINT MAARTEN (SZV)

Print version of
Auditor's Report 21/0457C/SF
dated 17 September 2021

SOAB | We know government.

**SZV**
Social & Health Insurances

“Life throws challenges, but with patience and resilience, you can convert every challenge into a new opportunity to grow.” - Amit Ray



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FOREWORD

The financial year of 2020 was a challenging year for the Implementing Body of the Social and Health Insurances (SZV), with the impact of COVID-19 pandemic, urging operations to shift completely from a traditional approach to a new way of functioning. Facing this crisis with the spirit of reinvention, the digital transformation of SZV was accelerated whereby an agile operation had to be established to adequately adjust to the challenges brought forward by this pandemic. Uninterrupted service provision to customer, health care providers, employers and other stakeholders was the main priority for SZV throughout 2020.

SZV had to reassess assumptions, re-evaluate scenarios and strengthen its abilities to respond quickly and efficiently adjusting to all challenges on its paths. Our team of professionals, tirelessly worked on the revamping of SZV's operations (procedures and processes) to be able to optimally support business continuity through this crisis and beyond. Their efforts will be elaborated on in the explanatory notes of this Annual Report.

SZV was forced to reimagine its digital strategies to capture new opportunities and digital customer segments. By taking decisive and swift actions, quickly moving to a remote operating workforce, protecting and empowering employees, SZV was able to continue to serve customers and stakeholders efficiently during this crisis.

In 2020, SZV worked in close collaboration with the government of Sint Maarten on a variety of projects that improve the wellbeing of the citizens of the island. The execution of the business payroll support program is worth mentioning here, as well as frequent interactions with the Ministry of VSA on diverse topics concerning the benefits and health insurance legislations that SZV executes.

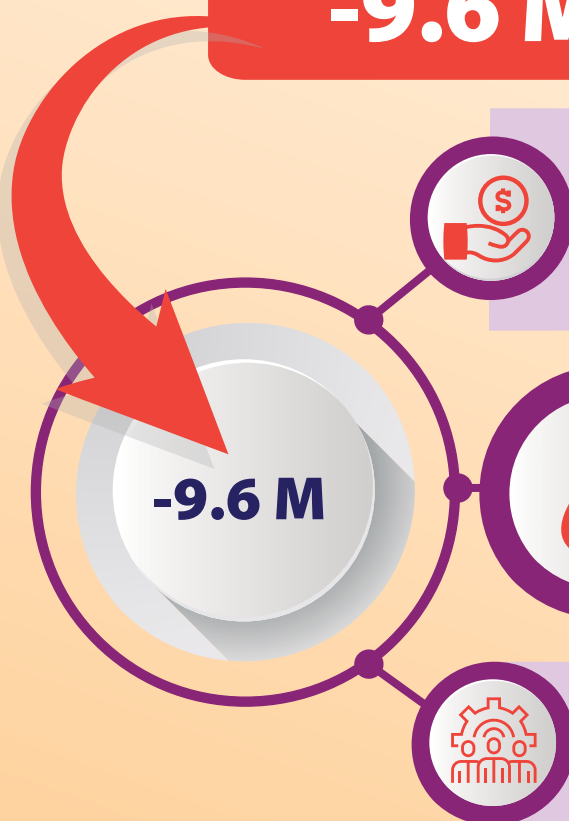
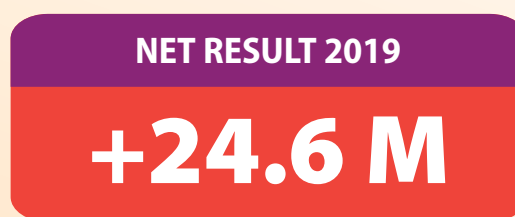
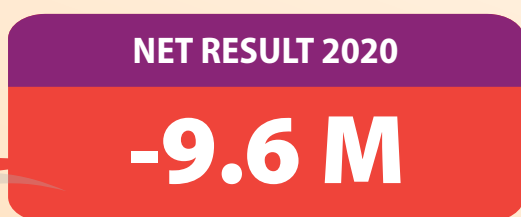
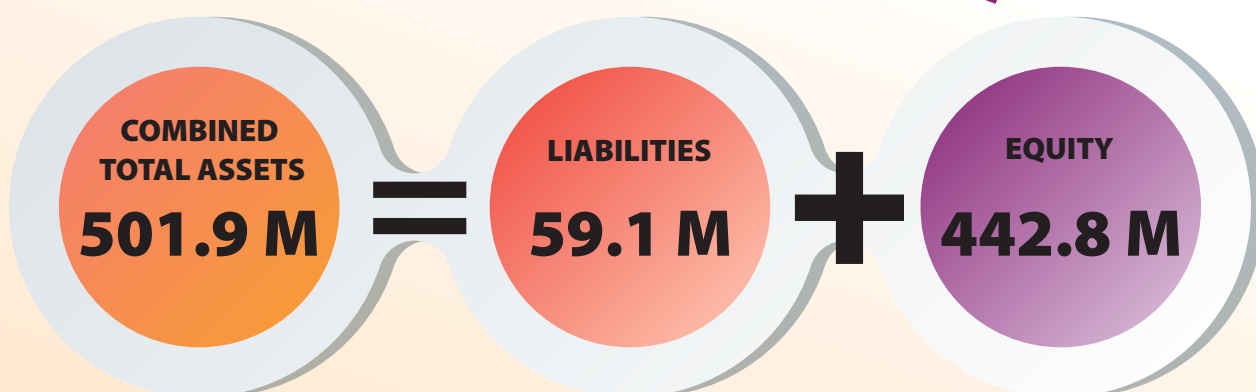
In closing, the pandemic has shown SZV how important it is to adapt agile ways to outmaneuver uncertainty and rise to the occasion in keeping its services to customers and stakeholders operational.

On behalf of Management,
Philipsburg, Sint Maarten,
July 05, 2021

Glen A. Carty,
Director of SZV

2020 ANNUAL REPORT

QUICKVIEW



- * PREMIUM INCOME DECLINED BY 37.4M
- * DECREASED ECONOMIC ACTIVITY DUE TO COVID-19 [NECESSARY LOCAL AND INTERNATIONAL SAFETY MEASURES AND TRAVEL RESTRICTIONS ADVERSELY IMPACTED TOURISM INDUSTRY]
- * POSITIVE INVESTMENT GROWTH, HOWEVER, INVESTMENT RESULTS 7.7M LOWER IN 2020 COMPARED TO 2019

- * PENSION LEGISLATION CHANGES; INDEXATION OF +11.1% RESULTED IN 4.2M INCREASED BENEFITS IN AOV/AWW FUNDS
- * DECREASE OF 11.7M IN MEDICAL REFERRAL EXPENSES (PRIMARILY DUE TO TRAVEL RESTRICTIONS)
- * INCREASE IN LOCAL MEDICAL SPECIALISMS
- * THE HEALTHCARE FUNDS (ZV/OV/FZOG) HAVE NEGATIVE NET RESULTS TOTTALLING -49.6M IN 2020 AND A TOTAL RESERVE OF -290.5M AS OF DECEMBER 31, 2020

- * ASSISTANCE RENDERED WITH THE EXECUTION OF THE BUSINESS PAYROLL SUPPORT PROGRAM (SSRP)
- * DECREASED AUDIT SERVICE EXPENSES
- * INCREASED DIGITIZED SERVICES

M = Figures mentioned in million NAF guilders.

Premium collection

- Further cooperation of Tax Office with ATS to be able to audit AOV/AWW and AVBZ.
- Enhanced data analytics to predict business premium payment behavior.
- Increased cooperation with Economic department and CoCi.
- Implement new levy and collection system in the coming years.

Cost containment benefits

- Automating the whole health care sector (E-health) and enhancing data analytics to improve quality and compliance.
- Further streamlining of Medical Referral process and by organizing a bid.
- Implementing the price control on pharmaceuticals.
- Improve control of AOV benefits through cooperation with the Tax Office
- Performing of elderly survey.

Sustainable solutions

- Cooperation with Ministry of VSA regarding implementation of possible Health Care Reform.
- Sending in proposals to the Ministry for changes in the current legislation deficiencies.
- Automation of SZV processes and communication channels with customers in order to reduce operational cost.
- Enhance customer experience.

OUR FOUNDATION



Deliver efficient, effective services in carrying out the social, pension and health insurances in accordance with the law.



Maintain a healthy financial position, including solvency of funds, through transparent reporting of earnings and expenditures.



Utilize the knowledge of our team's experts to provide optimal advice on issues affecting our stakeholders.



Communicate responsibly and transparently, and continue to build strong relationships with our staff, customers and stakeholders.



Conduct customer-based needs assessments and address concerns promptly and innovatively to maintain a high-level of customer satisfaction with our health care, pension and social security systems.



Collaborate with government institutions to ensure that the people of St. Maarten are afforded optimal social, pension and health insurances.

Regulation & Services

The Social and Health Insurances Implementing Body of Sint Maarten (SZV or USZV, used interchangeably) is an independent administrative body that was established on October 10, 2010, and is charged with the implementation of a number of social insurances established by national ordinance AB2010, GT no.59. The following regulations & services are executed by SZV:

ZV

National Ordinance:

Sickness Insurance (ZV), Previously P.B. 1966 no. 15, now AB 2013, GT no. 802

OV

National Ordinance:

Accident Insurance (OV), Previously P.B. 1966 no. 4, now AB 2013, GT no. 801

The Sickness and the Accident funds provide a contribution to the insured for coverage of medical treatments, nursing, disability due to illness, and employees or their survivors who are affected by a company accident.

The premium percentage for the ZV fund is 8.3% for the employers, while the contribution for the employees is 4.2%. For the OV fund, the premium is dependent on the risk class in which the employer is grouped. The premium percentage varies from 0.5% to 5.0%.

FZOG

National Ordinance:

Medical Expenses Fund for Government Retirees (FZOG), Previously P.B. 1975 no. 249, now AB 2013, GT no. 644

The retired government civil servants, their equivalent and their family members are insured for the costs of medical care through the Medical Expenses Fund for Government Retirees (FZOG).

AVBZ

National Ordinance:

For General Insurance for Exceptional Medical Expenses (AVBZ), Previously P.B. 1996 no. 211, now AB 2013, GT no. 613

General Insurance for Exceptional Medical Expenses (AVBZ) covers the costs of treatment, nursing and care of individuals who are chronically ill (i.e. an individual who can no longer function independently in society and requires full assistance). The AVBZ premium has been set at 2% (1.5% for the employee and 0.5% for the employer).

AOV

National Ordinance:

General Old-Age Insurance (AOV), Previously P.B. 1960 no. 83, now AB 2013, GT no. 520

The Old-Age Fund pays a retirement pension that takes effect upon reaching the age of 62 years. The premium percentage for the AOV is 13%, of which 7% is borne by the employer and 6% by the employee.

Note: As per July 01, 2020, there was a pension regulation amendment, that included a pension age increase from 62 years to 65 years.

AWW

National Ordinance:

Widow/ Widower's and Orphans Insurance (AWW), Previously P.B. 1965 no. 194, now AB 2013, GT no. 522

The Widow/Widowers and Orphans Fund pays a pension to the widow/widower as long as she/he has not yet reached the age of 62 years, and to the surviving children until they have reached the age of 15 years (or until the age of 25 years for children engaged in a study program and/or mentally disabled children). The premium percentage for the AWW is 1%, of which 0.5% is borne by the employee and the other 0.5% by the employer.

Note: As per July 01, 2020, there was a pension regulation amendment, that included a pension age increase from 62 years to 65 years.

CESS

National Ordinance:

(CESS), Previously P.B. 1983 no. 85, now AB 2013, GT no. 529

Cessantia includes a monetary one-time payment, which the employer must pay to its employee upon termination of the employment contract of that employee, not due to a fault of the employee. This payment is based on the number of years of service of the employee. Employers must deposit Naf 40.00 per employee in the Cessantia Fund, annually.

OTHER

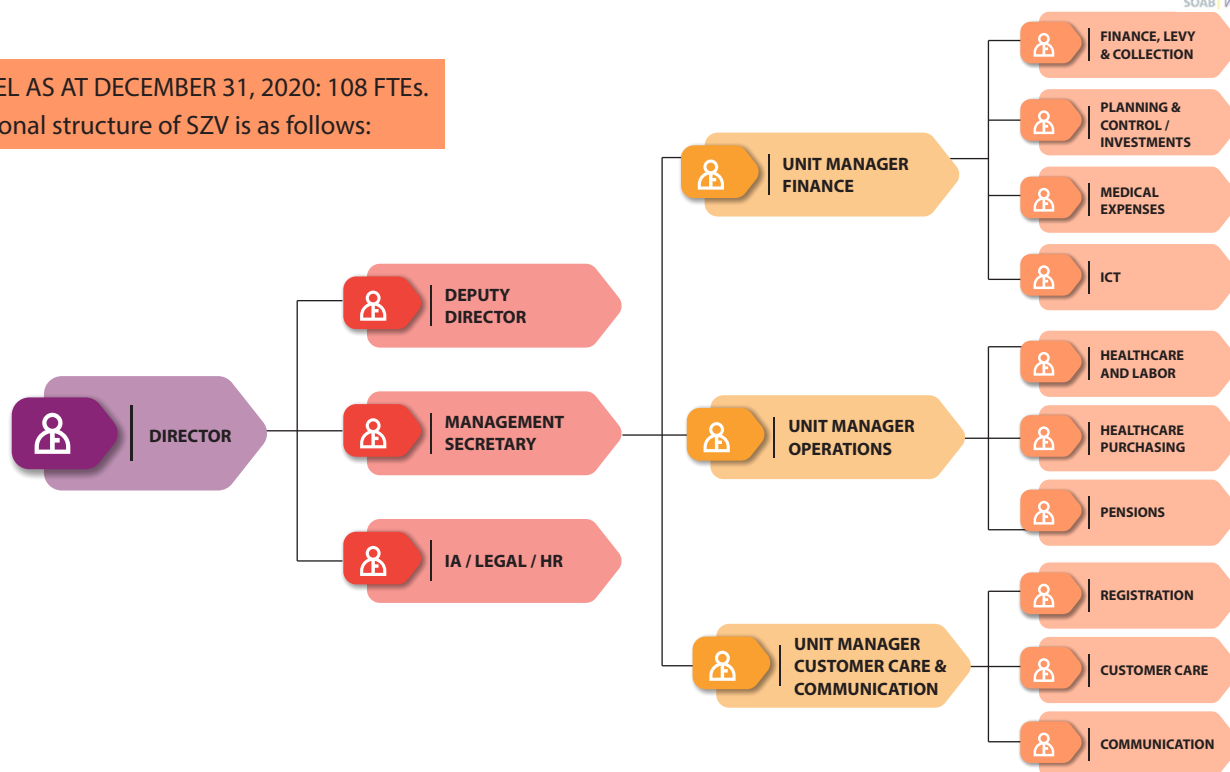
SZV provides administration of medical expenses for civil servants, employees of the Court of Justice, and, PP-cardholders.

The organization is charged with other activities on behalf of the country of Sint Maarten, specifically the administration of the medical expenses (Government Medical Expenses Regulation), and acting as a controlling medical advisor.

ORGANIZATIONAL STRUCTURE

STAFFING LEVEL AS AT DECEMBER 31, 2020: 108 FTEs.

The organizational structure of SZV is as follows:



EXECUTIVE TEAM

The Director of SZV is responsible and accountable to the Minister of Public Health, Social Development and Labor (VSA) for the overall management of the organization. The Director, alongside the other members of the Executive Team of SZV, oversees the daily management of operations in order to ensure optimal service to stakeholders.

Note: Within SZV, the Directorate, consisted of the Director and the CFO. The Directorate has since been replaced by the Executive Team.

Executive Team	Function	From	Until
Mr. G. Carty	Director	December 1, 2014	Present
Mr. E. Felisie	CFO	September 15, 2014	Present
Mr. R. Willemsberg	COO	May 1, 2018	Present
Mrs. P. Boertje	CCO	March 1, 2016	Present

THE SUPERVISORY COUNCIL

Supervision of the management of the funds and property of SZV and general affairs is commissioned to the Supervisory Council (SC). The members of the Supervisory Council are nominated by the Supervisory Council. However, they are officially appointed, suspended and dismissed through a national decree of the Minister of Public Health, Social Development and Labor (VSA). The members are appointed for a period of three years. The Supervisory Council is composed of up to seven members, comprising members appointed from the employee circles, employer circles, and other societal circles than those of the employers and employees.

The table [right] illustrates the composition of the Supervisory Council during 2020.

Supervisory Council	Function	Board Term (Start date)	Board Term (End date)
Mr. D. D. Williams	Chairman	December 28, 2017	December 27, 2020
Mrs C. M. Henderson -Marica	Vice Chair	February 9, 2017	February 8, 2020
Mr. B. Deher	Member	February 9, 2017	February 8, 2020
Mr. W. R. Johnson	Member	December 28, 2017	December 27, 2020

According to the National Ordinance article 15, sub 4: The SC meets at least once per quarter, and furthermore, as often as the chairman or members of the SC or the Executive Council deem such desirable. For 2020, the SC met on eight occasions, including meetings with Minister VSA.

DEVELOPMENTS

The year 2020 brought structural changes in how the activities and processes of the organization were executed. When the COVID-19 pandemic surfaced in Sint Maarten, there was a lock-down implemented by the Government to curb the spread of this virus within the local community. The aforementioned, along with ensuring the safety of all stakeholders, resulted in re-visiting how the services are provided.



IMPORTANT DEVELOPMENTS (DIGITALIZATION)

SZV was able to implement the online insurance status system for health care providers, Hecina. Health care providers can now see the insurance status of their client in real time. This feature is available for all insurance types that SZV manages and executes. In addition, general practitioners are now able to see their ZV members and their quarterly membership fee in their provider portal.

Information exchange with stakeholders was also improved with the implementation of online communication for the department of Social Services and Immigration & Border Patrol. Preparations were made for improved communication with the Labor department which is scheduled to be operational in 2021 Q1.

Furthermore, Registration initiated and concluded several data clean ups, resulting in cleaner insured data, the insurance types and the entitlements.

A dedicated COVID-19 web page was launched with an overview of all relevant adjusted procedures, contact options and supporting online resources.

To promote this, an extensive public relations and social media campaign was executed. These campaigns included the new online procedure for reporting for sick-leave control,

access to health care with expired medical insurance cards, digital authorizations for prescription medication and medical aids, medical referrals abroad status, access to pension benefits, new online only employer services via the employer portal, including the registration of employees, adjusted employer compliance deadlines, the launch of the new insured portal – MySZV and the transition to cardless for segmented insured groups.

The Customer Experience department of SZV, continued its efforts in achieving goals and objectives with the following developments:

As a measure to support the effects of the pandemic, the department reached out and strengthened its relationship with a variety of stakeholders, relevant associations and groups on Sint Maarten.

The Customer Experience department played a crucial role in the execution of the SSRP project by providing important communication exchange with the business community, in particular, the accounting sector.

The department worked with the Registration department on a project whereby companies were provided with renewals of their employees' medical insurance cards.

The further development of the Employer Portal was implemented together with the Registration and Finance departments throughout 2020 into 2021.

The department provided assistance and support to all the departments within the Customer Care unit and is the units' contact point for all major changes in our service delivery.

Furthermore, during the first quarter of 2020, the Levy and Collection department worked towards having all employers registered on the Employer Portal. As a result, the total amount of employers on the Employer Portal has increased from 30% at the end of 2019 to 60% at the end of April 2020. The main trigger for this increase was due to the application conditions for the Payroll Support through the Sint Maarten Stimulus Relief Plan (SSRP). Subsequently, the department took the opportunity to enforce the online submission of the ZV/OV monthly declarations.

In order to promote the Employer Portal, the department initiated a very intense working relationship between the Communication and Customer Care Department in June 2020. Communication campaigns and webinars were held to emphasize the internal and external advantages of using the

Employer Portal; such as easy accessibility and communication. The department's efforts, along with the campaigns and webinars, contributed to an increase in registered employers, as well as, their acceptance of the Employer Portal being the main channel of communication with SZV.

At the end of 2020, SZV had 80% of the total registered employers for ZV/OV insurance on the Employer Portal.

Different departmental work procedures that are expected to increase efficiency and transparency in the financial, levy, and collection sections, have also been reviewed, digitalized, implemented, and under development in some cases. Some examples include data analysis of employer's compliance through the use of dashboards, and digitalization of collection policies to stimulate timely collection measures to be taken.

ICT ACTIVITIES

The ICT department continues to facilitate and support the organization on its digital transformation journey.

The increased use of Microsoft tools and technologies, company-wide, afforded us the following benefits:

- Reduction in manual paper-based processes, thereby reducing operational cost while increasing the effectiveness of newly implemented digital/electronic processes. With an electronic file view, we gain better

insight of our customers.

- The phased implementation of Microsoft SharePoint document management/digital filing technology aides in improving the collaboration and data sharing amongst internal departments.
- We are able to streamline business communication by the use of Microsoft Teams; reducing the cost of communication budget.
- Using Microsoft Dynamics 365, the Employers' registration process is electronically verified, reviewed and approved. This is a work in progress as we continue to improve the process.
- The migration to Microsoft cloud platforms has given the organization an improved disaster recovery stance and improved our infrastructure security to best support the remote working of our employees.
- The implementation of Microsoft Talent automates the Employee Leave request process which enables employees and managers better insight into the staff coverage and workload of a department. The automation of the Employee Performance Management is slated to rollout by the end of the 1st quarter 2021. This is another efficiency measurement of our internal processes.
- Microsoft PowerApp is being used to automate the internal advice process which will also reduce paper cost and improve the routing and approval of this process.



OTHER BUSINESS HIGHLIGHTS

SECRETARIAT OF DIRECTORATE AND LEGAL MATTERS

The Directorate participated in a number of virtual meetings with stakeholders, visiting international representatives and customers, amongst others, the Ministry of Public Health, Social Development & Labor, Department of Public Health, VWS, World Bank, IMF, CFT, SOAB, Chamber of Commerce and Sint Maarten Medical Center.

The tasks of the Secretariat include: assisting and advising the Directorate before, during and after meetings; ensuring proper follow-up of the decisions taken by the Directorate and implementation of the policies and management priorities of the Directorate, and, acting as the liaison between the Directorate and the Supervisory Council of SZV.

During 2020, the following overview depicts items handled by the Directorate and channeled through the Secretariat.

ITEM	FREQUENCY
Directorate Meetings	24
Management Team Meetings	38
Supervisory Council Meetings	3
Ombudsman complaints	6
Other Customer complaints	12
Care provider contracts (signed)	27
Draft Advice (Internal)	63 (55 approved)

LEGAL AFFAIRS

Legal Affairs is responsible for providing legal advice on a diverse range of substantive and procedural questions of the law, arising from the administrative functioning of SZV as well as ensuring that official objections and/or appeals, as mentioned in the National Ordinance Administrative Procedure, are properly dealt with by SZV.

Based on registrations done on SharePoint, the Legal Affairs department registered 50 objections and appeal cases. Most objections are lodged against decisions taken by SZV which were handled by the respective departments (i.e. Medical Referrals, Registration, Medical Expenses, Financial

Administration Levy & Collection, etc.) A total of 13 decision letters were sent out in 2020 and a total of 17 court cases were filed against SZV of which 7 were won, 7 were lost, and 3 cases are still ongoing ('hoger beroep').

EMPLOYEE DEVELOPMENTS & FACILITIES

SZV's main focus is ensuring the safety of SZV staff. This was emphasized during the pandemic as the HR & Facilities departments ensured a safe work environment and established a manner in which staff could work from home. A specific workgroup was created to handle this process. Working-From-Home guidelines were established.

Moreover, HR along with the ICT department embarked on the journey of implementing Performance Management (HR Cycle) in Talent. This included the Business Process Blueprint, Quick Specs of Design, Security Configuration, Demo Training, and creating the User Manuals.

Primary activities planned for 2020 were as follows:



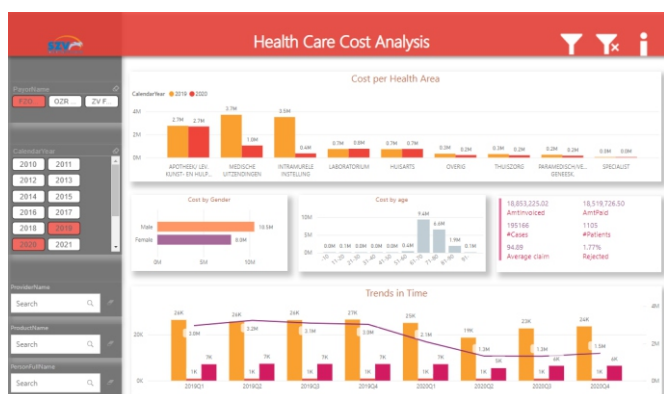
Finally, due to financial constraints, one of the cost-cutting measures that were organized by the HR & Facilities departments was the re-location of the ATS and CID offices to a more cost-efficient location.

STRATEGIC REPORTING & MONITORING

The Reporting, Planning and Control department is responsible for the coordination and execution of the annual audit for the organization. In addition, they also provide financial and administrative support to the other departments within SZV. The tasks of the department include the preparation of the annual budget and monitoring of the organization's expenses to ensure that they stay within budget parameters.

Development of dashboards allows the department to provide more effective and efficient support services within the organization. This facilitates stakeholders' access to relevant (and all-inclusive) information in an expedient manner.

Following is an example of an SZV Health Care Cost Analysis dashboard:



CONTROL & INSPECTION (COMPLIANCE)

Most of the inspections and investigations carried out during 2020 were based on requests from other departments. The number of inspections and investigations decreased considerably compared to previous years due to the COVID-19 pandemic and the related consequences.

- 1 Inspections and investigations based on request of other departments;
- 2 Inspections based on internal risk analysis;
- 3 Inspections based on external complaints;
- 4 Retrieval of insurance cards from persons that did not have rights to the insurance cards.

WAGE AUDITS

Throughout 2020, wage audits were carried out by the SZV Wage Auditor, SBAB and ATS. The number of audits carried out in 2020 decreased significantly due to the COVID-19 pandemic. The Wage Auditor of the department also assisted with the preparation, coordination, execution and finalization of the wage audits. This included dealing with assessments, protest letters and appeals.

At the end of 2020, Control & Inspection including the Wage Auditor, was transferred from under Internal Audit & Compliance and (temporarily) placed under ATS.

INTERNAL AUDIT & COMPLIANCE

INTERNAL AUDIT

A risk based Internal Audit plan was established during the year. Part of the assignments in the plan were based on the coordination with the external auditor and risks related to the financial statements while other assignments were based on identified risks associated with possible inefficiencies and/or irregularities. Due to the COVID-19 pandemic and the related consequences, new priorities were set. As a result, Internal Audit could not execute several planned audits. However, Internal Audit did execute certain unplanned audits in 2020.



MEDICAL EXPENSES & DECLARATIONS

Highlights of the Medical Expense & Declaration included the final move from the legacy claims processing system (ZORG) to the new claims processing system (HECINA), the processing of 'simple' payment requests in the HECINA program for payments that do not require processing claim lines, and the implementation of more security processes within the program for the improvement of efficacy and transparency.



As we continue to aim for increasing automated controls, the department recognizes the shift that they are making into analytics. As a result of processing all payment requests and claims in the new claims program: HECINA, Medical Expenses, and by extension SZV, now have a more broadened view of the digitized data. The analyzing of such data strengthens the decision-making process for the buying in of needed care services and making the necessary changes to realize cost containment.

ME continues with the implementation of vital tools for declaration content analytics; allowing a more proactive approach in providing medical cost trends.

MEDICAL REFERRALS

In 2020, medical referrals abroad were impacted severely by the preventative measures taken to reduce the exposure to the COVID-19 pandemic. As of March 13, 2020, Sint Maarten, as did many countries globally, closed its borders. This resulted in passenger flight capacity being reduced to only air ambulance or charter flights to transport the insured persons that needed emergency or urgent medical care abroad.

Consequently, the number of referrals decreased by 74% in 2020 (455) compared to 2019 (1,723) (see following table).

Referrals per country 2017 -2020				
Country	2017	2018	2019	2020
Aruba	37	10	2	-
Colombia	541	830	887	193
Curaçao	549	545	235	145
Dominican Republic	847	1089	445	50
Guadeloupe	23	-	-	-
Martinique	6	-	-	-
Netherlands	29	35	27	21
Puerto Rico	15	22	13	6
Panama	-	-	-	39
Sint Martin (French)	3,595	2,484	114	1
Total	5,642	5,015	1,723	455

As reported in the 2019 financial statements, the medical referrals rules were adjusted to exclude GP's from referring abroad. With this measure, GP's are only allowed to refer to specialists at the SMMC. The specialist at the SMMC will then assess if they can provide the medical treatment locally and if not, only then can they refer abroad. This measure, combined with the COVID-19 impact, and by the availability of more specialism at the SMMC, has resulted in a decrease of medical referrals abroad.

Further analysis shows the top ten specialisms patients were referred to. [See table below]. As can be seen from the number of referrals, patients with co-morbidity are the highest every year. Co-morbidity is the presence of one or more additional conditions often co-occurring with a primary condition. Adjustments will be made in the registration system to be able to define this group better for reporting purposes.

Top 10 SPECIALISMS referred to				
Specialism	2017	2018	2019	2020
Co-morbidity	581	849	937	235
Radiology	48	76	93	30
Ophthalmology	188	202	69	16
Maxillofacial surgeon	-	44	36	15
Neurology	197	343	112	9
Cardiologist	83	67	52	9
Orthopedics	313	484	136	7
Neurosurgery	269	239	103	7
Surgeon	95	85	27	2
Pediatrician	50	32	26	2
Total	1,824	2,421	1,591	332

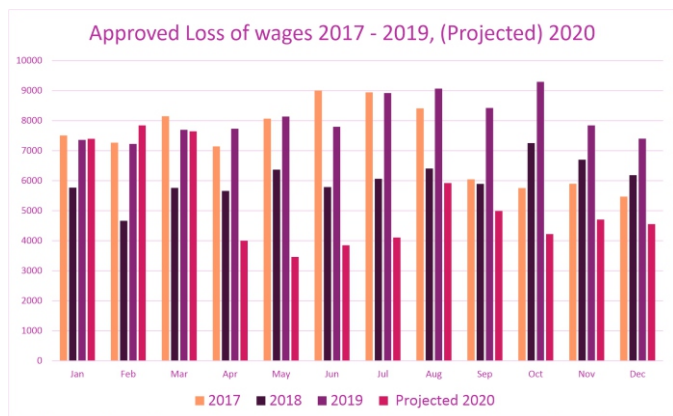
CARE PROCUREMENT

Together with external consultancy, the Care Procurement department was able to push through and realized ongoing projects such as the RxPro for pharmacies, pilot for GP information system OmniHis, and the preferred pharmaceutical supplier.

As a follow-up to negotiations that started in 2019, SZV, together with the SVB Curaçao, AZV Aruba, Transcaring Netherlands and Erasmus MC, a draft agreement was made for future treatment of Sint Maarten patients at the Erasmus Medical Center. The expectation is that the contract will be signed by all parties in the first quarter of 2021. The objective of this agreement is in regards to the joint procurement of medical services from Erasmus at more favorable tariffs.

LOSS OF WAGES

In the following graph, you can see the development of approved days for Loss of Wages over time. As can be discerned in the graph, 2019 surpassed the levels of 2017 before hurricane Irma. For 2020, a decline is expected because of the lock down, due to the COVID-19 pandemic, and consequentially, less employed persons. As such, employees could not be unfit for work because of not having a job.



In the following table, the loss of wages amounted to approximately ANG 8.3 million for 2019, 31% more than 2018, and, 17% more than 2017. This development is of great concern and steps have been taken to manage the loss of wages approval better. Due to the loss of wages backlog for 2020, a projection was made for the loss of wages for 2020 which would amount to approximately ANG 5.3 million. This decrease is expected because of the COVID-19 pandemic effect on employment.

Loss of Wages 2016 - 2020					
	2016	2017	2018	2019	Proj. 2020
Total per year*	6,563,958	7,093,439	6,344,472	8,315,708	5,381,403
Average per month	546,996	591,120	528,706	692,976	448,450
Days approved	82,441	87,675	72,534	96,914	62,713
Average per day	79.62	80.91	87.47	85.81	85.81

*Note: the 'Total per year' data in the table may differ somewhat from the actual amounts reflected in our financial statement, as a result of a shift in the Loss of Wages reporting period (i.e. retroactive calculations in a future period).

AVBZ

The task of the Indication Committee (IC) is to assess applications from insured parties submitted by USZV and to issue advice to USZV on whether there is a need for the allocation of a care application. In 2020, a new replacement for the IC chair was appointed, namely, Dr. A. Swanston. With this development as well as the below mentioned members, the IC was fully staffed in 2020.

Function	Member	Replacement Member
Chair	Dr. T. Bell	Dr. A. Swanston
Member	B. Weewee	H. Bell-Gullin
Member	E. Baptiste-Boasman	E. van Arneman

In 2020, the Indication Committee (IC) handled 265 requests for services and/or products which was 48 more than in 2019 (see table below). Of the 265 requests, the IC approved 260. The requests entailed a total of 169 persons which is an increase of 17 in comparison to the previous year [2019: 152 persons]. Transportation (non-ambulance) has been added as a new product/service in 2020.

Care category	2018	2019	2020
Professional assistance*	93	37	81
Medical Aid	66	30	12
Hearing Aids	29	20	8
Elderly home	23	12	20
Nursing Care Home	14	13	9
SBC	6	2	4
District nursing	4	31	63
Transportation (Non-ambulance)	0	0	3
Home adjustments	1	13	6
Prosthetics	0	26	13
Guided living	0	1	0
PGD (Psychogeriatric Day Care)	0	7	10
MHF	0	5	31
Total	236	197	260

*Professional assistance = Physical Therapy, Occupational Therapy, Speech therapy, Psychological/Psychiatric Therapy.

OTHER (FZOG)

Based on Article 8 of the "Landsverordening Regeling Tegemoetkoming Ziektekosten Overheidsgepensioneerden" (AB 2013, GT no.644) which states that FZOG insured persons are entitled to 90% of the medical healthcare expenses incurred. Moreover, insured persons treated abroad are only entitled to 75% of the accommodation expenses. Currently, these expenses are accounted for 100% directly to the FZOG fund. In order to comply with the applicable legislation, SZV has begun with a process to ensure that specifically 10% (or 25%) reimbursement of medical expenses are clearly segregated to be able to collect the respective amounts.

As an organization (SZV) realizes the significance of moving forward with collection measures. Based on the chances of collectability, it was determined to only go back one year from the reporting period, to 2019. The total amount anticipated as medical expense reduction in FZOG is ANG 2.5M (for 2019 & 2020).



PENSIONS & SEVERANCE PAY

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SOAB | We know government.

Key developments were realized during the current year for the AOV/AWW and Cessantia funds.

PENSION

From a legislative perspective there has been changes to the Landsverordening Algemene Ouderdomsverzekering AB 2020, no44 (National ordinance on General Old Age Pension). This change was necessary due to increased life expectancy and in order to ensure the affordability and sustainability of the AOV fund.

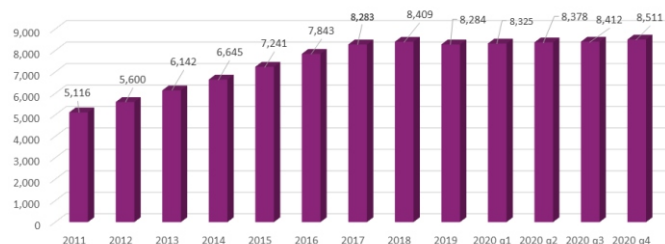
The change in the pension law came in to effect as of July 1, 2020, whereby the pension age has increased from 62 to 65 years. The application process generally occurs 6 months prior to eligibility. A total of 428 applications were received in 2020 compared to 2019 when there were 269 applications. The statistics of these applications can be seen in the graph below.

AOV applications received during 2020



The increase in pensionable age has had significant effects to the growth factor of pensioners over time. The impact of the 2 year leap between the old pension age and the new pension age (60 to 62 years) can be seen in the graph below [2018 & 2019]. Immediately after the grace period, the number of active AOV pensioners database increased by 2.7% to 8,511 as per the end of 2020, compared to 2019.

Periodic Overview of active pensioners



During 2020, the pensioners once again enjoyed an indexation on their pension payment of 0.09% in 2020 – for the first half of the year, compared to 2.71% (2019), 1.94% (2018), 0.47% (2017), and 0.85% (2016).

Furthermore, the AOV benefits from July 1, 2020, increased from ANG 1,116 to ANG 1,240 per month, an increase of 11.1%. This increase has had a significant financial impact on the AOV fund of approximately ANG 4M which has been incorporated within this annual report. Payment of the increased pension benefit has been processed in 2021.

CESSANTIA

In 2020, there were seventy-one (71) persons from one company, that were paid via the Cessantia fund for severance pay. The request of this company relates to prior years. (2013)



INVESTMENTS

ECONOMIC & GEOPOLITICAL DEVELOPMENTS

In 2020, the global economies and financial markets started strong. Shortly after, the COVID-19 pandemic struck and the economic impact was felt immediately. This was caused by a combination of events including public shock of the unexpected pandemic, the unknown nature of the virus, the misinformation, and the draconian global government lock-downs that suddenly threw the world into a simultaneous deep recession.

Congress passed a significant stimulus package to keep the economy from serious long-term damage. The U.S. stimulus package of 2020 was broad and reached most parts of the economy and population. The stimulus package and the strong condition of the U.S. economy entering the pandemic lock-down led to a record quarterly GDP growth of 33% in Q3 2020, followed by a 4% GDP growth in Q4 2020.

INTEREST RATES & CENTRAL BANK POLICY

By the end of 2019, we saw interest rates moderate with the 10-year U.S. Treasury yield around 1.92%, and roughly 40% of global sovereign debt had negative interest yields.

The immediate response to the COVID-19 pandemic and the global government elective shut-downs from the Federal Reserve Bank (FED) and other Central Banks was to go to zero interest rates. In addition to zero bound rates, the Central Banks in the developed world opened up and offered pre-existing and new Quantitative Easing (QE) programs, the most effective of which was the corporate bond buying programs to create liquidity and support bond prices, especially for the lower quality debt issues. Within a couple of weeks from the start of the pandemic, the bond markets settled down and bond prices started to rise based on zero bound interest rates.

The lower interest rates supported greater economic activity in 2021 and promotes greater risk taking to earn sufficient returns from other asset classes to compensate for the low relative yields from high-quality fixed income.

USDOLLAR

The U.S. Dollar is the reserve currency of the world. As such, the majority of goods and services globally are priced and traded in USD. In times of uncertainty, countries and people will hold USD to protect their purchasing power against devaluation.

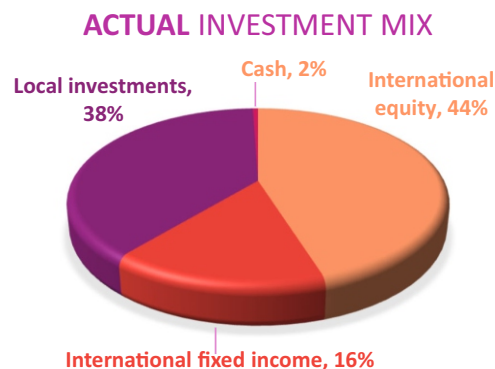
The relative value of a currency vs. other currencies is determined by three factors; 1) the relative strength of one country's GDP vs. the other's; 2) the relative interest rates in each country, with the higher interest rates making that currency more attractive; and 3) safe haven properties. During the early stages of the pandemic, the U.S. Dollar strengthened somewhat, but towards the end of 2020, the U.S. Dollar declined as investors considered the large issuance of government debt due to the stimulus packages and the expectations that a global recovery would begin in 2021.

Investment mix

The strategic asset allocation for SZV should remain within the following bandwidths. Weights may be deviated from based on tactical grounds or due to market forces.

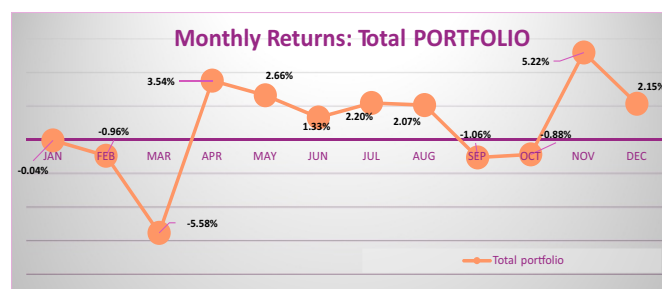
	Minimum	Neutral	Maximum
International equity	30%	40%	50%
International fixed income	15%	25%	35%
Regional fixed income	0%	5%	10%
Local investments	10%	30%	40%
Cash	0%	0%	45%

The graph below displays the actual investment mix by the end of 2020:



INVESTMENT PORTFOLIO SZV

The return of SZV's total portfolio amounts to circa ANG 38.4M for 2020. Approximately 62% of SZV's portfolio is invested internationally and 38% locally. The below visual elucidates the performance of the total portfolio over the past 12 months, displayed graphically in percentages.



FINANCIAL HIGHLIGHTS

Major developments in the combined Financial Statements are attributed to the following financial highlights:

PREMIUM

In light of the recent developments, SZV projected a major decline in its income for 2020. SZV's income, along with a significant number of other businesses locally, as well as internationally, suffered due to the impact of COVID-19.

The premium income decreased by ANG 37.4M in 2020 from ANG 225.5M to ANG 188.1M (16.6% decrease). The premium income of the majority of the funds, with the exception of the FZOG fund, were lower than 2019.

Necessary measures taken by various governments to contain the virus have affected economic activity substantially, with the most impact resulting from the crucial reduction of tourist visiting St. Maarten due to travel restrictions, straining a major source of income to the island. While this measure was meant to contain the virus, the impact on the economy and workforce was noticeable.

When comparing the employee count of December 2020 versus the same period of 2019, there is a significant decline in employees of over 4,100. This decline is due to abovementioned related economic impact, as well as, internal data cleanup as a result of improved automation processes.

The Government of St. Maarten announced the continued financial assistance measures within the community through payroll and income support [SSRP], which may have mitigated some of the economic impact of the COVID-19 outbreak

BENEFITS

The total benefits decreased by ANG 8.9M in 2020, which is a 4.0% decline compared to prior year.

With the exception of AVBZ, the benefits in the healthcare funds declined. The social insurance funds – with emphasis on AOV&AWW – were higher in 2020 versus 2019. The largest increase of ANG 5.1M can be observed in the AOV&AWW funds combined, which was primarily due to a change in related legislation, allowing for an increase in pension benefits payouts effective July 01, 2020.

While the COVID-19 outbreak brought lower premium income, the pandemic also effectuated lower medical expenses – in particular, medical referrals. Medical referrals saw a drastic decline of ANG 11.7M in 2020. Besides the travel restrictions in connection with COVID-19, the aforementioned

decline was a result of improved medical referral rules and the availability of more medical specialists locally.

Furthermore, SZV assisted the local hospital with the purchase of an MRI machine, which is intended to further decrease the medical referral expenses in the long-term.

An overview of the medical benefits per category, is as follows:

An overview of the medical benefits per category, is as follows:

Benefits per category,	2020	2019
<i>(Amounts are in 1,000 Antillean guilders)</i>		
Medical expenses:		
Primary line care	5,457	5,379
Secondary care	47,743	45,181
Tertiary care	23,835	36,548
Facilitating care	26,029	28,761
Long-term care	18,083	17,675
Total Medical expenses	121,149	133,546

¹See note on page 21 for composition of the benefits categories.

OPERATIONS

There is an overall decrease of ANG 2.9M evident in the operating expenses, which is further clarified hereafter. A pension reform, effective July 2020, impacted the stipulations of the Algemeen Pensioenfonds St. Maarten (APS). Amongst the variety of amendments that includes pension age increase, it also allowed for a savings in future calculations of Duurtetoeslag for SZV (2020: ANG 2.5M decline in expenses), as well as a lowered employer's contribution into APS. The latter resulted in a savings of approx. ANG 0.4M in 2020.

There is a significant decrease in the professional services fees (approx. ANG 0.7M) during 2020, primarily due to decreased audit services and projects executed by ATS. A number of major audits were postponed in light of the extensive economic and financial impact on businesses in 2020.

The depreciation expenses prove to be ANG 0.8M higher in 2020, due to the various e-Health and operational software implementation and associated upgrades that are in effect. SZV continues its trajectory to expedited digital transformation, in order to provide enhanced experience to its customers and stakeholders.

SZV is reviewing several measures in an attempt to reduce its operational costs which include re-negotiation of existing contracts and revamping of business processes.

FINANCIAL HIGHLIGHTS cont.

INVESTMENTS

In 2020, the global economies and financial markets started off the year strong, however, a sharp decline was evident in early 2020, when the COVID-19 pandemic hit. It was a combination of events starting with the shock of the unknown nature of the virus, the misinformation, and the global government lock-downs that suddenly threw the world into a simultaneous deep recession. Once the first lockdowns ended, we saw a sharp economic and stock market recovery. The markets rallied to a strong, improved finale by the end of 2020, where the international investments ended in a double digit ROI.

Overall, SZV had a positive result of ANG 38.4M on its investments in 2020; this is a decline of 16.7% when compared to 2019. The international investments account for 89% of the positive results as they were ANG 34.3M. As it pertains to the local investment portfolio, the first drawdown in connection with the New General Hospital St. Maarten project took place in 2020. On the other hand, given the strain on financial resources in a COVID-19 era, a two-month moratorium was granted to the government in connection with its lease obligation of the New Government building; the latter was repaid shortly after.

BALANCE SHEET

The Government of Sint Maarten owes SZV ANG 73.0M, which consists of the following:

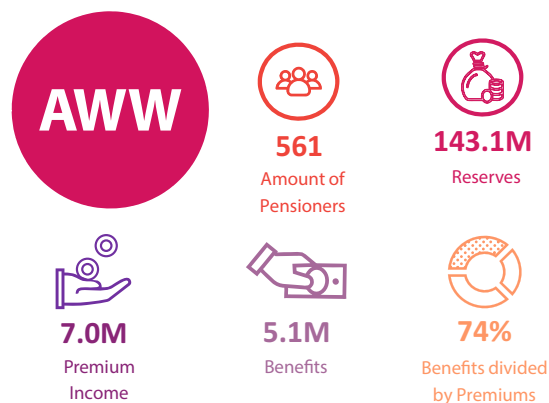
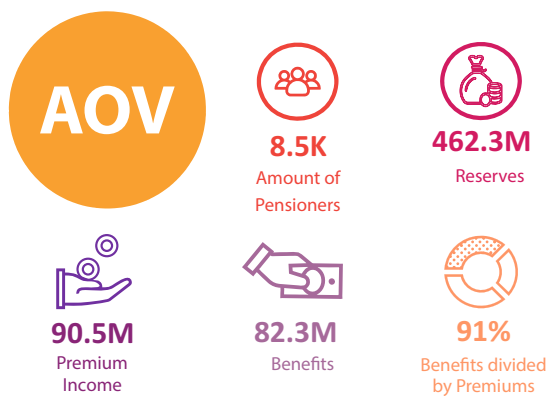
- the division of assets after 10-10-10;
- the legal obligation of the Government to contribute to specific funds;
- services provided to the Government;
- pre-financing of (medical) expenses of civil servants (OZR); only the portion listed via the current accounts of the funds. The complete OZR administration is a separate service, not inclusive in this Combined annual report.

As an initial step, in August 2019, SZV signed a letter of intent with the Government of Sint Maarten regarding the amount of the outstanding Government debt. Discussions regarding a payment plan of the outstanding debt are ongoing between parties. Re-payment of the respective debt will further optimize SZV's investment return



KEY FIGURES PER FUND

Print version of Auditor's Report 21/0457C/SF dated 17 September 2021
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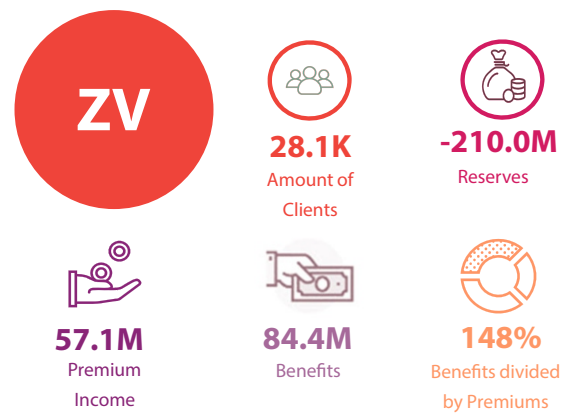


KEY FIGURES - AOV

	FY20	FY19	FY18	FY17
Premium	90.5M	108.0M	95.0M	105.7M
Benefits	82.3M	77.8M	76.5M	72.9M
Benefits/Premium	91%	72%	81%	69%
Number of pensioners	8.5K	8.2K	8.4K	8.3K
Average Benefit per pensioner	9.7K	9.4K	9.1K	8.8K
Reserves	462.3M	437.5M	386.1M	386.7M

KEY FIGURES - AWW

	FY20	FY19	FY18	FY17
Premium	7.0M	8.3M	7.3M	8.1M
Benefits	5.1M	4.7M	4.6M	4.9M
Benefits/Premium	74%	56%	64%	61%
Number of pensioners	561	555	539	521
Average Benefit per pensioner	9.2K	8.4K	8.6K	9.4K
Reserves	143.1M	133.7M	121.3M	121.3M



KEY FIGURES - CESSANTIA

	FY20	FY19	FY18	FY17
Premium	501.7K	578.9K	609.4K	671.3K
Benefits	193.0K	121.7K	0.0K	0.0K
Benefits/Premium	38%	21%	0%	0%
Number of beneficiaries	71	15	0	0
Average Benefit per beneficiary	2.7K	8.1K	0.0	0.0
Reserves	16.8M	15.5M	13.9M	13.7M

KEY FIGURES - ZV

	FY20	FY19	FY18	FY17
Premium	57.1M	71.8M	66.5M	66.6M
Benefits	84.4M	94.5M	97.3M	95.4M
Benefits/Premium	148%	132%	146%	143%
Number of clients	28.1K	34.1K	34.3K	34.7K
Average Benefit per client	3.0K	2.8K	2.8K	2.7K
Reserves	(210.0 M)	(171.2M)	(136.0M)	(93.3M)

KEY FIGURES PER FUND cont.

OV



122
Amount of Clients



-42.0M
Reserves



7.7M
Premium Income



12.8M
Benefits



166%
Benefits divided by Premiums

FZOG



1.2K
Amount of Clients



-38.7M
Reserves



6.4M
Premium Income



10.8M
Benefits



168%
Benefits divided by Premiums

KEY FIGURES - OV

	FY20	FY19	FY18	FY17
Premium	7.7M	9.1M	8.1M	7.7M
Benefits	12.8M	13.4M	13.4M	12.6M
Benefits/Premium	166%	147%	166%	162%
Number of clients	122	196	146	135
Average Benefit per client	104.8K	68.5K	92.1K	93.2K
Reserves	(42.0M)	(36.1M)	(31.0M)	(24.8M)

KEY FIGURES - FZOG

	FY20	FY19	FY18	FY17
Premium	6.4M	6.2M	6.3M	6.3M
Benefits	10.8M	14.5M	12.4M	11.3M
Benefits/Premium	168%	232%	197%	178%
Number of clients	1.2K	1.1K	1.1K	1.0K
Average Benefit per client	9.3K	12.7K	11.3K	10.9K
Reserves	(38.7M)	(33.6M)	(24.5M)	(16.9M)

AVBZ



375
Amount of Clients



102.8M
Reserves



18.8M
Premium Income



18.8M
Benefits



100%
Benefits divided by Premiums

KEY FIGURES - AVBZ

	FY20	FY19	FY18	FY17
Premium	18.8M	21.5M	19.2M	20.1M
Benefits	18.8M	18.4M	15.3M	9.5M
Benefits/Premium	100%	86%	80%	47%
Number of clients	375	454	373	180
Average Benefit per client	50.2K	40.5K	41.0K	52.7K
Reserves	102.8M	98.3M	90.0M	90.2M

This condensed financial overview is a summarized version of the financial statements of the Uitvoerings Orgaan Sociale en Ziektekosten Verzekering (SZV) as recorded in the SZV annual report 2020. SZV is charged with the implementation of a number of social insurances established by national ordinance AB2010, GT no 59.

The condensed financial overview includes a financial snapshot in which the combined Financial Statements of SZV and the social insurances ZV, OV, AOV, AWW, FZOG, CESS and AVBZ, established by national ordinance, are presented as one reporting entity.

GENERAL

An obligation is recognized in the balance sheet when it is likely that the settlement of such will be accompanied by an outflow of resources and the magnitude of such can be reliably determined.

RECOGNITION OF ASSETS, LIABILITY, REVENUE OR EXPENSE

An asset is recognized in the balance sheet when it is likely that the settlement of such will be accompanied by an outflow of resources and the magnitude can be determined reliable.

An obligation is recognized in the balance sheet when it is likely that the settlement of such will be accompanied by an outflow of resources and the magnitude can be determined reliable.

Revenues will be included in the statement of income and expenses when an increase of the economic potential, related to an increase of an asset or a reduction of an obligation, has taken place, of which the magnitude can be determined reliably.

Expenses will be reflected when a reduction of the economic potential, related to a reduction of an asset or an increase of an obligation, has taken place, of which the magnitude can be determined reliably.

FUNCTIONAL CURRENCY

The Financial Statements have been prepared in Antillean guilders, being the functional and presentation currency of SZV.

NOTES TO THE BALANCE SHEET

ASSETS

The assets consist of intangible assets, property, plant and equipment, investment properties, financial fixed assets, financial assets, short and long term-term receivables and cash and cash equivalents.

EQUITY AND LIABILITIES

Equity is composed of general reserves, legal reserves and to be funded deficits. Legal reserves take place based on National Decrees containing General measures dated April 21, 1996 and December 23, 1966. Establishment of these reserves are determined to be at least 50% and at most 70% of the average payments per year.

To be funded deficits are deficits which could not be covered from the general reserves through the reporting year 2015.

Provision duurtetoeslag is recognized based on the pension plan that is applicable for some employees. The basis for this calculation changed due to the amended pension legislation as at July 01, 2020. The provision for duurtetoeslag is determined as a result of actuarial calculations that considers age corrections, mortality rate adjustments, new retirement age of 65 years and no expected indexation.

OTHER LIABILITIES

Other liabilities are composed of wage tax and social premium payables, operational expenses payable and withholdings.

NOTES TO THE PROFIT AND LOSS

INCOME STATEMENT

Revenues consist of premium income, government contribution, fines and summoned amounts. Premium income is accounted for on a cash basis and the first two months of the following year is incorporated within these financial statements. The cash basis approach is applied to every fund, with the exception of FZOG, that uses the accrual basis. A significant part of SZV's income are social premiums collected in 2020.

INVESTMENT INCOME

Other operating income displays return on division of assets, release of previously reserved benefits with regard to medical expenses and/or pension, and, other income.

BENEFITS

Benefits are expenses that are paid out of the various funds-AOV, AWW, ZV, OV, AVBZ, FZOG and Cessentia. This includes benefits, such as, e.g. pension, local medical declarations, medical referrals abroad, etc.

The medical benefits outlined are defined as various healthcare categories. Primary line care consists of medical expenses of practitioners and dentistry. Secondary care includes expenses for paramedical specialist and hospital. Under the benefits category, Tertiary care is composed of medical referrals, psychiatric institution, transport and other institution expenses. Facilitating care contains laboratory, medicines and health care devices expenses. Long-term care includes aftercare, elderly and home care expenses.

ADMINISTRATIVE EXPENSES

These are the operational administrative costs of SZV. They consist of personnel expenses, housing expenses, general expenses, depreciation expenses, and impairment cost.

NOTE TO CASHFLOW STATEMENT

CASHFLOW STATEMENT

The statement of cashflow shows how cash and cash equivalents have changed in the course of the year as a result of inflows and outflows of funds. A differentiation is made between cashflows from operating, investing and financing activities.

OTHER NOTES

OZR (OVERHEIDSZIEKTEKOSTENREGELINGEN)

'Overheidsziektekostenregelingen', referred to as OZR, is a government health insurance scheme for Civil Servants & PP-Cardholders. This health insurance regulation is a distinct service administered by SZV on behalf of Government. The OZR administration is reported separately.

COVID-19 IMPACT

The spread of COVID-19 has severely impacted many local economies around the globe. While there has been some impact on the premium income and investment returns, presently, SZV is still in the position to comply with its financial commitments.

The company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of, and for the year ended December 31, 2020, do not need to be further adjusted to reflect their impact.



BALANCE SHEET | After allocation of net result



ASSETS	December 31, 2020	December 31, 2019
<i>(amounts are in 1,000 Antillean guilders)</i>		
Non-current assets		
Intangible fixed assets	6,734	6,658
Property, plant and equipment	607	662
Investment properties	63,820	64,811
Financial fixed assets	4,110	-
Long-term receivables	93,563	98,549
Total non-current assets	168,833	170,680
Current assets		
Financial assets	253,435	244,822
Trades and other receivables	37,428	44,047
Cash and cash equivalents	42,198	48,917
Total current assets	333,061	337,786
TOTAL ASSETS	501,895	508,465
EQUITY AND LIABILITIES	December 31, 2020	December 31, 2019
<i>(amounts are in 1,000 Antillean guilders)</i>		
Equity		
General reserves	663,896	629,027
Legal reserves	63,750	63,750
To be funded deficits	(284,822)	(240,363)
Total equity	442,824	452,414
Non-current liabilities		
Provision duurtetoelag	1,612	4,026
Other Provisions	(264)	322
Total non-current liabilities	1,348	4,348
Current liabilities		
Benefit liabilities	42,572	43,866
Blocked benefits	6,500	3,730
Trade and other liabilities	8,651	4,108
Total current liabilities	57,723	51,703
TOTAL EQUITY AND LIABILITIES	501,895	508,465

INCOME STATEMENT



REVENUES AND EXPENSES	2020	2019
<i>(amounts are in 1,000 Antillean guilders)</i>		
REVENUES		
Premium income		
Premium Income	181,640	217,655
Government contribution	6,136	6,880
Fines and summoned amounts	325	942
Total premium income	188,101	225,477
Investment income		
Net income real estate investment	3,862	3,919
Net income financial assets held to maturity	232	-
Net income investment held at fair value	34,301	42,180
Total Investment income	38,395	46,099
Other operating income	5,916	6,783
EXPENSES		
Benefits		
Medical expenses	121,149	133,546
Loss of wages	5,644	7,230
Pension expenses	87,463	82,441
Cessantia expenses	193	122
Total benefits	214,449	223,339
NET INSURANCE RESULT	17,962	55,022
Administrative expenses		
Personnel expenses	16,476	16,917
Accommodation expenses	2,877	2,835
General expenses	8,021	7,883
Depreciation expenses	2,504	1,751
Impairment	46	910
Mutation provision duurtetoelag	(2,371)	126
Total administrative expenses	27,553	30,421
OPERATIONAL RESULT	(9,591)	24,600
Mutation legal reserves	-	-
NET RESULT	(9,591)	24,600
ALLOCATION OF NET RESULT	2020	2019
Mutation general reserve	34,869	64,721
Mutation to be covered deficits	(44,460)	(40,120)
NET RESULT	(9,591)	24,600

STATEMENT OF CASH FLOWS



STATEMENT OF CASH FLOW	2020	2019
<i>(amounts are in 1,000 Antillean guilders)</i>		
Cash flows from operating activities:		
Net revenues and expenses for the period	(9,591)	24,600
Adjustments for:		
Depreciation	3,495	2,685
Increase (decrease) impairment	46	910
Increase (decrease) provisions	(3,000)	(1,393)
Increase (decrease) equity	-	-
Mutations work capital:		
(Increase) decrease in trade and other receivables	6,620	(8,622)
Increase (decrease) in current liabilities	6,020	(2,047)
Net cash flows from operating activities	3,589	16,133
Cash flows from investing activities:		
Net investments in intangible fixed assets	(2,284)	(1,992)
Net investments in property, plant & equipment	(286)	(360)
Net investments in investment properties	-	-
Net investments in financial fixed assets	(4,110)	-
Net investments in financial assets	(8,614)	(12,182)
Net cash flows from investing activities	(15,294)	(14,534)
Cash flows from financing activities		
Mutation legal reserves	-	-
Increase (decrease) long term liabilities	4,986	9,814
Net cash flows from financing activities	4,986	9,814
Mutation cash and equivalents	(6,718)	11,414
Cash and cash equivalents at beginning of period	48,917	37,503
Cash and cash equivalents at end of period	42,198	48,917
Increase (decrease) cash and equivalents	(6,718)	11,414

FINANCIAL STATEMENT PER FUND

Splitting of the combined Balance Sheet as of December 31, 2020

ASSETS	AOV 12.31.2020	AOV 12.31.2019	AWW 12.31.2020	AWW 12.31.2019	ZV 12.31.2020	ZV 12.31.2019	OV 12.31.2020	OV 12.31.2019	CESS 12.31.2020	CESS 12.31.2019	FZOG 12.31.2020	FZOG 12.31.2019	AVBZ 12.31.2020	AVBZ 12.31.2019	USZV 12.31.2020	USZV 12.31.2019	TOTAL 12.31.2020	TOTAL 12.31.2019
(amounts are in 1,000 Antillean guilders)																		
Non-current assets																		
Intangible fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,734	6,658	6,734	6,658
Property, plant & equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	607	662	607	662
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	63,820	64,811	63,820	64,811
Financial fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,110	-	4,110	-
Long-term receivables	4,896	5,162	509	469	40,038	39,376	104	96	2,277	2,098	9,168	9,130	24,335	24,335	12,236	17,884	93,563	98,549
Total non-current assets	4,896	5,162	509	469	40,038	39,376	104	96	2,277	2,098	9,168	9,130	24,335	24,335	87,507	90,015	168,833	170,680
Current assets																		
Financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	253,435	244,822	253,435	244,822
<i>Trade and other receivables:</i>																		
Receivables from premium	9,372	10,771	-	-	6,344	8,723	-	-	1	13	3,088	939	2,990	5,470	-	-	21,795	25,916
Current account Funds and USZV	448,190	415,462	143,789	133,652	(225,382)	(196,855)	(42,100)	(36,223)	14,463	13,312	(49,400)	(41,306)	66,118	62,243	(355,677)	(350,282)		2
Other receivables	7,206	6,583	85	100	3,531	7,404	-	-	-	-	532	351	1,109	650	3,169	3,042	15,632	18,129
Total trade and other receivables	464,768	432,816	143,874	133,752	(215,508)	(180,728)	(42,100)	(36,223)	14,464	13,325	(45,780)	(40,016)	70,217	68,362	(352,508)	(347,240)	37,428	44,047
Cash and cash equivalents	2,970	3,256	(12)	(12)	5,466	9,498	-	-	301	341	436	160	8,231	7,119	24,806	28,555	42,198	48,917
Total current assets	467,738	436,072	143,863	133,740	(210,042)	(171,230)	(42,100)	(36,223)	14,765	13,666	(45,343)	(39,857)	78,447	75,481	(74,267)	(73,864)	333,061	337,786
TOTAL ASSETS	472,633	441,234	144,372	134,209	(170,004)	(131,854)	(41,996)	(36,128)	17,042	15,764	(36,175)	(30,726)	102,782	99,815	13,240	16,152	501,895	508,465
EQUITY AND LIABILITIES																		
(amounts are in 1,000 Antillean guilders)																		
Equity																		
General reserves	433,792	408,950	140,884	131,499	-	-	-	-	16,837	15,481	-	-	102,764	98,346	8,302	8,302	663,896	629,027
Legal reserves	28,500	28,500	2,250	2,250	28,500	28,500	4,500	4,500	-	-	-	-	-	-	-	-	63,750	63,750
To be funded deficits	-	-	-	-	(238,326)	(199,735)	(46,496)	(40,628)	-	-	(38,684)	(33,551)	-	-	-	-	(284,822)	(240,363)
Total equity	462,292	437,450	143,134	133,749	(209,826)	(171,235)	(41,996)	(36,128)	16,837	15,481	(38,684)	(33,551)	102,764	98,346	8,302	8,302	442,824	452,414
Non-current liabilities																		
Provision duurtetoelag	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,612	4,026	1,612	4,026
Other Provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(264)	322	(264)	322
Total non-current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,348	4,348	1,348	4,348
Current liabilities																		
Benefit liabilities	-	-	87	10	39,859	39,463	-	-	106	106	2,501	2,817	18	1,469	-	-	42,572	43,866
Blocked benefits	5,515	3,265	985	465	-	-	-	-	-	-	-	-	-	-	-	-	6,500	3,730
Other liabilities	4,826	519	166	(15)	(37)	(82)	-	-	98	177	7	8	-	-	3,590	3,501	8,651	4,108
Total current liabilities	10,341	3,784	1,238	460	39,823	39,381	-	-	204	283	2,509	2,825	18	1,469	3,590	3,501	57,723	51,703
TOTAL EQUITY AND LIABILITIES	472,633	441,234	144,372	134,209	(170,004)	(131,854)	(41,996)	(36,128)	17,042	15,764	(36,175)	(30,726)	102,782	99,815	13,240	16,152	501,895	508,465

FINANCIAL STATEMENT PER FUND cont.

Splitting of the combined Income Statement per fund for 2020

Profit & Loss Statement	AOV	AOV	AWW	AWW	ZV	ZV	OV	OV	CESS	CESS	FZOG	FZOG	AVBZ	AVBZ	USZV	USZV	TOTAL	TOTAL
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<i>(amounts are in 1,000 Antillean guilders)</i>																		
REVENUES																		
Premium income:																		
Premium income	90,405	107,448	6,954	8,265	50,851	64,591	7,652	9,057	502	579	6,445	6,234	18,831	21,480	-	-	181,640	217,655
Government contribution	-	-	-	-	6,136	6,880	-	-	-	-	-	-	-	-	-	-	6,136	6,880
Fines and summoned amounts	127	543	10	42	163	313	25	44	-	-	-	-	-	-	-	-	325	942
Total premium income	90,532	107,992	6,964	8,307	57,150	71,784	7,677	9,101	502	579	6,445	6,234	18,831	21,480	-	-	188,101	225,477
Investment & Other income:																		
Investment income	23,837	28,920	7,789	9,246	-	(3)	-	-	912	953	-	-	5,857	6,984	-	-	38,395	46,099
Other operating income	3,948	4,652	672	618	504	657	22	26	179	260	13	17	576	553	-	-	5,916	6,783
Total Investment & Other income	27,785	33,572	8,462	9,864	504	655	22	26	1,091	1,212	13	17	6,433	7,537	-	-	44,310	52,883
Total revenues	118,317	141,563	15,426	18,171	57,654	72,439	7,699	9,127	1,593	1,791	6,458	6,252	25,265	29,016	-	-	232,411	278,360
EXPENSES																		
Benefits:																		
Medical expenses	-	-	-	-	79,550	88,316	11,971	12,384	-	-	10,813	14,456	18,815	18,390	-	-	121,149	133,546
Loss of wages	-	-	-	-	4,835	6,196	809	1,035	-	-	-	-	-	-	-	-	5,644	7,230
Pension expenses	82,321	77,769	5,142	4,672	-	-	-	-	-	-	-	-	-	-	-	-	87,463	82,441
Cessantia expenses	-	-	-	-	-	-	-	-	193	122	-	-	-	-	-	-	193	122
Total benefits	82,321	77,769	5,142	4,672	84,385	94,511	12,780	13,418	193	122	10,813	14,456	18,815	18,390	-	-	214,449	223,339
NET INSURANCE RESULTS	35,996	63,794	10,284	13,499	(26,731)	(22,072)	(5,081)	(4,291)	1,400	1,670	(4,355)	(8,204)	6,449	10,627	-	-	17,962	55,022
Administrative expenses:																		
Personnel expenses	6,765	6,946	545	560	6,969	7,155	478	491	26	27	469	481	1,224	1,257	-	-	16,476	16,917
Housing expenses	1,181	1,164	95	94	1,217	1,199	83	82	5	5	82	81	214	211	-	-	2,877	2,835
General expenses	3,134	3,208	252	257	3,599	3,345	221	225	12	13	222	227	581	607	-	-	8,021	7,882
Depreciation expenses	1,028	719	83	58	1,059	741	73	51	4	3	71	50	186	130	-	-	2,504	1,751
Impairment	19	374	2	30	19	385	1	26	-	2	1	26	3	68	-	-	46	910
Mutation provision duurtetoelag	(973)	52	(78)	4	(1,003)	53	(69)	4	(4)	-	(67)	4	(176)	9	-	-	(2,371)	126
Total administrative expenses	11,154	12,463	899	1,003	11,860	12,878	787	879	44	49	778	868	2,032	2,282	-	-	27,553	30,421
OPERATIONAL RESULT	24,842	51,331	9,385	12,496	(38,591)	(34,950)	(5,868)	(5,170)	1,357	1,621	(5,133)	(9,073)	4,418	8,345	-	-	(9,591)	24,600
Mutation legal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET RESULT	24,842	51,331	9,385	12,496	(38,591)	(34,950)	(5,868)	(5,170)	1,357	1,621	(5,133)	(9,073)	4,418	8,345	-	-	(9,591)	24,600

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To: the Management and Supervisory Board of Social and Health Insurances Sint Maarten

A. Report on the audit of the financial statements included in the condensed annual report 2020

Our opinion on the condensed annual report

The condensed financial statements of Social and Health Insurances Sint Maarten based in Sint Maarten (hereafter: 'the condensed financial statements'), are derived from the audited financial statements of Social and Health Insurances Sint Maarten for 2020.

In our opinion, the accompanying condensed financial statements are consistent, in all material respects, with the audited financial statements 2020 of Social and Health Insurances Sint Maarten, on the basis described in the section on 'Condensed financial statement notes' in the 2020 condensed annual report of Social and Health Insurances Sint Maarten.

The condensed financial statements comprise:

1. a condensed balance sheet at 31 December 2020;
2. a condensed income statement ('*staat van baten en lasten*') of 2020;
3. key figures per fund, financial highlights and other explanatory notes.

The condensed financial statements

The condensed financial statements do not contain all the disclosures required by the Ordinance AB 2013, GT no. 69 and the articles 3, 5, 18 sub a, f, o and p, 20 sub 1, 21, 23 till 26, 28, 30 sub 1 and 31 sub a and b" of the '*Comptabiliteitslandsverordening*', AB 2010, GT no. 23 (where '*het uitvoeringsorgaan Sociale- en Ziektekosten Verzekeringen*' should be read where 'Country' is included in the regulation). Reading the condensed financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements of Social and Health Insurances Sint Maarten and our auditor's report thereon. The condensed financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our auditor's report on those financial statements 2020 signed on July 13, 2021.

The audited financial statements and our auditor's report thereon

We expressed a qualified opinion about whether the balance sheet and income statement ('*Staat van baten en lasten*') as of 31 December 2020 in the financial statements, give a true and fair view of the financial position ('*getrouwheid*') in our auditor's report of July 13, 2021. We also expressed an adverse opinion with respect to the financial compliance ('*rechtmatigheid*') with relevant laws and regulations for the audited financial statements 2020 of Social and Health Insurances Sint Maarten in our auditor's report of July 13, 2021.

Basis for our qualified opinion with respect to faithful representation in the financial statement ('getrouwheid')

Receivables

- There are uncertainties in the accuracy and valuation of the receivables due from the government of Sint Maarten (ANG 73 million) and White Yellow Cross (ANG 6.7 million), totaling ANG 79.6 million as denoted in the 2020 financial Statement.
- There are uncertainties in the accuracy and valuation of a claim regarding the Phishing Incident in 2019 for an amount of ANG 0.9 million.

Basis for our adverse opinion with respect to financial compliance with relevant laws and regulations ('rechtmatigheid')

Fund management not in line with laws and regulations

- There are insufficient controls to ensure that former employees meet the requirements of *Landsverordering Ziekteverzekering*; AB 2013, GT no. 802 and AB 215).
- Various previous findings related to financial compliance with laws and regulations remain unchanged:
 - Medical referrals expenses are incorrectly expensed as local treatment in ZV Fund in divergence to article 4 of the *Landsverordering Ziekteverzekering*; AB 2013, GT no. 802 and AB 2015, no. 9);
 - No adherence to articles 5 and 7 of *Landsverordering Ziekteverzekering*; AB 2013, GT no. 801 and AB 2015, no. 9;
 - Incomplete adherence to *Landsverordening regeling tegemoetkoming Ziektekosten Overheidsgepensioneerden* (LV FZOG; AB 2013, GT no. 644) and *Landsbesluit beheersregels Fonds Ziektekosten Overheidsgepensioneerden* (LB beheersregels FZOG; AB 2013, GT no. 683);
 - Elderly residents who do not meet (the age) requirements as stipulated in *Landsverordering Ziekteverzekering*; AB 2013, GT no. 802 and AB 2015, no. 9) are provided health insurance (ZV Fund);
 - Legal reserve of ZV and OV are not in line with Lbham in implementation of article 8, tweede en vijfde lid, van de *Landsverordening Ziekteverzekering* (AB 2013, GT no 215) and the Lbham ter uitvoering van artikel 8, derde en negende lid van de *Landsverordening Ongevallenverzekering* (AB 2013, GT no. 214).
 - The tariffs of medical treatments are not in line with the *Landsbesluit Medisch Tarief Sociale Verzekeringen* (MTSV; AB 2013, GT no. 753) and *Lbham Vergoeding Kosten Geneesmiddelen* (AB 2013, GT no. 536).

B. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements and for the preparation of the condensed financial statements as described in the section on 'Condensed financial statement notes' in the 2020 condensed annual report of Social and Health Insurances Sint Maarten. The supervisory board is responsible for overseeing the financial reporting process of the organization.

Our responsibilities for the audit of the financial statements

Our responsibility is to express an opinion on whether the condensed financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which we conducted in accordance with Sint Maarten law and our Dutch professional standards, including the Dutch Standard 810 'Opdrachten om te rapporteren betreffende samengevatte financiële overzichten' (Engagements to report on condensed financial statements).

Emphasis of Matter paragraph – subsequent event of COVID-19

We would like to draw your attention to the "Other Notes", section "COVID-19 Impact" in the condensed annual report regarding the recent developments and the financial consequences of the coronavirus ("COVID-19"). An impact analysis has been carried out by the management of SZV to estimate the possible financial consequences. The analysis and the aforementioned explanatory notes in the financial statements show that, despite the current uncertainties, SZV expects to have sufficient operational and financial resilience and impact strength to be able to weather this crisis. The financial statements have therefore been prepared on the basis of the going concern assumption. This current situation does not affect our opinion on the financial statements.

Willemstad, September 17, 2021

On behalf of

Stichting Overheidsaccountantsbureau,

Originally signed by

R.N. Sandriman RA
Director




2020

Condensed

Annual Report


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