



2022

Condensed

Annual Report

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



"The secret of change is to focus all of your energy, not on fighting the old, but on building the new."

- Dan Millman



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FOREWORD

It is my privilege to present the Annual Report for the year 2022, providing a comprehensive overview of our organization's business and financial highlights and progress. This report serves as a testament to our commitment to the implementation of our Strategic Plan 2021-2024 Beyond 3.0 and showcases the significant achievements made during the first full year of its execution.

In 2022, we continued to focus on our mission of providing high-quality services to our customers. Despite the unexpected obstacles that emerged due to the pandemic, we accelerated a significant number of operational advancements such as digitization and re-evaluations of primary activities. We strive to systematically enhance the services we provide to our stakeholders and consumers while supporting the organizational objectives stated in our vision, mission, and core values.

To quote D. Millman, "the secret of change is to focus all of your energy, not on fighting the old, but on building the new". This quote embodies our approach to navigating the challenges of the past year and our commitment to building a better future for our customers. Notable projects that have commenced in 2022 under the umbrella of the Transition Program are: Further development of handling incoming service requests / development MySZV and Continuous upgrade of the Employer Portal.

Financially, SZV's 2022 income has shown a growth of 14.3% compared to the prior year. Noteworthy is that ZV/OV revenues for the year 2022 increased by 22.3%, while AOV/AWW revenues saw an increase of 11.2%. As the economy continues its upwards trend in terms of increased employment and economic activity, we are expected to see a further increase in the overall premium income.

A major impact on the financial results is the outcome of the return-on-investment 2022. Inflation rates accelerated across the globe at the onset of 2022, fueled by the war in Ukraine. SZV's investments did poorly in 2022 compared to 2021. Overall, SZV had a negative investment return of ANG -40.9M, which has severely impacted our net result. Moreover, Healthcare cost continue to increase, of which, as an organization, we are monitoring very closely and looking at ways to mitigate this trend within the overall objective of cost containment.

As we move forward, we remain committed to the successful execution of the Beyond SZV 3.0 strategy. We are confident that our continued efforts in project implementation, culture and leadership development, digital transformation, and the new office building will further strengthen our organization and enhance the services we provide to our stakeholders.

On behalf of management,

Glen A. Oarty,
Director

ANNUAL REPORT 2022



2022 ANNUAL REPORT

QUICKVIEW



5.6

SOLVENCY RATIO:
Your ability to pay your liabilities in the long term.

A Solvency Ratio of minimum 2 is considered to be healthy.

3.5

COMBINED CURRENT RATIO:
Your ability to pay your liabilities in the short term.

A Current Ratio of minimum 2 is considered to be healthy.

NET RESULT 2022

-84.9 M

NET RESULT 2021

-22.4 M

INCOME

- ★ Premium income increased by 14.3% (ANG 28.6M) in 2022, resulting from mass collection project, wage limit increase and gradual economic recovery
- ★ Investment income declined due to poor performance returns on the international market. Return on investment in 2022 was ANG -40.9M

EXPENSES

Benefits:

The total benefits increased by 1.9% (ANG 4.6M) in 2022

- ★ Increased medical referral expenses; limited cost-efficient referral destinations and more complex cases
- ★ Hospital care; more specialisms and medical services locally
- ★ Retro-active tariff increase for paramedical care
- ★ Extra laboratory expenses, i.e., more target specific cases
- ★ Legislation ratification mandating medication price controls
- ★ Pension age increase and backlog accrual in 2021
- ★ Mass clean-up of Loss of Wages in 2022

Operations:

Administrative expenses increased by 8.7% (ANG 2.7M)

- ★ Write-off related to a prior year phishing scam
- ★ Professional service fees and training of staff / culture change
- ★ Increased personnel medical expenses
- ★ Impact of increased automation

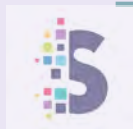
GENERAL

- ★ Combined reserve of the Healthcare funds: ANG -298.8M
- ★ Combined reserve of the AOV/AWW pension & Cessantia funds: ANG 622.5M
- ★ Pending receivable from the Government of Sint Maarten (funds only): ANG 72.6M
- ★ SZV's updated Strategic Plan: Transition journey Beyond 3.0

M = Figures mentioned in million ANG guilders.

Key initiatives for improved premium collections, cost containment and other sustainable solutions:

- Cooperation with Ministry of Public Health, Social Development and Labor regarding the implementation of Health Care Reform
- Automation of the Health Systems and Chain processes (GP system, Pharmacy system/ medication monitoring, etc.)
- Enhanced customer experience. Automation of SZV's internal processes and communication channels with customers
- Enhanced data analytics to monitor business trends and steer the organization, as well as improve quality and compliance
- Replace (levy & collection) legacy systems
- Structured execution of SZV's updated strategy and related transition projects
- Improved collaboration (synchronization) with government and other pertinent entities and stakeholders, e.g. Inspectorate of Taxes, COCI, healthcare providers, etc.
- Further streamlining of Medical Referral process; finalize negotiations for new Medical Referral contracts
- Further implementation of improved medication pricing management via the pharmaceuticals cost containment project (PCCP).
- Manage AOV benefits through optimizing controls in cooperation with government entities and performing elderly surveys.
- Reparatory legislation support to amend (repair) outdated legislation.
- Construction of SZV office building, parking area and a community wellness building.



OUR FOUNDATION



We are motivated by our Organization Values. Innovative working practices and solutions will help us achieve our mission. Simplicity and Automation will help optimize internal processes and collaboration across the value chain. Happy and Engaged SZV-ers - Happy and Healthy Customers

VISION	MISSION	FOCUS AREAS	STRATEGIC OUTCOMES
Social well-being in the palm of your hand.	Providing the citizens peace of mind, simplifying access to our services, making use of state-of-the-art technology.	<ul style="list-style-type: none"> Customers People & Culture Chain Collaboration Internal Optimization 	<ul style="list-style-type: none"> Passionate and Empowered SZV-ers Happy and Healthy Customers Financial sustainability and effective use of public funds Peace of mind for citizens



WHO WE ARE

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 65 years. The premium percentage for the AOV is 13%, of which 7% is borne by the employer and 6% by the employee.

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 65 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.

CESS**National Ordinance:**

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

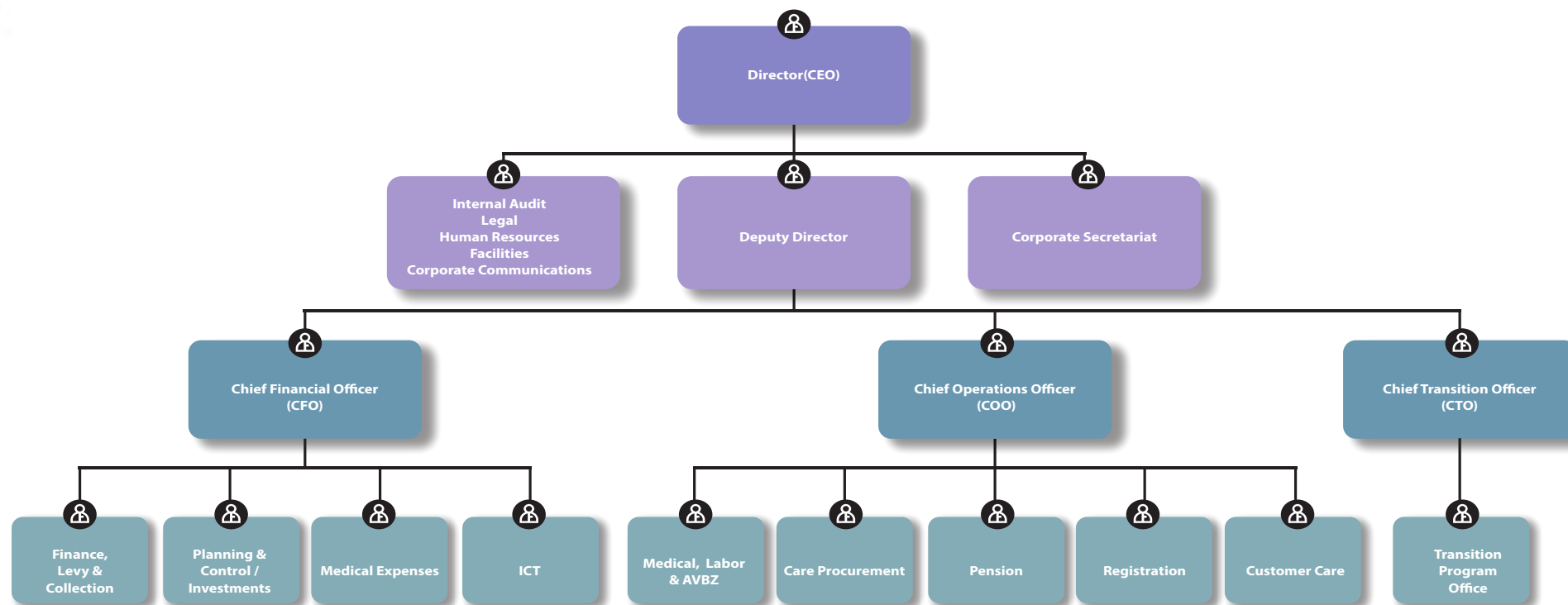
Cessantia includes a monetary one-time payment, which the employer must pay to its employee upon termination of the employment contract of that employee, not due to a fault of the employee. This payment is based on the number of years of service of the employee. Employers must deposit NAf 40.00 per employee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



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.

Executive Team		Function	From	Until
	Mr. G.A. 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	CTO	October 1, 2021	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.

According to the National Ordinance article 15, sub-4, the SC is required to meet structurally on an annual basis. For 2022, the SC met on five occasions. The table [right] illustrates the composition of the Supervisory Council during 2022.

Supervisory Council		Function	Term (Start date)	Term (End date)
	Mr. D. Williams (Re-appointment)	Chairman	July 23, 2021	July 22, 2022
	Mr. W. Johnson	Chairman*	July 23, 2022	July 22, 2023
	Ms. C. Marica (Re-appointment)	Vice Chair	July 23, 2021	July 22, 2024
	Mr. W. Johnson (Re-appointment)	Member	July 23, 2021	July 22, 2023
	Ms. K. Dowling	Member	July 23, 2021	July 22, 2024

BUSINESS DEVELOPMENTS



A significant number of operational advancements such as digitization, and re-evaluations of primary activities were accelerated by the pandemic. Despite the unexpected obstacles that emerged, we strive to systematically enhance the services we provide to our stakeholders and consumers while supporting the organizational objectives stated in our vision, mission, and core values.

SZV'S TRANSITION JOURNEY BEYOND 3.0

The first full year of the Strategic Plan 2021-2024 Beyond 3.0's implementation was in 2022. In the execution of the program, the activities are divided into four components: Project Management, Culture & leadership, Digital transformation and the New SZV Office Building & Wellness unit.

PROJECT MANAGEMENT

The 'Managing Successful Programs' (MSP) methodology is being used in a very pragmatic way for the SZV Transformation Program, as it is designed to align programs and projects to strategy. It focuses on delivery of outcomes of benefit while mitigating risk and actively engaging stakeholders.

CULTURE & LEADERSHIP

Development of a new organizational culture and leadership is a central theme within the transition. Leadership and management development, training and coaching of staff will empower SZV staff across the organization to align with the company's strategic goals.

DIGITAL TRANSFORMATION

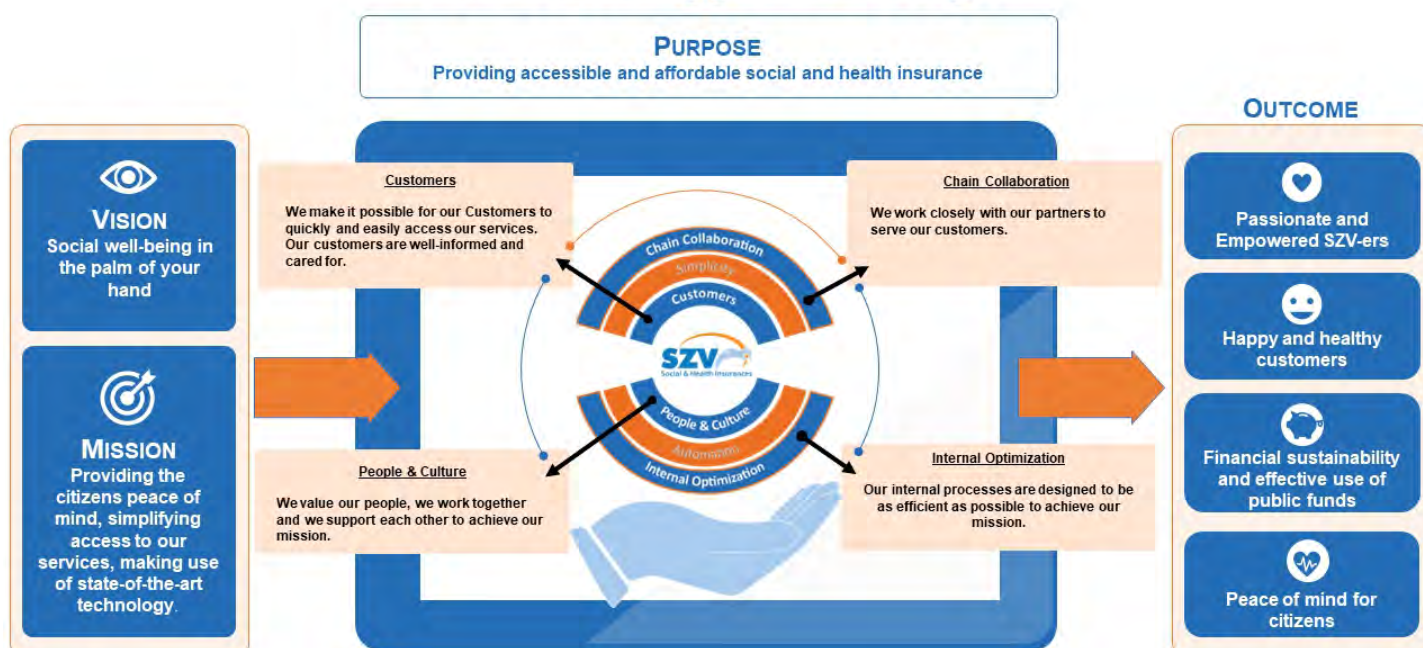
In 2022, a variety of business processes are redesigned and ready for development in the IT environment. Step by step the organization is building a digital workspace by utilizing Microsoft Teams and/or Dynamics platforms.

NEW SZV OFFICE BUILDING & WELLNESS UNIT PROJECT

SZV aims to see a significant cost saving by having its own building. The following project preparation activities took place in 2022:

- The Program of Requirements was drafted,
- A subsoil investigation was conducted,
- The draft exterior renderings were presented to the building committee,
- The certificate of admeasurement was obtained from the Kadaster, and,
- The decree was signed by the Minister of VROMI, paving the way to transfer the designated land in Cay Hill to SZV, in long lease.

Our Strategy on a Page





DIGITALIZATION & TECHNOLOGICAL DEVELOPMENTS

SZV is committed to providing secure and innovative solutions that optimize services rendered to our valuable customers. We strive to continually improve processes by structuring application environments with security as our highest priority while also ensuring testing of new applications and accessibility to developed digital solutions are seamless.

Our ongoing data cleanup initiatives stem from the need to enrich the data we've migrated from the insured registry legacy system into Microsoft D365 CRM. This enables management to make informed decisions and provide more accurate reporting to support the overall operations of the organization.

Document management has been crucial during the transition period from paper-based services towards a digitized environment that supports customer needs efficiently and securely. A key tool is Microsoft SharePoint, which is being integrated as our official document filing application; this allows us to better organize document inventory, categorization & classification when it comes to supporting service requests.

Additionally, in June 2022, the automated registration process for the insured via MySZV went live. The registration process allows clients to submit their personal data and supporting documents that are required to complete or update their registry. Between June 27 - December 31, 2022, SZV was able to digitally process 1,826 registration requests that were submitted by the clients without having to visit the SZV office; this was service provided "in the palm of their hands".

The clients were also able to access the complete self-service process of the doctor change request online during the months of March and September. A total of 1,175 doctor change requests were processed for 2022; 705 were submitted via the client's MySZV account, and 470 via our web form available on our website.

Furthermore, SZV renders services to the employer online through the Employers Portal; this is the central channel of communication between the employers and SZV. The employer can have access to their account 24/7 in order to submit a request for a specific service and to provide declarations online.

During 2022, SZV received a total of 6,940 requests through the Employers Portal. That is an increase of 51% in comparison with the year 2021. The obligation to follow SZV procedures and regulations is visible through the different requests on the Employers Portal. A total of 12% of the total submitted requests have been rejected due to non-compliance with the requirements according to SZV's policies and related National Ordinances.

Furthermore, in 2022, the online ZV/OV monthly assessments have been launched through the Employers Portal. Having the monthly ZV/OV assessments accessible via the Employers Portal, in addition to the possibility to submit an objection through the Portal, contributes to more transparency in the outstanding debt of the employer. In 2022, a total of 22% of the submitted requests were related to objections on ZV/OV and AOV assessments.



BUSINESS DEVELOPMENTS cont.



MEDICAL EXPENSES (CLAIMS) REIMBURSEMENTS

In 2021, we started to review the medical reimbursement process and automation possibilities as this was an opportunity to move the medical reimbursement claim submissions to the developing MySZV portal. This project continued into 2022, since the MySZV portal will be the central point for all medical reimbursement submissions.

When fully complete, this will allow SZV insured to track their reimbursement status as it is being processed, all the way through to payment. Insured will receive updates and correspondence online, as well as be able to access their payment specification or submit objection letters, if needed.

The automation of the Medical Reimbursement process will be executed in phases; allowing stakeholders to experience the benefits of a phased introduction, as each step of the project is completed:

Phase 1

- Create one central point for reimbursement claim submissions
- Provide transparency of the reimbursement status
- Digitalize final decision templates
- Increase efficiency

Phase 2

- Revamp the Medical Reimbursement process from review to payment; maximize efficiency and digitalizing this change.

Phase 3

- Create an interactive system for stakeholders.

We are currently in the testing stage of phase 1; it is scheduled to 'go live' in 2023.

DATAWAREHOUSE & REPORTING

A key objective of the organization is to increase the level of management information. Establishing and monitoring of key performance indicators (KPI's), and the development of dashboards enables stakeholders' access to relevant (and all-inclusive) information in an expedient manner. In order to facilitate such, organizing (existing) data is pivotal.

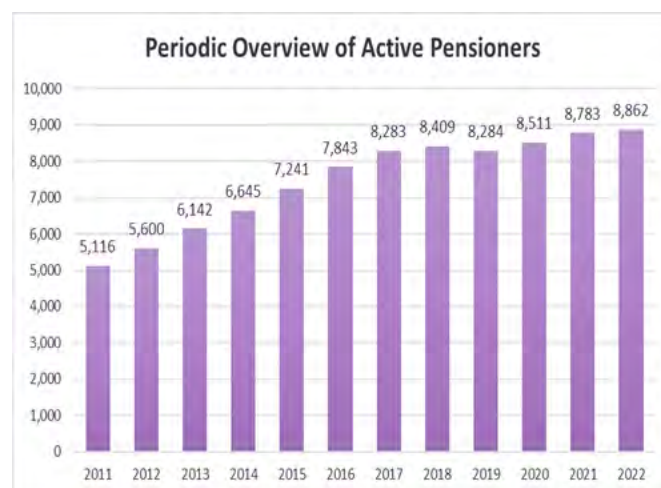
SZV has embarked on a (data) enterprise project, which aims to create a centralized data warehouse. All our diverse data sources containing data such as claims, demographics, pharmaceutical, pension, financial, and more, will be brought together in a single, comprehensive hub where all this data will be stored, organized, and analyzed.

PENSION AND CESSANTIA

PENSION

Key developments were realized for the AOV/AWW and Cessantia funds. Further to having replaced the outdated pension legacy system in 2021, with the implementation of a more updated pension system called "Lifetime", a structural change in the pension process that was enacted end of 2021, of which the impact was evident in 2022. The latter entailed the elimination of the mandatory submission of Life Certificates for all SZV pensioners residing in Curacao and the BES islands.

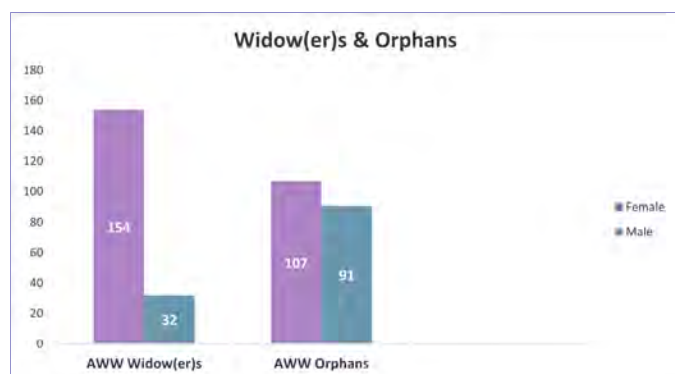
During 2022, a total of 615 AOV requests were granted. As of December 31, 2022, the number of active AOV pensioners increased by 0.90% to 8,862 compared to 2021. The growth is anticipated to stagnate until the last half of 2025, when an influx of new, eligible pensioners is expected. The 8,862 active pensioners (46.5% male, 53.5% female) represent a monthly pension amount of approx. ANG 6.5M, and average ANG 728.25 per pensioner, with an average pension age of 71 years.



BUSINESS DEVELOPMENTS cont.



As illustrated in the chart below, during 2022, there was a total of 186 widower(er)s. This group represents approximately ANG 189.6K in widower(er) pension benefits that are paid out on a monthly basis.



In 2022, there was a total of 198 orphans. This group represents approximately ANG 95.9k in orphan benefits that are paid out on a monthly basis; an average of ANG 484.40 per orphan, with the average age being 17 years.

CESSANTIA

In 2022, there were 20 persons and 1 company that were eligible for payout from the Cessantia fund for severance pay, which is in process.

HEALTHCARE

Several key activities surrounding health and medical processes of the funds are outlined in this segment.

CARE PROCUREMENT

All ventures started and worked on during 2022 have rolled over into 2023 for the local care procurement portfolio. At year's end, there were designated providers for diabetic products & hearing aids, while the contractual discussion was ongoing for all other products covered by the SZV fund. The designated supplier of products covered by the AVBZ fund was also established. These products are adaptive medical aids and prosthetics & orthotics.

AVBZ

The AVBZ Indication Committee (IC) is responsible for evaluating care applications submitted by insured parties and advising USZV on whether a necessary indication exists for allocating a care application.

In 2022, the AVBZ IC handled 385 requests for services and/or products which was 58 more than in 2021. This is evident in the table below:

Care category	2018	2019	2020	2021	2022
Professional assistance*	93	37	81	95	46
Medical Aid	66	30	12	13	5
Hearing Aids	29	20	8	20	18
Elderly home	23	12	20	14	28
Nursing Care Home	14	13	9	20	54
SBC	6	2	4	9	97
District nursing	4	31	63	71	21
Transportation (Non-ambulance)	0	0	3	0	0
Home adjustments	1	13	6	9	9
Prosthetics	0	26	13	16	7
Guided living	0	1	0	2	11
PGD (Psychogeriatric Day Care)	0	7	10	15	21
MHF	0	5	31	43	68
Total	236	197	260	327	385

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

*All SBC services (Activity Center, Guided Living, and Intramural Care) were added

MEDICAL REFERRALS

In 2021, the Medical Referrals abroad tender was held to determine a short list of countries and clinics that USZV will refer the insured to in the future. Five entities from three countries came out on top. Two in the Dominican Republic, two in the Colombian city of Cali, and one in Puerto Rico. These clinics are not unknown to USZV because we have worked with them in the past.

Due to unforeseen circumstances, it was not possible to have the site visits done and contract negotiations in 2022. The intention is to have this executed in the first half of 2023 so that by the end of June 2023 medical referrals can recommence with the 5 hospitals.

In 2022, medical referrals abroad increased by 28% compared to 2021, as can be seen from the subsequent tables. Due to higher medical treatment costs in Panama, management decided in the second half of 2022 to start referring patients back to Colombia.

Medical referrals per country 2018 - 2022					
Destination/Year	2018	2019	2020	2021	2022
Aruba	10	2	0	1	0
Colombia	830	887	232	22	196
Curaçao	545	235	205	253	221
Dominican Republic	1,089	445	50	0	0
Guadeloupe	0	0	0	0	0
Martinique	0	0	0	0	0
Netherlands	35	27	21	31	36
Panama	0	0	0	191	185
Puerto Rico	22	13	6	0	0
Subtotal	2,531	1,609	514	498	638
French Saint Martin	2,484	114	1	1	0
Totals	5,015	1,723	515	499	638

BUSINESS DEVELOPMENTS cont.



In the following table, we can see how many unique persons have been referred abroad per fund and the average amount of referrals per fund. Overall, in 2022 a person was referred 1.16 times per year compared to 1.14 in 2021.

Number of individual Persons referred 2019 - 2022				
Fund	2019	2020	2021	2022
FZOG				
Number of persons	97	36	32	44
Number of referrals	147	48	38	53
Average	1.52	1.33	1.19	1.2
OZR				
Number of persons	381	131	155	164
Number of referrals	554	158	171	189
Average	1.45	1.21	1.1	1.15
ZV				
Number of persons	755	262	249	343
Number of referrals	1080	308	289	396
Average	1.43	1.18	1.16	1.15
Total number of persons	1233	429	436	551
Total number of referrals	1781	514	498	638
Average	1.44	1.2	1.14	1.16

SICK LEAVE & MEDICAL AUTHORIZATIONS

At the start of 2022, there was still a backlog in the processing of Loss of Wages for the years 2020 and 2021. However, based on a different approach by the organization, work was done on clearing up these backlogs along with the processing of Loss of Wages for 2022.

In the meantime, a replacement of the legacy Loss of Wages system with an updated, user-friendly system was planned for completion in 2022, but unfortunately, delayed, due to IT-related and technical issues with the testing environment. The new system is now targeted to be finalized and implemented by the third quarter of 2023.

In the chart (below) you can see the development of approved unfit-for-work days for the loss of wages from 2018 to 2022.



As can be discerned in the chart, January 2022 surpassed the levels of approved unfit-for-work days since the onset of the Covid-19 pandemic. In January 2022, the island was hit with the 5th wave of the Covid-19 pandemic, the extremely virulent Covid-19 strain spread rapidly on the island and had an enormous impact on all working sectors.

The following table shows a total Loss of Wages amount of approx. ANG 6,5M for 2022; this is 4.9 % more than 2021, however, 22% less than 2019. As the country was still experiencing waves of Covid-19 infections in 2021 and 2022, a large number of approved sick leave days were due to the mandatory Covid-19 isolation and quarantine periods. At the start of the second quarter of 2022 the country slowly began its return to a pre-Covid-19 situation. This we see with the stabilization in the approved number of sick-leave days per month.

	2018	2019	2020	2021	2022
Total per year	6,343,398	8,337,032	6,653,363	6,202,319	6,507,486
Average per month	528,617	694,753	554,447	516,860	542,291
Days approved	72,514	97,091	70,895	69,148	69,649
Average per day	87.48	85.87	93.85	89.70	93.43

*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). Consequently, the data can change depending on the timing of the snapshot taken.

OTHER (FZOG)

Based on Article 8 of the "Landsverorderdening Regeling Tegenmoetkoming Ziektekosten Overheidsgepensioneerden" (AB2013, 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 a process to ensure that specifically 10% (or 25%) reimbursement of medical expenses are clearly segregated to be able to collect the respective amounts.

BUSINESS DEVELOPMENTS cont.



OTHER BUSINESS HIGHLIGHTS & OPERATIONS

CORPORATE COMMUNICATIONS INITIATIVES

Various community compliance information campaigns took place in hybrid formats, facilitating the use of the MySZV insured portal and Employer Portal to access or request SZV entitled benefits, the implementation of the Increased ZV and OV wage limits effective August 1, the implementation of the updated Labour laws impacting sick-leave and maternity leave entitlements for employers and employees, effective October 1.

SZV's commitment to its Corporate Social Responsibility, community wellness initiatives and employee engagement goals resulted in a variety of impactful connections. Some notable events include two historic public walk-a-thons, "Walk-to-Prevent Immobility", bringing together near 400 total participants, made possible in close partnership with St. Maarten Police Pensioners & Retirees Association (SPPRA), St. Maarten Medical Center (SMMC) and General Pension Fund St. Maarten (APS).

Government partnerships included awareness for community health, as part of Caribbean Wellness Day celebrations, with a public panel discussion featuring SZV and local health care professionals, hosted in partnership with the Collective Prevention Services (CPS) and the department of Public Health.

STAKEHOLDERS' COLLABORATION AND CORRESPONDENCE

Correspondence addressed to the Director and within the organization is monitored and managed accordingly. Via the Secretariat, SZV liaises with the Supervisory Council of SZV and external stakeholders (amongst others the ministries within Government, Ombudsman, Healthcare Providers, Law offices).

A highlight collaborative occurrence in 2022 includes the signing of the data provision agreement between SZV and Census Office in May.

LEGAL AFFAIRS

Legal Affairs provides 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. In 2022, 27 objections and appeal cases were registered. Most objections are lodged against decisions taken by SZV which were handled by the Departments of Medical Referrals, Registration, Medical Expenses, and Financial Administration Levy & Collection request cases. A total of 7 court cases (won=3 / lost=4) were filed against SZV. There are still 12 court cases pending to be handled by the court.

HUMAN RESOURCES & FACILITIES

Attention was placed on the employees' health in 2022 by organizing on and off-premises counseling sessions, hurricane season mental health preparation sessions, and health awareness sessions on breast and prostate cancer. Due to a shift in the economy, budgeting sessions were also organized to help employees manage financially. Moreover, there was an implementation of E-HRM employee cardless insurance for the employees of the organization.

A 'face lift' was given to the office spaces, meeting room, kitchens, etc., and workplaces were redesigned to support working remotely.

AUDIT & CONTROLS

(Internal) audit and compliance controls are essential for more effective management and monitoring of the organization, as well as the contribution and impact on the funds.



BUSINESS DEVELOPMENTS cont.



INTERNAL AUDIT

A risk-based audit plan was established by the Internal Audit Department for the year 2022. Part of the assignments in the plan were based on the coordination with the external auditor and/or previous findings related to the financial statements audit.

CONTROL & INSPECTION (COMPLIANCE)

Since January 2021, the Control & Inspection Department (CID) was transferred from under Internal Audit & Compliance and (temporarily) placed under ATS.

The most common defaults Control & Inspection encountered at companies are:

Companies do not always register and or pay premiums for (all) their employees;

Companies withhold premiums for employees, but do not register these employees with SZV. In some cases, the premiums are paid to SZV while in other cases, the companies keep the withheld premiums;

Companies do not register the commencement and or termination of employees within the stipulated two (2) days as set forth in the National Ordinances Sickness and Accident Insurance. With respect to commencements, the most used argument for the late submission is that they only register employees after the trial period. In addition, companies register employees with later dates to avoid paying the correct premiums;

Companies do not register their employees with their full salaries including all other wage components;

Companies (try to) register persons as employees that do not meet the requirements of an employee as defined in the National Ordinances Sickness and Accident Insurance respectively. This often is done in order to help someone that needs insurance for residency purposes or to help someone that is sick get an insurance card for which they don't qualify based on the law.

WAGE AUDITS

Throughout 2022, wage audits were carried out by the SBAB and ATS' Wage Auditors. The number of audits carried out in 2022 increased compared to the previous year. The ATS Wage Auditors also assisted with the preparation, coordination, execution, and finalization of the wage audits. This included dealing with assessments, protest letters and appeals.

OTHER GENERAL UPDATES

As an organization, SZV has complied with the applicable laws to ensure that the annual budget was submitted on time. Measures have been incorporated to reduce the speed of the increase in cost (global inflation), and to improve collection methods to increase compliance. Healthcare funds remain a focus of attention with regards to cost containment, especially given the dire state of the related Funds.

Noteworthy is that, for the first time, SZV received an "Unqualified" auditor's Opinion for the 2021 combined financial statements, indicating that it gives a true and fair value of the organization's balance sheet and profit and loss, with increased improvements over the years in the financial management of the social health insurance funds. On the other hand, there is an adverse auditor's opinion as it relates to financial compliance of legislation. We are collaborating with relevant stakeholders to amend/repair outdated legislation accordingly.

Moreover, in the realm of business process redesigning, and to improve the various operational processes within the organization, policy advising was emphasized, to review and analyze current policies, develop more effective strategies, and communicate these changes within the organization, as such, a policy inventory and a plan of approach was drafted regarding developing relevant policies.

Furthermore, the organization continued to work towards the enhancement of the quantity and quality of collection measures taken. In 2022, a mass collection project commenced, where focus would be placed in a phased approach directed at specific industries at a time. The aim of the project is to enhance awareness about the employer's obligation towards the health and the social funds to safeguard sustainability of the funds.



FINANCIAL HIGHLIGHTS



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

PREMIUM +14.3%

SZV's 2022 income, has shown a growth of 14.3% compared to the prior year. Noteworthy, is that ZV/OV revenues for the year 2022 increased by 22.3%, while AOV/AWW revenues saw an increase of 11.2%.

As the economy continues its upwards trend in terms of increased employment and economic activity, we are expected to see continuing increase in the overall premium income. Moreover, the higher ZV/OV wage limit implemented as per August 2022, also contributed to the level of premium income growth.

An impact on the premiums also stems from increased collection efforts. In 2022, a mass collection project commenced, where focus would be placed in a phased approach directed at specific industries at a time.

BENEFITS +1.9%

The benefits of the healthcare funds increased, while pension and Cessantia show a decline or remained stagnant, respectively, compared to prior year.

Healthcare expenses saw an augmentation in 2022 when compared to 2021, primarily due to:

- Increased medical referral & transportation expenses; limited cost-efficient referral destinations, increased airline travel costs, and more expensive, complex cases
- Increased expenses for hospital care; more specialisms and medical services locally, as well as increased tariffs
- Retro-active tariff increase for paramedical care
- Extra laboratory expenses, also from more target specific cases from specialists now (more) accessible locally
- Medication expenses declined mainly due to PCCP program, which is aimed to reduce medication cost.

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

Benefits per category,	2022	2021
<i>(Amounts are in 1,000 Antillean guilders)</i>		
Medical expenses:		
Primary line care	5,896	5,651
Secondary care	61,863	48,024
Tertiary care	30,279	25,616
Facilitating care	29,377	28,503
Long-term care	20,493	20,387
Total medical expenses	147,909	128,182

¹See note on page 17 for composition of the benefits categories.

Furthermore, there was a mass clean-up of significantly aged outstanding Loss of Wages benefits in 2022. Noteworthy is that the pension benefits show a decline primarily due to commencement of grace period as a result of the pension age increase and a pension backlog accrual in 2021, which was minimized in 2022.

OPERATIONS +8.7%

There is an increase of 8.7% (ANG 2.7M) evident in the operating expenses, compared to 2021, mainly due to

- A write-off of receivable due from a third party relating to a phishing scam
- Professional service fees and other personnel expenses attributed to training of staff in connection with SZV's new strategic approach, and related culture change
- Personnel medical expenses; overseas referrals
- Impact of increased automation due to the various e-Health/ e-SZV projects, and other operational software implementation and associated upgrades, in addition to process improvements

INVESTMENTS -207.9%

Overall, SZV had a negative result of ANG -40.9M on its investments in 2022; a decline of 207.9% when compared to 2021. During 2022 SZV redeemed ANG 34.2M from their investments. Approximately 52% of SZV's portfolio is invested internationally and 48% locally.

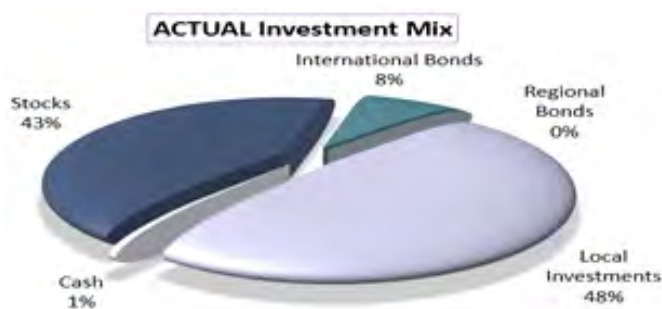
FINANCIAL HIGHLIGHTS cont.

INVESTMENT MIX

Based on an ALM study conducted in the past, the strategic asset allocation was determined for SZV. These strategic weights may be deviated from 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 visual below displays the actual investment mix by the end of 2022.



ECONOMIC & GEOPOLITICAL DEVELOPMENTS

The negative performance returns in SZV's international portfolio were driven by rare occurrence of a simultaneous Bear Market in both Equities and Fixed Income. Inflation played a pivotal role during the financial year of 2022. Economies worldwide were influenced by rising inflation, its causes, and the policies aimed at curtailing it. While inflationary pressures began to mount in 2021, they were exacerbated by continuing supply shortages; the ongoing effects of the COVID-19 pandemic; the Russian invasion of Ukraine; and a global energy crisis.

The US and European Central Banks were fully active trying to contain inflation.

INVESTMENT PORTFOLIO

The graph below elucidates the performance of the total portfolio against the benchmark on a monthly basis, for 2022.



BALANCE SHEET

The Government of Sint Maarten owes SZV ANG 72.6M, which consists of the following:

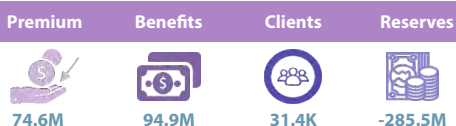
- The division of assets after 10-10-10;
- The legal obligation of the Government to contribute to specific funds;
- Services provided to the Government;
- Pre-financing of (medical) expenses of civil servants (OZR); only the portion listed via the current accounts of the funds. The complete OZR administration 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

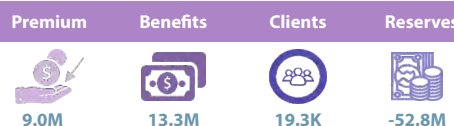


ZV



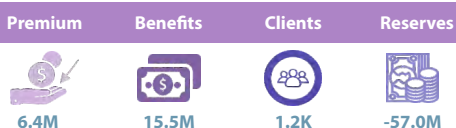
KEY FIGURES ZV	2022	2021	UNIT	5 Yr Trend
Premium	74.6	60.8	M	
Benefits	94.9	89.7	M	
Reserves	(285.5)	(251.1)	M	
Number of clients	31.4	29.7	K	
Average Benefits per client	3.0	3.0	K	
Benefits/Premiums	127%	148%	%	

OV



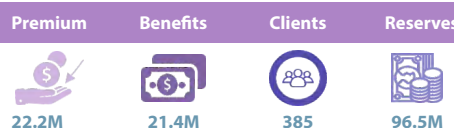
KEY FIGURES OV	2022	2021	UNIT	5 Yr Trend
Premium	9.0	7.6	M	
Benefits	13.3	12.3	M	
Reserves	(52.8)	(47.5)	M	
Number of clients	19.3	18.5	K	
Average Benefits per client	688	663	H	
Benefits/Premiums	148%	162%	%	

FZOG



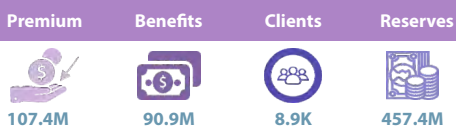
KEY FIGURES FZOG	2022	2021	UNIT	5 Yr Trend
Premium	6.4	6.9	M	
Benefits	15.5	14.3	M	
Reserves	(57.0)	(46.9)	M	
Number of clients	1.2	1.2	K	
Average Benefits per client	12.6	11.4	K	
Benefits/Premiums	241%	207%	%	

AVBZ



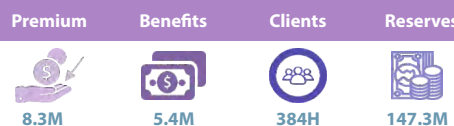
KEY FIGURES ZV	2022	2021	UNIT	5 Yr Trend
Premium	22.2	20	M	
Benefits	21.4	20.6	M	
Reserves	96.5	103.0	M	
Number of clients	385	435	H	
Average Benefits per client	55.5	47.4	K	
Benefits/Premiums	96%	103%	%	

AOV



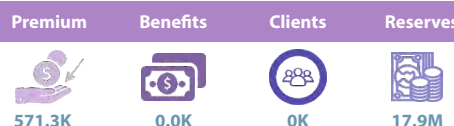
KEY FIGURES AOV	2022	2021	UNIT	5 Yr Trend
Premium	107.4	96.6	M	
Benefits	90.9	94.4	M	
Reserves	457.4	480.3	M	
Number of clients	8.9	8.8	K	
Average Benefits per client	10.3	10.7	K	
Benefits/Premiums	85%	98%	%	

AWW



KEY FIGURES AWW	2022	2021	UNIT	5 Yr Trend
Premium	8.3	7.4	M	
Benefits	5.4	5.5	M	
Reserves	147.3	152.5	M	
Number of clients	384	437	H	
Average Benefits per client	13.9	12.8	K	
Benefits/Premiums	65%	74%	%	

CESS



KEY FIGURES CESS	2022	2021	UNIT	5 Yr Trend
Premium	571.3	572.9	K	
Benefits	-	-	M	
Reserves	17.9	18.6	M	
Number of clients	-	-	H	
Average Benefits per client	0.00	0.00	K	
Benefits/Premiums	0%	0%	%	

** All amounts are in ANG unless indicated otherwise'





CONDENSED FINANCIAL STATEMENT NOTES

SZV is charged with the execution of several social & health insurances established by national ordinance AB2010, GT no 59.

This condensed report is a summarized version of the Uitvoeringsorgaan Sociale en Ziektekosten Verzekering (SZV) 2022 Annual Report as required based on aforementioned legislation. This report includes a snapshot in which the business updates and combined Financial Statements of SZV's operations, ZV, OV, AOV, AWW, FZOG, CESS and AVBZ, are presented as one reporting entity.

GENERAL

RECOGNITION OF ASSETS, LIABILITY, REVENUE OR EXPENSE

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.

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 reliably.

Revenues will be included in the statement of income and expenses when an increase in 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 receivables and cash and cash equivalent.

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 2022.

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

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 of 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 2022.

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 Cessantia. 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 consist of medical expenses of practioners and dentistry. Secondary care includes expenses for paramedical specialist and hospital. Under the benefits category, Tertiary care is composed of



CONDENSED FINANCIAL STATEMENT NOTES cont.

medical referrals, psychiatric institution, transport and other institution expenses. Facilitating care contains laboratory, medicines, and health care devices expenses. Long-term care includes after, elderly and home care expenses.

ADMINISTRATIVE EXPENSES

These are the operational administrative costs of SZV. They consist of personnel expenses, accommodation, depreciation and other general costs, including impairment costs.

NOTES TO CASHFLOW STATEMENT

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

OTHER NOTES

OZR (OVERHEIDSZIEKTEKOSTENREGLINGEN)

'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 financials of the OZR administration is reported separately, and does not form part of this annual report.

Healthcare Reform

Sint Maarten has re-commenced a project which aims at the successful introduction of a system of General Health Insurance (GHI) within a couple years. The GHI is intended to replace all current collective sickness insurance arrangements and the long-term care insurance, with one sustainable system, offering universal admittance and sufficient risk coverage. SZV forms part of this project, which is presently ongoing.

Fair value of Investments

The outbreak of COVID-19, initially, then the tragic Russian invasion of Ukraine, and, rapidly escalating events in late February and early March 2022, are causing disruptions to business and economic activity, combined with the high inflation in the region and globally. At this moment, it is not possible to provide an estimate of the total financial impact of this crisis on SZV and the economy of St. Maarten as a whole.

As of May 31, 2023, the fair value of the SZV's international investments has decreased to a total value of approximately ANG 178 M (4.72%). These subsequent changes in the fair value of the Organization's investments are not reflected in the financial statements as of December 31, 2022. This qualifies as a non-adjusting subsequent event and is not required given the accounting principles that SZV adheres to.

12.5% reduction Personnel Expenditures

In accordance with the "Temporary National Ordinance on the standardization of top incomes and adjustments of employment conditions at (semi) public sector entities" USZV is legally required to implement the 12.5% benefits cuts from July 1, 2020, until further notice, as there was no end date stipulated in the National Ordinance.

Ultimately, the measures implemented by SZV due to the abovementioned ordinance were only put into effect through December 31, 2022, considering that the ordinance is officially repealed as per January 1, 2023.

Loss of Wages Creditor accounts Clean-up

In 2020, the process of the Loss of Wages clean-up exercise was temporarily placed on hold considering the re-prioritizations post-COVID. The focus during 2020 & 2021, was primarily on the accuracy of employer information and related portal, improving access for stakeholders and increasing efficiency within the respective work processes.

It was approved in 2022 to carry out an initial phase of a mass write-off of significantly aged Loss of Wages outstanding balances. A further review and clean-up project of the Loss of Wages outstanding of the periods thereafter, will be undertaken in 2023. Settlement of Loss of Wages payable (according to the civil code) will also be applied taking into consideration any outstanding balances of social and health premiums for the respective employers.



BALANCE SHEET



ASSETS	December 31, 2022	December 31, 2021
<i>(amounts are in 1,000 Antillean guilders)</i>		
NON-CURRENT ASSETS		
Intangible fixed assets	6,172	6,045
Property, plant and equipment	1,228	395
Investment properties	61,650	62,767
Financial fixed assets	6,203	5,153
Long-term receivables	85,612	90,939
Total non-current assets	160,865	165,299
CURRENT ASSETS		
Financial assets	159,602	241,778
Trades and other receivables	40,817	39,994
Cash and cash equivalents	43,017	42,303
Total current assets	243,436	324,075
TOTAL ASSETS	404,301	489,375
EQUITY AND LIABILITIES	December 31, 2022	December 31, 2021
<i>(amounts are in 1,000 Antillean guilders)</i>		
EQUITY		
General reserves	639,613	684,949
Legal reserves	63,750	63,750
To be funded deficits	(371,282)	(331,647)
Total equity	332,081	417,052
NON-CURRENT LIABILITIES		
Provision duurtetoeslag	1,700	1,637
Other Provisions	665	(529)
Total non-current liabilities	2,365	1,108
CURRENT LIABILITIES		
Benefit liabilities	49,411	50,987
Blocked benefits	13,429	9,275
Trade and other liabilities	7,015	10,953
Total current liabilities	69,855	71,215
TOTAL EQUITY AND LIABILITIES	404,301	489,375

INCOME STATEMENT



REVENUES AND EXPENSES

(amounts are in 1,000 Antillean guilders)

REVENUES

Premium income

Premium Income	222,698	194,141
Government contribution	4,986	5,251
Fines and summoned amounts	897	551

Total premium income	228,581	199,943
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Investment income

Net income real estate investment	3,736	3,801
Net income financial assets held to maturity	347	273
Net income investment held at fair value	(44,956)	33,812

Total Investment income	(40,873)	37,886
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Other operating income	1,947	7,084
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EXPENSES

Benefits

Medical expenses	147,907	128,181
Loss of wages	(2,798)	8,721
Pension expenses	96,288	99,893
Cessantia expenses	-	-

Total Benefits	241,398	236,794
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NET INSURANCE RESULT	(51,744)	8,119
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Administrative expenses

Personnel expenses	16,376	15,587
Accommodation expenses	2,434	2,435
General expenses	10,952	9,372
Depreciation expenses	3,258	3,079
Impairment	68	-
Mutation provision duurtetoelag	106	67

Total administrative expenses	33,193	30,541
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OPERATIONAL RESULT	(84,937)	(22,422)
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Mutation legal reserves	-	-
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NET RESULT	(84,937)	(22,422)
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ALLOCATION OF NET RESULT

	2022	2021
Mutation general reserve	(45,302)	24,403
Mutation to be covered deficits	(39,635)	(46,825)

NET RESULT	(84,937)	(22,422)
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STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOW	2022	2021
<i>(amounts are in 1,000 Antillean guilders)</i>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net revenues and expenses for the period	(84,937)	(22,422)
Adjustments for:		
Depreciation	4,375	4,132
Increase (decrease) impairment	68	-
Increase (decrease) provisions	1,257	(240)
Increase (decrease) equity	(34)	(3,350)
Mutations work capital:		
(Increase) decrease in trade and other receivables	(823)	(2,567)
Increase (decrease) in current liabilities	(1,360)	13,492
Net cash flows from operating activities	(81,453)	(10,955)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in intangible fixed assets	(3,105)	(2,077)
Net investments in property, plant & equipment	(1,181)	(102)
Net investments in investment properties	-	-
Net investments in financial fixed assets	(1,050)	(1,043)
Net investments in financial assets	82,176	11,657
Increase (decrease) long term receivables	5,327	2,624
Net cash flows from investing activities	82,167	11,060
CASH FLOWS FROM FINANCING ACTIVITIES		
Mutation legal reserves	-	-
Net cash flows from financing activities	-	-
Mutation cash and equivalents	714	105
Cash and cash equivalents at beginning of period	42,303	42,198
Cash and cash equivalents at end of period	43,017	42,303
Increase (decrease) cash and equivalents	714	105

FINANCIAL STATEMENT PER FUND

Splitting of the Combined Balance Sheet as of December 31, 2022

ASSETS	AOV 12.31.2022	AOV 12.31.2021	AWW 12.31.2022	AWW 12.31.2021	ZV 12.31.2022	ZV 12.31.2021	OV 12.31.2022	OV 12.31.2021	CESS 12.31.2022	CESS 12.31.2021	FZOG 12.31.2022	FZOG 12.31.2021	AVBZ 12.31.2022	AVBZ 12.31.2021	USZV 12.31.2022	USZV 12.31.2021	TOTAL 12.31.2022	TOTAL 12.31.2021
(amounts are in 1,000 Antillean guilders)																		
NON-CURRENT ASSETS																		
Intangible fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,172	6,045	6,172	6,045
Property, plant & equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,228	395	1,228	395
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	61,650	62,767	61,650	62,767
Financial fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,203	5,153	6,203	5,153
Long-term receivables	1,101	4,701	514	552	40,699	41,716	105	113	2,295	2,461	9,114	9,140	20,701	20,935	11,083	11,323	85,612	90,939
Total non-current assets	1,101	4,701	514	552	40,699	41,716	105	113	2,295	2,461	9,114	9,140	20,701	20,935	86,336	85,683	160,865	165,299
CURRENT ASSETS																		
Financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	159,602	241,778	159,602	241,778
Trade and other receivables:																		
Receivables from premium	10,814	10,124	-	-	8,033	7,187	-	-	6	7	6,191	4,393	4,175	3,463	-	-	29,219	25,174
Current account Funds and USZV	449,073	471,771	148,592	153,999	(296,660)	(259,190)	(52,921)	(47,660)	13,038	15,060	(69,092)	(56,846)	61,311	63,009	(253,339)	(340,142)	1	1
Other receivables	6,660	6,740	140	127	1,046	3,152	-	-	11	(2)	265	309	1,263	1,463	2,213	3,031	11,598	14,820
Total trade and other receivables	466,547	488,635	148,732	154,126	(287,581)	(248,852)	(52,921)	(47,660)	13,054	15,066	(62,636)	(52,144)	66,749	67,935	(251,126)	(337,111)	40,817	39,994
Cash and cash equivalents	2,168	1,008	-	-	4,696	1,419	-	-	2,685	1,133	36	30	11,495	15,496	21,937	23,216	43,017	42,303
Total current assets	468,715	489,643	148,732	154,126	(282,885)	(247,432)	(52,921)	(47,660)	15,740	16,199	(62,601)	(52,114)	78,244	83,431	(69,587)	(72,117)	243,436	324,075
TOTAL ASSETS	469,816	494,344	149,246	154,678	(242,186)	(205,716)	(52,816)	(47,548)	18,035	18,659	(53,486)	(42,974)	98,945	104,366	16,748	13,566	404,301	489,375
EQUITY AND LIABILITIES																		
(amounts are in 1,000 Antillean guilders)																		
EQUITY																		
General reserves	428,865	451,759	145,051	150,297	-	-	-	-	17,879	18,566	-	-	96,488	102,965	8,302	8,302	639,613	684,949
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	-	-	-	-	(313,966)	(279,599)	(57,316)	(52,048)	-	-	(56,973)	(46,941)	-	-	-	-	(371,282)	(331,647)
Total equity	457,365	480,259	147,301	152,547	(285,466)	(251,099)	(52,816)	(47,548)	17,879	18,566	(56,973)	(46,941)	96,488	102,965	8,302	8,302	332,081	417,052
Non-current liabilities																		
Provision duurtetoelag	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,700	1,637	1,700	1,637
Other Provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	665	(529)	665	(529)
Total non-current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,365	1,108	2,365	1,108
Current liabilities																		
Benefit liabilities	56	138	24	36	43,270	45,397	-	-	119	56	3,487	3,959	2,456	1,401	-	-	49,411	50,987
Blocked benefits	11,665	7,654	1,764	1,622	-	-	-	-	-	-	-	-	-	-	-	-	13,429	9,275
Other liabilities	730	6,293	156	473	11	(14)	-	-	37	37	-	8	-	-	6,081	4,156	7,015	10,953
Total current liabilities	12,451	14,085	1,944	2,130	43,281	45,383	-	-	156	93	3,487	3,967	2,456	1,401	6,081	4,156	69,855	71,215
TOTAL EQUITY AND LIABILITIES	469,816	494,344	149,246	154,678	(242,186)	(205,716)	(52,816)	(47,548)	18,035	18,659	(53,486)	(42,974)	98,945	104,366	16,748	13,566	404,301	489,375

FINANCIAL STATEMENT PER FUND

Splitting of the Combined Income Statement per fund for 2022

Profit & Loss Statement	AOV 2022	AOV 2021	AWW 2022	AWW 2021	ZV 2022	ZV 2021	OV 2022	OV 2021	CESS 2022	CESS 2021	FZOG 2022	FZOG 2021	AVBZ 2022	AVBZ 2021	USZV 2022	USZV 2021	TOTAL 2022	TOTAL 2021
<i>(amounts are in 1,000 Antillean guilders)</i>																		
REVENUES																		
Premium income:																		
Premium Income	107,166	96,485	8,244	7,422	69,125	55,214	8,914	7,547	571	573	6,446	6,896	22,233	20,005	-	-	222,698	194,141
Government contribution	-	-	-	-	4,986	5,251	-	-	-	-	-	-	-	-	-	-	4,986	5,251
Fines and summoned amounts	282	158	22	12	526	335	68	46	-	-	-	-	-	-	-	-	897	551
Total Premium income	107,447	96,643	8,265	7,434	74,637	60,800	8,982	7,592	571	573	6,446	6,896	22,233	20,005	-	-	228,581	199,943
Investment & Other income:																		
Investment income	(26,041)	23,676	(8,169)	7,652	()	()	-	-	(978)	908	()	()	(5,684)	5,650	-	-	(40,873)	37,886
Other operating income	356	4,609	1,099	846	(154)	516	1	22	(228)	296	16	15	857	780	-	-	1,947	7,084
Total Investment & Other income	(25,685)	28,285	(7,071)	8,498	(155)	516	1	22	(1,206)	1,204	16	15	(4,827)	6,430	-	-	(38,927)	44,970
Total Revenues	81,762	124,928	1,195	15,932	74,482	61,316	8,983	7,614	(635)	1,777	6,462	6,911	17,405	26,435	-	-	189,654	244,913
EXPENSES																		
Benefits:																		
Medical expenses	-	-	-	-	98,313	82,053	12,678	11,215	-	-	15,537	14,277	21,379	20,636	-	-	147,907	128,181
Loss of wages	-	-	-	-	(3,416)	7,641	619	1,080	-	-	-	-	-	-	-	-	(2,798)	8,721
Pension expenses	90,937	94,368	5,351	5,524	-	-	-	-	-	-	-	-	-	-	-	-	96,288	99,893
Cessantia expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Benefits	90,937	94,368	5,351	5,524	94,897	89,694	13,297	12,295	-	-	15,537	14,277	21,379	20,636	-	-	241,398	236,794
NET INSURANCE RESULT	(9,175)	30,560	(4,156)	10,408	(20,415)	(28,378)	(4,314)	(4,681)	(635)	1,777	(9,075)	(7,366)	(3,974)	5,799	-	-	(51,744)	8,119
Administrative expenses:																		
Personnel expenses	6,724	6,400	542	516	6,926	6,593	475	452	26	25	466	443	1,216	1,158	-	-	16,376	15,587
Housing expenses	999	1,000	81	81	1,030	1,030	71	71	4	4	69	69	181	181	-	-	2,434	2,435
General expenses	4,586	3,901	353	293	4,545	3,942	309	257	17	14	324	289	817	676	-	-	10,952	9,372
Depreciation expenses	1,338	1,264	108	102	1,378	1,302	94	89	5	5	93	88	242	229	-	-	3,258	3,079
Impairment	28	-	2	-	29	-	2	-	-	-	2	-	5	-	-	-	68	-
Mutation provision duurtetoelag	43	28	4	2	45	28	3	2	-	-	3	2	8	5	-	-	106	67
Total Administrative Expenses	13,719	12,593	1,090	994	13,953	12,895	954	871	53	48	957	891	2,469	2,248	-	-	33,193	30,540
OPERATIONAL RESULT	(22,894)	17,966	(5,246)	9,413	(34,367)	(41,273)	(5,268)	(5,552)	(687)	1,729	(10,032)	(8,257)	(6,443)	3,551	-	-	(84,937)	(22,422)
Mutation legal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET RESULT	(22,894)	17,966	(5,246)	9,413	(34,367)	(41,273)	(5,268)	(5,552)	(687)	1,729	(10,032)	(8,257)	(6,443)	3,551	-	-	(84,937)	(22,422)

To: the Supervisory Council and Management of Social and Health Insurances Sint Maarten (SZV)

INDEPENDENT AUDITOR'S REPORT

Auditor's report concerning the condensed financial statements 2022

Our opinion

The condensed financial statements 2022 of the Social and Health Insurances Sint Maarten (hereinafter: SZV), based in Sint Maarten, are derived from the audited financial statements 2022 of SZV.

In our opinion, the accompanying condensed financial statements 2022 of SZV are consistent, in all material respects, with the audited financial statements 2022 of SZV, based on the notes described in the section 'Condensed financial statement notes'. In this regard, we note that we have expressed an unqualified opinion with respect to the true and fair view of the audited financial statements 2022 of SZV and an adverse opinion with respect to the financial compliance ('financiële rechtmatigheid'), both in our auditor's report dated on July 14, 2023.

The condensed financial statements comprise:

1. the condensed balance sheet as at 31 December 2022;
2. the condensed income statement for 2022;
3. the condensed statement of cash flow for 2022;
4. the key figures per fund, financial highlights and other (explanatory) notes to the condensed financial statements.

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 until 26, 28, 30 sub 1 and 31 sub a and b of the National Accountability Ordinance (Comptabiliteitslandsverordening), AB 2010, GT no. 23 (where 'uitvoeringsorgaan SZV' should be read instead of 'Land'). Therefore, taking note of the condensed financial statements and our report thereon is not a substitute for taking note of the audited financial statements of SZV 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 the audited financial statements 2022 dated July 14, 2023.

The audited financial statements and our auditor's report thereon

In our auditor's report dated July 14, 2023, we expressed an unqualified opinion with respect to the true and fair view of the audited financial statements 2022 of SZV and an adverse opinion with respect to the financial compliance ('financiële rechtmatigheid'). This adverse opinion is related to the following observations:

Fund management not in line with laws and regulations

- Various findings regarding financial compliance remain unchanged in 2022:
 - o Article 4 of the *Landsverordening Ziekteverzekering* (LV ZV; AB 2013, GT no. 802 and AB 2015, no. 9) states that only expenses of treatments on Sint Maarten are to be covered by the ZV fund. The expenses related to medical referrals are therefore incompatible with the applicable law and regulations.



- In previous years it was established that articles 5 and 7 of the *Landsverordening Ongevallenverzekering* (LV OV; AB 2013, GT no. 801 and AB 2015, no. 9) are not being adhered to. It seems SZV is not decreasing percentages used in payments for loss of wages as timely as the law stipulates. Furthermore, it seems that article 7 is not being adhered to when it comes to individual cases of 'loonderving eigennamen'. As far as we are aware of, these circumstances have not improved significantly during 2022.
- Certain aspects of fund management for the FZOG fund have not materialized as yet. This pertains to stipulations from the *Landsverordening Regeling Tegemoetkoming Ziektekosten Overheidsgepensioneerden* (LV FZOG; AB 2013, GT no. 644) and the *Landsbesluit beheersregels Fonds Ziektekosten Overheidsgepensioneerden* (LB beheersregels FZOG; AB 2013, GT no. 683).
- Certain elderly residents are being provided health insurance via the ZV fund even though they do not meet the employment requirements stipulated by the LV ZV. Although government and/or parliament once had the intention to adjust the laws accordingly, this has not yet materialized. The current *Landsverordening Ziekteverzekering* primarily provides insurance to employed residents and their family-members until the age of retirement.
- The legal reserves of the ZV and OV funds are currently lower than 50% of the average expenses of the last five years of these funds. This is not in line with (respectively) the *Lbham ter uitvoering van artikel 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 for various medical treatments are not in line with the underlying laws and regulations related to the ZV/OV and FZOG funds. This pertains to the *Landsbesluit Medisch Tarief Sociale Verzekeringen* (LB MTSV; AB 2013, GT no. 753) and *Lbham Vergoeding Kosten Geneesmiddelen* (AB 2013, GT no. 536).

Responsibilities of management and supervisory council for the condensed financial statements

Management is responsible for the preparation of the condensed financial statements based on the notes described in the section 'Condensed financial statement notes'. The supervisory council is responsible for overseeing the financial reporting process of the organization.

Our responsibilities

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 the Dutch Standard on Auditing 810 'Opdrachten om te rapporteren betreffende samengevatte financiële overzichten' (Engagements to report on condensed financial statements).

Philipsburg, December 6, 2023

On behalf of

Stichting Overheidsaccountantsbureau

Originally signed by

drs. R.N. Sandriman RA
Director





2022

Condensed

Annual Report

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