



2023

Condensed

Annual Report

SOCIAL AND HEALTH INSURANCES
EXECUTING BODY OF SINT MAARTEN (SZV)

“Change is the law of life and those who look only to the past or present are certain to miss the future.”

– John F. Kennedy

TABLE OF CONTENTS

TABLE OF CONTENTS	Page 1
FOREWORD	Page 2
QUICKVIEW	Page 3
OUR FOUNDATION	Page 4
WHO WE ARE	Page 5
ORGANIZATIONAL STRUCTURE	Page 6
BUSINESS DEVELOPMENTS	Page 7
FINANCIAL HIGHLIGHTS	Page 15
KEY FIGURES PER FUND	Page 17
CONDENSED FINANCIAL STATEMENT NOTES	Page 18
BALANCE SHEET	Page 20
INCOME STATEMENT	Page 21
STATEMENT OF CASH FLOWS	Page 22
FINANCIAL STATEMENTS PER FUND	Page 23
AUDITOR'S REPORT	Page 25

FOREWORD

In the spirit of the insightful words of John F. Kennedy, "Change is the law of life and those who look only to the past or present are certain to miss the future", we embrace the transformative journey that has defined our past year. As we present the business & financial highlights of our organization, we acknowledge the dynamic nature of change within our community and our organization, as well as the importance of looking forward to a future filled with improved customer experience, process enhancements, and financial sustainability.

While we still report a negative net result as of December 31, 2023, we have achieved a significantly improved outcome compared to the previous year. This progress reflects our prudent management and the successful execution of our strategic initiatives, particularly in the areas of enhanced premium collections and positive investment returns. Our focused efforts in improving collection processes have yielded positive results, while our investment portfolio has demonstrated resilience, substantially contributing to our financial strength.

On the other hand, the increased benefit expenses proved to be strained considering the present demands within our community. As we move forward, we are implementing measures to improve cost containment, with emphasis on our medical benefit expenses. These measures are designed to ensure the long-term viability of our healthcare funds, while maintaining the quality of care that our customers and other stakeholders expect and deserve. We are exploring innovative approaches to manage healthcare costs, including the use of data analytics to identify trends and opportunities for savings, negotiating better terms with healthcare providers, and promoting preventive care initiatives that can reduce long-term expenses.

While we navigate through the demanding financial landscape, we remain committed and continue to invest in digital transformation, optimizing our operations, and enhancing our service delivery. Our focus remains steadfast on our strategic goals, ensuring that we are well-positioned to seize new opportunities and overcome crucial challenges.

In addition, we are proud to introduce SZV's culture change project, where we are evolving into a people's organization to better cope with changes. This initiative aims to foster a more inclusive, responsive, and adaptive workplace culture. By putting people at the center of our operations, we can better meet the needs of our community and employees alike, ensuring that we remain agile and resilient in the face of ongoing transformations.

As we turn the page to the next chapter of our story, we are guided by the enduring truth of Kennedy's words. By embracing SZV's Beyond 3.0 transition and looking toward the future, we are confident that we will be able to positively contribute to the evolving changes within our community.

On behalf of management,

Glen A. Carty
Director

2023 ANNUAL REPORT

QUICKVIEW



4.5

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

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

2.6

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 2023

-11.9 M

NET RESULT 2022

-84.9 M



INCOME

- ★ Premium income increased by 14.5% (ANG 33.2M) in 2023 due to wage limit increase, SZV's continued collection efforts, and the continued increase in economic activity
- ★ Investment income increased due to positive performance returns on the local & international market. Return on investment in 2023 was ANG 28.7M

EXPENSES

Benefits:

The total benefits increased by 14.0% (ANG 33.9M) in 2023 compared to the prior year

- ★ Hospital care: more specialisms and medical services locally
- ★ Medical referrals: More cases referred, limited cost-efficient destination referrals abroad, and more complex cases
- ★ Loss of Wages: Large write-off of Loss of Wages in 2022. Mass clean-up in 2023/2024
- ★ Wage limit increase: Access to ZV insurance by more persons
- ★ Increased laboratory & medication expenses
- ★ Pension: Retroactive pension indexation of +7.9% and application processing backlog accrual in 2023

Operations:

Administrative expenses increased by 4.7% (ANG 1.6M), mainly due to:

- ★ Repeal of the 12.5% reduction of personnel expenses ordinance
- ★ Professional service fees and training of staff / culture change
- ★ Impact of increased automation
- ★ Write-off in 2022 related to a prior year phishing scam; no significant write-off in 2023

GENERAL

- ★ Combined reserve of the Healthcare funds: ANG -343.7M
- ★ Combined reserve of the AOV/AWW pension & Cessantia funds is ANG 655.5M
- ★ Pending receivable from the Government of Sint Maarten to SZV (funds only) of ANG 74.5M
- ★ 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

Social well-being in the palm of your hand.

MISSION

Providing the citizens peace of mind, simplifying access to our services, making use of state-of-the-art technology.

FOCUS AREAS

- Customers
- People & Culture
- Chain Collaboration
- Internal Optimization

STRATEGIC OUTCOMES

- 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 Executing 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

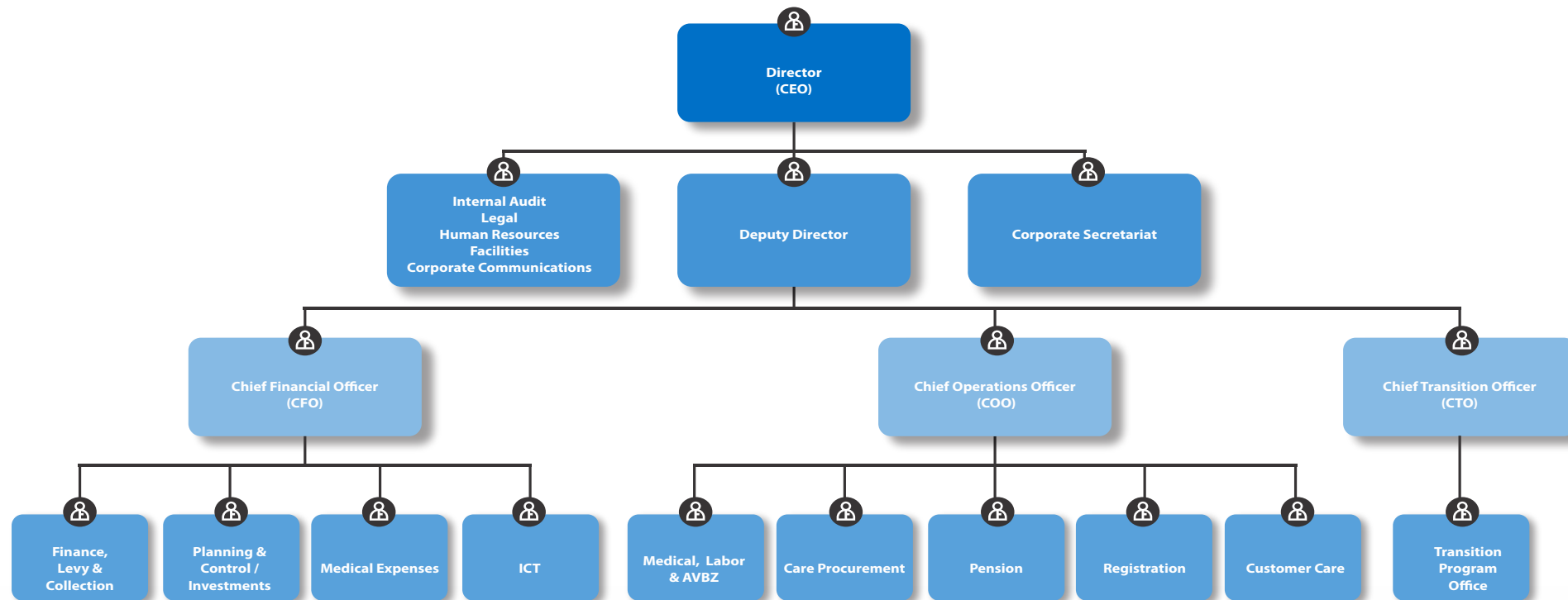
Cessantia includes a monetary one-time payment, which the employer must pay to its employee upon termination of the employment contract of that employee, not due to a fault of the employee. This payment is based on the number of years of service of the employee. Employers must deposit NAf 40.00 per employee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

	Supervisory Council	Function	Term (Start date)	Term (End date)
	Mr. P. Wilson	Chairman Member	July 23, 2023 January 31, 2023	January 31, 2026 July 22, 2023
	Mr. W. Johnson (Re-appointment)	Chairman	December 28, 2017	July 22, 2023
	Ms. C. Marica (Re-appointment)	Vice Chair	February 9, 2017	July 23, 2024
	Ms. K. Dowling	Member	July 23, 2021	July 23, 2024
	Ms. K. Arnell	Member	January 31, 2023	January 31, 2026
	Mr. T. Washington	Member	January 31, 2023	January 31, 2026

*The terms listed for the supervisory council is through the reporting year 2023.

According to the National Ordinance article 15, sub-4, the SC is required to meet structurally on an annual basis. For 2023, the SC met on four occasions.

BUSINESS DEVELOPMENTS

A significant number of operational advancements such as digitization, and re-evaluations of primary activities were accelerated as part of the organization's goals. The financial landscape has brought some challenges, however, 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

2023 marked the second full year of executing the SZV Strategic Plan Beyond 3.0. SZV's transition journey continued whereby the four focus areas remain at the center of our efforts. Various projects and activities are in execution under the umbrella of the Transition Program. These include, but are not limited to:

CULTURE & LEADERSHIP

SZV's Transition Program necessitated learning new tools, methodologies, and ways of working. Employees gained valuable skills, enhancing their professional growth and adaptability. To support this change, SZV is executing a comprehensive and extensive culture change management trajectory.

DIGITAL TRANSFORMATION & DEVELOPMENTS

Digital transformation is a core part of the Transition Process. Some key components worked on in 2023 includes, Continuation Business Process Redesign, MySZV and Employer Portal development, as well as, replacement of legacy systems.

SYMPOSIUM

In partnership with the Ministry of VSA, SZV organized a symposium in November 2023. The symposium was a hallmark event in a mission to harmonize the efforts of pivotal players in the Sint Maarten health care sector. With rich discussions spanning three days, participants delved deep into topics such as "Future Health Tech: the Next Wave," "The Plus in Prevention," and "Affordability versus Accessibility." These sessions were guided by the expertise of prominent national and international speakers. The goal of this collaboration is to establish a comprehensive five-year trajectory for healthcare in St. Maarten.

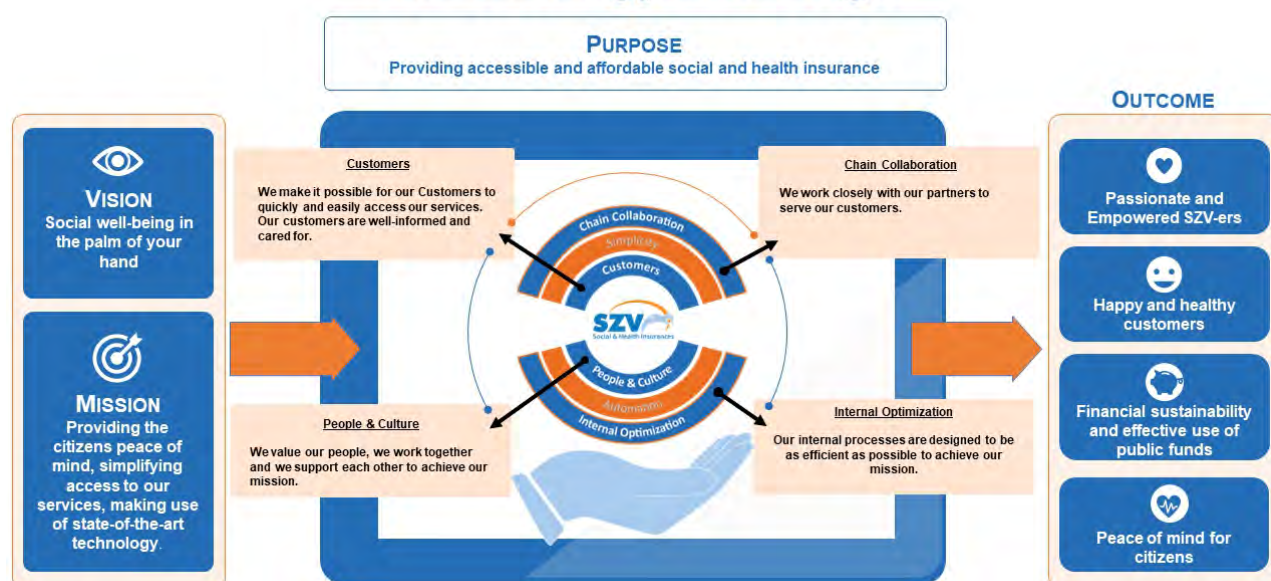
NEW SZV OFFICE BUILDING & WELLNESS UNIT PROJECT

The following project preparations activities took place in 2023: The Contractor Selection process, Decree from the Ministry of VROMI which enable SZV to obtain the Cay Hill land in long lease and obtaining the Building Permit which sets the stage for the eventual construction of the New SZV Building.

DIGITALIZATION & TECHNOLOGICAL DEVELOPMENTS

Our ongoing data cleanup initiatives involve a systematic approach to enrich the data migrated from the legacy systems into Microsoft D365 CRM. This includes merging of individual's records, standardizing data formats, and classifying data into sensitivity categories to support our data security goals. This allows SZV to provide more accurate reporting to support the overall operations of the organization.

Our Strategy on a Page



BUSINESS DEVELOPMENTS cont.

SZV renders services to the employer online through the Employer 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.

The online services consist of the employers' requests for a confirmation report, a declaration of compliance with social and health premiums, a payment agreement, an overview of outstanding premiums, reactivation and deactivation of a company status, employers' mutations, submit an objection, a correction on monthly declaration, loss of wages payable, classification of accident insurance percentage and change of company legal or doing business name. The online interaction and engagement with SZV through the Employer Portal have been fully accepted by the different stakeholders.

During 2023, we received a total of 9,377 requests through the Employer Portal. This marks an increase of 74% compared to 2022. However, a total of 12% of the submitted requests were rejected due to non-compliance with the requirements outlined in SZV policies and National Ordinances, which is consistent with the previous year. This underscores the importance of adhering to SZV rules and regulations.

In 2022, the option to download and view monthly ZV/OV assessments via the Employers Portal was introduced to encourage compliance. This accessibility, along with the ability to submit objections through the Employer Portal in case of disputes over outstanding assessments, aims to promote transparency regarding the employer's debt. In 2023, 29% of submitted requests were concerning objections to ZV/OV and AOV/AWW assessments, representing a 7% increase from 2022.

Furthermore, in 2023, we upgraded the Employer Portal by introducing online demand notes, allowing employers to download and view their demand notes through the portal. Additionally, employers now have access to a dashboard overview illustrating their outstanding debt for social and health premiums.

Employers can also submit their request to register their employees via the Employer Portal. For the year 2023, a total of 27,712 requests were submitted. Out of these 89.3% were processed, 5.4% were cancelled, 5.3% were rejected, and 18 are still under review. Out of the processed requests, 12,222 were for employee commencements, 10,859 were for employment changes (mutations), and 4,631 were for terminations. In addition, a total of 8,459 requests were processed via the 'Happy Flow', indicating that there were no conflicts between the data submitted and our existing registry of employees, allowing for automated processing.

Individuals can also submit requests to update or complete their registration via the MYSZV portal. In 2023, a total of 2,227 requests were submitted.

As digitization becomes more widespread, Customer Care is adapting to offer enhanced technical support and guidance, ensuring clients effectively navigate their online environments. In 2023, Customer Care handled more than 16k emails through the general email address info@szv.sx, which are channeled through the respective departments, where necessary.

Print version of
soab
 Auditor's Report 20/2024C/SF
 dated 30 December 2024

we know government.

'The Future of Sustainable Healthcare in Sint Maarten' symposium



BUSINESS DEVELOPMENTS cont.**MEDICAL EXPENSES (CLAIMS)**

A highlight for Medical Expenses (Claims) in the year 2023, was the creation of a claims dashboard that monitors and assigns claims processing and approval in the claims system: HECINA. This new feature improves transparency and adds to efficiency in the process flow for medical claims. It is scheduled to 'go live' in 2024.

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 continues on with the (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**

From a legislative perspective there have been changes to the Landsverordening Algemene Ouderdomsverzekering AB 2020, no 44 (National ordinance on General Old Age Pension). The change in the law came into effect as of July 1, 2020, whereby the pension age has increased from 62 to 65 years. However, there is a grace period for persons born in 1958, 1959 and in 1960 up until and including June 30th, who can apply for pension at 62 years. The financial impact and eligibility of the pension age increase to 65 years are evident as per July 01, 2022.

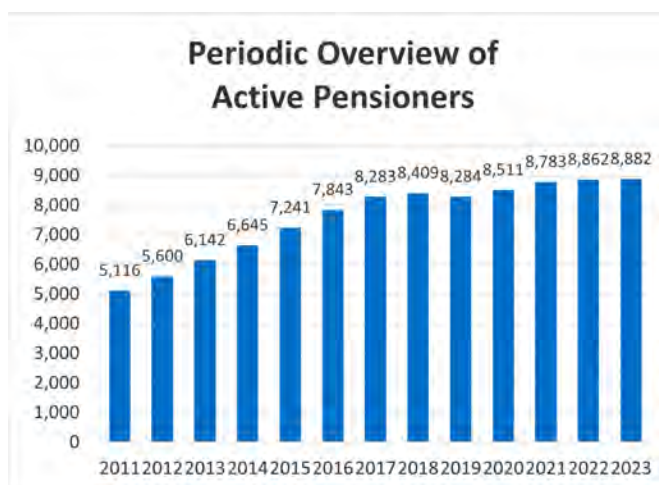
Moreover, effective January 1, 2023, the maximum AOV old age pension for the elderly was increased from ANG 1,240 monthly to ANG 1,338. The Widow(er) and Orphan (AWW) pensions were also increased, maximum amounts vary and can be found in the respective ordinance. This indexation for 2023 was based on the Consumer Price Index (CPI) of the second quarter of 2021 (2.84%) and the second quarter of

2022 (4.91%), as calculated by the Department of Statistics (STAT). The associated National Ordinances: AB 2023, no. 59 and AB 2023, no. 60, were ratified in the last quarter of 2023, effective from January 2023.

Furthermore, for both AOV or AWW Pension recipients, it is now possible to request a (digital) copy of the annual pension statements via e-mail info@szv.sx or by phone. The yearly pension statement shows the total amount of AOV/AWW pension benefits entitlement from SZV. The statement(s) are sent via e-mail.

AOV

During 2023, a total of 95 AOV requests were granted, with a significant number of late applications yet to be processed, pending further due diligence. Overall, the increase in the pensionable age has had significant effects on the growth factor of pensioners over time. As of December 31, 2023, the number of active AOV pensioners only increased by 0.22% to 8,882 compared to 2022. The growth is anticipated to continue stagnate until the last half of 2025, when an influx of new, eligible pensioners is expected. Notwithstanding the impact of the late applicants yet to be processed in our pension system.



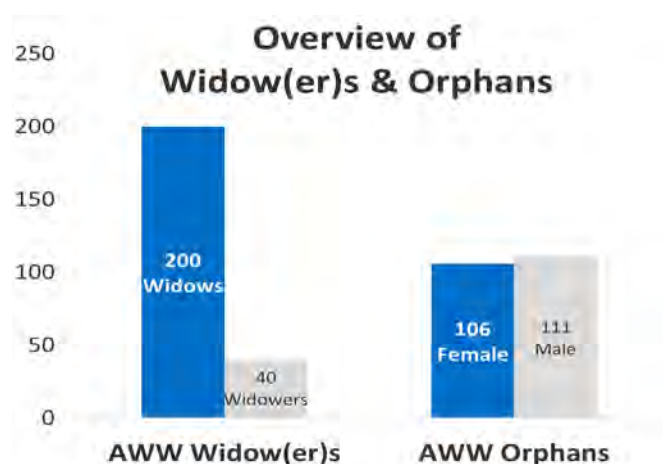
The aforementioned 8,882 active pensioners (46.5% male & 53.5% female) represent a monthly pension amount of approx. ANG 6.9M, and average ANG 783.63 per pensioner; with an average pension age of 71 years.

BUSINESS DEVELOPMENTS cont.

AWW

During 2023, there was a total of 240 widow(er)s compared to 2022 when there was 186 an increase of 54 widow(er)s. This increase was primarily due to the processing of backlogged applications, since 2021. This group represents approximately ANG 224.7k in widow(er) pension benefits that are paid out monthly; an average of ANG 936.25 per widow(er), with the average age being 45 years.

On the other hand, in 2023 there was a total of 217 orphans compared to 198 in 2022, an increase of 19 orphans. This group represents approximately ANG 112.9k in monthly orphan benefit expenses, an average of ANG 520.26 per orphan, with the average age being 16 years.



CESSANTIA

In 2023, there were nineteen persons, one company, that were paid out from the Cessantia fund for severance pay.

HEALTHCARE

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

CARE PROCUREMENT

In the second half of 2023, the project Optimization Care Procurement was initiated, which is intended to be finalized by the third quarter of 2024. This entails, but is not limited to, enhancing the care procurement functionality in the areas of strategy, policy, organizational (re-)structure, automation, process re-design, monitoring & evaluations.

In 2023, four new care provider requests were received and processed, namely a physical therapist, a paramedical institution, a general practitioner, and, a psychologist. In 2022, a needs assessment regarding medical aid and devices was made to ensure the correct and accurate quality products would be supplied to SZV insured. Further refinement continued in 2023 to improve the procurement of services and products.

AVBZ

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

In 2023, the AVBZ IC handled 299 requests for services and/or products which was 86 less than in 2022. This is evident in the table below:

Care category	2019	2020	2021	2022	2023
Professional assistance*	37	81	95	46	59
Medical Aid	30	12	13	5	19
Hearing Aids	20	8	29	18	40
Elderly home	12	20	14	28	8
Nursing Care Home	13	9	20	54	29
SBC	2	4	9	97	5
District nursing	31	63	71	21	74
Transportation (Non-ambulance)	0	3	0	0	0
Home adjustments	13	6	9	9	13
Prosthetics	26	13	16	7	17
Guided living	1	0	2	11	0
PGD (Psychogeriatric Day Care)	7	10	15	21	12
MHF	5	31	43	68	-
MHF Ambulant Care					4
MHF Daycare					14
MHF Long/Short Stay					5
Total	197	260	327	385	299

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

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

BUSINESS ACCIDENT INSURANCE

During 2023, 136 occupational accidents were reported and registered at SZV, 28% more than recorded in 2022. Of the 136 reported occupational accidents, over 38% occurred in the hotel or construction industries.

Occupational Accidents		
	2022	2023
Reported and registered	106	136
Status		
Approved	99	127
Rejected	7	9
Insurance Type		
ZV/OV Insured	104	135
OV (only) Insured	2	1
Gender		
Male	58	70
Female	48	66

The most common type of occupational accident was a 'fall'; 37%. Most affected body part is 'the foot', and the most common object that cause the injury was 'climbing ladder/slippy floor'.

There were no occupational accidents that resulted in death.

BUSINESS DEVELOPMENTS cont.

SICKLEAVE & MEDICAL AUTHORIZATIONS

In 2023, the department successfully cleared the backlogs in processing loss of wages for the preceding year, 2022. However, the replacement of the outdated Loss of Wages system with a more modern, user-friendly system faced further delays. A light version of the system is slated for implementation during the second quarter of 2024.

In the chart (below), the trend of approved unfit-for-work days for wage loss from 2019 to 2023 (YTD June) is illustrated. As observed in the chart, aside from the notably high numbers in January 2022 due to the 5th wave of the Covid-19 pandemic, the approved count of unfit-for-work days in 2023 is slightly higher than that of 2022. Based on the actuals through June 2023, the projected count of approved unfit-for-work days in 2023 is approximately 74,000, reflecting a 5.3% increase from 2022.



However, in comparison to the number of approved unfit-for-work days, in 2023 these were 5.3% higher than in 2022 and 23.5% lower than in 2019. This suggests that the increase in the amount of Loss of Wages for 2023 is primarily due to higher salaries of clients on sick leave rather than an increase in the number of approved unfit-for-work days. This can be attributed to the wage limit increase implemented starting August 2022 and continuing into 2023.

The following table below shows a total Loss of Wages amount of approx. ANG 7,8M for 2023; this is 18.6% more than 2022, however, 6.2% less than 2019 when expenses for loss of wages were at their highest.

Lost of Wages (2019 - 2023)					
	Projected 2023	2022	2021	2020	2019
Total per year (ANG)	7,816,303	6,589,402	6,202,817	6,654,006	8,337,032
Average per month (ANG)	651,359	549,117	516,901	554,501	694,753
Days approved	74,305	70,593	69,153	70,905	97,091
Average per day (ANG)	105.19	93.34	89.70	93.84	85.87

**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 (LoW) reporting period (i.e. retroactive calculations in a future period). Consequently, the data can change depending on the timing of the snapshot taken. The complete year of 2023 is based on estimates as the LoW actual expenses have been processed through June 2023.*

The top 5 sectors with the highest amount of approved Loss of Wages combined over 2019 to 2023 can be seen in the graph depicted below. The Healthcare & Administrative sectors have the highest percentage of approved Loss of Wages combined from 2019 to 2023.



OTHER (FZOG)

Based on Article 8 of the "Landsverorderening 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.

MEDICAL REFERRALS

During 2023 Medical Referrals Abroad is still processing the tender results. 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. SZV started referring patients again to one hospital in the Dominican Republic (which we worked with before). The other hospital in the Dominican Republic reported being unable to handle the logistical requirements resulting in no further contract negotiations with them. Contract negotiations then started with the second hospital in Cali, and the expectation is that by the second quarter of 2024, patients can be referred to this facility.

In 2023, medical referrals abroad increased by 22% compared to 2022, as can be seen from the table below.

Medical referrals per country 2019 - 2023					
Destination/Year	2019	2020	2021	2022	2023
Aruba	2	0	1	0	0
Colombia	887	232	22	196	239
Curaçao	235	205	253	221	259
Dominican Republic	445	50	0	0	39
Netherlands	27	21	31	36	39
Panama	0	0	191	185	205
Puerto Rico	13	6	0	0	0
Subtotal	1,609	514	498	638	781
French Saint Martin	114	1	1	0	0
Totals	1,723	515	499	638	781

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 2023, a person was referred 1.19 times per year compared to 1.16 in 2022.

Persons Referred 2019 - 2023					
Fund	2019	2020	2021	2022	2023
FZOG					
Number of persons	97	36	32	44	54
Number of referrals	147	48	38	53	61
Average	1.52	1.33	1.19	1.20	1.13
OZR					
Number of persons	281	1131	155	165	205
Number of referrals	554	158	171	189	248
Average	1.45	1.21	1.10	1.15	1.21
ZV					
Number of persons	755	262	249	343	398
Number of referrals	1,080	308	289	396	472
Average	1.43	1.18	1.16	1.15	1.19
Total number of persons	1,233	429	436	552	657
Total number of referrals	1,781	514	498	638	781
Average	1.44	1.20	1.14	1.16	1.19

During 2023, approximately 80% of the referrals overseas were done by the following top eight specialists, ranked from highest number of referrals done to lowest: Surgeon, Ophthalmologist, Cardiologist, Neurologist, Orthopedist, Urologist, Internist, and Oncologist. While the Surgeon referred the most cases in 2023, amounting to 148 cases – an increase of 23.3% compared to 2022, referrals made by the Neurologist saw the largest increase in cases compared to the prior year with an increase of 63.8% or 30 cases, totaling 77 cases in 2023. From a broad perspective, the cases referred overseas are generally attributed to (complex) procedures of which the local medical institution(s) have limited capacities where resources are concerned.

In the table below, we see the top ten specialisms SZV's patients were referred to.

#	Top 10 Specialisms Referred To									
	2019		2020		2021		2022		2023	
	Specialism	Count	Specialism	Count	Specialism	Count	Specialism	Count	Specialism	Count
1	Orthopedics	308	Neurosurgery	75	Radio diagnostics	101	Radio diagnostics	108	Neurosurgery	107
2	Neurology	275	Radio diagnostics	74	Ophthalmology	69	Ophthalmology	76	Surgery	95
3	Neurosurgery	272	Orthopedics	73	Cardiology	55	Cardiology	72	Radio diagnostics	91
4	Oncology	173	Ophthalmology	44	Neurosurgery	54	Surgery	71	Ophthalmology	90
5	Radio diagnostics	168	Cardiology	41	Orthopedics	49	Orthopedics	70	Oncology	80
6	Ophthalmology	129	Neurology	34	Surgery	31	Neurosurgery	67	Cardiology	78
7	Pediatrics	123	Oncology	29	Gastroenterology	30	Oncology	46	Orthopedics	78
8	Cardiology	99	Pediatrics	29	Gynecology	27	Maxillofacial Surgery	37	Maxillofacial Surgery	66
9	Surgery	91	Surgery	26	Oncology	26	Pediatrics	31	Gastroenterology	40
10	Maxillofacial Surgery	57	Maxillofacial Surgery	24	Maxillofacial Surgery	25	Gastroenterology	25	Pediatrics	36
							/Urology*			

*In 2022 there is a tie in tenth place for referrals to Urology and Gastroenterology with each 25 referrals.

BUSINESS DEVELOPMENTS cont.

OTHER BUSINESS HIGHLIGHTS & OPERATIONS

CORPORATE COMMUNICATION INITIATIVES

Innovative employee-engagement activities like the co-production of the SZV Employee Townhall Event alongside critical community outreach programs such as the Ministry of VSA STEPS Survey and the Symposium on the future of Sustainable Healthcare in Sint Maarten.

There was focus on enhancing digital communication platforms, including the launch of new social media channels, revamped YouTube presence, and the introduction of a customized image database. Community engagement and health awareness campaigns formed the backbone of our outreach, with numerous events and public information campaigns aimed at promoting health and wellness across different segments of society.

Press releases throughout the year kept the public informed about important updates, including the increase in AOV/AWW pension amounts, community and business compliance actions, and progress on the construction of the new SZV office building.

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).

Furthermore, in 2023, there were several (external) concerns/complaints channeled through the director's office. These were all handled and finalized according to procedures.

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. Moreover, where applicable, legal clearance and reviews are provided in connection with third party contracts and discussions/work groups, ensuring SZV's legal perspective and compliance in draft laws, policies etc.

Legal Affairs also coordinates the hiring of outside legal firms. External Law Offices are hired primarily for civil law matters and/or to provide additional legal support in administrative law cases. During 2023 there were three legislations executed that affected the organization overall. These were:

- AB 2023 no 59 Landbesluit indexering Algemene Ouderdom verzekering, the increase in the AOV pension from ANG 1,240 to ANG 1,338 per month;
- AB 2023 no 60 Landsbesluit Algemeen Weduwen en Wezen verzekering, the increase in the AWW pension for widow(er)s and orphans;
- AB 2023 no 35 Regeling indexering minimum loon 2023, increase of the minimum wage to ANG 1,800.00.

OBJECTIONS AND APPEALS

Throughout the year, 53 objections were received against decisions made by SZV. These complaints were handled in collaboration with the pertinent departments within SZV. A total of 40 court cases were filed against SZV, of which there are still 7 cases pending to be handled by the court.

HUMAN RESOURCES

Numerous employee-focused initiatives were conducted throughout the year, such as the annual New Year's Party, which included an element of team building. Valetine's Day was celebrated with a unique twist, as colleagues were able to express their appreciation to each other based on our Core Values.

In line with the focus on employee well-being, monthly in-house counselling sessions were introduced, providing a confidential space for guidance. A health awareness session focused on Hypertension Awareness & Mental Health was also organized.

Fostering a workplace catered to personal and professional development was also key. To build on existing skills, Tactical Negotiation and Business Writing training was conducted amongst various departments.

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 2023. 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.

Other assignments in the audit plan were based on risk assessments carried out by the Internal Audit Department and/or risks identified while executing audits. The department also carried out a few unplanned audits deemed relevant based on business developments.

Control & Inspection (Compliance)

The Control & Inspection Department (CID) has been (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.

In 2023, our commitment to ensuring compliance and transparency remained strong. We conducted inspections to confirm proper registration of all companies with employees. Additionally, we provided assistance to numerous employers grappling with the complexities of the Employer Portal, facilitating their seamless integration and utilization of this vital resource.

Social & Health Insurances SZV reiterates the significance of compliance among all healthcare service providers and insurance benefits recipients, ensuring the sustainability of our social and health insurance benefits.

Wage Audits

In 2023, there was a significant increase in wage tax audits compared to the previous year. A total of 74 audits were

conducted, up from 50 in 2022. In 2023 the focus is on providing guidance. SBAB auditors assist ATS employees in conducting audits. From January to December 2023, audits were conducted to evaluate the acceptability of ZV/OV and Cessantia declarations. Furthermore, ATS employees had the opportunity to observe SBAB auditors during audits assessing the acceptability of income tax and premium declarations.

Following the wage assessment investigations carried out by ATS/SBAB, 52 decision letters were issued and dispatched to the relevant companies and their authorized representatives.

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 second time, SZV received an "Unqualified" auditor's Opinion; this time for the 2022 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.

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. In 2023, strategically, the collections department was separated to focus on revenue optimization supported by increased effectiveness, efficiency and compliance in debt recovery efforts, while also preserving positive client relationships.

The mass collection project, which commenced in 2022, where focus was placed on a phased approach directed at specific industries at a time, continued into 2023. The aim of the project was to enhance awareness about the employer's obligation towards the health and the social funds to safeguard sustainability of the funds. While successful in enhancing awareness, compliance amongst these companies still requires improvement.

FINANCIAL HIGHLIGHTS

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

PREMIUM +14.5%

The total premium income increased by ANG 33.2M in 2023, from ANG 228.6M to ANG 261.8M.

SZV's 2023 income, has shown a growth of 14.5% compared to the prior year. Noteworthy, is that ZV/OV revenues for the year 2023 increased by 27%, while AOV/AWW revenues saw an increase of 8%.

As the economy continues its upwards trend in terms of increased employment and economic activity, we are expected to see marginal increase in the overall premium income. Moreover, the higher ZV/OV wage limit implemented as per August 2022, also significantly contributed to the level of premium income growth. The year 2023 includes a full year of premium income in connection with the wage limit increase, while in 2022 this was only five months.

An impact on the premiums also stems from continued increased collection efforts. As in the prior year, we continued in 2023, with a mass collection project, where focus has been placed in a phased approach directed at specific industries at a time.

BENEFITS +14.0%

The total benefits increased by ANG 33.9M in 2023, compared to prior year.

The benefit expenses of the healthcare funds increased, as well as the pension and Cessantia funds, compared to prior year. As it relates to the Pension expenses increase, the primary reason is due to the pension accrual for backlog pension application and the retroactive pension indexation of +7.9%.

Healthcare expenses saw a rise in 2023, compared to 2022, primarily due to:

- Medical referrals and transportation went up by ANG 11.8M; more referrals, limited cost-efficient referral destinations, more expensive, complex cases.
- High hospital care; more specialisms and medical services locally.
- Increased laboratory and medication expenses. More demand.
- Loss of wages increased by ANG 10.1M; the largest impact is the bulk write-off that took place in 2022. The review and clean-up project of said write-off is being undertaken in 2023/2024.
- Increased access to ZV insurance due to the wage limit increase.

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

Benefits per category, ¹	2023	2022
<i>(Amounts are in 1,000 Antillean guilders)</i>		
Medical expenses:		
Primary line care	6,488	5,896
Secondary care	57,903	61,863
Tertiary care	42,432	30,279
Facilitating care	33,365	29,377
Long-term care	19,947	20,493
Total medical expenses	160,135	147,909

¹See note on page 19 for composition of the benefits categories.

OPERATIONS +4.7%

The total administrative expenses increased by ANG 1.6M in 2023, compared to prior year.

There is an increase of ANG 1.6M evident in the operating expenses. Most of the increase is due to personnel expenses, which were highly influenced by the repeal of the measures of 12.5% reduction in personnel expenditures as per national ordinance, effective December 31, 2022.

Other contributors to the mutation in expenses are:

- Professional service fees in connection with SZV's new strategic approach, and related culture change.
- Automation expenses increased as SZV continues their digitalization trajectory and related process improvements.
- Other General Expenses decreased mainly as a result of the one-time write-off of a receivable in 2022, due from a third party relating to a phishing scam that took place in the past.

INVESTMENTS 170.2%

The total return on investment increased drastically in 2023, when compared to 2022; from ANG -40.9M to ANG 28.7M

In 2023, SZV's equity portfolio experienced a rebound compared to 2022, when there were negative returns of ANG -40.9M.

Overall, SZV had a positive result of ANG 28.7M on its investments in 2023; this is a massive increase of 170% when compared to 2022. During 2023, SZV redeemed ANG 47.7M from its investments. Approximately 52% of SZV's portfolio is invested internationally and 48% locally. As it pertains to the local investment portfolio, the twelfth drawdown in connection with Sint Maarten's New General Hospital has taken place. The drawdowns are already accruing interest.

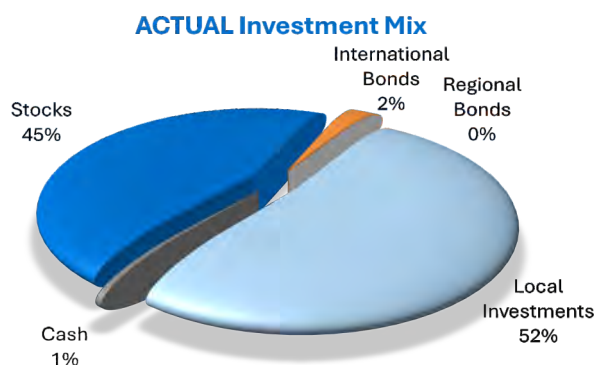
FINANCIAL HIGHLIGHTS cont.

INVESTMENT MIX

Based on an ALM study conducted in the past, the strategic asset allocation was determined for SZV. These below 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%

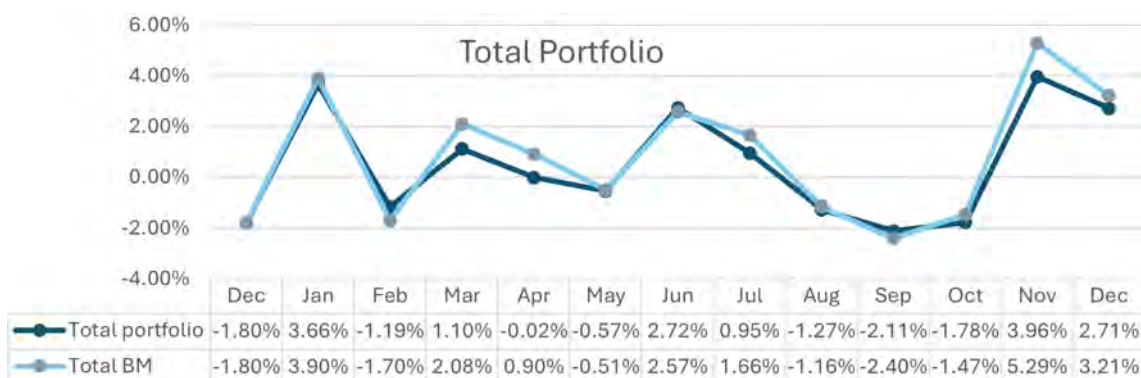
The visual below display the actual investment mix by the end of 2023.



ECONOMIC & GEOPOLITICAL DEVELOPMENTS

In 2023, the US stock market had a positive year driven by a strong economy, robust corporate earnings, and the perceived end of the FED rate hike cycle. Despite hitting new record highs, concerns regarding inflation, geopolitical uncertainties, and central bank actions resulted in increased market volatility. The US and European Central Banks were actively engaged in containing inflation.

The graph below elucidates the monthly performance of the total portfolio against the benchmark, for 2023.



**BALANCE
SHEET
74.5M**





The Government of Sint Maarten owes SZV ANG 74.5M, 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.





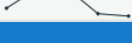

As an initial step, in August 2019, SZV signed a letter of intent with the Government of Sint Maarten regarding the amount of the outstanding Government debt. Discussions regarding a payment plan of the outstanding debt are ongoing between parties. Based on the current outstanding, a recommended structural solution and settlement proposal has been put forward; the formalization thereof is still in the pipelines. Re-payment of the respective debt will further optimize SZV's investment return.

KEY FIGURES PER FUND





ZV

Premium	Benefits	Clients	Reserves
 95.0M	 118.9M	 32.2K	 -322.9M






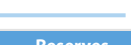
Key Figures

KPI'S	Current Year (2023)	Prior year (2022)	Change	5 Yr Trend
Premium	95.00 M	74.64 M	↑ 27.3%	
Benefits	118.88 M	94.90 M	↑ 25.3%	
Reserves	(322.88) M	(285.47) M	↓ -13.1%	
Number of clients	32.22 K	31.44 K	↑ 2.5%	
Ave. benefit per client	3.69 K	3.02 K	↑ 22.3%	
Benefits/Premiums	125%	127%	↓ -1.6%	





OV

Premium	Benefits	Clients	Reserves
 10.9M	 14.8M	 19.9K	 -57.6M







Key Figures

KPI'S	Current Year (2023)	Prior year (2022)	Change	5 Yr Trend
Premium	10.90 M	8.98 M	↑ 21.3%	
Benefits	14.76 M	13.30 M	↑ 11.0%	
Reserves	(57.61) M	(52.82) M	↓ -9.1%	
Number of clients	19.87 K	19.33 K	↑ 2.8%	
Ave. benefit per client	743	688	↑ 8.0%	
Benefits/Premiums	135%	148%	↓ -8.5%	





FZOG

Premium	Benefits	Clients	Reserves
 6.4M	 13.1M	 1.2K	 -64.6M





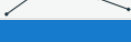
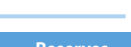
Key Figures

KPI'S	Current Year (2023)	Prior year (2022)	Change	5 Yr Trend
Premium	6.43 M	6.45 M	↓ -0.2%	
Benefits	13.12 M	15.54 M	↓ -15.5%	
Reserves	(64.59) M	(56.97) M	↓ -13.4%	
Number of clients	1.21 K	1.24 K	↓ -2.2%	
Ave. benefit per client	10.85 K	12.56 K	↓ -13.6%	
Benefits/Premiums	204%	241%	↓ -15.3%	





AVBZ

Premium	Benefits	Clients	Reserves
 23.3M	 20.7M	 299	 101.4M





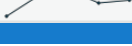

Key Figures

KPI'S	Current Year (2023)	Prior year (2022)	Change	5 Yr Trend
Premium	23.27 M	22.23 M	↑ 4.7%	
Benefits	20.68 M	21.38 M	↓ -3.3%	
Reserves	101.37 M	96.49 M	↑ 5.1%	
Number of clients	299	385	↓ -22.3%	
Ave. benefit per client	69.17 K	55.53 K	↑ 24.6%	
Benefits/Premiums	89%	96%	↓ -7.6%	





AOV

Premium	Benefits	Pensioners	Reserves
 116.6M	 101.8M	 8.8K	 480.0M





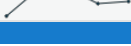

Key Figures

KPI'S	Current Year (2023)	Prior year (2022)	Change	5 Yr Trend
Premium	116.56 M	107.45 M	↑ 8.5%	
Benefits	101.84 M	90.94 M	↑ 12.0%	
Reserves	480.04 M	457.36 M	↑ 5.0%	
Number of pensioners	8.83 K	8.86 K	↓ -0.4%	
Ave. benefit/ pensioner	11.54 K	10.26 K	↑ 12.4%	
Benefits/Premiums	87%	85%	↑ 3.2%	





AWW

Premium	Benefits	Pensioners	Reserves
 9.0M	 5.9M	 244	 156.2M







Key Figures

KPI'S	Current Year (2023)	Prior year (2022)	Change	5 Yr Trend
Premium	8.97 M	8.27 M	↑ 8.5%	
Benefits	5.94 M	5.35 M	↑ 11.0%	
Reserves	156.23 M	147.30 M	↑ 6.1%	
Number of pensioners	244	384	↓ -36.5%	
Ave. benefit/ pensioner	24.34 K	13.94 K	↑ 74.7%	
Benefits/Premiums	66%	65%	↑ 2.3%	

CESS

Premium	Benefits	Beneficiaries	Reserves
 646.9K	 65.0K	 19	 19.3M

Key Figures

KPI'S	Current Year (2023)	Prior year (2022)	Change	5 Yr Trend
Premium	646.92 K	571.27 K	↑ 13.2%	
Benefits	65.04 K	-	-	
Reserves	19.28 M	17.88 M	↑ 7.8%	
Number of beneficiaries	19	-	-	
Ave. benefit/ beneficiary	3.42 K	-	-	
Benefits/Premiums	10%	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 Uitvoerings Orgaan Sociale en Ziektekosten Verzekering (SZV) 2023 Annual Report. It has been prepared at the discretion of management for informational purposes and provides key insights into SZV's updates, financial performance, and compliance with legal requirements in a concise format, with the information reported remaining consistent with that of prior years and including the most essential elements of SZV's audited 2023 Annual Report. As such, the report provides 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 2023.

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 month 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 2023.

SZV has adjusted the premium income received from inclusion of the first two months (FY 2022) to the first month (FY 2023), considering the legal obligation to pay December premiums by January of the following year.

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.

CONDENSED FINANCIAL STATEMENT NOTES cont.

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 specialists and hospital. Under the benefits category, Tertiary care is composed of medical referrals, psychiatric institution, transport and other institution expenses. Facilitating care includes 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 cost, including impairment cost.

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

ADVANCE ON MAINTENANCE REPAIRS-GAB LEASE

As part of the lease agreement ref. Government Administration Building (GAB), a maintenance reserve is built up to cover costs in connection with major maintenance activities. Ideally, Government pays into the reserve as part of the monthly lease composition, while SZV assesses and executes major, structural repairs and/or construction to the GAB, using the reserve to cover those expenses.

In 2023, due to the magnitude of ad hoc maintenance emergencies that warranted urgent and immediate actions, SZV was required to immediately address critical infrastructural issues within and around the Government Administration Building. As a result, SZV advanced ANG 3.4 M to cover related expenditures, as per December 31, 2023.

SZV has been undergoing negotiations with the Government of Sint Maarten to have this advance paid.

LONG-TERM CONTRACTUAL COMMITMENTS

As of December 31, 2023, SZV has liabilities towards the lessor of the SZV head office, the lease of a sub-location and warehouse, in addition to a Service Level Agreement with Audit Team St. Maarten (ATS).

For the lease of its headquarters and other locations, SZV has an annual commitment of ANG 1.6M.

SZV signed a contract with ATS for an unspecified duration in time for audit and related services; termination possible by either party, considering a two-year notification period. Related budget is submitted and approved annually; for 2023, this is approximately ANG 5.2M.

HEALTHCARE REFORM

Sint Maarten has re-commenced a project which aims at the successful introduction of a system of national health insurance within a couple years. This 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

As of April 30, 2024, the fair value of the SZV's international investments has a total value of approx. ANG 129M (YTD 1.63%). The fair value of SZV's international investments is a positive development, indicating growth in their portfolio. While these changes are not reflected in the financial statements as of December 31, 2023, it is still important for SZV to monitor and evaluate these investments to ensure continued success and growth in the future.

LOSS OF WAGES CREDITOR ACCOUNTS CLEAN-UP

In 2020, the process of the Loss of Wages clean-up exercise was temporarily placed on hold in light of 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 a mass write-off of the Loss of Wages outstanding balance through April 2014. This was applied in the administration on a high-level basis. The detailed clean-up of the respective subledger accounts will be undertaken in 2023/2024. 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 employer.

Moreover, as per February 2023, the backlogged Loss of Wages expenses have been fully processed for the years 2021 and 2022; there is currently a backlog in the processing of the 2023 cases.

BALANCE SHEET



ASSETS	December 31, 2023	December 31, 2022
<i>(amounts are in 1,000 Antillean guilders)</i>		
NON-CURRENT ASSETS		
Intangible fixed assets	7,267	6,172
Property, plant and equipment	5,522	1,228
Investment properties	60,464	61,650
Financial fixed assets	14,823	6,203
Long-term receivables	87,488	85,612
Total Non-Current Assets	175,563	160,865
CURRENT ASSETS		
Financial assets	138,654	159,602
Trades and other receivables	51,248	40,817
Cash and cash equivalents	45,810	43,017
Total Current Assets	235,713	243,436
TOTAL ASSETS	411,276	404,301
EQUITY AND LIABILITIES	December 31, 2023	December 31, 2022
<i>(amounts are in 1,000 Antillean guilders)</i>		
EQUITY		
General reserves	669,875	639,613
Legal reserves	63,750	63,750
To be funded deficits	(413,489)	(371,282)
Total Equity	320,136	332,081
NON-CURRENT LIABILITIES		
Provision duurtetoeslag	1,602	1,700
Other Provisions	56	665
Total Non-Current Liabilities	1,658	2,365
Current liabilities		
Benefit liabilities	70,561	49,411
Blocked benefits	12,337	13,429
Trade and other liabilities	6,583	7,015
Total Current Liabilities	89,481	69,855
TOTAL EQUITY AND LIABILITIES	411,276	404,301

INCOME STATEMENT



REVENUES AND EXPENSES	2023	2022
<i>(amounts are in 1,000 Antillean guilders)</i>		
REVENUES		
Premium Income		
Premium Income	254,007	222,698
Government contribution	5,894	4,986
Fines and summoned amounts	1,873	897
Total Premium Income	261,775	228,581
Investment Income		
Net income real estate investment	3,667	3,736
Net income financial assets held to maturity	597	347
Net income investment held at fair value	24,436	(44,956)
Total Investment Income	28,700	(40,873)
Other Operating Income	7,613	1,947
EXPENSES		
Benefits		
Medical expenses	160,135	147,907
Loss of wages	7,307	(2,798)
Pension expenses	107,779	96,288
Cessantia expenses	65	-
Total Benefits	275,287	241,398
NET INSURANCE RESULT	22,800	(51,744)
Administrative Expenses		
Personnel expenses	18,021	16,376
Accommodation expenses	2,540	2,434
General expenses	11,075	10,952
Depreciation expenses	3,165	3,258
Impairment	-	68
Mutation provision duurtetoelag	(55)	106
Total Administrative Expenses	34,745	33,193
OPERATIONAL RESULT	(11,944)	(84,937)
Mutation legal reserves	-	-
NET RESULT	(11,944)	(84,937)
ALLOCATION OF NET RESULT	2023	2022
Mutation general reserve	30,263	(45,302)
Mutation to be covered deficits	(42,207)	(39,635)
NET RESULT	(11,944)	(84,937)

STATEMENT OF CASH FLOWS



STATEMENT OF CASH FLOW	2023	2022
<i>(amounts are in 1,000 Antillean guilders)</i>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net revenues and expenses for the period	(11,944)	(84,937)
Adjustments for:		
Depreciation	4,351	4,375
Increase (decrease) impairment	-	68
Increase (decrease) provisions	(707)	1,257
Increase (decrease) equity	-	(34)
Mutations work capital:		
(Increase) decrease in trade and other receivables	(10,431)	(823)
Increase (decrease) in current liabilities	19,626	(1,360)
Net cash flows from operating activities	894	(81,453)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in intangible fixed assets	(3,927)	(3,105)
Net investments in property, plant & equipment	(4,627)	(1,181)
Net investments in investment properties	-	-
Net investments in financial fixed assets	(8,620)	(1,050)
Net investments in financial assets	20,947	82,176
Increase (decrease) long term receivables	(1,875)	5,327
Net cash flows from investing activities	1,899	82,167
CASH FLOWS FROM FINANCING ACTIVITIES		
Mutation legal reserves	-	-
Net cash flows from financing activities	-	-
Mutation cash and equivalents	2,793	714
Cash and cash equivalents at beginning of period	43,017	42,303
Cash and cash equivalents at end of period	45,810	43,017
Increase (decrease) cash and equivalents	2,793	714

FINANCIAL STATEMENT PER FUND



Splitting of the Combined Balance Sheet as of December 31, 2023

ASSETS	AOV 12.31.2023	AOV 12.31.2022	AWW 12.31.2023	AWW 12.31.2022	ZV 12.31.2023	ZV 12.31.2022	OV 12.31.2023	OV 12.31.2022	CESS 12.31.2023	CESS 12.31.2022	FZOG 12.31.2023	FZOG 12.31.2022	AVBZ 12.31.2023	AVBZ 12.31.2022	USZV 12.31.2023	USZV 12.31.2022	TOTAL 12.31.2023	TOTAL 12.31.2022
(amounts are in 1,000 Antillean guilders)																		
NON-CURRENT ASSETS																		
Intangible fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,267	6,172	7,267	6,172
Property, plant & equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,522	1,228	5,522	1,228
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60,464	61,650	60,464	61,650
Financial fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,823	6,203	14,823	6,203
Long-term receivables	(54)	1,101	533	514	41,325	40,699	109	105	2,380	2,295	9,083	9,114	18,119	20,701	15,993	11,083	87,488	85,612
Total non-current assets	(54)	1,101	533	514	41,325	40,699	109	105	2,380	2,295	9,083	9,114	18,119	20,701	104,068	86,336	175,563	160,865
CURRENT ASSETS																		
Financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	138,654	159,602	138,654	159,602
Trade and other receivables:																		
Receivables from premium	10,959	10,814	-	-	9,424	8,033	-	-	8	6	7,815	6,191	4,096	4,175	-	-	32,302	29,219
Current account Funds and USZV	475,860	449,073	158,195	148,592	(328,006)	(296,660)	(57,719)	(52,921)	12,573	13,038	(80,684)	(69,092)	63,019	61,311	(243,237)	(253,339)	1	1
Other receivables	13,543	6,660	96	140	876	1,046	-	-	14	11	1,049	265	1,149	1,263	2,219	2,213	18,946	11,598
Total trade and other receivables	500,362	466,547	158,291	148,732	(317,706)	(287,581)	(57,719)	(52,921)	12,595	13,054	(71,821)	(62,636)	68,264	66,749	(241,018)	(251,126)	51,248	40,817
Cash and cash equivalents	1,835	2,168	-	-	9,300	4,696	-	-	4,385	2,685	426	36	15,786	11,495	14,077	21,937	45,810	43,017
Total current assets	502,197	468,715	158,291	148,732	(308,406)	(282,885)	(57,719)	(52,921)	16,980	15,740	(71,395)	(62,601)	84,050	78,244	(88,286)	(69,587)	235,713	243,436
TOTAL ASSETS	502,143	469,816	158,824	149,246	(267,081)	(242,186)	(57,610)	(52,816)	19,360	18,035	(62,311)	(53,486)	102,169	98,945	15,782	16,748	411,276	404,301
EQUITY AND LIABILITIES																		
(amounts are in 1,000 Antillean guilders)																		
EQUITY																		
General reserves	451,538	428,865	153,978	145,051	-	-	-	-	19,275	17,879	-	-	101,371	96,488	8,302	8,302	669,876	639,613
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	-	-	-	-	(351,380)	(313,966)	(62,110)	(57,316)	-	-	(64,590)	(56,973)	-	-	-	-	(413,489)	(371,282)
Total equity	480,038	457,365	156,228	147,301	(322,880)	(285,466)	(57,610)	(52,816)	19,275	17,879	(64,590)	(56,973)	101,371	96,488	8,302	8,302	320,136	332,081
NON-CURRENT LIABILITIES																		
Provision duurtetoeslag	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,602	1,700	1,602	1,700
Other Provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56	665	56	665
Total non-current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,658	2,365	1,658	2,365
CURRENT LIABILITIES																		
Benefit liabilities	10,629	56	1,003	24	55,805	43,270	-	-	47	119	2,279	3,487	798	2,456	-	-	70,561	49,411
Blocked benefits	10,820	11,665	1,517	1,764	-	-	-	-	-	-	-	-	-	-	-	-	12,337	13,429
Other liabilities	655	730	75	156	(6)	11	-	-	37	37	-	-	-	-	5,821	6,081	6,583	7,015
Total current liabilities	22,104	12,451	2,596	1,944	55,799	43,281	-	-	84	156	2,279	3,487	798	2,456	5,821	6,081	89,481	69,855
TOTAL EQUITY AND LIABILITIES	502,143	469,816	158,824	149,246	(267,081)	(242,186)	(57,610)	(52,816)	19,360	18,035	(62,311)	(53,486)	102,169	98,945	15,782	16,748	411,276	404,301

FINANCIAL STATEMENT PER FUND

Splitting of the Combined Income Statement per fund for 2023

Profit & Loss Statement	AOV 2023	AOV 2022	AWW 2023	AWW 2022	ZV 2023	ZV 2022	OV 2023	OV 2022	CESS 2023	CESS 2022	FZOG 2023	FZOG 2022	AVBZ 2023	AVBZ 2022	USZV 2023	USZV 2022	TOTAL 2023	TOTAL 2022
(amounts are in 1,000 Antillean guilders)																		
REVENUES																		
Premium income:																		
Premium Income	116,143	107,166	8,934	8,244	87,837	69,125	10,742	8,914	647	571	6,432	6,446	23,273	22,233	-	-	254,007	222,698
Government contribution	-	-	-	-	5,894	4,986	-	-	-	-	-	-	-	-	-	-	5,894	4,986
Fines and summoned amounts	420	282	32	22	1,266	526	155	68	-	-	-	-	-	-	-	-	1,873	897
Total Premium income	116,564	107,447	8,966	8,265	94,996	74,637	10,897	8,982	647	571	6,432	6,446	23,273	22,233	-	-	261,775	228,581
Investment & Other income:																		
Investment income	18,267	(26,041)	5,842	(8,169)	(4)	(1)	-	-	710	(978)	(1)	(1)	3,885	(5,684)	-	-	28,700	(40,873)
Other operating income	4,065	356	1,199	1,099	1,079	(154)	68	1	160	(228)	63	16	978	857	-	-	7,613	1,947
Total Investment & Other income	22,332	(25,685)	7,041	(7,071)	1,075	(155)	68	1	870	(1,206)	63	16	4,863	(4,827)	-	-	36,312	(38,927)
Total Revenues	138,896	81,762	16,007	1,195	96,072	74,482	10,965	8,983	1,517	(635)	6,495	6,462	28,136	17,405	-	-	298,087	189,654
EXPENSES																		
Benefits:																		
Medical expenses	-	-	-	-	112,564	98,313	13,766	12,678	-	-	13,124	15,537	20,681	21,379	-	-	160,135	147,907
Loss of wages	-	-	-	-	6,314	(3,416)	993	619	-	-	-	-	-	-	-	-	7,307	(2,798)
Pension expenses	101,839	90,937	5,940	5,351	-	-	-	-	-	-	-	-	-	-	-	-	107,779	96,288
Cessantia expenses	-	-	-	-	-	-	-	-	65	-	-	-	-	-	-	-	65	-
Total Benefits	101,839	90,937	5,940	5,351	118,878	94,897	14,759	13,297	65	-	13,124	15,537	20,681	21,379	-	-	275,287	241,398
NET INSURANCE RESULT	37,057	(9,175)	10,067	(4,156)	(22,806)	(20,415)	(3,795)	(4,314)	1,452	(635)	(6,630)	(9,075)	7,455	(3,974)	-	-	22,800	(51,744)
Administrative expenses:																		
Personnel expenses	7,400	6,724	597	542	7,622	6,926	523	475	29	26	513	466	1,339	1,216	-	-	18,021	16,376
Housing expenses	1,043	999	84	81	1,074	1,030	74	71	4	4	72	69	189	181	-	-	2,540	2,434
General expenses	4,664	4,586	357	353	4,596	4,545	313	309	17	17	314	324	814	817	-	-	11,075	10,952
Depreciation expenses	1,300	1,338	105	108	1,339	1,378	92	94	5	5	90	93	235	242	-	-	3,165	3,258
Impairment	-	28	-	2	-	29	-	2	-	-	-	2	-	5	-	-	-	68
Mutation provision duurtetoelag	(23)	43	(2)	4	(23)	45	(2)	3	(1)	-	(2)	3	(4)	8	-	-	(55)	106
Total Administrative Expenses	14,383	13,719	1,141	1,090	14,607	13,953	999	954	55	53	987	957	2,573	2,469	-	-	34,745	33,193
OPERATIONAL RESULT	22,673	(22,894)	8,927	(5,246)	(37,413)	(34,367)	(4,794)	(5,268)	1,396	(687)	(7,617)	(10,032)	4,883	(6,443)	-	-	(11,944)	(84,937)
Mutation legal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET RESULT	22,673	(22,894)	8,927	(5,246)	(37,413)	(34,367)	(4,794)	(5,268)	1,396	(687)	(7,617)	(10,032)	4,883	(6,443)	-	-	(11,944)	(84,937)

AUDITOR'S REPORT

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 2023

Our opinion

The condensed financial statements 2023 of the Social and Health Insurances Sint Maarten (hereafter: SZV), based in Sint Maarten, are derived from the audited financial statements 2023 of SZV.

Opinion with respect to the true and fair view

In our opinion, the accompanying condensed financial statements 2023 of SZV are a true and fair summary of the audited financial statements 2023 of SZV, based on the criteria set by the management of SZV.

Opinion with respect to the financial compliance

With regard to the financial compliance, it is not appropriate to express an opinion on the accompanying condensed financial statements 2023 of SZV. This as a result of the adverse opinion issued on the audited financial statements 2023 of SZV.

The condensed financial statements comprise:

1. the condensed balance sheet as at 31 December 2023;
2. the condensed income statement for 2023;
3. the condensed statement of cash flow for 2023; and
4. the related notes and other explanatory information 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 sub 1, 20, 21, 23 to 26, 28, 30 and 31 (a) and (b) of sub 1 of the National Accountability Ordinance, AB 2010, GT no. 23 (where 'the executing body Social and Health Insurances' should be read wherever 'Country' is stated in the regulation). Reading the condensed financial statements and our report thereon, therefore, is not a substitute for reading 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 2023 dated June 30, 2024.

The audited financial statements and our auditor's report thereon

Our auditor's report dated June 30, 2024, includes an unqualified opinion regarding the true and fair view of SZV's audited financial statements 2023. We have included a section emphasizing the precarious financial position of the ZV, OV and FZOG funds. Additionally, we expressed an adverse opinion concerning financial compliance. This adverse opinion is based on the following observations, which remain unchanged in 2023 compared to 2022:



- Article 4 of the Landsverordening Ziekteverzekering (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 2023.
- 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 Landsverordening Ziekteverzekering (AB 2013, GT no. 802 and AB 2015, no. 9). 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 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 (MTSV; AB 2013, GT no. 753).

Responsibilities of management and supervisory council for 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 810 'Opdrachten om te rapporteren betreffende samengevatte financiële overzichten' (Engagements to report on summary financial statements).

Philipsburg, December 30, 2024

On behalf of

Stichting Overheidsaccountantsbureau

Originally signed by

drs. R.N. Sandriman RA
Director





2023

Condensed

Annual Report

SOCIAL AND HEALTH INSURANCES SINT MAARTEN

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Auditor's Report 24/0844C/SF
dated 30 December 2024
we know government.