

# INTER-ASSURE FINANCIAL HIGHLIGHTS 2016

## INDEPENDENT AUDITOR 'S REPORT

To: the Shareholders and Board of Directors of Inter-Assure Schadeverzekeringsmaatschappij N.V.

### Our opinion

The accompanying financial highlights 2016 of Inter-Assure Schadeverzekeringsmaatschappij N.V., based in Curaçao, are derived from the audited Annual Reports Automated Statements ("ARAS") of Inter-Assure Schadeverzekeringsmaatschappij N.V. for the year ended December 31, 2016.

In our opinion these financial highlights are consistent, in all material respects, with the audited ARAS of Inter-Assure Schadeverzekeringsmaatschappij N.V. in accordance with the General Insurance Annual Statement Composition and Valuation Guidelines issued by the Central Bank of Curaçao and Sint Maarten ("CBCS").

The accompanying highlights comprise:

- the balance sheet as at December 31, 2016;
- the profit and loss statement for 2016; and
- explanatory notes to the financial highlights as at December 31, 2016.

### Summary financial highlights

The financial highlights do not contain all the disclosures required by the General Insurance Annual Statement Composition and Valuation Guidelines, issued by the CBCS. Reading the financial highlights, therefore, is not a substitute for reading the audited ARAS of Inter-Assure Schadeverzekeringsmaatschappij N.V. including our auditor's report thereon. Those ARAS, and the financial highlights, do not reflect the effects of events that occurred subsequent to the date of our auditor's report on those ARAS.

### The audited ARAS and our auditor's report thereon

We expressed an unqualified audit opinion on those ARAS in our auditor's report dated June 12, 2017.

### Responsibilities of management and the Board of Directors financial highlights

Pursuant to the Provisions for the Disclosure of consolidated Financial Highlights of Insurance Companies, issued by the CBCS, Management is responsible for the preparation of the financial highlights derived from

the audited ARAS, in accordance with the General Insurance Annual Statement Composition and Valuation Guidelines, issued by the CBCS. The Supervisory Directors are responsible for overseeing the company's financial reporting process.

### Our responsibilities

Our responsibility is to provide an opinion if the financial highlights are consistent, in all material respects, with the audited ARAS, based on our audit, in accordance with Dutch Standards on auditing, including Dutch Standard 810 "Engagements to report on summary financial statements".

Curaçao, June 15, 2017

For and on behalf of BDO B.V.  
G.W.H.J. Glaudemans RA

## EXPLANATORY NOTES

### BASIC PRINCIPLES

#### General

Inter-Assure Schadeverzekeringsmaatschappij N.V., Curaçao acts as a non-life insurance company advising, mediating and effecting general insurance contracts and settling claims.

#### Basis of preparation

The Annual Reports Automated Statements ("ARAS"), from which the financial highlights have been derived, are prepared in accordance with the General Insurance Annual Statement Composition and Valuation Guidelines, issued by the Central Bank of Curaçao and Sint Maarten ("CBCS"). The figures presented in these highlights are stated in thousands of Antillean Guilders and are rounded to the nearest thousand. The accounting policies are consistent, in all material respects, with those used in the previous year. For financial statement presentation purposes certain 2015 amounts may have been adjusted.

#### Receivables

Accounts receivable are shown after deduction of a provision for bad and doubtful debtors, where appropriate. The accounts receivable have a maturity date due within one year.

#### Technical reserves

##### Technical reserve for net unearned premiums

The technical reserve for net unearned premiums refers to accrued insurance premiums written in the reporting period, but with a remaining risk period of the paid premium in the following year. This reserve is presented net-off reinsurance premiums.

##### Technical reserve for claims

The technical reserve for claims refers to reported claims incurred but not settled as per year-end and to claims incurred but not reported at year-end (IBNR).

#### Short-term liabilities

The short-term liabilities are due within one year.

#### General result

Profit is determined as the difference between net earned premiums and all claims and expenses relating to the reporting period.

Costs are determined in accordance with the accounting policies applied to the balance sheet. Profit is realized in the year in which the premiums are recognized. Losses are taken upon recognition. Other income and expenses are allocated to the periods to which they relate.

#### Contingent liabilities

None.

#### Capital or Surplus commitments

The company complies with the capital and surplus requirements of the CBCS. The company has no capital or surplus deficiency per year-end 2016.

#### Subsequent events affecting the stated earnings of the company

None.

## BALANCE SHEET

As of December 31<sup>st</sup>  
In Thousands of Naf.

| ASSETS   | 2016         | 2015         |
|--|--------------|--------------|
| 1. Non-Admissible Assets   | 481          | 459          |
| 2. Investments   | -            | -            |
| 2.1 Real Estate  | -            | -            |
| 2.2 Unconsolidated Affiliated Companies and Other Participations | -            | -            |
| 2.3 Stock  | -            | -            |
| 2.4 Bonds and Other Fixed Income Securities                      | -            | -            |
| 2.5 Participation in Non-Affiliated Investment Pools             | -            | -            |
| 2.6 Mortgage Loans   | -            | -            |
| 2.7 Other Loans  | -            | -            |
| 2.8 Deposits with Financial Institutions                         | 600          | -            |
| 2.9 Other Investments  | -            | -            |
| 3. Current Assets  | 2.183        | 1.766        |
| 4. Other Assets  | 44           | -            |
| <b>Total</b>   | <b>3.308</b> | <b>2.225</b> |
| <b>Equity Provisions And Liabilities</b>                         |              |              |
| 5. Capital and Surplus   | -            | -            |
| 5.1 Capital  | 797          | 300          |
| 5.2 Surplus  | 182          | 233          |
| 5.3 Less Treasury Stock  | -            | -            |
| 6. Subordinated Instruments                                      | -            | -            |
| 7. Provisions for Insurance Obligations                          | -            | -            |
| 7.1 Net Unearned Premium Provision                               | 1.482        | 1.012        |
| 7.2 Net Claim Provision  | 708          | 513          |
| 7.3 Net Claim Adjustment Expense Provision                       | -            | -            |
| 7.4 Funds Provision  | -            | -            |
| 7.5 Other Technical Provisions                                   | -            | -            |
| 8. Other Provision and Liabilities                               | -            | -            |
| 9. Current Liabilities   | 139          | 167          |
| 10. Contingent Liabilities                                       | -            | -            |
| <b>Total</b>   | <b>3.308</b> | <b>2.225</b> |

## PROFIT AND LOSS STATEMENT

As of December 31<sup>st</sup>  
In Thousands of Naf.

|  | 2016       | 2015        |
|--|------------|-------------|
| 1. Net Earned Premiums   | 2.086      | 1.908       |
| 2. Net Other Underwriting Income                                 | -          | -           |
| 3. Net Claims Incurred   | 954        | 791         |
| 4. Net Claim Adjustment Expenses Incurred                        | -          | -           |
| 5. Net Changes in Various Other Provisions                       | -          | -           |
| 6. Policyholders Dividends and Other Similar Benefits Incurred   | -          | -           |
| 7. Underwriting Expenses Incurred                                | 970        | 936         |
| 8. Net Other Expenses Incurred                                   | 260        | 288         |
| <b>9. Underwriting Results</b>                                   | <b>-98</b> | <b>-107</b> |
| (Without Investment Income and Realized Capital Gains of Losses) |            |             |
| 10. Net Investment Income and Earned and Capital Gains or Losses | 3          | -           |
| 11. Other Results  | -          | -           |
| 12. Extraordinary Results  | -          | -           |
| <b>13. Net Operational Results before Taxes</b>                  | <b>-95</b> | <b>-107</b> |
| 14. Corporate Taxes Incurred                                     | -44        | -           |
| <b>15. Net Operational Results after Taxes</b>                   | <b>-51</b> | <b>-107</b> |
| 16. Net Unrealized Gains or Losses                               | -          | -           |
| <b>17. Net Profit or loss</b>                                    | <b>-51</b> | <b>-107</b> |
| <b>ANALYSIS OF UNASSIGNED EARNINGS</b>                           |            |             |
| <b>18. Unassigned Earnings (Beginning of Year)</b>               | <b>233</b> | <b>340</b>  |
| A. Net Profit or Loss  | -51        | -107        |
| B. Distribution of Accumulated Earnings                          | -          | -           |
| C. Other Changes in Unassigned Earnings                          | -          | -           |
| <b>19. Unassigned Earnings (End of Year)</b>                     | <b>182</b> | <b>233</b>  |

## MANAGEMENT REPORT

### Continued success

From the beginning we set out an objective to make our company one of excellence in "scale," "quality," and "credibility". Our goal was to be a company capable of constantly earning the trust of policyholders. Inter-Assure strives to be a good corporate citizen, building its future on sustainable profit based on sound business ethics and respect. For only by acting with professionalism and integrity, we have been able to maintain our stakeholder's trust and preserve our reputation.

Curaçao and St. Maarten economies have struggled under weak political structures, a lack of governmental decision-making and its non-commitment. For years insurance companies have been making major losses on the mandatory third party motor liability cover. Our governments show a complete lack of enforcement of the Law that prohibits driving under the influence of alcohol or drugs. Investigative and prosecutorial means are not used, resulting in enormous personal- and material damages.

Since 10-10-10 citizens and entrepreneurs have been confronted with increased costs and higher taxes with hardly a growth of business. As a consequence, less job availabilities on the islands and increased stress on the consumers spending abilities. Curaçao is one of the few Caribbean islands with no substantial growth in population. A new Government with qualified decision makers was installed in May of this year and this shines some positive light on the years to come.

Despite the economic downturn over the last years, our business has a solid basis for the future ahead. Inter-Assure has built solid reserves for claims and unearned premiums and is protected by a substantial and trustworthy reinsurance program with SCOR and Hannover Re. Our figures 2016 show a small loss, mainly caused by third party motor-vehicle claims occurred the year before in 2015.

Our operating result over 2016 was positive and our first quarter 2017 shows a substantial profit.

Inter-Assure is prepared and will adapt to ever changing conditions, in order to safeguard and secure our stakeholder's interests.

Over 2016 we have again received an actuarial certification from Couperus Actuariële Adviesgroep. This certification evidences a solvency ratio of 105% by year-end 2016 and has contributed to building solid reserves for potential claims and unearned premiums. We are confident that we will continue to grow in a sustainable manner and secure solid financial results to further strengthen our financial solidity.

With competence and operational effectiveness Inter-Assure builds her business with passion and success to serve her customers.

We have invested in highly qualified professionals and we serve a broad customer base comprising individuals, families, small businesses, large corporations and institutions.

We conduct business on the basis of clearly defined ethic principles. In all our activities we carefully weigh the interests of our various stakeholders, customers, employees, business relations and suppliers, society at large and shareholders.

**Thank you for your continued trust and support.**

Justus P. van der Lubbe, CEO

