

**Management Report 2019**

We are pleased to present the 2019 financial highlights of Massy United Insurance Curaçao branch. In 2019 we recorded a remarkable growth and reached ANG 30,000,000 in gross written premiums for the first time in our branch's history. Conversely, the net earnings were impacted by the unfavorable performance of our Car Insurance portfolio. The poor loss ratio can be attributed to the government regulated car insurance premiums which have not been adjusted since 1999. Fortunately, the adverse effects were curtailed by the favorable loss results of the other classes of insurance. In addition, the company's consolidated

results were very encouraging in 2019, recording a growth of 18% compared to the previous year. Moreover, the company's overall performance in 2019 helped Massy United maintain its A.M. Best Rating of A-Excellent for the 14th consecutive year. Curaçao has been in a recession since 2016 and the unemployment rate is among the highest in the region. Unfortunately, the COVID-19 pandemic has exacerbated the precarious situation in Curaçao and could certainly affect the local insurance industry. Up to now, we've managed to mitigate the ramifications caused by the pandemic by improving our work processes, acquiring new business and investing in new technology. The move to our new and modern building has also inspired our

team to work harder and better serve our community.

Massy United is a member of the Massy Group, one of the largest conglomerates in the Caribbean and Colombia, with over 60 subsidiary companies, 11,000 employees and annual revenues of USD 1.7 Billion.

We would like to thank all brokers and customers for their loyalty, our dynamic team who makes our success possible, the CBCS and all other stakeholders for their ever present support.

Curaçao, 29 June 2020,  
**Ernie Croes**  
Managing Director

**Basic Principles:**

The General Insurance Annual Statement has been prepared in accordance with policies described by the Central Bank of Curaçao and Sint Maarten. Such practices differ from International Financial Reporting Standards. The annual statements are prepared on a historical cost basis. Claims reserves are based on company's estimates of losses incurred.

**Contingent Liabilities:** None**Capital and or Surplus Commitments:** None**Subsequent Events Affecting the Stated Earnings of the Company:**

The Covid-19 pandemic and the measures undertaken by governments in our territories did not become known until late quarter of 2020. The changes in business activities and economic implications caused by the crisis started to take effect in April 2020 but as per the reporting date of May 29, 2020 our business activities have returned to normal and no events have taken place that could possibly have an influence on the financial position and results of 2019. It is still too early to give a reliable estimation of the ultimate impact caused by the crisis.

**Massy United Insurance Ltd, Curaçao branch is a branch of Massy United Insurance Ltd, Barbados.**

**Report of the independent auditor on the financial highlights****Opinion**

The 2019 Financial Highlights, which comprise the balance sheet as at 31 September 2019, the Profit and Loss Statement 2019 and the notes to the financial highlights are derived from the audited General Insurance Annual Statements of Massy United Insurance Limited - Curaçao Branch for the year ended 31 December 2019. In our opinion, the accompanying Financial Highlights are consistent, in all material respects, in accordance with the audited General Insurance Annual Statements of Massy United Insurance Limited - Curaçao Branch.

**Financial highlights**

The financial highlights do not contain all the disclosures required by the General Insurance Annual Statement Composition and Valuation

Guidelines (2015) of the Central Bank of Curaçao and Sint Maarten. Reading the financial highlights and the auditor's report thereon, therefore, is not a substitute for reading the audited General Insurance Annual Statements and the auditor's report thereon.

**The audited General Insurance Annual Statements**

We expressed an unmodified audit opinion on the audited 2019 General Insurance Annual Statements in our report dated 29 May 2020. The financial highlights and the General Insurance Annual Statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited General Insurance Annual Statements.

**Other information**

Other information consists of the Management Report. Management is responsible for other information. Our opinion on the financial highlights

does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the General Insurance Annual Statements of Massy United Insurance Limited - Curaçao Branch our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited General Insurance Annual Statements of Massy United Insurance Limited - Curaçao Branch or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this information we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Financial Highlights**

Management is responsible for the preparation of the financial highlights in accordance with the

accounting policies as applied in the General Insurance Annual Statements of Massy United Insurance Limited - Curaçao Branch.

**Auditor's responsibility**

Our responsibility is to express an opinion on whether these financial highlights are consistent, in all material respects, with the audited General Insurance Annual Statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised). *Engagements to Report on Summary Financial Statements.*

Curaçao, 9 July 2020  
**For Ernst & Young Accountants**  
C. Smorenburg RA AA

**Balance Sheet as at September 30, 2019**

(All amounts expressed in thousands of Netherlands Antillean Guilders)

	2019	2018
<b>ASSETS</b>		
Non-Admissible Assets	1,236	344
Deposits with Financial Institutions	1,500	1,500
Current Assets	14,375	10,699
<b>Total assets</b>	<b>17,111</b>	<b>12,543</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Shareholders' equity		
Surplus	4,533	1,592
<b>Total equity</b>	<b>4,533</b>	<b>1,592</b>
Provisions		
Net Unearned Premium Provision	4,737	4,229
Net Claim Provision	3,612	4,483
<b>Total provisions</b>	<b>8,349</b>	<b>8,712</b>
Current Liabilities	4,229	2,239
<b>Total liabilities</b>	<b>4,229</b>	<b>2,239</b>
<b>Total equity and liabilities</b>	<b>17,111</b>	<b>12,543</b>

**Profit and loss Statement 2019**

(All amounts expressed in thousands of Netherlands Antillean Guilders)

	2019	2018
<b>REVENUE</b>		
Gross premium earned	30,404	23,932
Change in unearned premium provision	(508)	(364)
Reinsurance premium ceded	(15,971)	(10,509)
Net premiums earned	13,925	13,059
Net Claims Incurred	(7,325)	(7,695)
Net Other Underwriting Income	74	-
Underwriting Expenses Incurred	(6,456)	(5,518)
<b>Underwriting results</b>	<b>218</b>	<b>(154)</b>
Net Investment Income and Earned and Capital Gains or Losses	46	47
<b>Net Operational Results before Taxes</b>	<b>264</b>	<b>(107)</b>
Corporate Taxes incurred	267	203
<b>Net Operational Results after Taxes</b>	<b>(3)</b>	<b>(310)</b>
<b>Net Profit or Loss</b>	<b>(3)</b>	<b>(310)</b>
<b>Analysis of Unassigned Earnings</b>		
Unassigned Earnings (Beginning of Year)	(9,980)	(9,670)
Net Profit or Loss	(3)	(310)
<b>Unassigned Earnings (End of Year)</b>	<b>(9,983)</b>	<b>(9,980)</b>
<b>Investment exhibit:</b>		
<b>Investments</b>	<b>NAf</b>	<b>%</b>
In Curaçao	1,500	100%
Outside Curaçao		
<b>Total Investments</b>	<b>1,500</b>	<b>100%</b>