



NAGICO STRONG



2017 ANNUAL REPORT

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About NAGICO

The NAGICO Group has been in existence since 1982 and provides a myriad of property and casualty as well as life products and risk solutions to its customers, who are situated throughout the Caribbean; we are a dynamic and versatile group.

Through an exceptional understanding of the insurance business, our customers' needs and the environment within which we operate, combined with the excellent support of our most valuable assets: our intermediary relationships, staff and reinsurance partners, we have established an impressive and formidable presence in the Caribbean, operating within 21 territories.

NAGICO is a financially strong and stable group due to risk management being at the core of its decision making, it is a preferred provider in the region and #1 in many of the islands, due to its reliability, trustworthiness and friendly service – its core values.

Our team is comprised of a significant number of qualified and experienced professionals within the underwriting, claims, finance, risk management, governance, technology and business development areas. We are resilient and known for our financial strength and stability. The NAGICO brand is admired and is also recognized in the region and respected

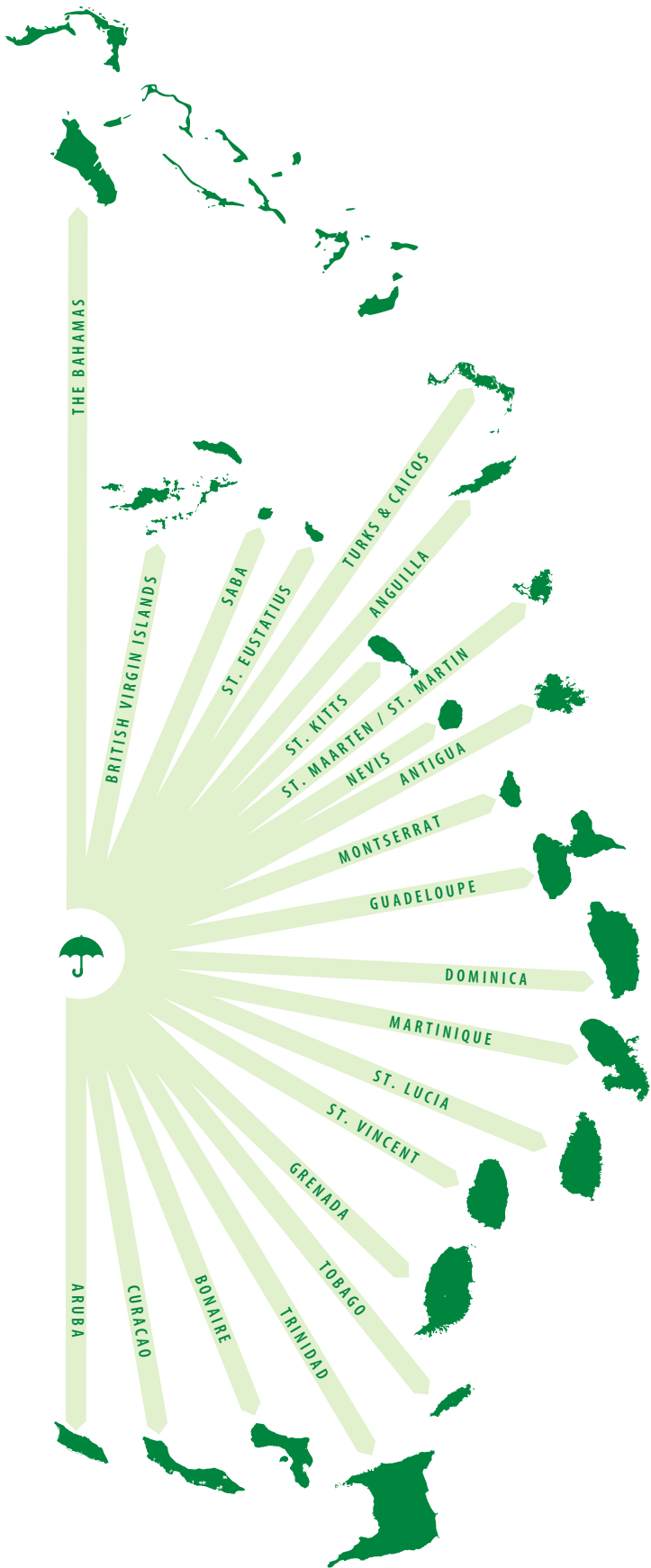
for its core values: integrity, leadership, empowerment, diversity good social and corporate responsibilities.

Our promise and commitment from inception has been and remains to deliver fast and fair service to our customers and to always be there for them; a promise we have delivered on consistently over the years and most recently following the passage of hurricanes Irma and Maria in 2017.

Our Network

At NAGICO, our people are a crucial part of strategy. Through teamwork and the spirit of comradery we deliver on our initiatives as one and ensure policyholder satisfaction. This is a powerful intermediary network which comprises a diverse group of brokers, agents and managing agents of varying sizes and each with strong technical competence and wide market reach who actively attract and retain quality business for NAGICO.

NAGICO's distribution chain is optimised through the efficient use of technology, making it easy for our intermediaries and us to service our clients.



Our Footprint

ANGUILLA

Subsidiary
Howard Chengajune

ANTIGUA

Managing General Agent
Bryson's Insurance Agency
Marjorie Parchment

ARUBA

Subsidiary
Detlef Hooyboer

BONAIRE

Branch Office
Johannes William

BRITISH VIRGIN ISLANDS

Managing General Agent
Century Insurance Agency
Limited
Shan Mohamed

CURACAO

Branch Office
Johannes William

DOMINICA

Branch Office
Merle Lawrence

FRANCE AND OVERSEAS TERRITORIES

Managing General Agent
Cooper Gay

GRENADA

Subsidiary
Chantelle Bristol

MONTserrat

Authorized Agents:

Judith Greer & Associates Inc.
Judith Greer

Ryan Investments Ltd.
Yvette Ryan

NAGICO LIFE

Dutch Antilles
Subsidiary
Detlef Hooyboer

ST. KITTS & NEVIS

Branch Office
Amit Mohabir

SABA

Branch Office
Sheritsa Oleana

ST. EUSTATIUS

Authorized Agents:

A.R.C. Agency N.V.
Arlene Cuvalay

I.F. Rivers Enterprises N.V.
Ivan Rivers

ST. LUCIA

Subsidiary
Adele Jn Baptiste

ST. MAARTEN

NAGICO HEAD OFFICE

ST. MARTIN

Branch Office
Constantin Desert

ST. VINCENT

St. Vincent Insurances Ltd.
(Vinsure)
Samuel Goodluck

THE BAHAMAS

Subsidiary
Vibert Williams

TRINIDAD & TOBAGO

Subsidiary
Sharon Melville

TURKS & CAICOS ISLANDS

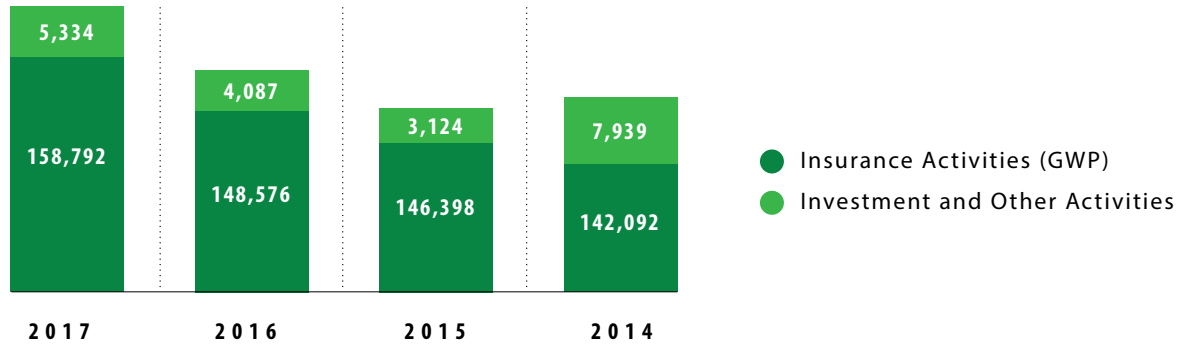
Branch
Carla Blake

TOTAL INCOME	2017	2016	2015	2014
Insurance activities	158,792	148,576	146,398	142,092
Investment and other activities	5,334	4,087	3,124	7,939
FINANCIAL POSITION	2017	2016	2015 (restated)	2014
Total Assets	752,703	294,712	248,018	230,889
Total Liabilities	668,329	193,119	152,249	136,925
Net Equity	84,374	101,593	95,769	93,964

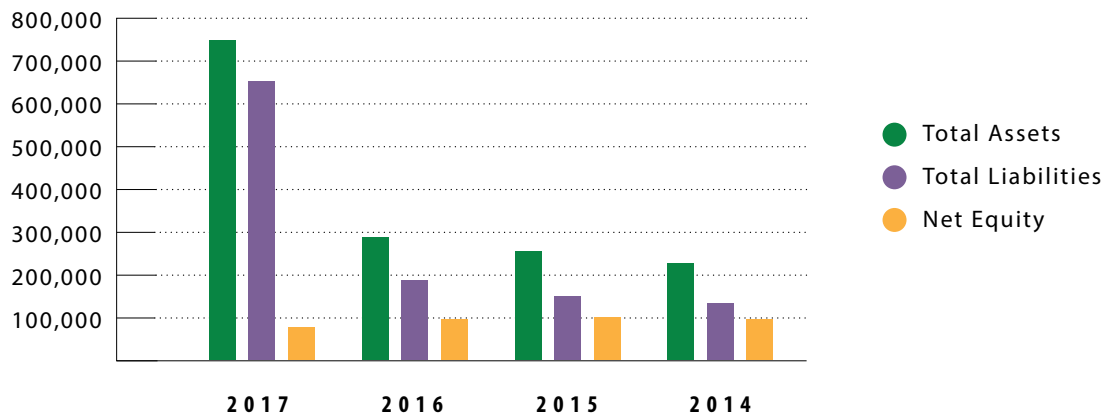
Financial Results

USD '000

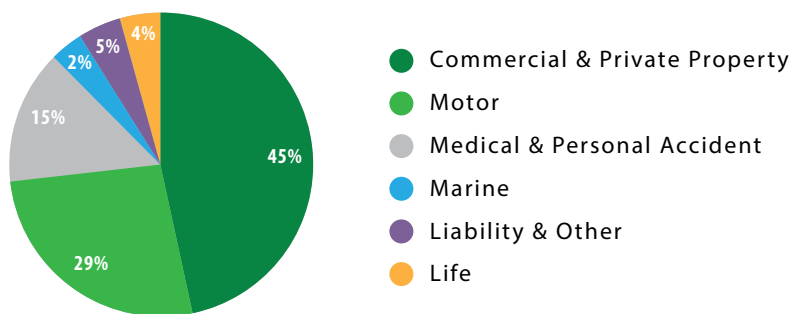
TOTAL INCOME ('000)



FINANCIAL POSITION



2017 LINE OF BUSINESS REVENUE



Condensed Consolidated Financial Highlights

NAGICO HOLDINGS LIMITED

Consolidated Statement of Financial Position as at December 31, 2017

ASSETS	2017	2016	As at January 1, 2016
<i>(In Thousands of U.S. Dollars)</i>		<i>(restated)</i>	<i>(restated)</i>
Property and Equipment	21,219	21,052	18,434
Retirement Benefit Asset	11,598	12,598	10,613
Investment Properties	10,990	19,429	30,373
Held-for-sale Assets	19,300	11,300	-
Investment Securities	91,722	76,451	70,586
Intangible Assets	4,561	3,857	2,949
Deferred Tax Asset	5,453	2,955	3,203
Receivables			
Due from reinsurers	500,635	67,342	29,056
Insurance receivables	33,835	30,878	26,816
Deferred acquisition costs	9,278	8,941	8,006
Policy loans	794	1,233	1,298
Prepayments and other current assets	5,507	3,833	5,011
	<u>550,049</u>	<u>112,229</u>	<u>70,187</u>
Cash and Cash Equivalents	37,811	34,841	41,673
TOTAL ASSETS	<u>752,703</u>	<u>294,712</u>	<u>248,018</u>

EQUITY AND LIABILITIES	2017	2016	As at January 1, 2016
<i>(In Thousands of U.S. Dollars)</i>		<i>(restated)</i>	<i>(restated)</i>
Equity			
Share capital	10	10	10
Additional paid in capital	43,515	43,515	43,515
Other components of equity	6,405	6,085	5,718
Retained earnings	32,455	50,060	44,744
Shareholder's equity	<u>82,385</u>	<u>99,670</u>	<u>93,987</u>
Non-controlling interests	1,989	1,923	1,782
Total equity	<u>84,374</u>	<u>101,593</u>	<u>95,769</u>
Liabilities			
Insurance liabilities	593,534	120,505	113,049
Due to reinsurers	59,354	57,690	25,258
Deferred tax payable	6,785	6,666	6,335
Current tax payable	763	1,521	1,505
Accounts payable and accrued liabilities	7,893	6,737	6,102
	<u>668,329</u>	<u>193,119</u>	<u>152,249</u>
TOTAL EQUITY AND LIABILITIES	<u>752,703</u>	<u>294,712</u>	<u>248,018</u>

Consolidated Statement of Profit or Loss for the year ended December 31, 2017

	2017	2016
<i>(In Thousands of U.S. Dollars)</i>		<i>(restated)</i>
Underwriting Income		
Insurance premium revenue	158,792	148,576
Reinsurance cost	(81,132)	(60,626)
Net premiums earned	<u>77,660</u>	<u>87,950</u>
Commission expense	(23,844)	(22,740)
Net insurance premium revenue	53,816	65,210
Other underwriting income	2,262	1,891
Total underwriting income	<u>56,078</u>	<u>67,101</u>
Underwriting expenses		
Insurance claims and loss adjustment expenses, net of recoveries from reinsurers	43,561	31,589
Other underwriting expenses	364	327
Total underwriting expenses	<u>43,925</u>	<u>31,916</u>
Net Underwriting Income	12,153	35,185
Other Expenses		
Personnel expenses	18,268	17,142
Administrative expenses	5,829	5,369
Other operating expenses	9,756	9,630
Amortization	139	84
Depreciation	1,435	1,492
Total other expenses	<u>35,427</u>	<u>33,717</u>
Other Income		
Investment income	4,816	2,707
Other income	518	1,380
Total other income	<u>5,334</u>	<u>4,087</u>
Net Result Before Taxation	(17,940)	5,555
Taxation	1,486	(1,421)
Net Result After Taxation	<u>(16,454)</u>	<u>4,134</u>
Attribution:	(16,571)	3,896
Net (loss)/income for the year attributable to shareholders	117	238
Net income for the year attributable to non-controlling interests	<u>(16,454)</u>	<u>4,134</u>

Condensed Consolidated Financial Highlights, *continued*

Consolidated Statement of Other Comprehensive Income for the Year Ended December 31, 2017

	2017	2016
<i>(In Thousands of U.S. Dollars)</i>		<i>(restated)</i>
Net result after taxation	(16,454)	4,134
Other comprehensive income		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent years (net of tax):</i>		
Exchange differences on translation of foreign operations	290	(765)
Net gain /(loss) on available-for-sale financial assets	38	(1)
	328	(766)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent years (net of tax):</i>		
Remeasurement (losses) /gains on defined benefit plans	(1,034)	1,515
Revaluation of land and buildings	-	1,038
	(1,034)	2,553
Net other comprehensive (loss)/income for the year	(706)	1,787
Comprehensive (loss)/income for the year	(17,160)	5,921
Attribution:		
Comprehensive (loss)/income for the year attributable to shareholders	(17,285)	5,680
Comprehensive income for the year attributable to non-controlling interests	125	241
	(17,160)	5,921

Consolidated Statement of Cash Flows for the Year Ended December 31, 2017

	2017	2016
<i>(In Thousands of U.S. Dollars)</i>		
		<i>(restated)</i>
Cash flows from operating activities:	(17,940)	5,555
Net result before taxation		
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of property and equipment	1,435	1,492
Effect of intercompany transfer of property and equipment	-	(212)
Amortization of intangible assets	139	84
Loss /(gain) on disposal of property and equipment	120	(269)
Effect of currency translation rate changes	283	101
Change in unrealized gains and losses on investments	(1,882)	(193)
Gain on revaluation of investment properties	-	(593)
Movements in retirement benefit asset	(339)	179
Bad debts	957	366
<i>Working capital movements:</i>		
Due from reinsurers	(433,293)	(38,286)
Insurance receivables	(3,914)	(4,428)
Deferred acquisition costs	(337)	(935)
Policy loans	439	65
Other receivables and prepayments	(4,204)	(1,337)
Due to reinsurers	1,664	32,432
Insurance liabilities	473,029	7,456
Accounts payable and accrued liabilities	1,158	641
	<u>35,255</u>	<u>(3,437)</u>
Interest received	2,530	2,515
Profit tax paid	(1,346)	(1,682)
	<u>1,184</u>	<u>833</u>
Net cash flows provided by operating activities	18,499	2,951
Cash flows from investing activities:		
Purchase of property and equipment	(1,789)	(3,334)
Proceeds from sale/disposal of property and equipment	74	284
Proceeds from sale/disposal of investment properties	439	660
Purchase of investment securities	(52,972)	(51,738)
Proceeds from sale and maturity of investment securities	39,621	45,437
Purchase of intangible fixed assets	(843)	(992)
<i>Net cash flows used in investing activities</i>	<u>(15,470)</u>	<u>(9,683)</u>
Cash flows from financing activities:		
Dividend pay out St. Vincent Insurances Limited	(59)	(100)
<i>Net cash flows used in financing activities</i>	<u>(59)</u>	<u>(100)</u>
Net increase /(decrease) in cash and cash equivalents	2,970	(6,832)
<i>Cash and cash equivalents at January 1</i>	<u>34,841</u>	<u>41,673</u>
Cash and cash equivalents at December 31	<u>37,811</u>	<u>34,841</u>

Chairman's Statement

MR. IMRAN MCSOOD AMJAD



2017 was one of both pain and pride for the Shareholders, Directors, Management, Staff and the entire NAGICO Group.

It was painful due to the catastrophic damages caused throughout the Caribbean by two Category 5 Hurricanes on several of the islands in which we operate, particularly Sint Maarten, Saint Martin, British Virgin Islands, Dominica, Antigua, Anguilla, Turks & Caicos, Montserrat and Bahamas.

The residents on these Islands as well as others lesser impacted by the hurricanes suffered untold damages and we sympathize with them for the many hardships they endured and continue to endure as a ripple effect of the storms.

As a Group we also feel the pain of losses to our equity, which herein you will find is in excess of USD\$17 million, caused mainly by our own share of losses and reinstatement premiums payable to reinsurers. 2017 will represent the largest loss year ever experienced by the NAGICO Group in its 36-year history. Yet, with all the pain, we feel a profound sense of pride as we assist our insureds with repairing or rebuilding their homes, businesses, automobiles and lives. We are also filled with pride that as an insurer we are making a huge contribution to the rebuilding of the economies of most of the islands heavily hit by the Hurricanes, as we put back millions of dollars into these territories where their main sources of income: Tourism, Trade or Agriculture have been severely disrupted.

We feel a profound sense of pride in our Reinsurers, who delivered on their promises and kept sending needed funds on a timely basis for the settlement of claims. We owe a huge debt of gratitude for their immense contribution and cooperation throughout these horrible times.

To our Management, Staff, Agents, Brokers, Adjusters and Associates, words cannot begin to describe how proud I am of you, as Chairman of this great company. We are grateful for your dedication to duty, commitment to the cause and the willingness to go above and beyond your own personal comforts for the benefit of those whom you serve.

To our policyholders we owe a special thanks to all of you for your support, patience and trust, but particularly, to those of you who understood our own personal difficulties. Your words of care and concern meant a lot to all of us.

To date we have settled approximately 90% of the claims we received, with an over 90% satisfaction rate from our internal survey. We estimate that by the time the last hurricane claims are settled hopefully over the next few months, NAGICO would have paid more than USD\$800 million. That will also mean that this will most likely be the largest amount paid by any single insurer for a Catastrophe Year, in the history of the Dutch or English Caribbean!

We are proud of achieving such a record amidst all the pain! Unfortunately, we cannot please everyone and too often the sheer volume of claims did not allow for NAGICO's usual personalized services on a timely basis. For that we apologize vociferously and commit to improving our services to the highest level.

In conclusion, NAGICO's mission and vision have been put to the test and for the most part we have passed with flying colors. We were plunged into the depths of gloom and doom, chastised by a few and praised by many. As we come closer to the finish line, we are proud of our past, but more driven by the future as we continue to look forward with great hope and vision for an even better NAGICO and the Caribbean.

With thanks for your continued patronage.



Imran McSood Amjad, ACII
Chairman
Chartered Insurer
NAGICO Group of Companies

CEO's Statement

MR. DWAYNE ELGIN



2017 was as a symbolic year for NAGICO Insurances as it marked our 35th anniversary. Our results at the end of June 2017 indicated that we were also on course for an extremely successful year to complement our anniversary celebrations. Our celebrations and success were derailed when two of the largest hurricanes ever recorded, impacted the Caribbean with direct hits to some of our largest territories including our corporate headquarters in St. Maarten.

Unfortunately, this catastrophe and all the devastation that came in its wake, set NAGICO on a different path primarily focused on restoration and recovery in the affected territories. Despite the unprecedented devastation that ensued, I am proud that our staff, intermediaries, loss adjusters and reinsurers have all played their part in ensuring that more than 90% of the over 14,000 policies affected have been settled at the time of writing this statement. This experience put our reinsurance plan, our underwriting abilities, our talk of commitment and extraordinary service to the test and NAGICO can boast that it excelled.

Our financial results show an operating loss of US\$17M and some erosion of shareholder's equity. However, after experiencing two major Hurricanes in the same financial year, it is par for course that an insurer's balance sheet will be affected to some extent. Despite the loss incurred in 2017, NAGICO remains a strong, stable and well-regulated and supervised financial company. A.M. Best reaffirmed NAGICO's rating and positive outlook in January 2018.

Emerging stronger from catastrophes is in our DNA, as I need not remind anyone of NAGICO's meteoric rise after the double devastation of Hurricanes Luis and Marilyn in 1995 or Hurricane Lenny in 1999. We are confident that as we continue our journey for the next 35 years, we

are well positioned to continue offering our policyholders the service and products that meet their insurance needs and provide them with peace of mind.

With our eyes set on the future we will continue to embrace technology as a means of enabling growth and further development of the NAGICO Brand. Our Shareholders continue to pledge their commitment to the Company for the long term. With a renewed strategy and focus we look forward to rebuilding our communities while providing the “best in class” insurance protection.

I wish to thank our shareholders, directors, management, staff, intermediaries, reinsurers, loss adjusters and all others who contributed in one way or another to our operations during 2017.

A handwritten signature in black ink, appearing to read 'Dwayne Elgin', enclosed within a large, horizontal, hand-drawn oval.

Dwayne Elgin, CPCU, AIS, AAI
Chief Executive Officer,
NAGICO Insurances N.V.

Board of Directors



Mr. Imran McSood Amjad (1)

Mr. Amjad is the Executive Chairman of the Board of Directors for NAGICO Insurances Company Limited and Chairman of the Supervisory Board of National General Insurance Corp. N.V. In 1981. He became one of the youngest Chartered Insurers (ACII) in the Caribbean. After quickly moving up the ranks at GTM Insurance Company in Guyana, he took the challenge of heading a small insurance start-up in St. Maarten. He has been at the helm of NAGICO since its inception in 1982 guiding the one office operation with US \$75,000 starting capital to the largest privately held general insurance provider in the Caribbean.

Mr. Franz Hahn (2)

Mr. Franz Josef Hahn is the Co-founder and Chief Executive Officer of Peak Re. He is responsible for chartering corporate strategic directions and overseas operations. With over 28 years of reinsurance experience, he has a successful track record in building strong teams and successful reinsurance business in China and the Asia Pacific region. Before Peak Re, he was the Managing Partner of FJ Hahn & Associates, offering strategic business advisory services to insurance companies and other financial institutions in Asia, Europe and the

US. Mr. Hahn was previously Swiss Re's lead in the Greater China region where he built up a strong leadership team and developed several innovations. Before his time with Swiss Re, he had spent nine years at Munich Re, where he served as Head of Casualty in Hong Kong.

Mr. Reza Amjad (3)

Mr. Reza McSood Amjad joined the Supervisory Board of NAGICO N.V./Life in 2014. He is the Managing Director of Motor world, Caribbean Auto and Dollar/Thrifty Car Rental in St. Maarten and International Motors located in Anguilla. He earned a Bachelor's Degree in Communications and Public Relations from St. John's University in New York.

Kaihong "Cathy" Chen (4)

Ms. Cathy Chen is the Chief Financial Officer for Peak Re, overseeing their financial and operational management. Cathy has over 10 years of accounting and financial experience in both the insurance and reinsurance industry and has solid knowledge of the related regulations.

Prior to joining Peak Re, Cathy was the Chief Representative for Lloyd's Beijing representation office, responsible for Lloyd's brand exposure and government relations in China. Before that, she was

the CFO for Swiss Re's China operation and had successfully established and maintained good relationships with Chinese government agencies. Cathy holds an MBA in Finance and a Bachelor's degree in Economics. She is also a member of the Association of Chartered Certified Accountants (ACCA) Fellowship.

Mr. Ronald Knowles (5)

Mr. Ronald Knowles is a member of the Supervisory Board of NAGICO N.V./Life since 2008. He is a Fellow of the Association of Chartered Certified Accountants. Mr. Knowles previously worked for Peat Marwick (now known as KPMG) in their Bahamas and London Offices. In 1989, Mr. Knowles started his own accounting practice and now runs two offices in The Bahamas.

Yu "Alex" Pei (6)

Mr. Alex Pei is the Vice President of Fosun Insurance Group and leads insurance investments. He has extensive experience in financial institution mergers and acquisitions. He led the execution of several major Fosun investments of more than 4 billion USD during the last four years, including the acquisition of Fidelidade Group in Portugal and Ironshore Inc. in Bermuda. He also serves as the board director for Ironshore Inc. and NAGICO

Insurance Group and Supervisory Board Director for Fidelidade Group. Mr. Pei has more than 10 years' experience in the insurance and financial industry and worked in London and Paris before he joined Fosun in Hong Kong. Mr. Pei is the fellowship member of the Institute and Faculty of Actuaries (IFoA) in the UK and the fellowship member for the Institut des Actuaire in France.

Mark Teelucksingh (7)

Mr. Teelucksingh started his career in banking and accounting at the Royal Bank of Trinidad and Tobago, and later, Nationwide Insurance. He spent 24 years at Ferreira Optical Limited in positions of increasing responsibility. Most recently, he served as the company's corporate secretary and director of finance and administration. Mr. Teelucksingh holds an MBA from Heriot-Watt University and an FLMI designation. He is a member of the Board of Directors of NAGICO Holdings Limited and a number of its subsidiaries.

Mr. Edward Lord (8)

Mr. Lord is the Director of NICL General Insurance Company Limited. He is the Administrative Manager of the Grenada Ports Authority and past member of the Grenada Sustainable Development Council. In 2006, Lord was a part of the Ministry of Finance Strategy Design Team which formulated the Grenada Export Strategy.

Mr. Lord represented the Ministry of Environment, Foreign Trade and Export Development in preparing the social road map on building a green economy for sustainable development in Carriacou and Petite Martinique, Grenada for United Nations Department of Economic and Social Council.

Tatenda Gotosa (9)

Tatenda "Tate" Gotosa is the Director of Corporate Governance at Harney's Fiduciary in the British Virgin Islands. An experienced professional director, Tate acts on the boards of many significant corporate vehicles and investment funds domiciled in the British Virgin Islands and the Cayman Islands.

Tate and his team also provide liquidation, client accounting and FATCA/CRS advisory services to BVI entities. Tate is a qualified American Certified Public Accountant and a graduate of the Institute of Chartered Secretaries in the UK.

Adam Rhodes (10)

Adam Rhodes joined the NAGICO Board in 2017 and has worked in private practice in the Caribbean since February 2010 where he is responsible for insurance management and broking services for institutional and private clients. He also serves an advisor to clients on lines of business including professional indemnity, property, marine and healthcare. This has involved the establishment and licencing of captives and insurance companies as well as on-going regulatory, corporate governance and compliance advice.

Mr. Rhodes is a Member of the Chartered Insurance Institute, he also a Committee Member of the BVI Captive Insurance Advisory Council, an Approved Designated Representative BVI Financial Services Commission and an Approved Supervisory Director Central Bank of Aruba.

Heather Thompson (11)

Heather Thompson is a recognized leader in the private client sector, advising individuals, trustees and beneficiaries in international trust and company creation and ownership structures.

She counsels trust companies and advises diverse clientele on all aspects of wills, probate applications, estates administration etc. She is also a sought-after conference speaker and contributor to the STEP Journal, Heather has received the STEP Founder's Award for Outstanding Achievement (2009); the Bahamas Financial Services Board 'Executive of the Year' Award (2003); and the International Law Office Client Choice Award in Offshore Services (2012). She is ranked by Chambers Global in General Business Law (2010 – 2017) and Chambers High Net Worth Guide (2017). Heather has been named to City Wealth Leaders List (2012 – 2013); Guide to the World's Leading Women in Business Law (2012); and the IFC Power Women Top 100 list (2013).

Ms. Dawn Davies (12)

Ms. Davies has been the Director of NAGICO Insurance (Bahamas) Limited since 2011. Mrs. Davies retired as Deputy Managing Director of Fortis Fund Services (Bahamas) Limited in 2000, after having served in managerial positions in the financial services sector in The Bahamas for over thirty-five years.

She is a graduate of the University of Strathclyde in Scotland and obtained her MBA from the University of Miami, Florida. Currently, Mrs. Davies serves as a Director of Euro-Dutch Trust Company (Bahamas) Limited and many investment companies.

C-Suite Executives



Dwayne Elgin, CPCU, AAI, AIS, AU, Are (1)
Chief Executive Officer
NAGICO Property & Casualty Group

Bhardwaj Raghbir (2)
Chief Underwriting Officer
NAGICO Group of Companies

Detlef J.G. Hooyboer (3)
Chief Executive Officer
NAGICO Life

Donna-Maria de Roche (4)
Chief Claims Officer
NAGICO Group of Companies

Kyria Ali (5)
Chief Strategy & Development Officer
NAGICO Group of Companies

Eric Ellis (6)
Director of Properties
NAGICO Group of Companies

Justin K. Woods, CGA, CPA (7)
Chief Financial Officer
NAGICO Group of Companies

Vincent Haakmat (8)
Chief Information Technology Officer
NAGICO Group of Companies

Cleveland Beresford Jr. (9)
Chief Human Resource Officer
NAGICO Group of Companies

Knowledgeable. Experienced. Qualified. Risk Management is Our Business.

Our team is comprised of:

- 30+ chartered underwriters and claims experts
- 60 professionals with insurance qualifications
- In-house and external actuaries
- Enterprise Risk Management certified professionals
- 15+ qualified accountants and auditors
- Team of qualified and experienced investment experts
- The best reinsurers in the world

Together we make NAGICO the most competent and versatile insurance group in the region.

Territory Leaders



Shan Mohamed (1)
 Century Insurance Agency
 BVI (Tortola/Virgin Gorda)

Johannes William (2)
 Branch Offices
 Bonaire
 Curacao

Judith Greer (3)
 Judith Greer & Associates Inc.
 Montserrat

Marjorie Parchment (4)
 Bryson's Insurance Agency
 Antigua

Constantin Desert (5)
 Branch Office
 St. Martin (French Side)

Yvette Ryan (6)
 Ryan Investments Ltd.
 Authorized Agent
 Montserrat

Adele Jn Baptiste (7)
 Subsidiary
 St. Lucia

Ivan Rivers (8)
 I.f. Rivers Enterprises N.v.
 St. Eustatius

Detlef Hooyboer (9)
 Subsidiary
 Aruba
 Nagico Life
 Dutch Antilles

Amit Mohabir (10)
 Branch Offices
 Nevis
 St. Kitts

Carla Blake (11)
 Turks & Caicos Islands

Sheritsa Oleana (12)
 Branch Office
 Saba

Chantelle Bristol (13)
 Subsidiary
 Grenada

Howard Chengajune (14)
 Branch Office
 Anguilla

Vibert Williams (15)
 Subsidiary
 The Bahamas

Merle Lawrence (16)
 Branch Office
 Dominica

Sharon Melville (17)
 Subsidiary
 Trinidad & Tobago

Arlene Cuvalay (not shown)
 A.R.C. Agency N.V.
 St. Eustatius

Samuel Goodluck (not shown)
 St. Vincent Insurances Ltd.
 (Represented By Vinsure)
 St. Vincent

NAGICO Head Office
 St. Maarten
 Cooper Gay
 France And Overseas Territories

2017 Business Recap



Empowerment of Local Management

In 2017, building on a strategic decision made in 2016, NAGICO provided even more autonomy to local management. To gain a competitive edge in our markets, we looked at ways of being better and faster. Granting broader underwriting authority has allowed us to shorten the turnaround times for client requests, and reduce the volume of requests coming into our Head Office. We then took this one step further by automating many of our manual processes in our underwriting functions for our P&C and Life businesses. By building in our guidelines, and minimizing human error, we have freed up management time to focus on growing the business. We have also put some high-potential colleagues in each territory on a developmental track to improve their technical and management skills, and prepare them to assume more responsibility within our operations.

Underwriting Profitability and Emerging Products

NAGICO was on track to achieving an underwriting profit of almost \$8.8 million prior to the devastating impact of Hurricanes Irma and Maria. Despite the effects of these events on some territories, several unaffected territories delivered an underwriting profit and/or posted better than expected production year end results. NAGICO's well established risk management strategies and sophisticated reinsurance program succeeded in limiting the impact to our bottom line, demonstrating the strength of our catastrophe management plan.

NAGICO remains steadfast in its commitment to be our customers' first and best choice. This includes delivering fresh and modern products designed to meet customers' ever-changing needs. NAGICO will introduce parametric, specialized renewable energy and cyber liability coverage to our continually expanding product list in 2018. Parametric insurance is the epitome of innovation and will provide solutions for our customers not found within traditional insurance offerings.

Additionally, there is an increased desire to build / rebuild with the resilience and climate protection in mind. Further, cyber liability protection is becoming a business necessity in this increasingly digital world.

Superior Reinsurance Program

NAGICO's reinsurance program is effectively designed and structured to reduce volatility and protect capital as well as policyholder surplus. The Group's blended reinsurance program, QS and XoL, provides it with protection from not only named Catastrophic Events but also smaller weather-related events and a wide range of Other Perils, which would not trigger recovery from a traditional catastrophe reinsurance program. In addition, NAGICO ensures that each of the reinsurers on its panel maintain a rating of A- or higher with AM Best and that they are financially strong and stable.

Claim Settlement in the Face of Adversity

2017 was punctuated by two of the strongest hurricanes in world history; hurricane Irma and hurricane Maria. These storms hit the NAGICO Group in core locations, back to back, causing widespread devastation in St. Maarten, Anguilla, the BVI and Dominica and affecting 9 other islands where NAGICO operates.

The Group's staff and the claims function were truly put to the test with the sheer volume of claims resulting from both events. Considering the fact, that professional loss adjusting services within the region had already been stretched thin by the passage of hurricane Harvey in the US, NAGICO's Catastrophe response was highly commendable.

We are very pleased to report that more than 50% of all claims from these catastrophes had been settled with claimants by the end of 2017, approximately 3 months after the events, proving that NAGICO continues to be "Always There" in even the most trying circumstances.

In excess of 1/2 a billion USD (TTD. 3.35 Billion/ ECD 1.35 Billion/ANG 900 Million) paid thus far across the region. 13 Islands affected- Sint Maarten, Saint Martin, British Virgin Islands, Dominica, Antigua, Anguilla, Turks & Caicos, Montserrat, St. Kitts, Saba, St. Eustatius, Guadeloupe and The Bahamas. 90% of our claim settled groupwide.

Excellent Catastrophe Program

In 2017 NAGICO's catastrophe program was put to the test when two unprecedented Category 5 hurricanes



blasted through the Caribbean, less than 2 weeks apart, and left significant destruction in their wake. The response of the Group's reinsurance broker and reinsurers was extremely commendable and reflective of management's meticulous risk screening and selection process of these invaluable partners.

Powerful Intermediary Network

Our network comprises a diverse group of brokers, agents and managing agents of varying sizes and each with strong technical competence and wide market reach. Spread across 21 territories, more than 200 intermediaries, our partners, actively attract and retain quality business for NAGICO. Our distribution chain is optimized through the efficient use of technology, thus making it easy to effectively service our customers.

Innovation Through Technology

Modern technology innovations must be routinely discussed as part of strategy and investment planning. Innovation is a fundamental driver of our success here at NAGICO, that is why we continue to invest in technology and innovation to ensure the achievement of our overall strategies, which includes growth and development throughout the Caribbean.

Automation, Cloud computing and various "As-A-Service" technology models are the enablers for businesses to become successful in today's competitive landscape and NAGICO is positioning itself to make optimal use of these technologies in order to continue to provide our customers the excellent service they've come to expect from us.

NAGICO's Commitment to Our Communities

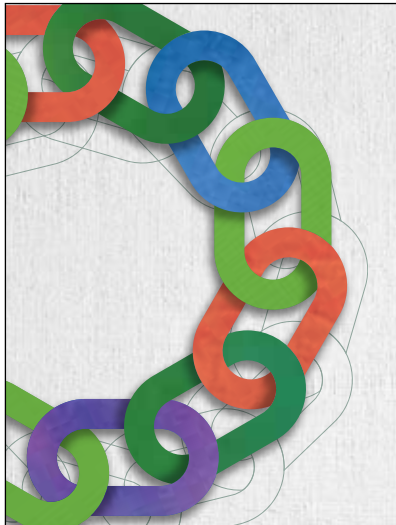
In 2017, hurricanes Irma and Maria interrupted the lives of countless people. NAGICO invested in several community based projects and not-for-profit events across 13 islands within which it operates. These programs included, but were not limited to: health and wellness, youth, sport and art development and environmental protection.

NAGICO's hurricane relief programs included the distribution of hot meals, clothing and drinking water to vulnerable groups and the community at large. Even though NAGICO and its staff were also affected by the storms, the Group made a number of financial donations and its staff volunteered their time to help others.

This is the NAGICO Way.



Governance, Risk Management And Compliance (“GRC”)



An organization’s culture reflects its governance, risk management and compliance values and approach. NAGICO’s dedicated GRC Department, which focuses on these core values, is the daily compass that helps to navigate the Group’s path to achieving desired and targeted results.

Corporate Governance

The NAGICO Group is comprised of several legal entities spread across 21 territories within the Caribbean and supervised by 17 regulators. Good corporate governance is high on the agenda.

The Board of Directors and the Committees of each legal entity adhere to a Corporate Governance Charter, which is compliant with the relevant laws and regulations of each of the islands within which the Group operates; this facilitates the application of the highest governance standards throughout the entire Group. The Board and Committees: Audit; Governance, Risk Management & Conduct; Insurance & Reinsurance; Investments, Mergers & Acquisitions; and Performance and Remuneration are active and ultimately shape the culture of our organization through the tone it sets, policies it approves, oversight it provides and actions it takes. The management team also contributes to the Group’s strong risk culture and effective governance by establishing and maintaining a robust control environment and ensuring the implementation of policies such as, Enterprise Risk Management, Anti-Money Laundering and the Combatting of Terrorist Financing, Anti-Bribery & Corruption, Anti-Fraud, Whistleblowing, Code of Conduct and Social & Environmental.

NAGICO’s impressive corporate governance has contributed to its stakeholders: shareholders, insureds, regulators and rating bodies having an elevated level of confidence and trust in the business and management.

Enterprise Risk Management

NAGICO takes ERM beyond theory and applies it daily at all levels of the business to improve its decision-making process and achieve desired results. The Group's robust ERM process is embedded in its strategic and operational planning and execution; risk and return metrics are incorporated into our corporate, business and functional objectives to steer its performance.

The risk appetite and tolerance of the Group is set in consultation with shareholders, board of directors and executive management. Based on the defined appetite and tolerance levels, key metrics spanning all core areas of the business: underwriting, claims, investments, solvency and capital etc. are clearly defined, communicated and monitored. At NAGICO, Enterprise Risk Management and Strategy are entwined.

Managing risk is our business. We perform rigorous stress testing using a combination of internally developed tools and external modeling systems, such as RMS and AM Best's BCAR tool, to ensure the architecture of a reliable reinsurance program and the maintenance of the strongest risk-adjusted capital level.

Most significant risk exposure:

Property & Casualty Risk

As one of the leading property and casualty insurers in the Caribbean, NAGICO is exposed predominantly to the risk of natural disasters: hurricanes, earthquakes, volcanic eruptions, tsunamis and flooding. The Group partners with the world's strongest reinsurers to ensure that adequate protection is maintained for its overall loss exposure: CAT and other perils. AM Best has assessed NAGICO's reinsurance program as prudent, particularly its catastrophe reinsurance program.

Life Risk

The Group has continued to grow its Life portfolio in the region and uses the results of its thorough Asset Liability Matching Study to manage its most significant risk exposures. The Group's credit risk exposure and return on investments is constrained by the immaturity of the investment market in the region and regulatory restrictions. However, our highly qualified and experienced investment management team closely monitors the market risk: credit, interest, valuation and currency risks and actively engages our GRC Team to ensure compliance with local investment regulations as well as Board approved strategic and tactical plans to balance risk and reward.



Our philosophy

NAGICO applies a top-down, bottom-up approach to enterprise risk management. Our approach is fully transparent and there is a free flow of communication thereby ensuring agreement and partnership at all levels. The Group utilizes its end to end GRC Cloud System as an effectiveness management tool. A holistic view of the organization’s risk profile is presented as both the GRC and Internal Audit Departments utilize the system to perform risk assessments, risk mitigation planning and ongoing monitoring procedures. The system is used to generate reports for management and the board such as risk registers that highlight the risk, defined risk appetite and tolerance level, risk owner, mitigation action required and taken and risk outlook.

Compliance

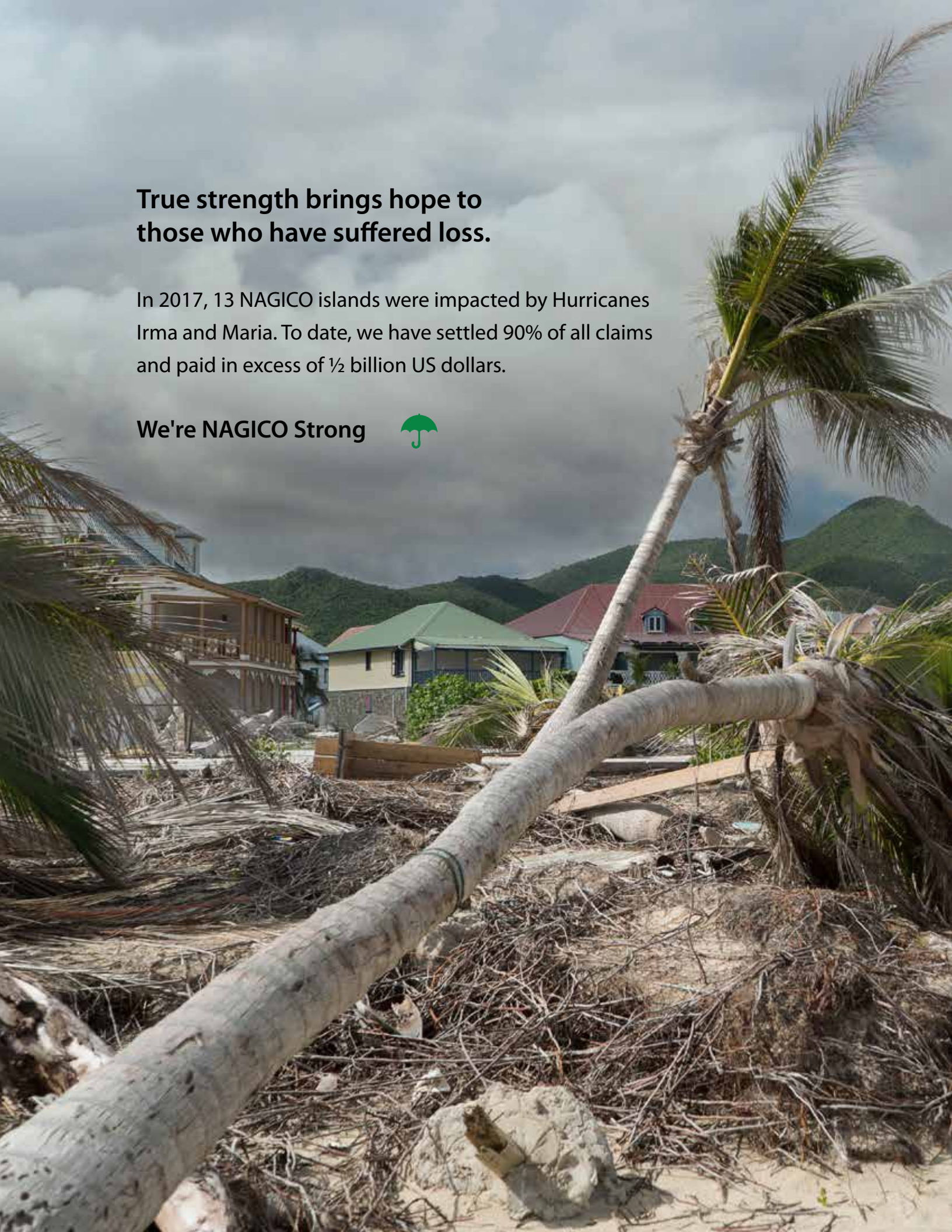
Management recognizes that it can produce better results within a compliant environment. The GRC Team along with the Group’s Internal Audit Department promotes such an atmosphere as the second and third lines of defense. The GRC Team tracks regulatory requirements and the satisfaction of same through its systems and regularly reports to management and the board. In addition, both the GRC Team and Internal Audit Department hold management accountable for compliance with laws and regulations as well as internal policies and procedures; they act as the conscience of the Group.

The establishment of a clear road map based on an effective governance, risk management and compliance framework with tangible actions and timelines, responsible individuals, performance monitoring and accountability enhances the probability of success; this is the NAGICO Way.

True strength brings hope to those who have suffered loss.

In 2017, 13 NAGICO islands were impacted by Hurricanes Irma and Maria. To date, we have settled 90% of all claims and paid in excess of ½ billion US dollars.

We're NAGICO Strong 





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