

BESLISBLAD VAN DE MINISTERRAAD

*****COM151217*****

Agenda point: 8

Topic: Hiring of independent claims adjuster expert from Henderson International Sint Maarten for the assessment of damages to Government assets, Ministry AZ
(Ref. CoM241017, agenda point 15)
(Documents are already in your possession CoM141217, agenda point 9)

DIV no.: 7075-17

Decision: The advice is approved taking into consideration the letter of Henderson International B.V. dated October 8, 2017 and the advice DIV nr. 7075-17:

1. Approval to engage in a service agreement with Henderson International B.V. for a compensation of 6% of the total net-settlement which will be deducted by the insurer and settled with Henderson International B.V. directly.
2. Approval to have the mobilization fee of NAf 100.000 reimbursed to Government after first payment received from insurer.
3. A non-disclosure agreement will be signed between Government and Henderson International B.V.
4. Approval for the Core Team of Government to deliver weekly progress reports on the work being carried out by Henderson International B.V. as mentioned in the advice DIV nr. 7075-17.
5. Approval to have the national decree adjusted taking into consideration abovementioned as mentioned in the advice DIV nr. 7075-17.
6. Approval of the terms set forth in the agreement as mentioned in the advice DIV nr. 7075-17.

Execution: Minister FIN + Minister AZ

*****COM151217*****





SPOED

Ministerie van Algemene Zaken
Ministry of General Affairs
ADVIES/BESLISBLAD

Prioriteit: <input checked="" type="checkbox"/> Hoog <input type="checkbox"/> Normaal	DIV#: 7075	Datum: OCT 10 2017
Gevoeligheid: <input checked="" type="checkbox"/> Hoog <input type="checkbox"/> Normaal	MIN#:	Datum:
	Controller#:	Datum:
Ingekomen van: Hoofd Comptabiliteit/Hoofd FZ/Hoofd Nieuwe Werken		
Onderwerp: Hiring of independent claims adjuster expert for assessment of damages to Government Insurance Policy # AR00212/13		

Inhoud en doelstelling van het voorstel:

On September 6th, 2017 Sint Maarten was struck by a monster category 5 hurricane with winds up to 185mph. The damage done to Government assets and the subsequent claim estimates is a high priority for rebuilding the Country and Government owned facilities in particular.

In the aftermath of hurricane Irma, The Netherlands under "BZK" Internal Affairs and Kingdom Relations has sent a team of assessors represented by Troostwijk Expertises B.V. to assist in visiting the different sites and reporting back to a core team of Government consisting of the Ministries of General Affairs, VROMI and Finance. This Team is spearheaded by Finance and General Affairs.

Due to the sensitive, urgent and large scope of this effort and in order to collect on the return of claims from insurance companies on the island, the Government has concluded that additional representation on the island is necessary to ensure that maximum efforts are utilized to have claims paid out quickly to ensure maximum return on these claims.

Government of Sint Maarten has received four offers namely from,

1. Henderson International Sint Maarten;
2. Solimar N.V.;
3. Smith Orloff & Associates;
4. Alex N. Sill Company

All four companies have considerable experience in the field of insurance claims/losses. The offers/quotes etc. are included and have been reviewed internally by Hoofd Comptabiliteit, Hoofd FZ. VROMI Head New Projects and for final review the SG AZ.

Based on the scope of the work needed, the expertise, deliverables, pricing and most importantly knowledge of the local market and a solid relationship with Nagico Insurances we advise the Council to engage the services of Henderson International Sint Maarten.



Ministerie van Algemene Zaken
Ministry of General Affairs
ADVIES/BESLISBLAD

7075

Beslispunten

Wordt ingestemd om:

1. To engage in a service agreement with Henderson International Sint Maarten as per the attached offer/quote;
2. To agree with the terms as set forth in the agreement
3. To pay a refundable mobilization fee of Naf. 100.000,00 (One hundred thousand guilders) to Henderson International Sint Maarten;
4. To task the Core Team of Government to deliver weekly progress reports to the Council Of Ministers on the work being carried out by Henderson International Sint Maarten.
5. To approve the attached National Decree.

Interdepartementaal voorbereid met: FIN

Overeenstemming bereikt: ☒ja ☐nee ☐nvt

Toelichting: General Affairs - Facility Management, VROMI New Projects and Finance have worked together on this advice in order to ensure solid communication.

Uitvoering opgedragen aan: AZ and Finance

VERPLICHTE HANDTEKENINGEN

Controller

Datum:

SG's:

	AZ	FIN	
Akkoord		<i>CH 14/12</i>	
Niet Akkoord			

Minister(s):

	AZ	FIN	
Akkoord	<i>[Signature]</i>		
Niet Akkoord			



Ministerie van Algemene Zaken
Ministry of General Affairs
ADVIES/BESLISBLAD

7075

GEVOLGEN VOOR PERSONEEL EN ORGANISATIE:

- ☐ ja
☐ nee
☒ nvt

GEVOLGEN VOOR COMMUNICATIE:

- ☐ ja
☐ nee
☒ nvt

Toelichting:

JURIDISCHE GEVOLGEN:

- ☐ ja
☐ nee
☐ nvt

BIJLAGEN:

- ☐ Concept arbeidsovereenkomst
☐ Conceptbrief
☒ Concept National Decree
☒ Andere: Engagement Letter, Draft Contract and Government Insurance Policy with list of buildings.

Contactpersoon 1: Hensley Plantijn, (SG General Affairs)

Contactpersoon 2: Ravi Daryanani, (HC Ministry of Finance)

ALGEMENE TOELICHTING

See detailed explanation in "Inhoud en Doelstelling" of advice

Handtekening(en) afdeling(en)/-of diensthoofden

Kurt Ruan, Head of New Projects VRONT

Datum: 10/10/2017

Rignald Martina, Head of Facility Management

Datum: 10/10/2017

Ravi Daryanani, Head of Accounting/Plv. SG Finance

Datum: 10/10/2017



Ministerie van Algemene Zaken
Ministry of General Affairs
ADVIES/BESLISBLAD

7075

☒ **Te behandelen in de Ministerraad**

Paraaf:

10 October 2017

10 October 2017

Datum:

FINANCIËLE GEVOLGEN INCLUSIEF BEGROTINGSPOST:

Voldoende financiële middelen beschikbaar: ☒ ja ☐ nee ☐ nvt

Note: Budgetpost 43150...3305 (description) can be utilized to execute the engagement.
The payment of Naf. 100,000,- is refundable and a "tussenrekening" can be used for budgeting purposes.

[Handwritten signature]



October 6, 2017

The Secretary General and Head of Finance
Mr. Hensley Plantijn and Mr. Ravi Daryanani.
Present

Re: Assisting Government with the Insurance Claims-Handling Process

Dear Gentlemen.

With reference to your email dated, October 4, 2017, we wish to establish our willingness and ability to manage the entire claims handling process for all insured objects of the country, while Government focus on its urgent "core duties" at this critical stage.

Please provide us a copy of the policy schedules and the associated policy-wordings "fine-prints" along with all endorsements.

With these documents we will be in a position to establish the rights and obligations of Government and immediately commence the following process:

1. File the claim (s)
2. Meet with the insurance company (ies)
3. Get estimates for repairs/rebuilding
4. Manage the process of adjusters, arbitrators, and parties involved with establishing repair/rebuilding cost
5. Review any amendments that would positively or adversely affect coverage
6. Clarify all relevant definitions with underwriter (s)
7. Compare assessment with estimate
8. Review the proposed settlement
9. Cross-check proposed settlement with the rights of Government
10. Iron out all areas of misrepresentation and/or miscalculations
11. In event needed, get second opinion
12. Address all disputed areas by testing:
 - a. Policy wording
 - b. applicable Law
 - c. Jurisprudence

MAKING IT ABOUT YOU

ST. MAARTEN OFFICE

Suite 2A, Laguna View | Welfare Road | Coe Bay
St. Maarten | Ph: +1 721 544-3556 | 544-3557
Email: hendersoninternational.sxm@gmail.com

SURINAME OFFICE

Gravenberchstraat # 30 | Paramaribo
Suriname | Ph: + 597 464-562 | 886-1879
Email: gdoest@hendint.sr | www.hendint.sr

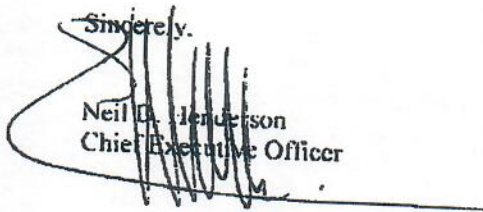


13. Arrange advances for urgent measures i.e. repairs, ordering of material, temporary allocation of personnel and/or classrooms
14. Secure advance settlements related to:
 - a. Ordering building and other material immediately to avoid further delay of 100% operational level
 - b. Architect drawings if needed
 - c. Mobilization cost for contractors

Being a local company and having a strong desire to assist with this process, we will charge 8% (schade regelings courtage) of the net settlement with a mobilization fee of Nafls. 100,000.00 which will be refunded after full settlement is realized.

Please feel free to let me know if any clarification is needed.

Sincerely,


Neil D. Henderson
Chief Executive Officer

MAKING IT ABOUT YOU

ST. MAARTEN OFFICE

Suite 2A, Laguna View | Welfare Road | Cole Bay
St. Maarten | Ph: +1 721 544 3556 | 544-3557
Email: hendersoninternational.sxm@gmail.com

SURINAME OFFICE

Gravenberchstraat # 30 | Paramaribo
Suriname | Ph: + 597 464-562 | 886-1879
Email: gdoest@hendint.sr | www.hendint.sr

SMITH ORLOFF & ASSOCIATES

International Insurance Loss Consultants / Adjusters Representing the Insured

Mr. Emil Lee
Minister of Labor, Health & Social Development
156 Oyster Pond Rd
Dawn Beach, Sint Maarten

October 9, 2017

Dear Mr. Lee,

I am Leonard Orloff, one of the partners of Smith Orloff & Associates. I feel that we can be a great help to the government in preparation and adjustment of their insurance claim.

We have had a contract with the government of the Virgin Islands for 17 years to act as their adjuster whenever they have an insured loss of any kind; fire or natural disaster. I represented the phone company after Luis in 1995 when they were Lands Radio. I represented them again in 1997 after hurricane Lenny when they were Tel EM; I have been retained to represent them now as they are UTS. Obviously they feel that retaining us has been beneficial to them.

For the last 15 years or so we have been the designated public adjusters for the Caribbean Hotel Assn an organization of some 1500 Hotels. We are three partners. I am an attorney, Stan is a CPA and John is an Electrical Engineer. We have close to 100 years experience in handling complicated and large insurance claims. Our specialty is natural disasters. We will be on SXM for at least six months and we have an office in St Croix. I think we are eminently qualified to handle the Government's insurance claims.

I have attached a proposed representation agreement for your consideration.

Respectfully,

Leonard Orloff

INTERNATIONAL INSURANCE LOSS CONSULTANTS

SMITH ORLOFF & ASSOCIATES ("Consultant")

Dated: 10-9-2017

Stanley W. Smith, CPA & Leonard Orloff, Esquire
196 Arden Road

Conshohocken, Pennsylvania, 19428-2502 USA

Tel: +1 610 526 2213/+1 215 290 6990 * Fax: +1 815 366 9725

It is hereby understood that Consultant is retained to advise and assist in the adjustment of the insurance claim arising from loss by windstorm, flood, fire, lightning, collapse, burglary, etc. which occurred at _____ on the 6th day of September 2017 and the Insured agrees to pay Consultant for such service, a fee of * percent (* %) of the amount paid, or agreed to be paid, by the insurance companies in settlement of the loss, hereby assigning to Consultant, as of the date hereof, all monies due, or to become due, from the insurance companies interested to the extent of said fee. The fee of Consultant shall be due and payable when checks are issued by the insurance companies and shall be paid in US dollars.

This contract contains the whole agreement between the parties hereto and will not be changed, altered or amended except by a writing signed by the parties hereto. **Receipt of a copy of this Public Insurance Adjuster's contract is hereby acknowledged.**

SMITH ORLOFF & ASSOCIATES

NAME OF INSURED

Consultant: _____

Insured: _____

By: Name: _____

Title: _____

Address: _____

Telephone #: _____

* See Addendum

SMITH ORLOFF & ASSOCIATES
International Insurance Loss Consultants / Adjusters Representing the Insured

Fee Schedule for Adjustment of Insurance Losses
Addendum to Contract
Between Smith Orloff & Associates
And St. Maarten Government Agencies

Dated: _____

The fees due and payable to Smith Orloff & Associates for providing assistance in preparing and adjusting insurance claims are as follows:

1. Six percent (6%) of monies paid by the insurance company(s) (net of any deductible) up to and including Twenty Million US Dollars \$20,000,000.00
2. Four percent (4%) of monies paid by the insurance company(s) (net of any deductible) up to and including Thirty Million US Dollars \$30,000,000.00
3. Two percent (2%) of monies paid by the insurance company(s) (net of any deductible) in excess of Thirty Million US Dollars.

SMITH ORLOFF & ASSOCIATES

NAME OF INSURED

Consultant: _____
Leonard Orloff

Insured: _____

By: Name _____
Title: _____

Address: _____

Telephone: _____



SOLIMAR NV

Plaza Puerta del Sol Welfare rd 6B - Office no. 401
Tel 1-721 5442890 fax 1-721 5442619

Dear Mr. Daryanani,

October 6th 2017

We hereby will like to offer our services to represent the Government of Sint Maarten in assessing their different properties, being structural damage to the building or contents as well as interior improvements as per the individual location. We are ready to start as soon as given an approval.

Our team consists of a Consortium of Engineering Architectural and QS Companies Long established in Sint Maarten with vast experience in the Caribbean and particularly in this Island, as well a construction group of Project Managers, Site Architects and administrative team, all with years of local experience who are able to complete in an efficient, professional and timely manner the assessments needed in order to reconstruct refurbish and restore.

Among the services that we are proposing to render are the following;

1. Review policies individually.
2. Consult with third parties in reference to unclear small fine print.
3. Preparation of a report with qualified professionals.
4. Third party quotes will be done to support the qualify engineer/architects report in case absolutely needed.
5. Review adjustor damage estimation.
6. Compare and argue when necessary the adjustor assessment with our estimates.
7. Full representation to the point of having a second opinion when required.
8. Each individual claim will be treated as a separate entity and fees will be settled as individual claims once they are finalized.
9. Full extrajudicial representation - Advice will be given to legal advisors in case of this being needed. Excluded the legal representation in case of litigation.
10. We require US\$ 500 for each individual case, which will be deducted from the 8% fee when claim is settled.

Sincerely,

Gianni Rabacchi
Consortium Coordinator

Sill

PROPOSAL
THE GOVERNMENT OF SINT MAARTEN
PRESENTED BY
ALEX N. SILL COMPANY
AND
SWERLING MILTON WINNICK

We are pleased to have this opportunity to present our proposal and qualifications for the Government of Sint Maarten relative to the insurance claims for various Government property as a result of Hurricane Irma. Our current and prior experience makes the Sill Company and Swerling Milton Winnick uniquely qualified to serve you.

In 1985 following a major hurricane and wishing to provide the very best services, our two firms decided to merge capabilities for a client who had immediate needs that needed a quick response. We knew that absent this speedy response with our combined resources, the insurance company would gain advantage in the direction and outcome of the claim with the simple passage of time. That combination of resources has proven to be very successful in subsequent years for many clients in the United States and the Caribbean.

Seventeen years ago, our client was the Government of Sint Maarten who we feel is in a similar situation faced with even greater destruction a month after Hurricane Irma. We were very proud to represent the Government at that time and are prepared to do so again.

Both the Sill Company and Swerling Milton Winnick have established formidable track records with their clients and gained the professional respect of the insurance companies and their adjusters. We believe that it is the combination of the two firms for this large project that presents a unique and proven solution to the Government to address the problems surrounding insurance recovery for damages throughout Sint Maarten. Our proven methodology efficiently delivers much faster results than otherwise available with optimal financial recovery.

Perhaps most important is our approach to the claims process itself. Unlike most firms who would simply audit or compile documentation that would largely be provided from Government resources, our approach goes well beyond simple advisory services. Instead, we would provide highly qualified staff to make personal inspections at each location where damage has occurred. While there, they would examine, appraise and document all damages to buildings, contents and equipment insured under the Government's policy. We know that this amount of effort is absolutely necessary to capture and detail the information needed to properly document and negotiate the claims.

Sill

ALEX N. SILL COMPANY
6000 Lombardo Center, Suite 600
Cleveland, Ohio 44131
216-524-9999
216-524-8152 (FAX)

NOTICE TO INSURANCE COMPANY

To The Insurance Companies Interested Or To Whom It May Concern:

This is to inform you that I or we, The Government of Sint Maarten, (the "Insured") has employed Alex N. Sill Company to assist in the preparation of claim(s) for loss caused by storm, occurring on or about September 6, 2017, located at various locations on Sint Maarten, Caribbean ("Claim").

You are herewith authorized and directed to recognize Alex N. Sill Company as the Insured's representative and a party of interest.

ACCEPTED BY /
ALEX N. SILL COMPANY

By

Title

Date

ACCEPTED BY /
INSURED

By

Title

Date

[Signature]
VP
[Signature] 9, 2017