AN ACT

To amend Title 7, Division 2 of the Commonwealth Code by adding a new chapter 9, the Injury Compensation Act, 7 CMC § 2901, et. seq.; and for other purposes.

BE IT ENACTED BY THE FOURTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

Section 1. **Short Title.** This act may be cited as the “Injury Compensation Act of 2004.”

Section 2. **Findings.** The Legislature retains board control over the measure of damages that a defendant is obligated to pay and that a personal injury claimant or plaintiff is entitled to receive, and may expand or limit recoverable damages so long as its action is rationally related to a legitimate Commonwealth interest. The purpose of the Injury Compensation Act is to further the Commonwealth’s interests in maintaining the availability of liability insurance in the Commonwealth, fostering competition in the insurance market, reducing the cost of liability insurance, increasing the types and scope of liability coverage, encouraging the widespread acquisition of liability insurance by individuals and businesses, increasing sources of compensation for victims of personal injuries, and preserving commercial and economic stability in the Commonwealth and preserving a legal environment of fairness to plaintiffs, defendants and insurers. It is in the best interest of the CNMI economy to encourage private investment in the CNMI. This statute is in part designed to dissuade insurers from discontinuing the provision of liability insurance in the Commonwealth, to reduce the significant rise premiums and increase the types and amount of coverage available for CNMI risks. There has been a decrease in the types of coverage being
made available in relation to certain CNMI risks. Premiums for some types of coverage that have risen so high that they are no longer available to or affordable by individuals and businesses in the CNMI. Several insurers have commenced the process of completely ceasing to provide liability insurance in the CNMI and other have expressed an intention to do the same. The Legislature finds that, without passage of this Act, Commonwealth commerce decline and there would be a significant risk of substantial negative impact on the people and infrastructure of the CNMI. The absence of a limitation on the extent to which the non-economic damages may be recovered in civil actions in the CNMI has a chilling impact on the operation of private insurance companies in the CNMI. The Legislature finds that it is in the best interest of the people of the CNMI to limit the extent to which non-economic damages are recoverable in personal injury actions.

Section 3. Amendment. Title 7, Division 2 of the Commonwealth Code is amended by adding a new Chapter 9 to read as follows:

"Chapter 9. Injury Compensation Act

§ 2901. Definitions. In this chapter:

(a) The term “economic damages” means monetary losses including medical and health care expenses, loss of earnings, burial expenses, property damage, loss of use of property, costs of repair or replacement, costs of obtaining substitute domestic services, loss of business or employment opportunities.

(b) The term “non-economic damages” means non-monetary damages including, but not limited to, pain, suffering, inconvenience, mental suffering, emotional distress, loss of consortium, loss of society and companionship, humiliation and injury to reputation.

§ 2902. Limitation of Compensation in Actions for Personal Injury.

In an action seeking to recover damages for injury to person, the injured person shall be entitled to assert a claim for non-economic damages to compensate for pain, suffering, inconvenience, physical injury, mental and/or emotional distress, loss of consortium and other non-pecuniary damage. However, in no such action shall the
amount of damages for all non-economic losses exceed three hundred thousand dollars ($300,000.00).

§ 2903. Limitation of Compensation in Actions for Wrongful Death.

In an action seeking to recover damages for wrongful death of a decedent, all persons entitled to recover damages for wrongful death shall be entitled to jointly assert a claim for non-economic damages. However, in no such action shall the amount of damages for all non-economic losses jointly exceed three hundred thousand dollars ($300,000.00).”

Section 4. Uniformity of Application and Construction. This Act shall be applied and construed so as to effectuate its general purpose to make uniform the law with respect to the subject of this Act among jurisdictions enacting it.

Section 5. Prospective Effect. This Act applies to all causes of action accruing after its effective date.

Section 6. Severability. If any provision of this Act or the application of any such provision to any person or circumstance should be held invalid by a court of competent jurisdiction, the remainder of this Act or the application of its provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

Section 7. Savings Clause. This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation, or order adopted under the statutes. Repealers contained in this Act shall not affect any proceeding instituted under or pursuant to prior law. The enactment of the Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence on the date this Act becomes effective.
Section 8. Effective Date. This Act shall take effect upon its approval by the Governor or becoming law without such approval.

CERTIFIED BY:

[Signature]

BENIGNO R. FITIAL
SPEAKER OF THE HOUSE

ATTTESTED TO BY:

[Signature]

EVELYN C. FLEMING
HOUSE CLERK

Approved on this 21st day of December, 2004

[Signature]

JUAN N. BABAUTA
GOVERNOR
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS