



## COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

**Eloy S. Inos**  
Governor

**Ralph DLG. Torres**  
Lieutenant Governor

Honorable Victor B. Hocog  
Senate President, The Senate  
Nineteenth Northern Marianas  
Commonwealth Legislature  
Saipan, MP 96950

**23 SEP 2015**

Honorable Joseph P. Deleon Guerrero  
Speaker, House of Representatives  
Nineteenth Northern Marianas  
Commonwealth Legislature  
Saipan, MP 96950

Dear Mr. President and Mr. Speaker:

This is to inform you that I have signed into law Senate Bill No. 19-14, entitled, "To amend 9 CMC § 8201 and 8205 (c) as established by P.L. 11-55, uninsured and under insured motorist coverage; and for other purposes," which was passed by the Senate and the House of Representative of the Nineteenth Northern Marianas Commonwealth Legislature.

This bill becomes **Public Law No. 19-6**. Copies bearing my signature are forwarded for your reference.

Sincerely,

A handwritten signature in black ink, appearing to read "Eloy S. Inos", with a long vertical line extending upwards from the end of the signature.

ELOY S. INOS

cc: Lt. Governor; Attorney General's Office; Public Auditor; Special Assistant for Administration; Special Assistant for Programs and Legislative Review



THE SENATE  
Nineteenth Northern Marianas Commonwealth Legislature  
P. O. Box 500129  
Saipan, MP 96950

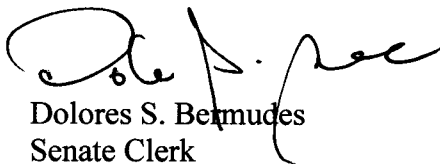
September 01, 2015

The Honorable Eloy S. Inos  
Governor  
Commonwealth of the Northern Mariana Islands  
Capital Hill  
Saipan, MP 96950

Dear Governor Inos:

I have the honor of transmitting herewith Senate Bill No. 19-14, entitled: "To amend 9 CMC § 8201 and 8205 (c) as established by P.L. 11-55, uninsured and under insured motorist coverage; and for other purposes," which was passed by the Senate and the House of Representatives of the Nineteenth Northern Marianas Commonwealth Legislature.

Sincerely,



Dolores S. Bermudes  
Senate Clerk

Attachments



**THE SENATE**  
**NINETEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE**

**SENATE BILL NO. 19-14**

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**AN ACT**

To amend 9 CMC § 8201 and 8205(c) as established by P.L. 11-55, uninsured and under insured motorist coverage; and for other purposes.

**SENATE ACTION**

**Offered by Senator(s):** Sixto K. Igisomar

**Date:** February 18, 2015

**Referred to:** Committee on Judiciary, Government & Law

**Standing Committee Report No.:** 19-10 adopted on 03/26/15

**Final Reading:** March 26, 2015

**HOUSE ACTION**

**Referred to:** Committee on Commerce and Tourism

**Standing Committee Report No.:** 19-26 adopted on 07/23/15

**First and Final Reading:** July 24, 2015

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**DOLORES S. BERMUDES**  
**SENATE CLERK**

**NINETEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE**

**FIRST REGULAR SESSION, 2015**

**S. B. NO. 19-14**

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**AN ACT**

To amend 9 CMC § 8201 and 8205(c) as established by P.L. 11-55, uninsured and under insured motorist coverage; and for other purposes.

**BE IT ENACTED BY THE NINETEENTH NORTHERN MARIANAS  
COMMONWEALTH LEGISLATURE:**

1           **Section 1. Findings and Purpose.** The Commonwealth Legislature finds that P.L.  
2 11-55 was signed into law with the intention to provide for a mandatory minimum level of  
3 liability insurance coverage as a condition of owning or operating a motor vehicle in the  
4 CNMI in order to alleviate motorists when the other party does not have minimum level of  
5 liability insurance as defined under 9 CMC § 8205(a). The mandatory minimum liability  
6 insurance procured by the insured provides coverage for bodily injury and property damage  
7 to the other party; the bodily injury covers cost for the other party's medical expenses, lost  
8 wages, and pain and suffering, amongst others, and does not cover damage to property such  
9 as the automobile or contents. Property damage covers the cost of other party's damaged  
10 property such as a car and its contents, a telephone pole, government or private property  
11 such as buildings, rails, or road signs, amongst others, but does not cover damage to bodily  
12 injury. Additionally, 9 CMC § 8205(c) mandates insurance providers to offer supplemental  
13 coverage, with additional consideration, such as "Uninsured and Under-insured Motorist  
14 Coverage," which includes additional coverage for the insured to recover damage for bodily  
15 injury and property damage, amongst others, if such uninsured or under insured vehicle is  
16 not owned or operated by the insured or a resident of the same household.

17           The CNMI Insurance Commissioner and the Northern Marianas Insurance  
18 Association (NMIA) published an Automobile Insurance Tariff effective March 1999 to

**SENATE BILL NO. 19-14**

1 reflect P.L. 11-55 mandate. Under the current law and tariff, the Uninsured and  
2 Underinsured Coverage does not separate Bodily Injury Coverage or Property Damage as  
3 some other states do. The CNMI Automobile Insurance Tariff only identifies premium for  
4 Bodily Injury under the Supplemental Coverage, but does not include Property Damage  
5 coverage. The Uninsured and Underinsured Coverage will increase the premium  
6 substantially if Property Damage is included.

7 The Commonwealth Legislature further finds that the insurance commissioner  
8 excluded the supplemental premium charge for property damage coverage under Uninsured  
9 and Underinsured Motorist as the property damage option was not originally intended to be  
10 inclusive thereof, but instead was inadvertently included due to the possibility that the UM  
11 scope of coverage was erroneously made to mirror or replicate what was established under  
12 the "Automobile Third Party Liability" section. However, and in addition thereto, the  
13 purpose of CNMI Public Law 11-55 is to protect the innocent party. In lieu thereof, property  
14 damage does not need to be part of the UM coverage, since all insurance companies avail to  
15 clients the option of procuring what is called "Comprehensive and Collision" coverage,  
16 which includes Property Damage coverage for the insured's vehicle. Hence, the removal of  
17 Property Damage under the UM section will not under any circumstances affect the  
18 insured's option to avail of Property Damage coverage for their vehicle, as they have the  
19 option of purchasing Property Damage coverage under "Comprehensive and Collision"  
20 coverage, if their vehicle is qualified. Certain vehicles are considered not qualified and  
21 denied "Comprehensive and Collision" coverage if the vehicle is an exotic or racing vehicle  
22 or having a very high actual cash value (ACV), already damaged (i.e. excessive dents,  
23 scratch, and so on), not repaired (i.e. existing damage from prior accidents) or vehicle is too  
24 old and the cost to repair such vehicle under "Comprehensive and Collision" coverage will  
25 automatically total-loss (i.e. value to repair the vehicle exceeds actual cash value of the  
26 vehicle) the vehicle and declaring the vehicle as unrepairable. To clarify the intention of the  
27 policy set under P.L. 11-55, then 9 CMC § § 8201 and 8205, established by P.L. 11-55, UM  
28 section must be amended to state that the Uninsured (or under-insured) Motorist option is to  
29 offer Bodily Injury coverage only, thus removing the Property Damage verbiage.

1           **Section 2. Amendment.** 9 CMC § 8201 is hereby amended by adding new  
2 subsections (o) and (p) to read as follows:

3           “(o) Uninsured Motorist and Underinsured Motorist Coverage – also known as  
4 “UM”, is a supplemental auto insurance coverage offered to insureds, for additional  
5 consideration. The UM covers the insured for Bodily Injury caused by a driver who is  
6 uninsured or underinsured.

7           “(p) Uninsured Motorist and Underinsured Motorist – Bodily Injury Coverage also  
8 known as “UM-BI”, is a UM supplemental auto insurance coverage that pays for the  
9 insured’s cost for medical expenses, lost wages, and pain and suffering, amongst others,  
10 that result from an accident caused by a driver who is uninsured or who is underinsured and  
11 does not cover damage to property such as the automobile or contents. UM-BI insurance  
12 also protects the insured and the passengers if struck by a hit-and-run driver.”

13           **Section 3. Amendment.** 9 CMC § 8205(c) is hereby amended to read as follows:

14           “(c) Uninsured and Underinsured Motorist Coverage. No motor vehicle liability  
15 insurance policy shall be issued or delivered by an insurance provider unless the policy  
16 offers the option to the insured, for additional consideration, of a provision with coverage  
17 limits at least equal to the limits specified in subsection (a) of this section, insuring the  
18 insured, the insured's heirs or legal representative, for all sums within such limits which he,  
19 she, or they, as the case may be, shall be legally entitled to recover as damages for bodily or  
20 ~~property~~ injury or wrongful death, including any resulting sickness, disease, or death, caused  
21 by the owner or operator of an uninsured vehicle, or a vehicle that is underinsured for the  
22 minimum liability coverage required under subsection (a) of this section, if such uninsured  
23 or underinsured vehicle is not owned or operated by the insured or a resident of the same  
24 household. The insurer shall offer the UM coverage option of Uninsured and Underinsured  
25 Motorist – Bodily Injury Coverage (or UM-BI). The CNMI Insurance Commissioner shall  
26 work with the Northern Marianas Insurance Association to promulgate such change.”

27           **Section 4. Severability.** If any provision of this Act or the application of any such  
28 provision to any person or circumstance should be held invalid by a court of competent  
29 jurisdiction, the remainder of this Act or the application of its provisions to persons or

SENATE BILL NO. 19-14

1 circumstances other than those to which it is held invalid shall not be affected thereby.

2       **Section 5. Savings Clause.** This Act and any repealer contained herein shall not be  
3 construed as affecting any existing right acquired under contract or acquired under statutes  
4 repealed or under any rule, regulation, or order adopted under the statutes. Repealers  
5 contained in this Act shall not affect any proceeding instituted under or pursuant to prior  
6 law. The enactment of the Act shall not have the effect of terminating, or in any way  
7 modifying, any liability, civil or criminal, which shall already be in existence on the date  
8 this Act becomes effective.

9       **Section 6. Effective Date.** This Act shall take effect upon its approval by the  
10 Governor or becoming law without such approval.


**CERTIFIED BY:**

**ATTESTED BY:**

  
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**VICTOR B. HOCOG**  
**PRESIDENT OF THE SENATE**

  
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**TERESITA A. SANTOS**  
**SENATE LEGISLATIVE SECRETARY**

APPROVED this 23<sup>rd</sup> day of September, 2015

  
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**ELOY S. INOS**  
**Governor**  
**Commonwealth of the Northern Mariana Islands**