



## COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

**Ralph DLG. Torres**  
Governor

**Victor B. Hocog**  
Lieutenant Governor

The Honorable Rafael S. Demapan  
Speaker, House of Representatives  
Nineteenth Northern Marianas  
Commonwealth Legislature  
Saipan, MP 96950

**05 AUG 2016**

The Honorable Francisco M. Borja  
Senate President, The Senate  
Nineteenth Northern Marianas  
Commonwealth Legislature  
Saipan, MP 96950

Dear Mr. Speaker and Mr. President:

This is to inform you that I have signed into law House Bill No. 19-114, entitled, "To transfer the Administration of the Government's Group Health and Life Insurance Programs to the Department of Finance," which was passed by the House of Representatives and the Senate of the Nineteenth Northern Marianas Commonwealth Legislature.

This bill becomes **Public Law No. 19-60**. Copies bearing my signature are forwarded for your reference.

Sincerely,



**RALPH DLG. TORRES**

cc: Lt. Governor; Press Secretary; Attorney General's Office; Department of Finance;  
Northern Mariana Islands Retirement Fund; Special Assistant for Administration;  
Special Assistant for Programs and Legislative Review; Public Auditor



# *House of Representatives*

19<sup>th</sup> NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

P.O. BOX 500586  
SAIPAN, MP 96950

June 29, 2016

The Honorable Ralph DLG. Torres  
Governor  
Commonwealth of the Northern  
Mariana Islands  
Capitol Hill  
Saipan, MP 96950

Dear Governor Torres:

I have the honor of transmitting herewith for your action **H. B. No. 19-114**, entitled: "To transfer the Administration of the Government's Group Health and Life Insurance Programs to the Department of Finance.", which was passed by the House of Representatives and the Senate of the Nineteenth Northern Marianas Commonwealth Legislature.

Sincerely yours,



Linda B. Muña  
House Clerk

Attachment



*Nineteenth Legislature  
of the  
Commonwealth of the Northern Mariana Islands*  
**IN THE HOUSE OF REPRESENTATIVES**

**Second Regular Session**

**December 16, 2015**

**Representative Angel A. Demapan**, of Saipan, Precinct 1 (*for himself*, Representatives Blas Jonathan "BJ" T. Attao, George N. Camacho, and John Paul P. Sablan,) in an open and public meeting with an opportunity for the public to comment, introduced the following Bill:

**H. B. No. 19-114**

**AN ACT**

**TO TRANSFER THE ADMINISTRATION OF THE  
GOVERNMENT'S GROUP HEALTH AND LIFE INSURANCE  
PROGRAMS TO THE DEPARTMENT OF FINANCE.**

The Bill was not referred to a House Committee.

**THE BILL WAS PASSED BY THE HOUSE OF REPRESENTATIVES ON  
FIRST AND FINAL READING, DECEMBER 17, 2015;**  
*without amendments* and transmitted to the  
**THE SENATE.**

The Bill was referred to the Senate Committee on Resources, Economic, Development and Programs,  
which submitted Standing Committee Report 19-92; adopted June 24, 2016.

**THE BILL WAS PASSED BY THE SENATE ON FIRST AND FINAL READING, JUNE 24, 2016;**  
*without amendments and was returned to*  
**THE HOUSE OF REPRESENTATIVES.**

**THE BILL WAS FINALLY PASSED ON DECEMBER 17, 2015.**

  
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**Linda B. Muña, House Clerk**



*Nineteenth Legislature  
of the  
Commonwealth of the Northern Mariana Islands*  
**IN THE HOUSE OF REPRESENTATIVES**

Tenth Day, Second Regular Session

December 17, 2015

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**H. B. No. 19-114**

**AN ACT**

**TO TRANSFER THE ADMINISTRATION OF THE GOVERNMENT'S  
GROUP HEALTH AND LIFE INSURANCE PROGRAMS TO THE  
DEPARTMENT OF FINANCE.**

**Be it enacted by the Nineteenth Northern Marianas Commonwealth  
Legislature:**

1           **Section 1. Findings and Purpose.** The Legislature finds that the Governor vetoed  
2 House Bill No. 19-37, HD2, SD1, entitled an act “To transfer the administration of the  
3 Government’s Group Health and Life Insurance programs to the Department of Finance, and  
4 to amend 1 CMC § 8364; and for other purposes”. Governor’s Communication 19-89 further  
5 went on to state: “I am exercising my authority to veto this legislation because the  
6 amendment to increase the number of re-enrollees in GHLI may lead to a potentially  
7 significant increase to overall premiums for members of the GHLI programs”. The  
8 Legislature further finds that the particular amendment the Governor was referring to was  
9 adopted and passed by the Senate on October 9, 2015, which amended 1 CMC §8364, as  
10 amended by Public Law 15-70, that would have permitted retirees who did not enroll within  
11 the grace period and those who were properly enrolled but for different reasons dis-enrolled  
12 will have the option to enroll for the first time or to re-enroll in the government health  
13 insurance program. The Governor further states that he agrees with the intent and principle  
14 of the legislation, however, the legislation runs the risk of increasing costs when its overall  
15 intent was to make premiums more affordable for every enrollee. Therefore, the intent of this  
16 legislation is to re-introduce the original intent and principle of House Bill No. 19-37, HD2.

## HOUSE BILL 19-114

1           In addition, the Legislature finds that the Department of Finance can administer the  
2 government's Group Health and Life Insurance program more efficiently than the Northern  
3 Mariana Islands Retirement Fund. Accordingly, this Act transfers the administration of the  
4 Group Health and Life Insurance program to the Department of Finance.

5           The Legislature further finds that government employees and retirees are struggling to  
6 keep up with rising health and life insurance costs. Increasing the number of participants in  
7 the government's group insurance plans will minimize increases in premiums. To help  
8 control premium costs, all governmental agencies shall participate in the government's group  
9 health and life insurance plans.

10           **Section 2. Repeal.** 1 CMC §§ 8421-8427 are hereby repealed.

11           **Section 3. Enactment.** Subject to codification by the Commonwealth Law Revision  
12 Commission, the following provisions are hereby enacted:

13           "Section 101. Administration of the Government Group Health and Life  
14 Insurance Programs.

15           (a) The administration of the government Group Health and Life Insurance  
16 Programs is hereby transferred from the Northern Mariana Islands Retirement Fund to  
17 the Department of Finance.

18           (b) The Secretary of Finance may institute an appropriate administrative  
19 structure for the administration of these programs. Upon request by the Secretary of  
20 Finance, the Office of Personnel Management and the personnel employees and  
21 officials for autonomous agencies shall assist the Secretary of Finance with the  
22 processing of enrollment forms and other forms related to these programs.

23           (c) The Secretary of Finance may contract with an insuring entity or insuring  
24 entities to provide the government's Group Health and Life Insurance Programs. The  
25 Secretary of Finance shall establish a contract procurement process for any contract  
26 entered into after the date of this Act.

27           Section 102. Participation in Group Health and Life Insurance Plans.

28           (a) The government's Group Health and Life Insurance Programs shall be the  
29 only health and life insurance benefits offered by government employers to the  
30 employees by the government. This subsection does not require employees to  
31 participate in the government's Group Health and Life Insurance Programs; employee  
32 participation is optional subject to Section 102 (b). Employees of the government  
33 shall have 60 days to enroll into the government's Group Health and Life Insurance  
34 Program.

35           (b) Public funds may not be expended to pay for health or life insurance  
36 benefits that are not provided as part of the government's Group Health and Life  
37 Insurance Programs.

38           (c) The following definitions apply to this section:

HOUSE BILL 19-114

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(1) "Government employers" means the government or any political subdivision, branch, instrumentality, public corporation, or autonomous board or agency of the government.

(2) "Government Group Health and Life Insurance Programs" means the group health and life insurance programs administered by the Secretary of Finance pursuant to this Act.

(3) "Public funds" means all moneys generated or received by the government or any political subdivision, branch, instrumentality, public corporation, or autonomous board or agency of the government, including grant funds and moneys held by a third party for the benefit of the government or any political subdivision, branch, instrumentality, public corporation, or autonomous board or agency of the government.

Section 103. Ratification of Actions. Actions taken by the Northern Mariana Islands Retirement Fund with respect to the government's Group Health and Life Insurance Programs prior to the enactment of this Act shall remain valid until and unless modified by the Secretary of Finance.

Section 104. Rules and Regulations. The Secretary of Finance may adopt rules and regulations to carry out the provisions of this Act."

**Section 4. Severability.** If any provisions 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.

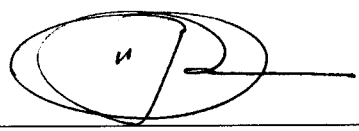
**Section 5. Savings Clause.** This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation, or order adopted under the statutes. Repealers contained in this Act shall not affect 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.

**HOUSE BILL 19-114**


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

Attested to by:   
Linda B. Muña, House Clerk

Certified by:   
SPEAKER RAFAEL S. DEMAPAN  
House of Representatives  
19<sup>th</sup> Northern Marianas Commonwealth Legislature

Approved this 5<sup>th</sup> day of August, 2016

  
RALPH DLG TORRES  
Governor  
Commonwealth of the Northern Mariana Islands