AN ACT

To enact a Workers’ Compensation Law, to add a new Chapter 3 to 4 CMC, Div. 9, and for other purposes.

BE IT ENACTED BY THE NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

1  SECTION 1. Amendment. A new Chapter 3 is added to
2  4 CMC, Div. 9 to read as follows:
3  "Chapter 3. Workers’ Compensation Law.
5  Section 9301. Short Title.
6  Section 9302. Definitions.
7  Section 9303. Coverage.
8  Section 9304. Liability for Compensation.
9  Section 9305. Exclusiveness of Liability.
10  Section 9306. Disability Benefits: Time for
11     Commencement, Maximum Amount.
12  Section 9307. Medical Services and Supplies.
13  Section 9308. Disability Benefits.
14  Section 9309. Compensation for Death.
15  Section 9310. Determination of Pay.
16  Section 9311. Guardian for Minor or Incompetent.
Section 9301. **Short Title.** This Chapter may be cited as the "CNMI Workers' Compensation Law".

Section 9302. **Definition.** As used in this Chapter:

(a) "Adoption" or "adopted" refers to a legal adoption prior to the time of the injury.

(b) "Carrier" includes stock corporations or mutual associations from which any employer has obtained workers' compensation insurance or guaranty insurance in accordance with the provisions of this Chapter.

(c) "Child", "Grandchild", "Brother", "Sister." The term "child" includes a posthumously born natural child of a deceased employee, a child legally adopted before the injury of the employee, a child in relation to whom the deceased employee stood in loco parentis for at least one year before the time of the injury, a stepchild, or an acknowledged illegitimate child. The term "grandchild" means a child, as defined above, of a child, as defined above. The terms "brother" and "sister" include only siblings of the employee. The terms "child", "grandchild", "brother", and "sister" include only persons who are under eighteen years of age or who are over eighteen years of age and were dependent for at least one-half of their support upon the deceased employee at the time of his injury and
are incapable of full self support by reason of mental
or physical disability. "The terms "child,"
"grandchild," "brothers," and "sisters" also include
persons who are eighteen years of age or over, but under
twenty-two years of age, who are enrolled on the date of
injury in a secondary or post-secondary educational
program or in a bona fide vocational training program,
and who at the date of injury are dependent upon their
parent or parents for more than one-half of their
support.

(d) "Commission" means the Workers' Compensation
Commission which shall be the Board of Trustees of the
Northern Mariana Islands Retirement Fund.

(e) "Administrator" means the executive head of
the Workers' Compensation system who shall be the
Administrator of the Northern Mariana Islands
Retirement Fund or a designee of the Retirement Fund
Administrator.

(f) "Commonwealth" when used in a geographical
sense, means the Commonwealth of the Northern Mariana
Islands including the waters thereof, extending to the
outer limit of the exclusive economic zone established
pursuant to the Marine Sovereignty Act of 1980.

(g) "Compensation" means the payment for medical
services and supplies, the disability benefits
payable to an employee or to his dependents, and such other payments arising from the injury of an employee as provided for in this Chapter.

(h) "Date of Disability" means the date after which an employee can no longer earn the wages he or she was earning at the time of the injury resulting in the disability. The date of disability is not necessarily the date of injury.

(i) "Death" when used as a basis for a right to compensation under this Chapter, means only death resulting from an injury.

(j) "Disability" means incapacity, because of injury, to earn the wages which the employee was receiving at the time of injury in the same or any other employment.

(k) "Disability benefits" means the money allowance payable periodically to an employee or to his survivors as provided for in this Chapter.

(l) "Employee" means any person in the service of an employer under any appointment or contract of hire or apprenticeship, express or implied, oral or written, whether lawfully or unlawfully employed, and where the employer has the power or right to control and direct the employee in the material details of how the work is to be performed. *Employee* includes aquacultural and
agricultural workers. "Employee" excludes a person whose employment is purely casual and not for the purpose of the employer's trade or and not for the purpose of the employer's trade or business, independent contractors, and any person employed by the inhabitant of a private dwelling to reside at the dwelling and perform household domestic service.

(m) "Employer" means any person, corporate or unincorporate, public or private, who employs the services of others in return for wages, salaries or other remuneration and includes the legal representative of a deceased employer. "Employer" excludes a person who employs for a specified recompense for a specified result an independent contractor and who may or may not in turn employ others whose work is directed as to the means of accomplishing such result by the independent contractor. If the employer is insured it includes his insurer as far as applicable.

(n) "Independent Contractor" means any person who renders service for a specified recompense for a specified result, under the control of his principal as to the result of his work only and not as to the means by which such result is accomplished.

(o) "Injury" means accidental injury or death arising out of and in the course of employment, and such
occupational disease or infection as arises naturally out of such employment or as naturally or unavoidably results from such accident or injury. The term includes an injury caused by the willful act of a third person inflicted upon any employee in the course of his employment.

(p) "Parent" means a natural parent, step-parent, parent by adoption, parent-in-law, and any person who for more than three years before the death of the deceased employee stood in the place of a parent to him.

(q) "Person" means an individual, partnership, corporation, association, governmental entity, or any other entity.

(r) "Spouse" means the person who was the deceased employee's wife or husband at the time of the employee's death.

(s) "Wages" means the money rate at which the service rendered is recompensed under the contract of hiring in force at the time of the injury; including the reasonable value of board, rent, housing, lodging, or other similar advantages received from the employer, and gratuities received in the course of employment from other than the employer.

Section 9303. Coverage.

(a) Compensation shall be payable under this
Chapter in case of disability or death of an employee, but only if the disability or death results from an injury sustained while engaged in employment.

(b) If a worker who has been hired in the Commonwealth receives personal injury by accident arising out of and in the course of his employment, he shall be entitled to compensation according to the law of the Commonwealth even though such injury was received outside the Commonwealth.

(c) Any person who may be injured in performing service for the Government in any voluntary or unpaid capacity under the authorized direction of a public officer or employee, and who shall not have secured payment of his hospital and medical expenses from the Commonwealth Government or under any other provision of law and shall not have secured payment thereof from any third person, shall be paid his reasonable hospital and medical expenses by the Commonwealth Government.

(d) No compensation shall be payable under this Chapter to the employee if the injury was proximately caused by the intoxication of the employee or by the willful intention of the employee to injure or kill himself or others.

(e) Any person who may be injured in performing service for the Commonwealth Government as a volunteer
firefighter or reserve police officer under the
authorized direction of a public officer or employee,
and who shall not have secured compensation from any
third person, shall be paid by the Commonwealth
Government compensation equivalent to that of a
firefighter or police officer. The Commission shall
adopt rules and regulations to implement this section.
Section 9304. Liability for Compensation.
(a) Every employer shall be liable for and shall
secure payment of such compensation as may be required
under Section 9307, 9308, and 9309.
(b) Compensation shall be payable irrespective of
fault as to the injury.
(c) In the case of an employer who is a
subcontractor or jobber in the construction or garment
manufacturing industries the contractor shall be liable
for and shall secure payment of such compensation to
employees of the subcontractor unless the subcontractor
has secured such payments.
Section 9305. Exclusiveness of Liability. Where the
conditions of compensation exist, the right to recover such
compensation, pursuant to the provisions of this Chapter, is
the exclusive remedy for injury or death of an employee
against the employer or against any other employee of the
employer acting within the scope of such other employee's
employment; provided that, if an employer fails to secure payment of compensation as required by this Chapter, an injured employee, or his legal representative in case death resulted from the injury, may elect to claim compensation under this Chapter, or to maintain an action at law or for damages on account of such injury or death. In such action, the defendant may not plead as a defense that the injury was caused by the negligence of a fellow servant, nor that the employee assumed the risk of his employment, nor that the injury was due to the contributory negligence of the employee.

Section 9306. Disability Benefits: Time for Commencement, Maximum Amount.

(a) If an injury causes disability, a disability benefit payment shall be made for one week in advance on the fourth day after the date of disability.

(b) Disability benefits shall not exceed $140 per week.

Section 9307. Medical Services and Supplies.

(a) The employer shall furnish to the injured employee such remedial treatment, care, and attendance under the direction of a qualified physician or surgeon or other recognized practitioner, nurse or hospital, as the nature of the injury or the process of recovery may require, including medicines, crutches, artificial limbs
and other apparatus and vocational rehabilitation services.

If the employer refuses to provide, after request by the injured employee, or neglects to provide, having knowledge of the injury, treatment and services required by the injury, the injured employee may do so and shall be entitled to recover from the employer the amount expended.

No such claim for medical or surgical treatment shall be valid and enforceable, as against such employer, unless within 20 days following the first treatment, the physician giving such treatment shall furnish to the employer and the Administrator a report of such injury and treatment on a form prescribed by the Commission. The Administrator may, however, excuse the failure to furnish such report within 20 days when he finds it to be in the interest of justice to do so, and he may, upon application by a party in interest, make award for the reasonable value of such medical or surgical treatment so obtained by the employee.

If at any time during such period the employee unreasonably refuses to submit to medical or surgical treatment, the Administrator may, by order, suspend the payment of further compensation during such time as such refusal continues.
(b) Whenever, in the opinion of the Administrator, a physician has not impartially estimated the degree of permanent disability or the extent of temporary disability of any injured employee, the Administrator shall have the power to cause such employee to be examined by a physician selected by the Administrator and to obtain a report containing the physician's estimate of such disabilities. If the report of the second physician shows that the estimate of the first physician has not been impartial from the standpoint of such employee, the Administrator shall have the power, at his discretion, to charge the cost of such examination to the employer.

(c) Any fees and other charges for treatment or service shall be limited to such charges as prevail in the same community for similar treatment of injured persons.

(d) The liability of an employer for medical treatment as herein provided shall not be affected by the fact that his employee was injured through the fault or negligence of a third party, not in the same employment. The employer shall, however, have a cause of action against such third party to recover any amounts paid by him for such medical treatment in like manner as provided in Section 9342 of this Chapter.
Section 9308. Disability Benefits. Disability benefits shall be paid to the employee as follows:

(a) Permanent Total Disability. In case of total disability, adjudged to be permanent, sixty-six and two thirds (66-2/3) percent of his average weekly wages shall be paid to the employee during the continuance of such total disability.

Loss of both hands, or both arms, or both feet, or both legs, or both eyes, or of any two thereof shall, in the absence of conclusive proof to the contrary, constitute permanent total disability. In all other cases, permanent total disability shall be determined in accordance with the facts.

(b) Temporary Total Disability. In case of temporary total disability, sixty-six and two-thirds (66-2/3) percent of the average weekly wages shall be paid to the employee during the continuance thereof.

(c) Permanent Partial Disability. In case of permanent partial disability, the disability benefits shall be sixty-six and two-thirds (66-2/3) percent of the average weekly wages, which shall be in addition to disability benefits for temporary total disability or temporary partial disability paid in accordance with subsection (b) or subsection (e) of this section respectively and shall be paid to the employee as
follows:

(1) Arm lost, 280 weeks disability benefits.
(2) Leg lost, 248 weeks disability benefits.
(3) Hand lost, 212 weeks disability benefits.
(4) Foot lost, 172 weeks disability benefits.
(5) Eye lost, 140 weeks disability benefits.
(6) Thumb lost, 51 weeks disability benefits.
(7) First finger lost, 28 weeks disability benefits.
(8) Great toe lost, 26 weeks disability benefits.
(9) Second finger lost, 18 weeks disability benefits.
(10) Third finger lost, 17 weeks disability benefits.
(11) Toe other than great toe lost, 8 weeks disability benefits.
(12) Fourth finger lost, 7 weeks disability benefits.
(13) Loss of hearing. Disability benefits for loss of hearing of one ear, 52 weeks, or of both ears, 200 weeks.
(14) Phalanges. Disability benefits for loss of more than one phalange of a digit shall be the same as for lost of the entire digit.
Disability benefits for loss of the first phalange of a digit shall be one-half (1/2) of the disability benefits for the loss of the entire digit.

(15) Amputated arm or leg. Disability benefits for an arm or a leg, if amputated at or above the elbow or the knee, shall be the same as for a loss of an arm or leg; but, if amputated between the elbow and the wrist or the knee and the ankle, disability benefits shall be the same as for the loss of a hand or foot.

(16) Binocular vision or percent of vision. Disability benefits for loss of binocular vision or for 80 percent or more of the vision of an eye shall be the same as for loss of the eye.

(17) Two or more digits. Disability benefits for loss of two or more digits, or one or more phalanges of two or more digits, of a hand or foot shall be proportioned to the loss of the hand or foot.

(18) Total loss of use. Disability benefits for permanent total loss of use of a member shall be the same as for loss of the member.

(19) Partial loss or loss of use. Disability benefits for permanent partial loss or
loss or loss of use of the member.

(20) Disfigurement. The Administrator shall award proper and equitable disability benefits for serious facial or head disfigurement.

(21) Other cases. In all other cases of permanent partial disability the disability benefits shall be two-thirds (2/3) of the difference between the employee’s average weekly wages and his wage earning capacity thereafter in the same employment or otherwise, payable during the continuance of such partial disability; provided that, disability benefits shall be subject to reconsideration as to the degree of such impairment by the Administrator on his own motion or upon application of any party in interest.

(22) In any case in which there shall be loss of, or loss of use of more than one member or parts of more than one member set forth in paragraphs (1) to (19) of this subsection, not amounting to permanent total disability, the award of disability benefits shall be for the loss of, or loss of use of each such member of part thereof, which awards shall run consecutively, except that where the injury affects only two or more digits of the
same hand or foot, paragraph (17) of this subsection shall apply.

(d) An award for disability may be made after the death of the injured employee. Any disability benefits to which any deceased claimant would be entitled under this subsection (c) shall, notwithstanding death arising from contributing causes other than the injury, be payable to and for the benefit of the following persons:

(1) If there be a surviving spouse, and no child of the deceased, to such spouse.

(2) If there be a surviving spouse, and surviving child or children of the deceased, one half (1/2) shall be payable to the surviving spouse and the other half to the surviving child or children.

(3) If there be a surviving child or children of the deceased, but no surviving spouse, then to such child or children.

(e) Temporary partial disability. In case of temporary partial disability resulting in a decrease of earning capacity the disability benefits shall be two-thirds (2/3) of the difference between the injured employee's average weekly wages before the injury and his wage earning capacity after the injury in the same or another employment. Disability benefits are to be
paid during the continuance of such disability, but no longer than five years.

(f) Injury increasing disability.

(1) If an employee receives an injury which of itself would only cause permanent partial disability but which, combined with a previous disability does in fact cause permanent total disability, the employer shall provide compensation only for the disability caused by the subsequent injury: provided, however, that in addition to compensation for such permanent partial disability, and after the cessation of the payments for the prescribed period of weeks, the employee shall be paid the remainder of the compensation that would be due for permanent total disability. Such additional compensation in bi-weekly installments and at the same rate as the disability benefits paid for the subsequent injury shall be paid out of the Special Disability Fund established in Section 9353.

(2) In all other cases in which, following a previous disability, an employee receives an injury which is not covered by paragraph (1) of this subsection, the employer shall provide compensation only for the disability caused by the subsequent
injury. In determining disability benefits for the subsequent injury or death resulting therefrom, the average weekly wages shall be such sum as will reasonably represent the earning capacity of the employee at the time of subsequent injury.

(g) The wage earning capacity of an injured employee in cases of partial disability under subsection (c)(21) of this section and subsection (e) of this section shall be determined by his actual earnings if such actual earnings fairly and reasonably represent his wage earning capacity; provided, that if the employee has no actual earnings or if his actual earnings do not fairly and reasonably represent his wage earning capacity, the Administrator may, in the interest of justice, fix such wage earning capacity as shall be reasonable, having due regard for the nature of the injury, the degree of physical impairment, the employee’s usual employment, and any other factors or circumstances in the case which may affect the capacity of the employee to earn wages in a disabled condition including the effect of disability as it may extend into the future.

(h) In cases under subsection (c)(21) and subsection (e) of this section, upon the determination of the Administrator that it is in the best interest of
an injured employee entitled to disability benefits, the Administrator may approve agreed settlements of the interested parties discharging the liability of the employer for such disability benefits, notwithstanding the provisions of Section 9324(b) and Section 9325 of this Chapter; provided, that the sum so agreed upon shall be payable in installments and shall be subject to commutation under Section 9323 (j); and provided, further, that if the employee should die from causes other than the injury after the Administrator has approved an agreed settlement as provided for herein, the sum so approved shall be payable in the manner prescribed in this section, to and for the benefit of the persons enumerated in subsection (d) of this section.

Section 9309. Compensation for Death. If the injury causes death, the disability benefits shall be payable in the amounts and to or for the benefit of the persons following:

(a) Reasonable funeral expenses not exceeding $1,200.

(b) If there be a surviving spouse and no child of the deceased, to such surviving spouse 35 percent of the average wages of the deceased until such time as the surviving spouse remarries, with two years’ disability benefits in one sum upon remarriage; and,
if there be a surviving child or children of the deceased, the additional amount of 15 percent of such wages for each child. In the case of the death or remarriage of such surviving spouse, if there be one surviving child of the deceased employee, such child shall have his disability benefits increased to 35 percent of such wages; and if there be more than one surviving child of the deceased employee, to such children, in equal parts, 35 percent of such wages, increased by 15 percent of such wages for each child in excess of one; provided, that the total amount payable shall in no case exceed two-thirds (2/3) of such wages.

(c) If there be one surviving child of the deceased, but no surviving spouse, then for the support of such child 35 percent of the wages of the deceased. If there be more than one surviving child of the deceased, but no surviving spouse, then for the support of such children, in equal parts, 35 percent of such wages increased by 15 percent of such wages for each child in excess of one. The total amount payable under this section shall in no case exceed two-thirds (2/3) of such wages.

(d) If there be no surviving spouse or child or if the amount payable to a surviving spouse and to children
shall be less in the aggregate than sixty-six and two-thirds (66-2/3) percent of the average wages of the deceased, then an amount no greater than the difference between two-thirds (2/3) of such wages and the amount, if any, payable as hereinbefore provided to the surviving spouse and the surviving child or children shall be apportioned in the following percentages of such wages and in descending order of priority to:

1. grandchildren, fifteen (15) percent for each;
2. brothers and sisters, fifteen (15) percent for each;
3. parents, if dependent upon the deceased at the time of the injury, twenty-five (25) percent for each;
4. grandparents, if dependent upon the deceased at the time of the injury, twenty-five (25) percent for each.

Section 9310. Determination of Pay. Except as otherwise provided in this Chapter, the average weekly wage of the injured employee at the time of the injury shall be taken as the basis upon which to compute disability benefits and shall be determined as follows:

(a) If the injured employee shall have worked in the occupation in which he or she was working at the
time of the injury, whether for the same or another employer, during a substantial portion of the twelve calendar months immediately preceding the injury, the average annual earnings shall consist of 313 times the average daily wage or salary (for a six day worker) or 261 times the average daily wage or salary (for a five day worker), which the employee shall have earned in such employment during the days when so employed.

(b) If the injured employee shall not have worked in such occupation during a substantial portion of the immediately preceding twelve calendar months, his average annual earnings shall consist of 313 times (for a six day worker) and 261 times (for a five day worker) of the average daily wage or salary which an employee of the same occupation working a substantial portion of the immediately preceding twelve calendar months in the same or in a similar occupation in the same or a neighboring place shall have earned in such employment during the days when so employed.

(c) If either of the foregoing methods of arriving at the average annual earnings of the injured employee cannot reasonably and fairly be applied, such average annual earnings shall be such sum as shall reasonably represent the annual earning capacity of the injured
employee in the occupation in which he or she was working at the time of the injury, and of other employees of the same or most similar occupation working in the same or neighboring locality or other employment of such employee, including the reasonable value of the services of the employee if engaged in self-employment.

(d) The average weekly wages of an employee shall be one fifty-second (1/52) part of the employee's average annual earnings.

(e) If it be established that the injured employee was a minor when injured, and that under normal conditions the employee's wages would be expected to increase during the period of disability, that fact may be considered in arriving at the average weekly wages.

Section 9311. Guardian for Minor or Incompetent. The Administrator may require the appointment of a guardian or any other representative, by a court of competent jurisdiction, for any person who is mentally incompetent or a minor. The guardian or representative shall receive the disability benefits payable to such person under this Chapter and shall exercise the powers granted to, or perform the duties required of, such person under this Chapter.


Section 9321. Notice of Injury or Death.

Section 9322. Time for Filing Claims
| Section 9323. | Payment of Compensation.  |
| Section 9324. | Invalid Agreements.     |
| Section 9325. | Assignment and Exemptions From Claims of Creditors. |
| Section 9326. | Compensation: A Lien Against Assets. |
| Section 9327. | Collection of Defaulted Payments. |
| Section 9328. | Procedure in Respect of Claims. |
| Section 9329. | Presumption.            |
| Section 9330. | Review of Compensation Order. |
| Section 9331. | Modification of Awards. |
| Section 9332. | Procedure Before the Administrator. |
| Section 9333. | Witnesses.             |
| Section 9334. | Witness Fees.          |
| Section 9336. | Powers of the Administrator. |
| Section 9337. | Fees for Legal or Other Services. |
| Section 9338. | Record of Injury or Death. |
| Section 9339. | Reports.               |
| Section 9340. | Penalty for Misrepresentation. |
| Section 9341. | Security for Compensation. |
| Section 9342. | Compensation for Injuries Where Third Persons are Liable. |
| Section 9343. | Compensation Notice.   |
| Section 9344. | Substitution of Carrier for Employer. |
Section 9321. Notice of Injury or Death.

(a) Notice of an injury or death for which compensation is payable under this Chapter shall be given within 30 days after the date of such injury or death both to the Administrator and to the employer.

(b) Such notice shall be in writing; shall contain the name and address of the employee and a statement of the time, place, nature, and cause of the injury or death; and shall be signed by the employee or by some person on his behalf, or in case of death, by any person claiming to be entitled to compensation for such death or by a representative of such person.

(c) Notice shall be given to the Administrator by personal delivery or by first class mail, addressed to the Administrator's office; and to the employer by personal delivery or by sending it by first class mail, postage prepaid, addressed to the employer at its last known place of business. If the employer is a partnership, such notice may be given to any partner, or if a corporation, such notice shall be given to any agent or officer thereof upon whom legal process may be
served or who is in charge of the business in the place where the injury occurred.

(d) Failure to give such notice shall not bar any claims under this Chapter (1) if the employer (or the employer's agent in charge of the business in the place where the injury occurred) or the carrier had knowledge of the injury or death, and the Administrator determines that the employer or carrier has not been prejudiced by failure to give such notice, or (2) if the Administrator excuses such failure on the ground that for some satisfactory reason such notice could not be given, or (3) if objection to such failure is not raised before the Administrator at the first hearing of a claim for compensation in respect to such injury or death.

Section 9322. Time for Filing of Claims.

(a) The right to compensation under this Chapter shall be barred unless a claim therefore is filed within one year after the injury, and the right to compensation for death shall be barred unless a claim therefore is filed within one year after death; provided, that if payment of compensation has been made without an award on account of such injury or death, a claim may be filed within one year after the date of the last payment.

Such claim shall be filed with the Administrator.

(b) Notwithstanding the provisions of subsection
(a) of this section, failure to file a claim within the period prescribed in such subsection shall not be a bar to such right unless objection to such failure is made at the first hearing of such claim.

(c) If a person who is entitled to compensation under this Chapter is mentally incompetent or a minor, the provisions of subsection (a) of this section shall not be applicable so long as such person has no guardian or other authorized representative, but shall be applicable, in the case of a person who is mentally incompetent or a minor, from the date of appointment of such guardian or other representative; or in the case of a minor, where no guardian is appointed before he becomes of age, from the date he becomes of age.

Section 9323. Payment of Compensation.

(a) Compensation under this Chapter shall be paid promptly and directly to the person entitled thereto, without an award, except where liability to pay compensation is controverted by the employer.

(b) Disability benefits shall be paid in bi-weekly installments, except where the Administrator determines that payment in installments should be made monthly or at some other interval.

(c) Upon making the first payment, and upon suspension of payment for any cause, the employer shall
immediately notify the Administrator in accordance with
a form prescribed by the Commission, that payment of
disability benefits has begun or has been suspended, as
the case may be.

(d) If the employer controverts the right to
compensation the employer shall file with the
Administrator, on or before the 14th day after the
employer has knowledge of the alleged injury or death, a
notice in accordance with a form prescribed by the
Commission stating that the right to compensation is
controverted, the name of the claimant, the name of the
employer, the date of the alleged injury or death, and
the grounds upon which the right to compensation is
controverted.

(e) If any installment of disability benefits
payable without an award is not paid within 15 days
after it becomes due, as provided in subsection (b) of
this section, there shall be added to such unpaid
installment an amount equal to 10 percent thereof, which
shall be paid at the same time as, but in addition to,
such installment, unless notice is filed under
subsection (d) of this section, or unless such
nonpayment is excused by the Administrator after a
showing by the employer that, owing to conditions over
which the employer had no control, such installment
could not be paid within the period prescribed for the payment.

(f) If any disability benefits, payable under the terms of an award, are not paid within 10 days after becoming due, there shall be added to such unpaid disability benefits an amount equal to 20 percent thereof which shall be paid at the same time as, but in addition to, such disability benefits unless review of the compensation order making such award is had as provided in Section 9330.

(g) Within 15 days after final payment of compensation has been made, the employer shall send to the Administrator a notice, in accordance with a form prescribed by the Commission, stating that such final payment has been made, the total amount of compensation paid, the name of the employee, and of any other person to whom compensation has been paid. If the employer fails to notify the Administrator within such time, the Commissioner shall assess against such employer a civil penalty in the amount of $100.

(h) The Administrator may at any time in a case in which payments are being made without an award, and shall in any case where right to compensation is controverted, or where payments of compensation have been stopped or suspended, upon receipt of notice from
any person entitled to compensation, or from the employer that the right to compensation is controverted, or that payment of compensation has been stopped or suspended, make such investigations, cause such medical examinations to be made, or hold such hearings, and take such further action as he considers will properly protect the rights of all parties.

(i) The Administrator may require any employer to make a deposit with the Commonwealth Treasurer to secure the prompt and convenient payment of such compensation. Payments upon any awards shall be made from such deposits by the Treasurer upon order of the Administrator.

(j) Whenever the Administrator determines that it is in the interest of justice, the liability of the employer for compensation or any part thereof, as determined by the Administrator, may be discharged by the payment of a lump sum equal to the present value of future compensation payments commuted, computed at four (4) percent true discount compounded annually. The probability of death of the injured employee or other person entitled to disability benefits before the expiration of the period during which he or she is entitled to disability benefits shall be determined in accordance with American Experience Table of Mortality.
or such other table as the Commission may deem appropriate, and the probability of the remarriage of the surviving spouse shall be determined in accordance with the remarriage tables of the Dutch Royal Insurance Institution or such other table as the Commission may deem appropriate. The probability of the happening of any other contingency affecting the amount or duration of the disability benefits shall be disregarded.

(k) An employer, who has made advance payments of compensation, shall be entitled to reimbursement out of any unpaid installment or installments of compensation due.

(l) Any recipient with disability payments under this Chapter shall give receipts for such payment to the employer for inspection by the Administrator, whenever required by the employer.

(m) The total disability benefits for either injury or death payable under this Chapter to one employee for one occurrence of injury shall in no event exceed the sum of $40,000.

Section 9324. Invalid Agreements.

(a) No agreement by an employee to pay any portion of a premium paid by the employer to a carrier or to contribute to a benefit fund or department maintained by such employer for the purpose of providing compensation
as required by this Chapter shall be valid, and any employer who makes a deduction for such purpose from any pay of any employee entitled to the benefits of this Chapter shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than $1,000.

(b) No agreement by any employee to waive the right to compensation under this Chapter shall be valid.

Section 9325. Assignment and Exemptions from Claims of Creditors. No assignment, release, or commutation of compensation due or payable under this Chapter, shall be valid, except as provided by this Chapter, and such compensation shall be exempt from all claims of creditors and from levy, execution, and attachment or other remedy for recovery or collection of a debt, which exemption may not be waived.

Section 9326. Compensation a Lien Against Assets. Any person entitled to compensation under the provisions of this Chapter shall have a lien against the assets of the carrier or employer for such compensation without limit or amount, and shall, upon insolvency, bankruptcy, or reorganization in bankruptcy proceedings of the carrier or employer, or both, be entitled to preference and priority in the distribution of assets of such carrier or employer, or both.

Section 9327. Collection of Defaulted Payments. In
case of default by the employer in the payment of
compensation due under any award of compensation for a period
of 30 days after the compensation is due and payable, the
person to whom such compensation is payable may, within one
year after such default, make application to the
Administrator for a supplementary order declaring the amount
of the default. After investigation, notice, and hearing, as
provided in Section 9328, the Administrator shall make a
supplementary order declaring the amount of the default, if
any, which shall be filed in the same manner as the
compensation order. In case the payment in default is an
installment of the award, the Administrator may, at his
discretion, declare the whole of the award as the amount in
default. The applicant may file a certified copy of such
supplementary payment in default as an installment of the
award, the Administrator may, at his discretion, declare the
whole of the award as the amount in default. The applicant
may file a certified copy of such supplementary order with
the clerk of the Commonwealth Superior Court. Such
supplementary order of the Administrator shall be final, and
the court shall, upon the filing of the copy, enter judgment
for the amount declared in default by the supplementary
order, if such supplementary order is in accordance with law.
Review of the judgement so entered may be had as in civil
suits for damages at common law. Final proceedings to
execute the judgment may be had by writ of execution. No fee shall be required for filing the supplementary order nor for the entry of judgment thereon, and the applicant shall not be liable for costs in a proceeding for review of the judgment unless the court shall otherwise direct. The court shall modify such judgment to conform to any later compensation order upon presentation of a certified copy thereof to the court.

Section 9328. Procedure in Respect of Claims.

(a) Subject to the provision of Section 9322, a claim for compensation may be filed with the Administrator in accordance with regulations prescribed by the Commission at any time after the first four days following any injury, or at any time after death, and the Administrator shall have full power and authority to hear and determine all questions in respect of such claim.

(b) Within 10 days after such claim is filed, the Administrator, in accordance with regulations prescribed by the Commission, shall notify the employer and any other person (other than the claimant), whom the Administrator considers an interested party, that a claim has been filed. Such notice may be served personally upon the employer, or other person, or sent to such employer or person by registered mail.
(c) The Administrator shall cause to be made such investigations as he considers necessary in respect of the claim, and upon application of any interested party shall order a hearing thereon. If the hearing on such claim is ordered, the Administrator shall give the claimant and other interested parties at least 10 days notice of such hearing, served personally upon the claimant and other interested parties or sent to such claimant and other interested parties by registered mail, and shall within 20 days after such hearing is had, by order, reject the claim or make an award in respect of the claim. If no hearing is held within 20 days after notice is given as provided in subsection (b) of this section, the Administrator shall, by order, reject the claim or make an award in respect of the claim.

(d) At such hearing the claimant and the employer may each present evidence in respect of such claim and may be represented by any person authorized in writing for such purpose.

(e) The order rejecting the claim or making the award (referred to in this Chapter as a compensation order) shall be filed in the office of the Administrator, and a copy thereof shall be transmitted to the claimant and to the employer by delivery to them
in person or by registered mail sent to their last known addresses.

(f) An award of disability benefits may be made after the death of an injured employee.

(g) An injured employee claiming or entitled to compensation shall submit to such physical examination, by a medical officer of the Department of Public Health, or by a qualified physician designated or approved by the Commission, as the Administrator may require. The place or places of such examination shall be reasonably convenient for the employee. Such physician or physicians as the employee, employer, or carrier may select and pay for may participate in an examination if the employee, employer, or carrier so requests. Proceedings shall be suspended and no compensation shall be payable for any period during which the employee refuses to submit to such examination.

Section 9329. Presumption. In any proceedings for the enforcement of a claim for compensation under this Chapter, it shall be presumed, in the absence of substantial evidence to the contrary:

(a) That the claim comes within the provisions of this Chapter.

(b) That sufficient notice of such claim has been given.
(c) That the injury was not proximately caused by intoxication of the injured employee.

(d) That the injury was not occasioned by the willful intention of the injured employee to injure or kill himself or another.

Section 9330. Review of Compensation Order.

(a) A compensation order shall become effective when filed in the office of the Administrator as provided in Section 9328, and unless an appeal to the Commission is instituted as provided in subsection (b) of this section, shall become final at the expiration of the 15th day thereafter.

(b) Within 15 calendar days of the filing of a compensation award in the office of the Administrator, any party in interest may file a notice of appeal with the Commission. The payment of the amounts required by an award shall not be stayed pending final decision in any such proceeding unless upon application for an interlocutory injunction the court, on hearing, after not less than three days notice to the parties in interest and the Administrator, allows the stay of such payments, in whole or in part, where irreparable damage would otherwise ensue to the employer. The order of the court allowing any such stay shall contain a specific finding, based upon evidence submitted to the court and
identified by reference thereto, that such irreparable
damage would result to the employer, and specifying the
nature of the damage.

(c) Any person filing a notice of appeal as
provided in subsection (b) of this Section shall at the
same time file a written statement of objections to the
Administrator's decision. Any parties in interest may
file an opposing statement within 5 business days of
service upon them of the appellant's statement. Oral
argument before the Commission shall be permitted upon
the written request of any party in interest to the
appeal, or upon the Commission's own request, and shall
be confined to the written statements in support of or
in opposition to the Administrator's decision. A
majority of the authorized number of directors of the
Board of Trustees of the Northern Mariana Islands
Retirement Fund shall be a quorum, and a decision of the
Commission must be supported by a majority of the
directors then in office. For the purpose of reviewing
the Administrator's decision, the Commission shall
consider only the record which was before the
Administrator; provided, the Commission may consider
additional facts if they are supported by substantial
evidence, could not upon reasonable inquiry have been
discovered earlier, and could materially have affected
the Administrator's decision had they been known to the
Administrator at the time the decision was rendered.

Within 15 business days of the filing of the notice of
appeal, the Commission shall issue a written decision
supported by written findings of fact and conclusions of
law. The decision of the Commission shall be a final
administrative decision subject to judicial review.

(d) If any employer or its officers or agents fails
to comply with a final order of the Commission making an
award, any beneficiary of such award or the
Administrator may apply to the Commonwealth Superior
Court for enforcement of the order. If the court
determines that the order was made and served in
accordance with law and that such employer or his
officers or agents have failed to comply therewith, the
court shall enforce the order by injunction or other
proper process.

(e) The provisions of the Administrative Procedure
Act shall apply in any proceedings for suspending,
setting aside, or enforcing a compensation order. In
the event of any inconsistency between the provisions of
this Chapter and the provisions of the Administrative
Procedure Act, the provisions of this Chapter shall
control. Except for a proceeding to suspend payments
pending a final decision, no court proceeding may be
brought until all available administrative remedies have been exhausted.

Section 9331. Modification of Awards. Upon his own initiative, or upon the application of any party in interest, on the ground of a change in conditions or because of a mistake in a determination of fact by the Administrator, the Administrator may, at any time prior to one year after the date of the last payment of compensation, whether or not a compensation order has been issued, or at any time prior to one year after the rejection of a claim, review a compensation case in accordance with the procedure prescribed in Section 9328, and in accordance with the provisions of such section issue a new compensation order which may terminate, continue, reinstate, increase or decrease such compensation or award of compensation. Such new order shall not affect any compensation previously paid, except that an award increasing the disability benefits may be made effective from the date of injury; and if any part of the disability benefits due or to become due is unpaid, an award decreasing the disability benefits may be made effective from the date of the injury, and any payment made prior to the time of the award in excess of such decreased rate shall be deducted from any unpaid disability benefits, in such manner and by such method as may be determined by the Administrator with the approval of the Commission.
Section 9332. Procedure Before the Administrator.

(a) In making an investigation or inquiry or conducting a hearing the Administrator shall not be bound by common law or statutory rules of evidence or by technical or formal rules of procedure, except as provided by this Chapter, but may make such investigation or inquiry, or conduct such hearing in such manner as to best ascertain the rights of the parties. Declarations, whether oral or written, of a deceased employee concerning the injury in respect of which the investigation or inquiry is being made or the hearing conducted shall be received in evidence and shall, if corroborated by other evidence, be sufficient to establish the injury.

(b) Hearings before the Administrator shall be open to the public and shall be recorded. The Commission shall by regulation provide for the preparation of a record of the hearings and other proceedings before the Administrator.

Section 9333. Witnesses. No person shall be required to attend as a witness in any proceeding before the Administrator at a place outside the Commonwealth; but the testimony of any witness may be taken by deposition or interrogatories according to the rules of practice of the Commonwealth Superior Court.
Section 9334. Witness Fees. Witnesses summoned in a proceeding before the Administrator or whose depositions are taken shall receive the same fees and mileage as witnesses in the Commonwealth Superior Court.

Section 9335. Cost in Proceedings Brought Without Reasonable Grounds. If the court having jurisdiction of proceedings in respect of any claim or compensation order determines that the proceedings in respect to such claim or order have been instituted or continued without reasonable ground, the costs and attorneys' fees of such proceedings shall be assessed against the party who so instituted or continued such proceedings.

Section 9336. Powers of the Administrator.

(a) The Administrator shall have the power to preserve and enforce order during proceedings before her or him; to issue subpoenas for, to administer oaths to, and to compel the attendance and testimony of witnesses, or for the production of books, papers, documents, and other evidence, or the taking of depositions before any designated individual competent to administer oaths; to examine witnesses; and to do all things conformable to law which may be necessary to enable the effective discharge of the Administrator's duties.

(b) If any person in proceedings before the Administrator disobeys or resists any lawful order or
process, or misbehaves during a hearing at or so near
the place thereof as to obstruct the same, or neglects
to produce, after having been ordered to do so, any
pertinent book, paper, or document, or refuses to appear
after having been subpoenaed, or upon appearing refuses
to take the oath as a witness, or after having taken the
oath, refuses to be examined according to law, the
Administrator shall certify the facts to the
Commonwealth Superior Court which shall thereupon in a
summary manner hear the evidence and if in the judgment
of the court, the evidence so warrants, punish such
person in the same manner and to the same extent as for
contempt committed before the court, or commit such
person upon the same conditions as if the doing of the
forbidden act had occurred with reference to the process
of or in the presence of the court.

Section 9337. Fees for Legal or Other Services.

(a) No claim for legal services or for any other
services rendered in respect of a claim or award for
compensation, to or on account of any person, shall be
valid for more than fifteen (15) percent of the total
award of disability benefits and unless approved by the
Administrator, or if proceedings for review of the order
of the Administrator in respect of such claim or award
are had before any court, unless approved by such court.
Any claim so approved shall, in the manner and to the extent fixed by the Administrator or such court, be a lien upon such disability benefits.

Section 9338. Record of Injury or Death. Every employer shall keep a record of any injury to an employee. Such record shall contain such information of disease, other disability, or death in respect of such injury as the Commission may by regulation require, and shall be available for inspection by the Administrator or by other government authorities at such times and under such conditions as the Commission may by regulation prescribe.

Section 9339. Reports.
(a) Within 10 days of the date of any injury or death, or of the date that the employer has knowledge of such injury or of a disease or infection in respect to such injury, the employer shall send to the Administrator a report setting forth:

(1) the name, address, and business of the employer;

(2) the name, address, and occupation of the employee;

(3) the cause and nature of the injury or death or of the disease or infection arising from such injury;

(4) the year, month, day and hour, and the
particular locality where the injury or death occurred; and

(5) such other information as the Commission may require.

A copy of such report shall be sent at the same time to the employee.

(b) Additional reports in respect of such injury and of the condition of such employee shall be sent by the employer to the Administrator at such times and in such manner as the Commission may prescribe.

(c) Any report provided for in subsections (a) or (b) shall not be evidence of any fact stated in such report in any proceeding in respect of any injury or death concerning which the report is made.

(d) The employer may comply with the obligations of this Section by mailing any required report, with a copy thereof, first class and postage prepaid, to the Administrator within the appropriate time limit prescribed in subsection (a) or (b).

(e) Any employer who fails or refuses to send any report required of it by this Section shall be subject to a civil penalty not to exceed $500 for each such failure or refusal.

(f) Where the employer or the carrier has been given notice, or the employer (or his agent in charge of
the business in the place where the injury or death of
an employee occurs) fails, neglects, or refuses to file
a report thereof as required by the provisions of
subsection (a) of this section, the limitations in
subsection (a) of Section 9322 of this Chapter shall not
begin to run against the claim of the injured employee
or the employee's survivors entitled to compensation, or
in favor of either the employer or the carrier, until
such report shall have been furnished.

Section 9340. **Penalty for Misrepresentation.** Any
person who willfully makes any false or misleading statement
or representation for the purpose of obtaining any benefit or
payment under this Chapter or for the purpose of evading
liability for any benefit or payment under this Chapter shall
be guilty of a misdemeanor and on conviction thereof shall be
punished by a fine of not more than $1,000 or by imprisonment
not to exceed one year, or both.

Section 9341. **Security of Compensation.**

(a) Every employer shall secure the payment of
compensation under this Chapter by insuring and keeping
insured the payment of such compensation with an
insurer granted by law a certificate of authority to
transact general casualty insurance in the Commonwealth.
However, the Commonwealth Government may make
compensation payments under the provisions of this
Chapter from the Government Employees’ Self-Insurance fund referred to in Section 9354 and need not otherwise secure compensation.

(b) An employer who pays more than one-half the cost of medical insurance for an employee as a benefit of employment shall be required to secure the payment of medical services and supplies provided for in Section 9307 of this Act only to the extent that such payment is not secured by the aforementioned medical insurance.

Section 9342. Compensation For Injuries Where Third Persons are Liable. The claim of an employee for compensation does not affect his claim or right of action for all damages proximately resulting from such injury or death against any person other than the employer. Any employer who pays, or becomes obligated to pay compensation, may likewise make a claim or bring an action against such third person and may recover in the same suit, in addition to the total amount of compensation, damages for which he was liable including all salary, wage, pension, or other emolument paid to the employee or to the employee’s survivors.

If the employer shall recover from such other third person damages in excess of the compensation already paid or awarded to be paid under this Chapter, then any such excess shall be paid to the injured employee, or other person entitled thereto, less the employer’s expenses, including
reasonable attorneys fees, and costs of action.

In the absence of a written agreement that provides otherwise, an alleged third party tortfeasor, named in a suit by an injured employee or on behalf of a deceased employee, may not obtain indemnification, reimbursement, or contribution from an employer in excess of the amounts for which this Chapter mandates the employer compensate the injured or deceased employee.

Section 9343. Compensation Notice. Every employer who has secured compensation under the provisions of this Chapter shall keep posted in a conspicuous place in or about each of its places of business, typewritten or printed notices, in accordance with a form prescribed by the Commission, stating that such employer has secured the payment of compensation in accordance with the provisions of this Chapter. Such notices shall contain the name and address of the carrier with whom the employer has secured the payment of compensation and the date of the expiration of the policy.

Section 9344. Substitution of Carrier for Employer. In any case where the employer is not a self-insurer, in order that liability for compensation imposed by this Chapter may be most effectively discharged by the employer, and in order that the administration of this Chapter in respect to such liability may be facilitated, the Commission shall by regulation provide for the discharge, by the carrier for such
employer, as it considers proper in order to effectuate the provisions of this Chapter. For such purposes (1) notice to or knowledge by an employer of the occurrence of the injury shall be deemed notice to or knowledge by the carrier, (2) jurisdiction over the employer by the Administrator, the Commission, or any court under this Chapter shall be sufficient to confer jurisdiction over the carrier, and (3) any requirement by the Administrator, the Commission, or any court under any compensation order, finding, or decision shall be binding upon the carrier in the same manner and to the same extent as upon the employer.

Section 9345. Insurance Policies.

(a) Every policy or contract of insurance issued under authority of this Chapter shall contain (1) a provision to carry out the provisions of Section 9344, and (2) a provision that the insolvency or bankruptcy of the employer or the employer's discharge in any insolvency or bankruptcy proceeding, or both, shall not relieve the carrier from payment of compensation for disability or death sustained by an employee during the period covered by such policy or contract.

(b) No contract or policy of insurance issued by a carrier under this Chapter shall be cancelled prior to the date specified in such contract or policy for its expiration until at least 30 days after a notice of
Section 9346. Certificate of Compliance with the Law.

Within 30 days of the effective date of this Act every employer shall file with the Administrator a certificate that payment of compensation to the employer’s employees is secured as required in Section 9341 of this Chapter.

Section 9347. Penalty for Failure to Secure Payment of Compensation.

(a) Civil Penalty. The Administrator shall assess against any employer required to secure the payment of compensation under this Chapter who fails to secure such compensation a civil fine of not more than $100 per day for each day such failure continues.

(b) Criminal Penalty.

(1) In addition to the other penalties provided for in this Chapter, any employer required to secure payment of compensation or required to make payment of such compensation under this Chapter, who fails to do so, shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not more than $1,000, or by imprisonment for not more than one year, or both.

Where such employer is a corporation, the
president, secretary, and treasurer thereof shall
be liable for imprisonment as provided herein, and
shall be jointly and severally liable personally
for such fine and for any compensation or other
benefit which may accrue under this Chapter in
respect to any injury which may occur to any
employee of such corporation during such time as
it fails to secure the payment of compensation as
required by Section 9341 of this Chapter.

(2) Any employer who knowingly transfers,
sells, encumbers, assigns, or in any other manner
disposes of, or who conceals, secretes, or destroys
property belonging to such employer, after one of
its employees has been injured within the purview
of this Chapter, with the intent to avoid the
payment of compensation under this Chapter to such
employee or survivors of such employee, who are
entitled to compensation, shall be guilty of a
misdemeanor and, upon conviction thereof, shall be
punished by a fine of not more than $1,000, or by
imprisonment for not more than one year, or both.
Where such employer is a corporation, the
president, secretary, and treasurer thereof shall
be liable for imprisonment as provided for herein,
and shall be jointly and severally liable
(c) This Section shall not excuse or diminish any other liability of the employer under this Chapter.

Article 3. Workers' Compensation Commission.

Section 9351. Administration.

Section 9352. Investigations by the Commission.

Section 9353. Special Disability Fund.


Section 9355. Annual Report.

Section 9356. Effect of Unconstitutionality.

Section 9357. Transition Provision.

Section 9358. Compensation Rates.

Section 9351. Administration.

(a) Except as otherwise specifically provided, the Workers' Compensation Commission shall administer the provisions of this Chapter, and for such purpose the Commission may:

(1) make rules and regulations in conformance with this Chapter, including any requirements it reasonably determines are necessary to assure timely payment of compensation and reporting by insurance carriers of compensable injuries;

(2) select technical assistants, medical advisors, officers, and employees, as it deems
necessary; and

(3) make from appropriated funds such expenditures (including expenditures for personal services, rent, law books of reference, periodicals, and printing, binding and other necessities) as it deems necessary for the proper administration of this Chapter.

(b) The Board of Trustees of the Northern Mariana Islands Retirement Fund shall serve as the Workers' Compensation Commission. Whenever possible persons employed by the Northern Mariana Islands Retirement Fund shall also render services to the Workers' Compensation Commission. If any member of the Commission is removed from office or for any reason ceases to act as a member, all of his official records and papers shall be transferred to the Commission. No member nor any business associate of a member shall appear as attorney in any proceedings under this Chapter, and no member shall act in any such case in which he has an interest, or when he is employed by any party in interest or related to any party in interest by consanguinity or affinity within the third degree as determined by the common law.

(c) The Workers' Compensation Administrator shall be the Administrator of the Northern Mariana Islands
Senate Bill No. 6-54
House Committee Substitute 1

Rirement Fund or his designee, approved by a majority vote of the Commission. The term of a designated Administrator shall be four years. The Administrator shall maintain and keep open a Workers' Compensation office during reasonable business hours.

Section 9352. Investigations by the Commission.

(a) The Commission shall make studies and investigations with respect to safety provisions, and causes of injuries in employment covered by this Chapter, and shall from time to time make to the Legislature and to employers and carriers recommendations of means to prevent such injuries.

(b) In making such studies and investigations, the Commission may:

(1) cooperate with any agency charged with the duty of enforcing any law securing safety against injury in any employment covered in this Chapter, or with any agency engaged in enforcing any laws to assure safety for employees; and

(2) permit any such agency to have access to the records of the Commission. In carrying out the provisions of this section, the Commission or any officer or employee of the Commission is authorized to enter at any reasonable time upon the premises, tracks, wharf, dock, or to enter any building,
where an employment covered by this Chapter is
being carried on, and to examine any tool,
appliances, or machinery used in such employment.

Section 9353. Special Disability Fund.

(a) A Special Disability Fund is established in the
Commonwealth for the purpose of making payments in
accordance with the provisions of subsection (f) of
Section 9308 of this Chapter. Such Fund shall be
administered by the Commission. The Treasurer of the
Commonwealth shall be the custodian of the Fund, and all
monies and securities in the Fund shall be held in trust
by such Treasurer and shall not be money or property of
the Commonwealth Government.

(b) The Treasurer may disburse monies from such
Fund only upon order of the Commission.

(c) Payments into the Fund shall be made as
follows:

(1) Each employer shall contribute $10,000 for
the death of an employee of such employer resulting
from injury where the Administrator determines that
there is no person entitled, under this Chapter, to
disability benefits for such death.

(2) Each insurer providing security for
payment of workers' compensation claims under this
Chapter shall annually pay 2% (two percent) of the
total premiums paid for such security during the preceding year. Except, in any year in which the Special Disability Fund has sufficient monies to meet its actuarially predicted obligations, the Commission may waive these payments by insurers. (3) All amounts collected as fines and penalties under the provisions of this Chapter shall be paid into the Fund. (d) The Commonwealth Treasurer shall deposit any monies paid into the Fund into such depository banks as the Commission may direct. The Commission may invest any portion of the funds which is not needed for current requirements in bonds or notes of the United States or Commonwealth or of any insured Commonwealth Bank. (e) Neither the Commonwealth Government nor the Commission shall be liable in respect of payments authorized under Section 9308 in an amount greater than the money or property deposited in or belonging to such Fund. However, should the Commission find that the present obligations of the Fund exceed the Fund balance, the Commission shall immediately report such deficit to the presiding officers of the Legislature. (f) The account for the Fund shall be subject to audit in accordance with established auditing procedures
of the Commonwealth Government, but the action of the
Commission in making payments from such fund shall be
final and not subject to review.

(g) Should the Commission determine, based on the
Fund balance and the actuarially predictable obligations
of the Fund, that an excess of funds exists in the Fund,
then the Commission may release such excess funds to the
General Fund of the Commonwealth.

Section 9354. **Commonwealth Government Self-Insurance Fund.**

(a) The Legislature may establish, out of any money
in the Commonwealth Treasury not otherwise appropriated,
a fund sufficient to secure compensation payments under
this Chapter in respect of employees of the Government,
its agencies and instrumentalities, including any public
corporation.

(b) The Commonwealth Treasurer shall be the
custodian of such fund and may disburse monies from such
fund only upon the order of the Commission. The
Commonwealth Treasurer shall deposit any monies
appropriated or paid into such fund into such depository
banks as the Commission may designate, and may invest
any portion of the funds which in the opinion of the
Commission is not needed for current requirements, in
bonds or notes of the Commonwealth or United States or
of any insured Commonwealth Bank.

(c) The account for such fund shall be subject to audit in accordance with established auditing procedures of the Commonwealth Government, but actions of the Commission in making payments from such fund shall be final and not subject to review.

(d) With respect to Commonwealth Government employees, the Commission may authorize direct compensation payments from such fund or, if it deems desirable, insure and keep insured the payment of such compensation with any stock company or mutual company or association.

Section 9355. Annual Report. The Commission shall make to the Commonwealth Legislature and the Governor at the beginning of each calendar year a report of the administration of this Chapter for the preceding fiscal year, including a detailed statement of receipts of and expenditures from the funds established or authorized in Section 9353 and 9354. Annually the Commission shall advise the Legislature and the Governor of needed changes in the laws of the Commonwealth regarding compensation of workers for injuries sustained while working and shall provide data from other jurisdictions on amounts of compensation payable therein.

Section 9356. Effect of Unconstitutionality. If any
part of this Chapter is adjudged unconstitutional by the
courts, and such adjudication has the effect of invalidating
any payment of compensation under this Chapter, the period
intervening between the time the injury was sustained and the
time of such adjudication shall not be computed as a part of
the time prescribed by this Chapter for the commencement of
any action against the employer in respect of such injury;
but the amount of any compensation paid under this Chapter on
account of such injury shall be deducted from the amount of
damages awarded in such action in respect of such injury.

Section 9357. Compensation Rates. Nothing in this
chapter shall prevent an employer or employee from purchasing
insurance coverage in addition to that coverage required by
this chapter.

SECTION 2. Amendment. A new Section 3307 (c) is added
to 3 CMC, Div. 3, to read as follows:

"(c) If a person entitled to a survivor’s insurance
benefit under this Division is receiving a periodic
workers’ compensation disability benefit under
provisions of 4 CMC, Div. 9, Chapter 3, the amount of
the monthly survivor’s benefit otherwise determined
under this Section shall be reduced by the monthly
amount of the workers’ compensation disability benefit
as long as it shall continue."

SECTION 3. Amendment. 1 CMC Section 8333(c) is amended
to read as follows:
"(c) The amount of disability retirement annuity shall be 66-2/3 percent of the salary of the member in effect at the date of disability. Any special compensation allowance received or payable to any member because of disability resulting from accidental causes, or any workers' compensation disability benefit received or payable to any member because of disability incurred, while in the performance of a specific act or acts of duty, shall be deducted from the disability annuity payable by the Fund on account of the same disability."

SECTION 4. Addition. A new subsection (b) is added to 1 CMC Section 8338 to read as follows:

"(b) The annual survivor annuity payable to a surviving spouse or minor child shall be reduced by an amount equal to any workers' compensation disability benefit payable to that survivor for so long as such payment shall continue."

SECTION 5. Severability. If any provision of this Act or any rule, regulation, or order promulgated hereunder, or the application of any such provision, rule, regulation, or order to any person or circumstances shall be held invalid by a court of competent jurisdiction, the remainder of this Act or any rules, regulations, rules or orders to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.
SECTION 6. Effective Date. This act shall become effective 120 days after approval by the Governor or its becoming law without such approval.

Joseph S. Inos
Acting Senate President

Benigno M. Sablan
Acting Speaker
House of Representatives

ATTEST:

Manuel P. Villagomez
Senate Legislative Secretary

Frances P. Hernandez
Acting House Clerk

June 27, 1989

Pedro P. Tenorio
Governor
Commonwealth of the Northern Mariana Islands