

TENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

PUBLIC LAW NO. 10-19

H. B. NO. 10-179

FIRST REGULAR SESSION, 1996

AN ACT

To transfer the administration of the Government Health and Life Insurance Programs to the Northern Marianas Retirement Fund; and for other purposes.

BE IT ENACTED BY THE TENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

Section 1. Findings and Purpose. The Legislature finds that there is a need to ensure that the Government Life and Health Insurance Programs which provide a critical safety net for government employees and their families are administered in a fiscally sound and professionally accountable manner. The Government Life and Health Insurance Programs were originally administered by the Personnel Office. Executive Order 94-3, section 307 (c) transferred the administration of the programs to the Department of Finance. Executive Order 96-1, section 16 would have transferred administration of the programs to the Northern Marianas Retirement Fund. The purpose of this legislation is to accomplish the same purpose and to create a segregated fund to hold employee and employer contributions to the programs.

Section 2. Administration of the Government Life and Health Insurance Programs. All functions and personnel in the Commonwealth government with respect to the administration of the Government Life and Health Insurance Programs are hereby transferred to the Northern Marianas Retirement Fund. The Retirement Fund Board of Trustees may institute an appropriate administrative structure for the administration of these programs and may, by agreement, utilize the services of the Office of Personnel Management or other servicing personnel office or employee to process enrollment and other forms related to these programs.

Section 3. Civil Service Status. The civil service status of existing employees transferred to the Northern Marianas Retirement Fund pursuant to this Act shall not be affected thereby. New employees hired by the Northern Marianas Retirement Fund to administer the Government Life and Health Insurance Programs shall be exempt from civil service pursuant to the Fund's general exemption from Civil Service.

Section 4. Fiduciary Capacity. The Northern Marianas Retirement Fund shall serve in a fiduciary capacity with respect to employer and employee contributions and shall serve as a fiscal and administrative agent for the government.

Section 5. Government Health and Life Insurance Trust Fund. There shall be established a Northern Mariana Islands Government Health and Life Insurance Trust Fund ("Trust Fund") to be held in trust and administered by the Northern Mariana Islands Retirement Fund. The Trust Fund shall be administered in accordance with policies set forth in rules and regulations promulgated by the Northern Mariana Islands Retirement Fund. All employer and employee contributions to the Government Life and Health Insurance Programs shall be collected in and held in the trust fund. The funds in the trust fund may be expended only for the payment of insurance premiums, claims, reasonable costs of administration and related expenses. The Administrator of the Northern Mariana Islands Retirement Fund shall have expenditure authority over the trust fund, and shall report to the Legislature and to the Governor on the financial status of the trust fund no later 60 days after the end of each fiscal year.

Section 6. Public Auditor. The Public Auditor shall conduct an annual audit of the Government Life and Health Insurance Programs and shall report the results of the audit to the Legislature, the Governor, and the public. The first annual audit pursuant to this section shall also report on the transfer of functions and personnel pursuant to this Act.

Section 7. Ratification of Actions. Actions taken by the Department of Finance with respect to the Government Life and Health Insurance Programs prior to the effective date of this Act shall remain valid until and unless modified by the Retirement Fund Board of Trustees.

Section 8. Liabilities of the Government Life and Health Insurance Programs. Liabilities of the Government Life and Health Insurance Programs shall be liabilities of the Commonwealth Government and not of the Northern Marianas Retirement Fund.

Section 9. Severability. If any provision of this Act or the application of any such provision to any person or circumstance should be held invalid by a court of competent jurisdiction, the remainder of this Act or the application of its provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

Section 10. 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 this Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence at the date this Act becomes effective.

Section 11. Effective Date. This Act shall take effect upon its approval by the Governor or upon its becoming law without such approval.

CERTIFIED BY:

ATTESTED BY:

/s/ David M. Apatang

DAVID M. APATANG
Acting Speaker
House of Representatives

/s/ Evelyn C. Fleming

EVELYN C. FLEMING
House Clerk

Approved this 21st day of June, 1996

/s/ Paul A. Manglona

~~FROILAN C. TENORIO~~ PAUL A. MANGLONA
Acting Governor
Commonwealth of the Northern Mariana Islands