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PUBLIC NOTICE

**NOTICE OF PROPOSED REGULATIONS
LOW INCOME FAMILY ENERGY ASSISTANCE PROGRAM
PUBLIC LAW NO. 6-19**

The Department of Community and Cultural Affairs of the Commonwealth of the Northern Mariana Islands hereby notifies the general public of its intent to adopt these proposed regulations. These regulations are promulgated under Public Law No. 6-19 and this adoption is being done in accordance with the Administrative Procedures Act, 1 CMC § 9101, et.seq.

These regulations provide for the program description, income guidelines, documentation requirements, verification procedures, eligibility determination, fair hearing procedures, monthly benefits and fraud disqualification.

Copies of the proposed regulations are available at the office of the Department of Community and Cultural Affairs, Lower Base, Saipan, MP 96950.

The Director of Community and Cultural Affairs urges the public to submit written comments and recommendations regarding the adoption of the above mentioned regulations within thirty (30) days after the publication of this notice in the Commonwealth Register. Please submit your comments to the following address:

Department of Community and Cultural Affairs
Commonwealth of the Northern Mariana Islands
Lower Base
Saipan, MP 96950

Dated this 13 day of November, 1989.


JESUS B. PANGELINAN
Director
Department of Community
and Cultural Affairs

NUTISIAN PUPBLIKU

NUTISIA PUT I MANMAPROPOPONI SIHA NA REGULASION I PROGRAMAN INASISTEN KANDET PARA FAMILIA NI MANAKPAPA' SUEDDON-NIHA

I Depattamenton i Community and Cultural Affairs gi Commonwealth of the Northern Mariana Islands ginen este ha nutisia i pupbliku hinerat nu i entension-na umadapta este i manmapropoponi na regulasion siha. Este siha na regulasion manmalaknos sigon gi attoridat ni maprobiniyi gi papa' Lai Pupbliku Numiru 6-19 ya i manera ni para u fanma'adopta konsiste yan i Administrative Procedures Act, 1CMC Papa' Seksiona 9101, et.seq.

Este siha na regulasion ha probeniniyi na u mana'guaha deskripsion i programa, areklamenton sueddo, kondision para mandakomenton enfotmasion, manera put para mamberifika enfotmasion, detitnasion elihible, manera para husto na inekkungok, benifisio siha kada mes, diskualifikasion put mandagi.

Kopian este i manmapropoponi siha na regulasion sina manmachuchule' gi ufisinan i Depattamenton Community and Cultural Affairs gi Lower Base, Saipan MP 96950.

I Direktot i Community and Cultural Affairs ha sosoyo' i pupbliku na u fana'halom tinige' siha na rekomendasion put i ma'adoptan-niha i manmamensiona na regulasion siha gi sanhilo' gi halom trenta (30) dias despues di mapupblika este na nutisia gi halom i Rehistran Commonwealth. Put fabot na'hahalom i rekomendasion-miyu guato gi sigente na address:

Department of Community and Cultural Affairs
Commonwealth of the Northern Mariana Islands
Lower Base
Saipan, MP 96950

Mafecha gi este i mina' 13 na ha'ani gi Nubembre, 1989.



Jesus B. Pangelinan
Director

Department of Community
and Cultural Affairs

ARONGORONG NGÁLIIR TOWULAP

ARONGORONGOL ALLEGH YE REKKE MÁNGI REEL
MWÓGHÚTÚGHÚTÚL LOW INCOME ENERGY ASSISTANCE PROGRAM
ALLÉGHUL TOWULAP NO. 6-19
(PUBLIC LAW NO. 6-19)

Bwulasiyool Community and Cultural Affairs mello Commonwealth of the Northern Mariana Islands re mwuschál bwe rebwe arongaar towulap bwe rebwe adaptaali allégh kka e ffeer sángi alléghul towulap (Public Law 6-19), nge re tabweey ailéewal Administrative Procedures Act, 1 CMC § 9101, et. seq.

Allégh kkal, nge ebwe aghuleey ngáliir schoól program yeel description, income guidelines, documentation requirements, verification, procedures, eligibility determination, fair hearing procedures, monthly benefits me fraud disqualification.

Kkooiyal allégh kkaal nge eyoor llo Commonwealth of the Northern Mariana Islands Affairs iye elo Lower Base, Saipan, MP 96950.

Samwoolul bwulasiyo ye Community and Cultural Affairs ekke tingór ngáliir aramas towulap, bwe rebwe isisilong meta mangemangiir reel ffeer ye rebwe feeru, nge rebwe ischiy, llo eiigh ral (30) igha e toowow arongorong yeel mello Commonwealth Register. Ow atoolong meta tipami nge owbwe ischiy, ngáli bwulasiyo ye reel address ye faal.

Department of Community and Cultural Affairs
Commonwealth of the Northern Mariana Islands
Lower Base
Saipan, MP 96950

Raalil ye 13 Nobembre, 1989



JESUS B. PANGELINAN
Director
Department of Community
and Cultural Affairs

COMMONWEALTH OF THE
NORTHERN MARIANA ISLANDS
LOW INCOME FAMILY
ENERGY ASSISTANCE PROGRAM

I. Purpose

The Commonwealth Government has determined that it is necessary and appropriate to provide assistance to low income families for essential electrical power needs. The assistance program is based on the power of the Government to protect the health and safety of the people. These rules and regulations have been promulgated under Public Law 6-19 and Public Law 3-68.

II. Program Implementation

1. The household (family) is responsible to pay for its utilities charges as billed. The Low Income Family Assistance is a privilege provided by the CNMI Government. In order to receive the privilege the burden of meeting the program requirements is a primary responsibility of the household (family).
2. There is no grandfather provision for any program in these regulations.
3. All potential participating families must reconcile or pay in full any amount due for all utilities prior to being qualified for assistance under these regulations.
4. The program will be administrated by the Department of Community and Cultural Affairs.
5. The program is available to all United States of America/CNMI citizens, nationals domiciled in the Commonwealth and permanent residents (under the laws of the Commonwealth) domiciled in the Commonwealth, subject to the income, liquid resources and family size provisions of these regulations. No aliens other than those described above shall be eligible to participate in the Program as members of any household. Among those excluded are alien visitors, tourists, contract laborers, and diplomats who enter the CNMI temporarily with no intention of abandoning their residences in a foreign country.
6. The Low Income Family Assistance applicant must be the head of the household and also the person who is applying for electrical service from the Commonwealth Utilities Corporation as owner of the housing unit identified by a CUC account number. In the event the low income family assistance head of the household is leasing and/or renting the housing unit and the electrical meter is in the name of the property

owners, the applicant must obtain a written statement as to the terms and condition of the rent or lease signed and acknowledged by the house unit owner.

7. To promote conservation of energy and to assure prompt and timely payments of electrical service bills, the qualified participant shall present his/her power bill to the CCA program manager within 5 working days after billing date. The program manager will credit the participants bill by attaching an authorized receipt displaying (assistance) credit to the utility bill. The participant is required to promptly pay the balance due (for overage) in full directly to the main billing office of CUC.
8. In the event the participant fails to pay the balance due and the amount is carried forward to the subsequent month's billing this will automatically disqualify the entire household for the newly billed month and subsequent months until the participant (household) reapplies and is requalified under the conditions of these regulations. In no event will unpaid balances be allowed to be carried forward or in any manner be adjusted except by the appeal process established by these regulations. Further no assistance credit will be given during the time an "unpaid balance due" appeal is being conducted.
9. Unused assistance credit cannot be carried forward.
10. This program is subject to annual appropriation for funds. In the event the CNMI Legislature fails to appropriate or appropriates insufficient funds the participants are responsible for their entire electrical usage beyond those funds appropriated for such assistance.
11. Any person or family receiving assistance toward partial or full payment of electrical service cost from any other program funded with CNMI, Federal, or any other funding source is disqualified from participating in this program. Further, in the event a single member and/or several members of a family are receiving assistance from any other source(s) will disqualify the entire family. Example: HUD Section 8 housing as administered by the Marianas Islands Housing Authority or other HUD Section 8 housing program administered by a private sector investor(s) within the Commonwealth. CNMI Public Law 1-22.
12. Household. The term "household" means any individual or group of individuals who are living together as one economic unit for whom residential energy is customarily purchased in common or who makes undesignated payments for energy in the form of rent.

13. These regulations are subject to those rate structure provisions as applicable and enforceable by the Commonwealth Utility Corporation, specifically in the case where a portion of a building is used as a income producing business venture including multifamily housing units, and the balance of the building is used as living quarters. In order for the family to be qualified the business portion of the building must be metered separately from the living quarters which must also be metered. Prorations in any manner will not be allowed.
14. Families who have failed to promptly pay their utility charges will be subject to the disconnection of service as provided for in the published Regulations of the Commonwealth Utilities Corp.

III INCOME

The CNMI Government requires that households applying for energy assistance meet income guidelines in order to be eligible for a payment.

There are four major factors to consider in defining income. These are: (1) what will be counted in the base income, (2) what will not be counted as income (excluded), (3) what will be subtracted from income (deducted), and (4) what time period will be used for counting income.

1. Base income - Base income is defined as the gross countable income of all persons living in the household. For wages or salaries, this means income before taxes or other deductions.

wages/salaries	Veterans Benefits	child support
tips	SSI	alimony
commissions	General Assistance	inheritances
employment bonuses	Social Security	interest and
sick leave pay	Railroad Retirement	dividends
disability pay	other pensions	from
lease money	Workmen's Compensation	savings and
some per capita	Unemployment	investments
payments	Compensation	union
		compensation
		during strikes

Income from self-employment such as ranching, farming or owner/operator business is an exception to the rule on gross income. An adjusted figure taken from the CNMI Tax Form 1040, is the simplest way of obtaining this information on income. Losses from self-employment will not be used to offset income from other sources. In such case, it would simply not be used in the income calculation.

2. Excluded Income (income which is not counted) -
Assistance provided through certain Federal programs cannot be counted as income. The Federal laws for these programs require that income from these sources be excluded.

Value of food coupons (Food Stamps), Public Law 95-113

Value of food commodities, Public Law 74-320

Wages, allowances, or reimbursement for transportation and attendant care costs under Title VI of the Rehabilitation Act of 1973, Title II, Public Law 95-602

Supplemental food program for women, infants, and children (WIC), Public Law 94-105

National School Lunch Program, Public Law 90-302

Grants or loans to undergraduate students made or insured under programs administered by the College of the Northern Marianas and Secretary of Education under section 507 of the Higher Education Amendments of 1968, Public Law 90-575, such as a Basic Education Opportunity Grant, Supplemental Education Opportunity Grant, State Student Incentive Grant, National Direct Student Loan or a Guaranteed Student Loan.

- a. Cash over which the household has no control usually includes:

reimbursement for expenses incurred in connection with employment such as travel, mileage and per diem reimbursement

reimbursements for medical expenses

payments made by others on behalf of the household as long as payments were not directed or requested by the household, such as assistance provided in an emergency or mortgage payments directed by the court in a divorce decree

- b. Cash which is administratively difficult to consider, compute, and verify. Some examples are:

small or irregular contributions from friends or relatives. "Irregular" is defined to mean income that arrives at unscheduled intervals.

small or irregular income from the sale of craft items, hobbies, rummage sales, and odd jobs.

- c. Loans from private individuals or commercial institutions if the household must repay the loan

- d. Money received from a one-time lump sum payment, such as:

- income tax refunds

- insurance settlements

- prizes won from legalized games such as Bingo, cockfights, poker machines, etc.

- e. Foster care payments

IV. Verification

Verification is the use of documentation , third party information, or home visits, to establish the accuracy of statements on the application in order to determine the eligibility or ineligibility of the household.

1. Mandatory verification.

- a. Gross income shall be verified for all households prior to certification except where all attempts to verify income have been unsuccessful either because the person or organization providing the income has failed to cooperate with the household and the program manager or because other sources of verification are unavailable. In such cases, the eligibility worker shall determine income or resource amounts to be used for certification purposes based on the best available information.

- b. Household composition and citizenship status shall also be verified prior to certification of the household by requiring the applicant to submit birth certificates for each household member.

- c. Social Security numbers shall also be verified prior to certification of the household. At the initial certification, the applicant shall be required to present a social security card for each household member 5 years of age and older. Members added to the household during subsequent recertification shall be required to present a social security card. Likewise, members leaving the family will have their social security number removed.

- ##### 2. Verification of questionable information. Eligibility criteria other than income, resources, household size, residency, and citizenship status shall be verified prior to certification only if they are questionable. To be considered questionable, the information on the application must be inconsistent with statements by the applicant or inconsistent with other information received by the program manager.

3. Responsibility for obtaining verification. The household has primary responsibility for providing documentary evidence or an acceptable collateral contact to support its income statements and to resolve any questionable information. However, the program manager may accept any reasonable evidence provided by the household and shall be primarily concerned with how adequate the verification proves the statements on the application.

V. Documentation

Casefiles must be documented to support a determination of eligibility or denial. Documentation shall consist of sufficient detail to permit a reviewer to determine the reasonableness and accuracy of the determination. The program manager shall make an entry on the contact sheet to document communication with the household, whether by phone, correspondence, or face contact.

VI. Processing Standards

The program manager shall process all applications so that eligibility is determined and benefits provided within thirty days following receipt of a signed application. An application is filed the day the Department of Community and Cultural Affairs receives an application which contains the applicant's name and address and which is signed by the head of the household.

VII. Recertification

Further eligibility shall be established only upon recertification based upon a newly completed application, an interview, and verification as required herein. Under no circumstances shall benefits be continued beyond the end of a certification period without a new determination of eligibility. At recertification, the program manager shall verify changes in income or household composition. All other changes reported at the time of recertification shall be subject to the same verification procedures used at the initial certification.

VIII. Determining Household Eligibility and Benefit Levels

1. Month of application.
 - a. The eligibility and benefits for most households submitting an initial application shall be based on circumstances for the entire calendar month in which the household filed its application. A household's eligibility and benefit level shall be determined for the month of application by considering the household's circumstances for the entire month.
 - b. Eligibility and the level of benefits for recertifications shall be determined based on circumstances anticipated for the certification period starting the month following the expiration of the current certification period. If an application for recertification is not received

until after the current recertification period has expired, the month of application shall be the month in which the application was filed, as for any initial application.

- c. Because of anticipated changes, a household may be eligible for the month of application, but ineligible in the subsequent month. The household shall be entitled to benefits for the month of application even if the processing of its application results in the benefits being issued in the subsequent month. Similarly, a household may be ineligible for the month of application but eligible in the subsequent month due to anticipated changes in circumstances. To establish eligibility for the subsequent month, the household must file a new application.

2. Determining income.

- a. Anticipating income. For the purpose of determining the household's eligibility and level of benefits, the program manager shall take into account the income already received by the household during the certification period and any anticipated income the household and program manager are reasonably certain will be received during the remainder of the certification period. If the amount of income that will be received or when it will be received is uncertain, that portion of the household's income that is uncertain shall not be counted by the program manager. For example, job or recently applied-for public assistance benefits may be uncertain as to the timing and amount of the initial payment. These payments shall not be anticipated by the program manager unless there is reasonable certainty concerning the month in which the payment will be received and in what amount. If the exact amount of the income is not known, that portion of it which can be anticipated with reasonable certainty shall be considered as income. In cases where the receipt of income is reasonably certain but the monthly amount may fluctuate, the program manager may elect to average income.
- b. Income received during the past 30 days shall be used as an indicator of the income that is and will be available to the household during the certification period. However, the program manager shall not use past income as an indicator of income anticipated for the certification period if changes in income have occurred or can be anticipated. If income fluctuates to the extent that a 30-day period alone cannot provide an accurate indication of anticipated income, the program manager and the household may use longer prior period (at least two months but preferably three months) if it will

provide a more accurate indication of anticipated fluctuations in future income. In such cases the program manager shall use pay documents (pay stubs, check stubs, pay slips) which indicate the actual income to the household from the three most recent pay periods prior to the household's application or recertification. The program manager shall average the actual amounts indicated on the pay documents and convert the averaged amount to a monthly income figure (if the pay periods documented are more frequent than monthly, ie., weekly or biweekly). Similarly, if the household's income fluctuates seasonally, it may be appropriate to use the most recent season comparable to the certification period, rather than the last 30 days, as one indicator of anticipated income. The program manager shall exercise caution in using income from a past season as an indicator of income for the certification period. In many cases of seasonally fluctuating income, the income also fluctuates from one season in one year to the same season in the next year. However, in no event shall the program manager automatically attribute to the household the amounts of any past income.

- c. Income anticipated during the certification period shall be counted as income only in the month it is expected to be received, unless the income is averaged. Whenever a full month's income is anticipated but is received on a weekly or biweekly basis, the program manager shall convert the income to a monthly income by multiplying weekly amounts by 4.33 and biweekly amounts by 2.15, or use the exact monthly figure if it can be anticipated for each month of the certification period. Nonrecurring lump-sum payments shall not be counted as income.
- d. Wages held at the request of the employee shall be considered income to the household in the month the wages would otherwise have been paid by the employer. Advances on wages shall count as income in the month received only if reasonably anticipated as defined herein.
- e. Households receiving assistance payments such as SSI benefits or social security payments on a recurring monthly basis shall not have their monthly income from these sources varied merely because mailing cycles may cause two payments to be received in one month and none in the next month.

- a. The program manager may elect to have an applicant's income averaged. To average income, the program manager shall use the household's anticipation of income fluctuations over the certification period. The number of months used to arrive at the average income need not be the same as the number of months in the certification period. For example, if fluctuating income for the past 30 days and the month of application are known and, with reasonable certainty, are representative of income fluctuations anticipated for the coming months, the income from the three (3) known months may be averaged and projected over a certification period of longer than three (3) months.
 - b. Households which, by contract or self-employment, derive their annual income in a period of time shorter than one year shall have that income averaged over a 12-month period, provided the income from the contract is not received on an hourly or piece-work basis. These households may include school employees, fishermen, farmers, and other self-employed households.
5. Calculating income and benefit levels.
- a. To determine a household's monthly gross income, the program manager shall add the monthly gross income earned by all household members and all unearned income from all sources. Round the product up if it ends in 50 through 99 cents and down if it ends in 1 through 49 cents.
 - b. The total gross monthly income shall be compared to the income eligibility standard for the appropriate household size to determine the household's eligibility.

IX. Reporting Changes

1. Household responsibility to report. Certified households are required to report the following changes in circumstances:
 - a. Changes in the sources of income or in the amount of gross monthly income;
 - b. All changes in household composition such as the addition or loss of a household member;
 - c. Changes in residence;

2. Reporting. The program manager shall require each certified household to report changes within 10 days of the date the change becomes known to the household. Reports of changes may be done orally or in writing. In either case, the program manager shall document any reported changes on the contact sheet. If written, the document shall be filed with the current application form.
3. Action on changes. The program manager shall take prompt action (within three working days) on all changes to determine if the change affects the household's eligibility or assistance level.
 - a. Increase in benefits.
 - i. For changes which result in an increase in a household's benefits due to the addition of a new household member who is not a member of another certified household or due to a decrease in the household's gross income, the program manager shall make the change effective the month following in which the change is reported provided the required verification is completed prior to the start of that month following the month in which the change is reported.
 - ii. Required verification must be obtained prior to the issuance of the monthly benefit after the change is reported. Until the household provides verification, the household's benefits will remain at the original benefit level. In cases where the program manager has determined that a household has refused to cooperate to verify reported changes, the program manager shall terminate the household's eligibility.
 - b. Decreases in benefits. If the household's benefits level decreases or the household becomes ineligible as a result of the change, the program manager shall issue a notice of adverse action within 10 days of the date the change was reported. The notice of adverse action shall provide the household 10 days to contest the adverse action. If the household does not respond within the 10 days notice given, the decrease in benefit levels shall take effect at the next scheduled issuance of benefits.
4. Failure to report. If the program manager discovers that the household failed to report a change as required and, as a result, received benefits to which it was not entitled, the program manager shall file a claim against the household. If the discovery is made within the certification period, the household is entitled to a 10 days notice of adverse action if the household's benefits are to be reduced or terminated.

X. Treatment of Income of Disqualified Members and Aliens.

Individual household members may be disqualified for fraud or for failure to meet the work registration requirement or the household may include ineligible members. During the period of time a household member is disqualified or as long as an ineligible alien is included in the household the eligibility and benefit level of any remaining household members shall be determined as follows:

1. Income. A pro-rata share of the income of the disqualified member and/or the alien(s) shall be counted as income to the remaining members. This pro-rata share is calculated by dividing the income evenly among the household members, including the disqualified member or the alien(s). All but the disqualified member or the alien's share is counted as income to the remaining household members.
2. Eligibility and benefit level. The disqualified member or alien shall not be included when determining the household's size for purpose of assigning a benefit level to the household or for purposes of comparing the household's monthly gross income with the eligibility standards.
3. Reduction or termination of benefits within the certification period. Whenever an individual is disqualified within the household's certification period, the program manager shall determine the eligibility or ineligibility of the remaining household members based, as much as possible, on information in the casefile and provide appropriate notice of adverse action to the household.

XI. Fair Hearing

1. Notification of right to request a fair hearing. At the time of application, each household or its authorized representative shall be informed of its right to request a Departmental conference or a fair hearing and the method by which they are requested on any action the program manager takes which affects the household's level of benefits. The household or its authorized representative shall also be informed that Program violations will be pursued by the program manager and of the penalties for Program violations. The household or its authorized representative shall be further advised that a Departmental conference or hearing does not preclude additional prosecutions in civil or criminal court.
2. Time period for requesting a hearing. A Departmental conference or a fair hearing may be requested on any action by the program manager which occurred in the prior 60 days and which affects the household's benefits.

3. Request for Departmental conference or fair hearing. A request for a Departmental conference or fair hearing is any clear expression, oral or written, by a household or its authorized representative to the program manager that it wished to present its case to a higher authority. The freedom to make such a request shall not be limited or interfered with in any way. Upon request, the program manager shall make available the rules for a Departmental conference or hearing procedures and other materials necessary for a household or its authorized representative to determine whether a Departmental agency conference or hearing should be requested. And to prepare for the Departmental conference or hearing.
4. Timely action on hearings. Within sixty (60) days of the receipt of a request for a hearing from a household or its authorized representative, the program manager shall schedule a hearing, inform the household in writing of the hearing date, conduct a hearing and arrive at a decision and notify the household of the decision.
5. Postponement or alternative hearing option.
 - a. The household or its authorized representative may request, for good cause, a postponement of a scheduled hearing. The postponement shall not exceed 30 days, and the time limit for action on the decision may be extended for as many days as the hearing is postponed.

XII. Monthly Benefits

The monthly benefits for all qualified participating families are displayed in the attached Exhibit "A" and are a portion of these regulations.

The benefits have been established based on the present rate structure of eleven cents (\$0.11) per kilowatt hour for residential consumers

The monthly benefits or qualifying provisions of these regulations may only be changed by an act of the CNMI Legislature, except the Governor may revise the benefit schedule reflecting an implemented change in the residential consumer electrical energy rate per kilowatt hour, and only when funds are available.

XIII. Fraud Disqualification

1. Definition of Fraud. Fraud shall consist of any action by an individual to knowingly and intentionally:
 - a. Make a false statement to CCA or its staff, either orally or in writing, to obtain benefits to which the household is not entitled; or
 - b. Conceal information to obtain benefits to which the household is not entitled.

XIII Fraud Disqualification (cont'd)

2. Fraud disqualification penalties. Individuals found to have committed fraud shall be ineligible to participate in the program for at least 3 months but not more than one year. Individuals found guilty of criminal or civil fraud by a court of appropriate jurisdiction shall be ineligible for not less than 6 months and not more than 24 months as determined by the court.
-



NORTHERN MARIANA ISLANDS RETIREMENT FUND

P.O. BOX 1247

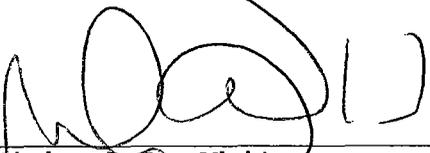
SAIPAN, MP 96950

FAX: (670) 234-9624 PHONE: (670) 234-7228

NOTICE OF ADOPTED REGULATIONS

The Board of Trustees of the Northern Mariana Islands Retirement Fund hereby notifies the general public that it has adopted the Rules and Regulations as published in Volume 11, No. 7, Commonwealth Register, on July 15, 1989, pursuant to Public Law 6-17, 1 CMC Section 8316 (f) of the Northern Mariana Islands Retirement Fund Act of 1988, and the Administrative Procedures Act, 1 CMC 9101, et. seq.

Dated this 26th day of October, 1989.



Michael A. White
Chairman
Board of Trustees, NMIRF
NMI Retirement Fund



Tomas B. Aldan
Administrator
NMI Retirement Fund

NORTHERN MARIANA ISLANDS RETIREMENT FUND
RULES AND REGULATIONS

The Board of Trustees for the Northern Mariana Islands Retirement Fund adopts these rules and regulations pursuant to Public Law 6-17, 1 CMC Section 8316(f) of the Northern Mariana Islands Retirement Fund Act of 1988, and the Administrative Procedures Act, 1 CMC 9101, et. seq.

PART I - GENERAL PROVISIONS

1.1 Authority. Under and by virtue of the provisions of 1 CMC Section 8316, the Board of Trustees for the Northern Mariana Islands Retirement Fund hereby promulgates these rules and regulations.

PART 2 - DEFINITIONS

2.1 Applicability. The following words and terms as used in these rules and regulations, or in interpreting Public Law 6-17, shall have the meanings indicated unless the context clearly indicates otherwise. The definitions herein provided shall supplement those contained in Public Law 6-17.

- (a) "Accredited institution of Higher Learning" means an institution of higher learning in the United States of America, its Commonwealths, possessions, or territories, that has received an official decision by the Government's Department of Education, or another recognized accrediting agency recognized by the Fund as having official authority, that in its judgment, the institution has met established standards or quality.

Persons who were/are educated in a foreign institution of higher learning will be given the applicable education vesting service credit if Commonwealth law duly recognizes such education as an accredited education.

Persons who obtained a diploma from a business college or from the nursing school as a result of completing at least 60 credit hours shall be eligible to receive education vesting credits similar to one who have an Associate Degree.

Persons whose education is not recognized by Commonwealth law or is not otherwise covered above will be given the applicable education vesting service credit if the Northern Marianas College would substantially recognize such an education.

- (b) "Annual". The term "annual" shall mean yearly, and refer to the calendar year.
- (c) "Child". As used in 1 CMC 8314(g), the term "adopted child" includes a child adopted pursuant to local Carolinian Custom.
- (d) "Commonwealth Trial Court Judge" means judges appointed by the Governor after January 8, 1978, to serve as judge of the Commonwealth Trial Court, the Superior Court of the Commonwealth, or the Supreme Court of the Commonwealth of the Northern Mariana Islands.
- (e) "Fiscal year". The term "fiscal year" as used herein shall mean a 12 month period from October 1 to September 30.
- (f) "Government". The term "government" as used in Public Law 6-17 means the Government of the Northern Mariana Islands, which came into existence on April 1, 1976, as well as the Commonwealth of the Northern Mariana Islands, which came into existence on January 8, 1978, including its agencies, instrumentalities, and public corporations.
- (g) "Member of the Legislature" means persons elected to serve in the Northern Marianas Commonwealth Legislature after January 8, 1978.
- (h) "Regular Interest". The words "regular interest" as used in 1 CMC 8314(n) shall mean interest at the rate of 3.5% compounded annually, and credited for each complete year. The Board of Trustees may from time to time change the regular interest rate to be the same as the prevailing savings account rate at the local banks.
- (i) "Year" means the calendar year from January 1 to December 31.
- (j) "Years of service" means the years or fraction thereof for which such service is creditable and used for computation of benefits and eligibility for benefits.

PART 3. MEMBERSHIP IN RETIREMENT FUND

- 3.1 Election of Membership Class. Class II members may elect at any time to change to Class I membership. Upon election, the member will receive a refund of 3.5% of salary member contribution not to exceed one year. The election to change membership class is irrevocable. Class I members cannot elect to join Class II membership.

[ref. 8321]

- 3.2 Fund Membership: Ineligible Persons.

- (a) Persons whose employment is for a specific project or purpose which will cease upon completion of such project or purpose, shall not be eligible to become members of the Fund.
- (b) Part time, seasonal, intermittent or temporary employees who are members whose services are not for a specific project or otherwise compensated on a fee basis will be credited with one-twelfth (1/12) of a year of service for every 160 hours for which they are paid in a calendar year after election, but in no case in excess of 12 months credit for any calendar year. If adequate records for years prior to 1980 are not available, the number of hours worked in previous years will be estimated by the Administrator of the Retirement Fund based on available records or such other documentary and other evidences the Administrator finds persuasive. Affidavits are not an acceptable documentation of such service beginning May 7, 1990.

[ref. 8322 and 8328]

- 3.3 Services to the Saipan Credit Union. Services to the Saipan Credit Union prior to January 1, 1990, is or will be creditable upon the employee's becoming thereafter an employee of the government. The required contributions shall first be paid by the employee and by the government at the prevailing employer's and employee's rate at the time and class of membership at enrollment date. The employee must also elect to be credited for such prior service within 30 days from the effective date of employment with the government. Failure to so elect will be deemed an irrevocable rejection of the credits.

[ref. 8325(e)]

3.4 Members of Local Municipal Council. Prior service credit will given to members who have rendered services to any local Municipal Council as follows:

- (a) If the member was a full-time government employee at the same time he/she served as members of the municipal council, no credit for such services will be granted.
- (b) If the member was not a government employee at the time he/she serves as member of any local municipal council, the member shall receive service credit for every full year served in such elected capacity.
- (c) Members who qualify for prior service credit for services as members of any local municipal council must elect to receive such prior service by December 7, 1989 (within 180 days of the effective date of Public Law 6-17) or 30 days from the date of hire, whichever is later. Failure to apply to be credited for prior service shall be deemed an irrevocable rejection of the credits.

[ref. 8325(f)]

3.5 Prior Service for Class II Members.

- (a) Class II members who have prior service and who have not elected to receive such credit prior to May 7, 1989 (the effective date of Public Law 6-17), must elect within 30 days after the effective date of these regulations to be eligible for such prior service credit; provided however, the required contributions are paid for services after October 1, 1980 in accordance with 1 CMC Section 8326. Failure to apply to be credited for prior service credit shall be deemed to be an irrevocable rejection of the credits.
- (b) Payment for prior service credit shall be paid by lump sum or through payroll deduction over a period not to exceed the normal retirement date of the member or seven years from the election date whichever is earlier. The normal retirement date of a member is age 62 with 3 years of contributing membership service for Class I and age 60 for Class II or 25 years of vesting service credits for both Classes.

- (c) All payments for prior service credit shall include regular interest from the date the salary was first paid to the individual. The principal amount due shall consist of the employee contribution rate at the time the salary or wages was paid and the regular interest computed at the time of election.
- (d) Payments made under installment will continue to accrue regular interest on the principal until it is fully paid.
- (e) Only employees as of May 7, 1989 (the effective date of Public Law 6-17) and employees hired thereafter may buy back prior service.

[ref. 8323 to 8327]

- 3.6 Certification of Service. Although affidavit for unrecorded services will not be honored after May 7, 1990 (one year from the effective date of Public Law 6-17), the aggrieved member may support services during an appeal of service denial to the Hearing Officer or the Board of Trustees by witnesses or by bringing in affidavits to support claims for unrecorded services if the witness is unavailable.

[ref. 8328]

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- 3.7 Education Service Credit. Vesting service credit shall be given upon election by the member on a form prescribed by the Board of Trustees for education service under the following terms and conditions:

- (a) Submission of the original diploma or degree from an accredited institution of higher learning. The original will be returned to the member after the Fund has made a copy. For an Associate degree, vesting service credit will be granted for a maximum of two years under the following terms and conditions:

- (i) Members who have credited service of 5 years or but not less than 3 years as a contributing member shall be granted 1 year of education vesting service credit.

- (ii) Members who have credited service of more than 5 years will be eligible to get 2 years of education vesting service.

- (b) For a Bachelor's Degree, a Master's Degree or higher, the member will be granted a maximum of 4 years of education vesting service credit under the following terms and conditions:

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- (i) If a member has credited service of 5 years or but not less than 3 years as a contributing member, two years of education vesting service credit will be granted.
 - (ii) If a member has credited service of more than 5 years but less than 10 years, a total of 3 years of education vesting service will be earned.
 - (iii) if a member has more than 10 years of credited service, a total of 4 years of education vesting service will be earned.
- (c) Submission of a transcript from an accredited institution of higher learning indicating completion of studies for a degree will qualify the member vesting service credit depending on the degree indicated in the transcript.
 - (d) To be eligible for education vesting service credit, the member must be an employee on the date of the election to be eligible for such credit. The election must be made in a timely manner as provided in 1 CMC 83210. Failure to exercise the option will be deemed an irrevocable rejection of the credits.
 - (e) A member is not entitled to more vesting service credit by virtue of having two or more Associate Degrees or two or more Bachelor's or higher degrees. In this case, the member is entitled a maximum of 2 years of vesting service for having two or more Associate degrees or a maximum of 4 years of vesting service for having two or more Bachelor's or higher degrees.
[ref. 8329 to 83210]

3.8 Military Service Credit.

- (a) A maximum of 2 years vesting service credit shall be given for active service in the Armed Forces of the United States under the following terms and conditions:
 - (i) If the member has a total of at least 5 years of credited service, 1 year of military vesting service credit will be granted.
 - (ii) If a member has more than 5 years of credited service, 2 years of military vesting service credit will be granted.

- (b) To be granted vesting service credits, the member must elect in writing on the form prescribed by the Board of Trustees and submit such election to the Fund together with authenticated documentation from the Armed Forces showing the date of entry and the date of an honorable discharge.
- (c) To be eligible for military vesting service credit, the member must be an employee on the date of the election to be eligible for such credit.
- (d) A member who was honorably discharged for medical reasons after having served at least 2 years in the Armed Services shall be eligible to receive 2 years of vesting service under the same condition as those who were honorably discharged.

[ref. 83211 and 83212]

3.9 Applicability of the 5 year Credit Pursuant to Constitutional Amendment No. 19.

- (a) The Administrator of the Fund shall grant an additional five years service credit to any member who is on active service on or after January 7, 1986, who has acquired not less than 20 years of vesting service credits under the NMI Retirement System and shall be eligible to retire.
- (b) An employee who has retired under age retirement or an employee who has retired upon acquiring 20 years or more of creditable service under the NMI Retirement System shall not be credited an additional five years if the employee is thereafter employed again by the Commonwealth government or any of its instrumentalities or agencies on or after January 7, 1986.

[ref. C.R. Vol. # 11 No. 15]

PART 4. BENEFITS.

4.1 Normal Retirement Benefits for Class I Members.

- (a) Employees of the government of the Commonwealth of the Northern Mariana Islands who were hired after October 1, 1980, but prior to May 7, 1989 (the effective date of Public Law 6-17) and were 60 years of age or older on the date of hire may retire with three years of credited prior service provided the member is at least 62 years of age and has not withdrawn his/her contribution.
- (b) Any person who has retired prior to May 7, 1989 (the effective date of Public Law 6-17) will have his/her benefit recalculated if such person has services rendered after January 8, 1978 as Governor, Commonwealth Trial Court Judge, Lt. Governor, Mayor, member of the Legislature, and Resident Representative to the United States. The recomputation of benefits will be to increase the benefit by 3% per year for every year served in such capacity. The additional benefit shall be effective on May 7, 1989 (the effective date of Public Law 6-17). It shall not be retroactive to the date of retirement.

[ref. 8331]

4.2 Early Retirement Benefits for Class I Members.

- (a) A Class I member who elects to take early retirement will have his/her benefit reduced by 3 percent for every year or fraction thereof that the member is under age 62. This rate may from time to time be changed by the Board of Trustees depending on the actuarial valuation of the Fund by a qualified consulting actuary.
- (b) To be eligible for early retirement, the member must be at least 52 years of age with 10 years of vesting service or have a total vesting service of 25 years and under age 62 at the date of retirement; provided that the member has at least 3 years of credited service earned after May 7, 1989.

- (c) A member who takes early retirement and is at least 62 years of age will be eligible to receive the cost of living adjustment pursuant to the terms and conditions provided under Section 8331(e).

[ref. 8332]

- 4.3 Reemployment and Double Dipping. A member who has retired and received any retirement benefits from the government may not return to government service as an employee or under a consulting contract with the government. The annuity paid to such member will cease upon reemployment by the government. Exception, if retiree is elected to public office.

[ref. 83811]

- 4.4 Disability Benefit.

- (a) Any member who becomes disabled and qualified for disability benefits will have his/her benefit computed at 66 and 2/3 percent of the wages earned at the time the disability was incurred.
- (b) If the disabled member reaches 62 years of age, the benefit shall be based on the normal retirement for Class I members and the greater of the benefit for Class II members computed under normal retirement or disability. In computing the benefit due under normal retirement, service as qualified elected officials and judges of the Commonwealth shall be considered in determining the benefit level.
[ref. 8331(d), 8334(f), 8335 to 8337]

- 4.5 Option for Unmarried Employees-Class II Members.

- (a) Should any member be unmarried on the date of retirement, and designate an individual as a beneficiary pursuant to 1CMC Section 83312(d), and then subsequently marry, the prior designation will be deemed null and void. Full retirement benefits will then be restored to the annuitant from the date of marriage.
- (b) Any individual designated by a member pursuant to 1 CMC Section 83312(d) shall be entitled to an annuity equal to that of a surviving spouse for Class II members.

[ref. 83312(d)]

4.6 Survivors Benefits for Children.

- (a) Benefits for children, under 18 years of age, of deceased Fund members shall be paid to the surviving spouse for the benefit of the children, or if there is no surviving spouse, to a guardian appointed by a court of competent jurisdiction for the benefit of the children.
- (b) If both spouses in a household are Fund members, such membership shall not result in any increase in children's benefits.
- (c) Death of a member with children by different spouses:
 - (i) If a deceased member has children (natural or adopted) eligible for survivor's benefits, such children shall be entitled to a pro-rata share of children's benefits payable, regardless of whether they continue to reside with the member's surviving spouse.
 - (ii) The fact that such children may not be children of the surviving spouse is irrelevant in determining the children's benefits.
 - (iii) All benefits payable to children who are not residing with the surviving spouse shall be payable to the guardian appointed for such children provided the children are under 18 years of age. If a child is over 18 years of age and eligible for a benefit, the benefit shall be payable to the child.

[ref. 83310 to 83313]

4.7 Death After Separation-Contributions on Account. If a vested member who separated from membership leaving contributions on account with the Fund, who dies prior to age 60 if Class II and 62 if Class I with three years of contributing membership service, the estate or beneficiary is entitled to receive a refund of contributions as follows:

- (a) For Class I, one-third of the contribution plus regular interest.
- (b) For Class II, all of the contribution plus regular interest.

No death benefits or survivor's benefits shall be payable as a result of the death of such a person.

[ref. 8338]

4.8 Designation of Payee on Behalf of Recipient of Retirement Benefits.

(a) Payment of retirement benefits or other benefits issued under the Retirement Fund plan is personal to the recipient as provided under 1 CMC Section 8382. For this reason, the benefit shall not be assigned or paid to any person other than the recipient, unless the person lacks the legal capacity to directly receive the benefit as follows:

(i) the recipient is under the age of 18 years;

(ii) the recipient has been declared by a court of competent jurisdiction to be mentally incapable of managing his/her own affairs, financial or otherwise;

(iii) the recipient has been declared, in writing by two licensed and practicing physicians, selected by the Board of Trustees, to be mentally incapable of managing his/her own affairs, financial or otherwise, and the Board of Trustees has confirmed the physicians' decision after notice and an opportunity for hearing to mentally incapable individual.

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(b) Payment of benefits to recipients who are under the age of 18 years shall be made to a parent or parents, natural or adopted, or if no living parent, a court appointed legal guardian, who has actual custody of the recipient.

(c) Payment of benefits to mentally incapable recipients shall be made to an immediate relative who is either a spouse, the child of the recipient who is 18 years or over, or a person who demonstrates a strong concern for the personal welfare of the recipient as determined by the Board of Trustees. If a legal guardian is appointed by a court of competent jurisdiction, the legal guardian shall serve as the payee.

(d) For purposes of payments on behalf of a recipient, a power of attorney in any manner, shape or form, executed after the date of the declaration of incompetency of the recipient, shall not be honored or recognized by the Board of Trustees nor can it be used to determine a payee.

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- (e) Application for a change of payee shall be filed by the person willing to accept responsibility for the recipient, on a form prescribed by the Board of Trustees. The Board shall have the final determination on all applications submitted.

4.9 Reporting Required for Payment on Behalf of Recipients Who are Incapable of Self-Management.

- (a) Persons designated and who accepted responsibility for receiving payments of benefits on behalf of and for the recipients shall file with the Fund a monthly report on the use of the funds received during the previous month. The report must be signed and declared under penalty of perjury and filed no later than the last day of the month following the month on which payments were received.
- (b) The report required under this Section shall be in writing and shall contain a statement on how and on what were the funds used to benefit the recipient.

4.10 Penalty for Failure to File a Report.

- (a) If the payee fails to submit a report required under this Section, the payee shall, upon reasonable notice by the Fund, return the exact amount of benefit received for the month in which such report is due but not filed.
- (b) If the payee fails to return the funds pursuant to Section 4.8(a), and the Board so directs, the legal counsel for the Board of Trustees shall initiate a civil action to collect the amount due as determined by the Fund.
- (c) Failure by the person so designated as a payee to file a report as required shall be ground for termination of such designation and the Board of Trustees may require that another qualified person be appointed or designated to be the payee as described in Section 4.6(c).

[ref. C. R. Vol. 10, No. 8]

PART 5. RIGHTS AND OBLIGATIONS.

5.1 Time for Payments:

- (a) All payments for benefits (retirement, disability, surviving spouse and surviving child) shall be made on equal semi-monthly disbursements.
- (b) In the case where a benefit was paid based on estimated figures, the Fund shall upon receipt of genuine documents recompute the benefit. If it is found that the benefit is underpaid, the annuitant shall receive a retroactive adjustment of his/her benefit. If it is found that the benefit was overpaid, the Fund shall recover such overpayment by reducing the annuitant's benefit by 50% or a lesser amount as authorized by the Administrator until the full amount is recovered.
- (c) Upon death of an annuitant, with a surviving spouse or beneficiary, the pro-rata share of the deceased annuitant shall be payable to the spouse or beneficiary as the case may be. If the annuitant has no surviving spouse nor beneficiary, the pro-rata share shall be held in abeyance pending the court appointment of an administrator of the estate.

[ref. 8383]

PART 6. COST OF LIVING ALLOWANCE.

- 6.1 The cost of living allowance shall commence on the retirement or disability date of the annuitant following his/her 62nd birthday. If the retirement date does not coincide with the beginning of the semi-monthly annuity payment date, the applicable cost of living allowance shall be prorated.
- 6.2 The cost of living allowance increase shall be computed using simple interest. That is, the 2% increase shall be based on the annual benefit of the annuitant determined at the time of first eligibility.

EXAMPLE: Mr. Smith retired with annual pension of \$10,000 on June 1, 1988. His birthday is May 1, and when he retired, he was 61 years of age. As a result, Mr. Smith is eligible for COLA on June 1, 1989. Mr. Smith's COLA is as follows:

First Year : \$10,000 x 1.02 = \$10,200
Second Year: (\$10,000 x 1.02) + \$200 = \$10,400
Third Year : (\$10,000 x 1.02) + \$400 = \$10,600

As the trend reflects, Mr. Smith will get a \$200 cost of living adjustment every year. The adjustment does not include the COLA earned for the previous years.

- 6.3 The anniversary date of a disability annuitant for purposes of determining a cost of living allowance is on the date of disability and not the date the benefit is converted to normal retirement when the disability annuitant reaches age 62.

[ref. 83813]

PART 7. APPEALS.

- 7.1 Appeal from Decision of Administrator. Any person aggrieved by a decision of the Administrator of the Retirement Fund may appeal the decision to the Board by filing a written notice of appeal with the Board within 30 days of the date of the Administrator's decision. A failure to file a timely appeal will result in its dismissal.
- 7.2 Contents of the Notice of Appeal. The notice of appeal shall contain:
- (a) the name of the party appealing;
 - (b) a brief statement of any disputed factual matters in the decision of the Administrator; and
 - (c) a brief statement of any disputed legal issues in the decision of the Administrator.
- 7.3 Hearing on Appeal.
- (a) After reviewing the notice of appeal, the Board may then, at its discretion, in accordance with 1 CMC Section 9109, either: (1) preside at the taking of evidence; or (2) appoint a hearing officer to preside at the taking of the evidence. No hearing officer will be appointed where the aggrieved party in its notice of appeal does not dispute any factual findings of the Administrator, or raise any new factual issues.

- (b) In accordance with 1 CMC Section 9110, if a hearing officer is appointed, the hearing officer shall initially decide the case in accordance with the procedures outlined in 1 CMC Section 9109.
- (c) In accordance with 1 CMC Section 9110, if the Board presides at the initial hearing, the Board shall decide the case in accordance with the procedures outlined in 1 CMC Section 9109. Any further appeal of the Board's decision shall be made to the Commonwealth Superior Court in accordance with 1 CMC Section 9112(b).

7.4 Appeal to the Board From a Decision of the Hearing Officer.

- (a) Any person aggrieved by a decision of the hearing officer may appeal the decision to the Board by filing a written notice of appeal within 15 days of the date of the hearing officer's decision. A failure to file a timely appeal will result in its dismissal.
- (b) The Board may also on its own review any decision of the hearing officer.
- (c) Any appeal to the Board from a party aggrieved by a decision of the hearing officer shall state the following in writing:
 - (i) the name of the party appealing;
 - (ii) a brief statement of any disputed factual matters in the decision of the hearing officer; and
 - (iii) a brief statement of any disputed legal issues in the decision of the hearing officer.
- (d) Subject to the Board's discretion, the Board may:
 - (i) affirm the judgment of the hearing officer without further hearing; or
 - (ii) reverse the judgment of the hearing officer without further hearing; or
 - (iii) hold a further hearing limited to specified legal and factual issues.

- (e) Any further appeal of the Board's decision shall be made to the Commonwealth Superior Court in accordance with 1 CMC Section 9112(b).

7.5 Legal Representation in Fund Proceedings.

A person may represent himself or herself in connection with any administrative hearing or other proceeding of the Fund. A person may also be represented in such matters by any attorney licensed to practice in the Commonwealth. A person shall not be represented in such matters by any other person; provided, however, that a person may bring such witnesses, translator(s), and observers to a proceeding as her or she deems necessary.

[ref. C. R. Vol. 11, No. 4]

PART 8. PROCUREMENT.

The Commonwealth Procurement Regulations are adopted, as modified herein, to be the procurement regulations of the NMI Retirement Fund.

- 8.1 All references in the Commonwealth Procurement Regulations to the Chief of Procurement and Supply, Director Finance, Officer with Expenditure Authority, and other executive branch officials shall be deemed to refer to the Administrator of the Retirement Fund. All references to the Governor shall be deemed to refer to the Board of Trustees of the NMI Retirement Fund. All references to the Attorney General shall be deemed to refer to the legal counsel to the Retirement Fund. Procurement appeals may be made to the Public Auditor as provided in the Commonwealth Procurement Regulations.

PUBLIC NOTICE

NOTICE OF ADOPTED REGULATIONS
SHOOTING GALLERY ACT - PUBLIC LAW NO. 6-22

The Office of the Attorney General of the Commonwealth of the Northern Mariana Islands hereby notifies the general public of its adoption as permanent regulations the Proposed Regulations published in the Commonwealth Register on September 15, 1989 in Volume 11, No. 9 which set minimum standards and qualifications for shooting gallery licenses. The Attorney General is authorized and required to do so under 6 CMC § 2254 and this adoption is done in accordance with the Administrative Procedures Act, 1 CMC 9101, et.seq.

These regulations provide for the location of the business, its physical structure, rules of operation, types of weapons, record keeping, qualifications of licensees and employees, insurance and indemnity, revocation and application procedure.

Copies of these regulations are available at the office of the Department of Commerce & Labor, Administration Building, Capitol Hill, Saipan, MP 96950.

These regulations are hereby adopted.

Dated this 7th day of November, 1989.


EDWARD MANIBUSAN
Attorney General

NOTISIAN PUBLIKU

NOTISIAN IMA ADOPTA NA REGULASION SIHA
POT I SHOOTING GALLERY ACT - PUBLIC LAW NO. 6-22

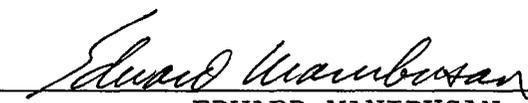
I Oficinan Abugadun Henerat gi Commonwealth gi San Katan siha na Islas ha-infotma i henerat publiku ni ma-adopta komo petmanente na regulasion siha komo ma propositu na regulasion siha ni ma publika gi Commonwealth Register gi Septembre 15, 1989, gi Volume 11, No. 9 para i shooting gallery na licensia. I Abugadun Henerat inautorisa yan hanesesita para uchogue gi papa 6 CMC § 2254 yan i ma-adoptan este inacompana ni Administrative Procedures Act, 1 CMC 9101, et.seq.

Este siha na regulation hana gugua ha para lugat i business, i mauleg na estroktura, areklon i maneanti, klasen atmas siha, leblon nota, kualifikasion siha para licensia yan emplehao siha, insurance yan kompensasion, deneroga yan sisteman aplikasion.

Copia siha pot este na regulasion mana guaguaha gi oficinan i Depattamenton i Commerce yan Labor, Administration Building, Capitol Hill, Saipan, MP 96950.

Este siha na regulasion este man-ma adopta.

Fechan este na haane i dia 7th gi mes de Novembre, 1989.


EDWARD MANIBUSAN
Abugadun Henerat

OFFICE OF THE INSURANCE COMMISSIONER
DEPARTMENT OF COMMERCE AND LABOR
FIRST FLOOR, ADMINISTRATION BUILDING, CAPITOL HILL
SAIPAN, MP 96950

FIRST
ANNUAL REPORT
OF
THE INSURANCE COMMISSIONER

JESUS R. SABLAN
Insurance Commissioner

October, 1989

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1988 ANNUAL REPORT
 Names of Foreign Insurance Companies
 Classes of Insurance Authorized in CNMI and their General Agents

NAME OF COMPANY	CLASSES OF INSURANCE	NAME AND ADDRESS OF GENERAL AGENT
1) American Family Life Assurance Company of Columbus 1932 Wynnton Road Columbus, Georgia 31999	Disability & Life	Asia-Pacific Insurance, Inc. P. O. Box 820 Saipan, MP 96950
2) American Home Assurance 70 Pine Street New York, N.Y. 10270	Disability, general casualty, marine, property, surety & vehicle	Moylan's Insurance Under. (Int'l), Inc. P. O. Box 658 Saipan, MP 96950
3) Commercial Bankers Life Insurance Company 2301 Dupont Drive Irvine, Calif. 92715	Disability & Life	Bank of Saipan, Inc. P. O. Box 690 Saipan, MP 96950
4) (The) Continental Insurance Company One Continental Drive Cranbury, New Jersey 08570-0001	Disability, general casualty, marine, property, surety & vehicle	Associated Insurance Underwriters of the Pacific, Inc. P. O. Box 1369 Saipan, MP 96950
5) Continental International Life Insurance 2 Corporate Place South Piscataway, New Jersey 08854	All lines	" "
6) Delaware American Life Insurance P. O. Box 667 - One Alico Plaza, Wilmington, DE 19899-0667	Disability & Life	Moylan's Insurance Underwriters (Int'l), Inc.

NAME OF COMPANY	CLASSES OF INSURANCE	NAME AND ADDRESS OF GENERAL AGENT
7) Grand Pacific Life Insurance Co., Ltd. 888 Mililani Street Honolulu, Hawaii 96813 P. O. Box 420 - 96809	Disability & Life	Pacifica Insurance Underwriter, Inc. P. O. Box 168 Saipan, MP 96950
8) Hartford Life & Accident Insurance 200 Hopmeadow Street Simsbury, Connecticut 06104	Disability & Life	Pacific Financial Corp. P. O. Box 1657 Saipan, MP 96950
9) Individual Assurance Co. Life, Health & Accident 1600 Oak Kansas City, MO 64108	Disability & Life	Moylan's Insurance Underwtr. (Int'l), Inc.
10) Insurance Company of North America 1600 Arch Street Philadelphia, PA 19103	General casualty, marine, property, surety & vehicle	Pacific Financial Corp. Microl Corporation P. O. Box Saipan, MP 96950 Associated Insurance Underwriter of the Pacific, Inc.
11) John Hancock Mutual Life Insurance, P. O. Box 111, John Hancock Place Boston, Massachusetts 02117	Disability & Life	Universe Insurance Underwriters (Micronesia), Inc. P. O. Box 512 Saipan, MP 96950
12) John Hancock Variable Life Insurance Company P. O. Box 717 John Hancock Place Boston, Massachusetts 02117	Life	"

NAME OF COMPANY	CLASSES OF INSURANCE	NAME AND ADDRESS OF GENERAL AGENT
13) Lincoln National Life Insurance Company 1300 South Clinton St. P. O. Box 1110 Fort Wayne, Indiana 46801	Disability & Life	Associated Insurance Underwriters of the Pacific, Inc.
14) Lumbermens Mutual Casualty Company Route 22, Long Grove Illinois 60049	General casualty, marine, property, surety & vehicle	Associated Insurance Underwriters of the Pacific, Inc.
15) Massachusetts Indemnity and Life Insurance Co. 3120 Breckinridge Blvd. Duluth, Georgia 30199-001	Disability & Life	Imants E. Klingbergs P. O. Box 405 Saipan, MP 96950 Juan R. Sablan P. O. Box 964 Saipan, MP 96950
16) Municipal Bond Investors Assurance Corporation 445 Hamilton Avenue White Plains, New York	Surety	Moylan's Insurance Underwriters (Int'l), Inc.
17) National Union Fire Underwriters Insurance Company of Pittsburg, PA 70 Pine Street New York, N.Y. 10270	Disability, general casualty, life, marine, property, surety & vehicle	Calvo's Insurance Inc., P. O. Box CI Agana, Guam 96910
18) National Western Life Insurance Company 850 East Anderson Lane Austin, Texas 78752-1602	Disability & Life	Moylan's Insurance Underwriters (Int'l), Inc.
19) New Hampshire Insurance Company 1730 Elm Street Manchester, New Hampshire (P. O. Box 960)	Disability, general casualty, marine, property, surety & vehicle	Moylan's Insurance Underwriters (Int'l), Inc.

NAME OF COMPANY	CLASSES OF INSURANCE	NAME AND ADDRESS OF GENERAL AGENT
20) North Coast Life Insurance West 1116 Riverside Ave. Spokane, WA 99201 (P. O. Box 1445, Spokane, WA 99210)	Life	Moylan's Insurance Underwriters (Int'l.), Inc.
21) Occidental Life Insurance Company of North Carolina P. O. Box 10234, Raleigh, North Carolina 27605	Disability & Life	Moylan's Insurance Underwriters (Int'l), Inc.
22) Pacific Guardian Life Insurance Company, Ltd. 1600 Kapiolani Blvd. Honolulu, Hawaii 96814	Disability & Life	Pacifica Insurance Underwriters, Inc. P. O. Box 168 Saipan, MP 96950
23) Reliance Insurance Co. 4 Penn Center Plaza Philadelphia, PA 19103	General casualty, marine, property, surety & vehicle	Associated Insurance Underwriters of the Pacific, Inc.
24) United Pacific Insurance 33405 8th Avenue S.C. - 300, Federal Way, Washington 98003	General casualty, marine, property, surety & vehicle	" "

1988 ANNUAL REPORT
 Names of Alien Insurance Companies
 Classes of Insurance Authorized in CNMI and their General Agents

NAME OF COMPANY	CLASSES OF INSURANCE	NAME AND ADDRESS OF GENERAL AGENTS
1) Korea Automobile Fire & Marine Insurance Company, Ltd. #21-9, Cho-dong, Chung-ku, Seoul, Korea (C.P.O. Box 658)	Disability, general casualty, marine, property, surety & vehicle	Moylan's Insurance Underwriters (Int'l), Inc. P. O. Box 658 Saipan, MP 96950
2) New Zealand Insurance Company Limited 35/F-37/F., World Trade Center, Causeway Bay, Hong Kong GPO Box 783, Hong Kong	Disability, general casualty, marine, property, surety & vehicle	Micro1 Corporation P. O. Box 267 Saipan, MP 96950
3) Taisho Marine & Fire Insurance Company, Ltd. 111 John Street New York, NY 10038-3145	Disability, general casualty, marine, property, surety & vehicle	" "
4) Tokio Marine and Fire Insurance, Ltd. 2-1, Marunouchi 1-Chome, Chiyoda-ku, Tokyo 100, Japan	Disability, general casualty, marine, property, surety & vehicle	Pacifica Insurance Underwriters, Inc. P. O. Box 168 Saipan, MP 96950
5) Yasuda Fire and Marine Insurance Company, Ltd. 26-1, Nishi-Shinjuku, Itchome, Shinjuku-ku, Tokyo, Japan	Disability, general casualty, marine, property, surety & vehicle	Universe Insurance Underwriters (Micronesia), Inc. P. O. Box 512 Saipan, MP 96950

1988 ANNUAL REPORT
 Names of Domestic Insurance Companies
 Classes of Insurance Authorized in CNMI and their General Agents

NAME OF COMPANY	CLASSES OF INSURANCE	NAME AND ADDRESS OF GENERAL MANAGERS
1) Century Insurance Co., Ltd. P. O. Box 1280 Saipan, MP 96950	Surety	Benigno R. Fitial P. O. Box 1280 Saipan, MP 96950
2) Global Insurance, Inc. P. O. Box 1638 Saipan, MP 96950	Surety	Norman T. Tenorio P. O. Box 1638 Saipan, MP 96950
3) J. T. S. Insurance Company, Inc. P. O. Box 414 Saipan, MP 96950	Surety	John T. Sablan P. O. Box 2119 Saipan, MP 96950
4) World Surety Insurance Underwriters, Inc. P. O. Box 2183 Saipan, MP 96950	Surety	Moses B. Quitugua P. O. Box 2183 Saipan, MP 96950

1988 ANNUAL REPORT
 Alien Insurance Companies Securities Deposits/Bond

NAME OF COMPANY	TCD/BOND NUMBER	ISSUER	AMOUNT	MATURITY DATE
1) Korea Automobile, Fire & Marine Insurance Company, Ltd. #21-9, Cho-Dong, Chung-Ku, C.P.O. Box 658 Seoul, Korea	B#440N8903	Insurance Company of North America	100,000	6/30/90
2) New Zealand Insurance 35/F-37/F, World Trade Centre, Causeway Bay Hong Kong, GPO Box 783, Hong Kong	T#03184444	Bank of Hawaii	100,000	9/21/90
3) Taisho Marine & Fire Insurance Company, Ltd. 111 John Street, Room 800 New York, N.Y. 10038-3145	B#69HF-3518	Insurance Co. of North America	100,000	Contin- uous
4) Tokio Marine & Fire Insurance Company, Ltd. 2-1, Marunochi 1-Chome Chiyoda, Ku, Tokyo 100, JAPAN	T#169725	Union Bank	100,000	2/13/90
5) Yasuda Fire & Marine Insurance Company, Ltd. 26-1, Nishi-Shinjuku Itchome Shinjuku-ku Tokyo, Japan	B#440N8901	Insurance Company of North America	100,000	4/01/90

1988 ANNUAL REPORT
 Financial Statement of Licensed Insurance Companies
 As of December 31, 1988

\$ In Thousand

NAME OF COMPANY	ASSETS	LIABILITIES	CAPITAL	SURPLUS
1) American Family Life Assurance Company of Columbus	4,906,859	4,508,284	3,714	394,861
2) American Home Assurance	4,790,564	4,042,678	4,238	743,648
3) Century Insurance Co., Ltd.	231	5	200	26
4) Commercial Bankers Life Insurance Co.	99,712	89,243	1,100	9,369
5) (The) Continental Insurance Co.	Did not	receive	on time.	
6) Continental International Life Insurance	1,080	94	500	486
7) Delaware American Life Insurance	88,301	76,807	2,200	9,294
8) Global Insurance, Inc.	NEW	Issued on	1/1/89	
9) Grand Pacific Life Insurance Co.	112,333,506	106,975,020	1,486,490	3,871,996
10) Hartford Life and Accident Insurance				
11) Individual Assurance Co.	21,495	16,254	1,500	3,741
12) Insurance Company of North America	4,957,836	4,244,133	56,786	656,917
13) John Hancock Mutual Life Insurance	28,315,207	27,222,825	-0-	1,092,382
14) John Hancock Variable Life Insurance	1,333,441	1,147,261	25,000	161,180

\$ In Thousand

NAME OF COMPANY	ASSETS	LIABILITIES	CAPITAL	SURPLUS
15) J.T.S. Insurance Co., Inc.	381	214	45	122
16) Korea Automobile Fire &	289,517	249,702	29,116	10,699
17) Lincoln National Life	13,233,466	12,569,708	25,000	638,758
18) Lumbermen's Mutual Casualty Co.	4,560,345	3,251,275	-0-	1,309,070
19) Massachusetts Indemnity & Life Insurance Co.	789,375	435,979	2,500	350,896
20) Municipal Bond Investors Assurance Corporation	1,276,838	576,971	542,009	157,858
21) National Union Fire Insurance Company of Pittsburg, PA.	5,003,699	4,221,498	4,479	777,722
22) National Western Life Insurance Co.	1,247,099	1,205,473	3,478	38,148
23) New Hampshire Insurance Company	1,928,788	1,534,251	5,325	389,212
24) New Zealand Insurance Co., Ltd.	1,243,445	933,465	100,000	209,980
25) North Coast Life Insurance	50,723	49,135	550	1,038
26) Occidental Life Insurance Co. of North Carolina	183,216	164,428	2,500	16,288
27) Pacific Guardian Life Insurance Co., Ltd.	50,203	34,895	6,000	9,308
28) Reliance Insurance Co.	2,608,156	2,015,049	46,334	546,773
29) Taisho Marine & Fire Insurance Co., Ltd.	86,487	45,632	-0-	40,855
30) Tokio Marine & Fire Insurance Co., Ltd.	49,927,968	31,644,120	707,624	17,576,224

1988 ANNUAL REPORT
 Summary of Total Lines of Business Written by Property and Casualty
 Companies for Calendar Year Ending December 31, 1988

LINE OF BUSINESS	GROSS PREMIUMS, INCLUDING MEMBERSHIP FEES, LESS RETURN PREMIUMS ON POLICIES NOT TAKEN		DIRECT UNEARNED PREMIUM RESERVES	DIRECT LOSSES PAID (DEDUCTIONS) SALVAGE	DIRECT LOSSES INCURRED	DIRECT LOSSES UNPAID
	DIRECT PREMIUMS WRITTEN	DIRECT PREMIUMS EARNED				
INSURER						
Korea Auto, Fire, & Marine Insurance Co., Ltd.						
New Zealand Insurance Co., Ltd.						
Taisho Marine & Fire Insurance Co., Ltd.						
Tokio Marine & Fire Insurance Co., Ltd.						
Yasuda Fire & Marine Insurance Co., Ltd.						
Century Insurance Co., Ltd.						
J.T.S. Insurance Co., Inc.						
World Surety & Insurance Underwriters, Inc.						
American Home Assurance Company						
Continental Insurance Company						
Insurance Company of North America						
New Hampshire Insurance Co.						
1. Fire	1,486,564	1,279,463	650,374	302,596	362,094	123,006
2. Allied lines	34,732	28,563	11,267	-0-	78	300
3. Homeowners multiple peril	76,116	67,340	29,426	14,510	2,718	694
4. Commercial multiple peril	533,379	578,857	232,496	(20,640)	(31,056)	27,247
5. Ocean marine	265,375	257,723	99,430	54,884	56,713	2,535
6. Inland marine	45,676	40,706	10,862	-0-	1,760	2,775

LINE OF BUSINESS	GROSS PREMIUMS, INCLUDING MEMBERSHIP FEES, LESS RETURN PREMIUMS ON POLICIES NOT TAKEN		DIRECT UNEARNED PREMIUM RESERVES	DIRECT LOSSES PAID (DEDUCTIONS) SALVAGE	DIRECT LOSSES INCURRED	DIRECT LOSSES UNPAID
	DIRECT PREMIUMS WRITTEN	DIRECT PREMIUMS EARNED				
7. Typhoon	107,641	92,101	31,260	253,371	5,383	5,409
8. Earthquake	79,649	69,420	14,361	3,158	1,740	28
9. All other A & H	671,315	689,805	376,304	372,787	276,818	22,828
10. Workers' compensation	421,292	381,187	204,718	217,213	116,338	35,835
11. Other liability	771,485	576,191	355,345	412,947	75,880	49,352
12. Other private passenger auto liability	759,897	662,121	248,458	583,060	615,477	70,688
13. Other commercial auto liability	148,236	140,253	63,534	52,553	77,443	58,100
14. Private passenger auto physical damage	1,601,885	1,528,932	595,285	721,001	961,918	356,163
15. Commercial auto physical damage	393,698	338,042	161,099	196,407	200,105	31,746
16. Fidelity	500	4,474	(4)	-0-	(360)	19
17. Surety	706,191	426,401	284,031	(4,229)	162,854	202
18. Glass	5,172	3,607	2,663	9,316	9,406	13
19. Burglary and theft	53,181	35,510	27,987	48,002	40,866	6,289
20. Boiler and Machinery	31,107	18,291	12,816	-0-	2,563	2,563
21. Aggregate write-ins for other lines of business	99,351	69,000	45,151	4,503	-0-	-0-
22. TOTALS	8,292,442	7,287,987	3,456,863	3,221,439	2,938,738	795,792

1988 ANNUAL REPORT
 Summary of Life Insurance
 Direct Premiums and Annuity Considerations
 for the Calendar Year Ending December 31, 1988

INSURERS	ORDINARY	CREDIT LIFE (GROUP AND INDIVIDUALS)	GROUP	TOTAL
Individual Assurance Co.				
National Western Life Insurance Company				
North Coast Life Insurance Company				
Massachusetts Indemnity & Life Insurance Co.				
Pacific Guardian Life Insurance Co., Ltd.				
Commercial Bankers Life Insurance Co.				
Occidental Life Insurance Company				
Grand Pacific Life Insurance Company, Ltd.				
1. Life insurance	733,072	117,501	1,339,628	2,190,201
2. Annuity considerations				
3. Aggregate write-ins for other lines of business				
4. Totals	733,072	117,501	1,339,628	2,190,201
4.1 Annuity and other fund deposits based on residence of identifiable individuals	44			44

1988 ANNUAL REPORT
 Summary of Life Insurance Direct Claims and Benefits Paid
 for the Calendar Year Ending December 31, 1988

INSURERS	ORDINARY	CREDIT LIFE (GROUP AND INDIVIDUALS)	GROUP	TOTAL
Individual Assurance Company				
Massachusetts Indemnity & Life Insurance Co.				
North Coast Life Insurance Co.				
Pacific Guardian Life Insurance Co., Ltd.				
Commercial Bankers Life Insurance Company				
<hr/>				
1. Death benefits	3,195		817,501	820,696
2. Matured endowments	(1,946)			(1,946)
3. Annuity benefits	20			20
4. Surrender values	85,474			85,474
5. Aggregate write-ins for miscellaneous direct claims and benefits paid				
6. All other benefits except accident and health				
7. Totals	86,743		817,501	904,244

1988 ANNUAL REPORT
 Summary of Life Insurance Direct Death Benefits Incurred
 for the Calendar Year Ending December 31, 1988

INSURERS	ORDINARY		CREDIT LIFE (GROUP AND INDIVIDUALS)		GROUP		TOTAL	
	No.	Amount	No. of Ind. Pols. & Gr. Certifs.	Amount	No. of Certs.	Amount	No.	Amount
Individual Assurance Co.								
Massachusetts Indemnity & Life Insurance Co.								
Pacific Guardian Life Insurance Company, Ltd.								
1) Unpaid December 31, previous year	1	2,079			5	82,985	6	85,064
2) Incurred during current year	1	3,195			73	958,637	74	961,832
<u>Settled during current year:</u>								
3.1 By Payment in Full	1	3,195			63	817,501	64	820,696
3.2 By Payment on Compromised claims								
3.3 Totals Paid	1	3,195			3	15,000	4	18,195
3.4 Reduction by Compromise								
3.5 Amount Rejected								
3.6 Total Settlements	1	3,195			63	817,501	64	820,696
4. Unpaid December 31, (1+2-3.6)	1	2,079			15	224,121	16	226,200

1988 ANNUAL REPORT
 Summary of Life Insurance Policy
 for the Calendar Year Ending December 31, 1988

INSURERS	ORDINARY		CREDIT LIFE (GROUP AND INDIVIDUALS)		GROUP		TOTAL	
	No.	Amount	No. of Ind. Pol. & Gr. Certifs.	Amount	No. of Policies	Amount	No.	Amount
Individual Assurance Company								
North Coast Life Insurance Co.								
Occidental Life Insurance Co.								
Pacific Guardian Life Insurance Company, Ltd.								
Commercial Bankers Life Insurance Company								
John Hancock Mutual Life Insurance								
1) In force December 31, previous year	574	54,108,281			15	6,511,030	589	60,619,311
2) Issued during year	61	2,849,882				52,778	61	2,902,660
3) Ceased to be in force during year (Net)	609	27,789,259				102,602	609	27,891,861
4) In force December 31 of current year	1,029	47,119,626			15	6,461,206	1,044	53,500,832

1988 ANNUAL REPORT
 Summary of Accident and Health Insurance
 for the Calendar Year Ending December 31, 1988

INSURER	DIRECT PREMIUMS WRITTEN	DIRECT PREMIUMS EARNED	DIRECT LOSSES PAID	DIRECT LOSSES INCURRED
Delaware American Life Insurance				
1. Group Policies	12,392	11,679	-0-	-0-
1.1 Credit (Group and Individual)				
1.2 Collectively Renewable Policies				
Other Individual Policies:				
2.1 Non-cancellable				
2.2 Guaranteed renewable				
2.3 Non-renewable for stated reasons only				
2.4 Other accident only				
2.5 All other				
2.6 Totals (Sum of 2.1 to 2.5)				
3. Totals (Lines 1+1.1+ 1.2+2.6)	12,392	11,679	-0-	-0-

1988 ANNUAL REPORT
Credit Life and Accident and Health Experience Exhibit
for the Calendar Year Ending December 31, 1988

PART 1 - Summary of Credit Life Insurance Experience Exhibit

INSURER	SINGLE	JOINT	TOTAL
Individual Assurance Company			
1. Earned Premiums:			
A. Gross written premiums	90,476	27,025	117,501
B. Refunds on terminations	-0-	-0-	-0-
C. Net written premiums (A-B)	90,476	27,025	117,501
D. Premium reserves, start of period	-0-	-0-	-0-
E. Premium reserves, end of period	74,218	20,043	94,261
F. Actual earned premiums (C + D - E)	16,258	6,982	23,240
G. Earned premiums at prima facie rates	16,258	6,982	23,240
2. Incurred claims:			
A. Claims paid	'N N 0'000 N	'N	EEEEEEE
B. Unreported claim reserve, start of period	'NN N 0' 0 NN	'N N	EE
C. Unreported claim reserve, end of period	'N N N 0' 0 N N	'N	EEEE
D. Claim reserves, start of period	'N N N 0' 0 N N	'N	EE
E. Claim reserves, end of period	'N NN 0' 0 N	'N	EE
F. Incurred claims (A - B + C - D + E)	'N N 0'000 N	'N	EEEEEEE
3. Loss Ratio:			
A. Actual loss ratio (2F / 1F)			
B. Loss ratio at prima facie rates (2F / 1G)			
4. Mean insurance in force	6,620,180	1,133,378	7,753,558
5. Losses per \$1,000 mean insurance in force ((1,000 * 2F)/4)			

PART 2 - Summary of Credit Accident and Health Insurance Experience Exhibit

	14 DAY RETRO	14 DAY NON-RETRO	30 DAY RETRO	30 DAY NON-RETRO	OTHER	TOTAL
1. Earned Premiums:						
A. Gross Written premiums						
B. Refunds on terminations						
C. Net written premiums (A - B)						
D. Premium reserves, start of period	'N 'NN	'N 'N	00000 0 0	'N 'NN	'N 'N	'EEEEEEE 'EE
E. Premium reserves, end of period	'N 'N	'N 'N	0 0	'N 'N	'N 'N	'EEEE 'EE
F. Actual earned premium (C + D - E)	'N	'NN	00000	'N	'NN	'EEEEEEE
G. Earned premiums at prima facie rates						
2. Incurred claims:						
A. Claims paid						
B. Unreported claim reserve start of period						
C. Unreported claim reserve end of period						
D. Claim reserves, start of period						
E. Claim reserves, end of period						
F. Incurred claims (A - B + C - D + E)						
3. Loss Ratio:						
A. Actual loss ratio (2F / 1F)						
B. Loss ratio at prima facie rates (2F / 1G)						



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PUBLIC NOTICE

A.G. OPINIONS PUBLISHED
October 15, 1989 - November 15, 1989

<u>Number</u>	<u>Date</u>	<u>Subject</u>
89-09	10/25/89	Malpractice Coverage of Medical Practitioners

Date: November 15, 1989

EDWARD MANIBUSAN
Attorney General