

**TITLE 20: DEPARTMENT OF COMMERCE**

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**SUBCHAPTER 20-40.1  
INSURANCE COMPANY REGULATIONS**

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Subchapter Authority: 1 CMC § 2454; 4 CMC § 7105(b).

Subchapter History: Amdts Adopted 31 Com. Reg. 29974 (Dec. 22, 2009); Amdts Proposed 31 Com. Reg. 29898 (Sept. 28, 2009); Amdts Adopted 27 Com. Reg. 24086 (Feb. 17, 2005); Amdts Proposed 27 Com. Reg. 23819 (Jan. 17, 2005); Amdts Adopted 20 Com. Reg. 16296 (Nov. 15, 1998); Amdts Proposed 20 Com. Reg. 15969 (July 15, 1998) (extending comment period); Amdts Proposed 20 Com. Reg. 15910 (June 15, 1998); Adopted 16 Com. Reg. 12586 (Nov. 15, 1994); Proposed 16 Com. Reg. 12359 (Sept. 15, 1994).

Commission Comment: 1 CMC § 2451 originally created the Department of Commerce and Labor. 1 CMC § 2454 directs the Department to adopt rules and regulations regarding those matters over which it has jurisdiction.

Title 4, division 7 of the Commonwealth Code, 4 CMC §§ 7101-7509, codifies PL 3-107 (effective Feb. 24, 1984), the "Commonwealth Insurance Act of 1983," and governs the insurance business in the Commonwealth. 4 CMC § 7104 creates the Insurance Commissioner of the Commonwealth with the powers and duties to administer the act and promulgate rules and regulations necessary for effectuating the act. 4 CMC §§ 7104 and 7105(b).

Executive Order 94-3 (effective August 23, 1994) reorganized the Commonwealth government executive branch, changed agency names and official titles and effected numerous other revisions. According to Executive Order 94-3 § 103:

Section 103. Department of Commerce.

The Department of Commerce and Labor is re-designated the Department of Commerce.

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The full text of Executive Order 94-3 is set forth in the commission comment to 1 CMC § 2001.

### Part 001 - General Provisions

#### § 20-40.1-001 Authority

This subchapter is promulgated by the Commissioner of Insurance pursuant to 4 CMC § 7105(b) of the Commonwealth Insurance Act of 1983 as amended.

Modified, 1 CMC § 3806(d).

History: Adopted 16 Com. Reg. 12586 (Nov. 15, 1994); Proposed 16 Com. Reg. 12359 (Sept. 15, 1994).

#### § 20-40.1-005 Purposes and Scope

- (a) The purposes of this subchapter are to improve the Office of the Commonwealth Insurance Commissioner's surveillance of the financial condition of insurers by:
- (1) Requiring an annual examination by independent certified public accountants of the financial statements reporting the financial position and the results of operations of insurers.
  - (2) To ensure reserves are allocated for certain risks.
- (b) Every insurer, as defined in § 20-40.1-010, shall be subject to subsection (a)(1). Insurers having direct premiums written in the CNMI of less than \$450,000 in any calendar year and less than 50 policyholders or certificate holders of directly written policies at the end of such calendar year shall be exempt from the rule for such year unless the Commissioner makes a specific finding that compliance is necessary for the Commissioner to carry out statutory responsibilities except that insurers having assumed premiums pursuant to contracts and/or treaties of reinsurance of \$50,000 or more will not be so exempt.
- (c) Foreign or alien insurers filing audited financial reports in another state, pursuant to such other state's requirement of audited financial reports which has been found by the commissioner to be substantially similar to the requirements herein, are exempt from this rule if:
- (1) A copy of the audited financial report, report on significant deficiencies in internal controls, and the accountant's letter of qualifications which are filed with such other state are filed with the Commissioner in accordance with the filing dates specified in § 20-40.1-101, § 20-40.1-135, and § 20-40.1-140 respectively.
  - (2) A copy of any notification of adverse financial condition report filed with such other state is filed with the Commissioner within the time specified in § 20-40.1-130.
- (d) This rule shall not prohibit, preclude or in any way limit the Commissioner of Insurance from ordering and/or conducting and/or performing examinations of insurers under this subchapter and the practices and procedures of the Office of the Insurance Commissioner.
- (e) There is no exception to subsection (a)(2), the imposition of security deposits on all insurers providing for labor bonds and/or surety on alien laborers.

Modified, 1 CMC § 3806(c), (d), (f), (g).

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History: Adopted 16 Com. Reg. 12586 (Nov. 15, 1994); Proposed 16 Com. Reg. 12359 (Sept. 15, 1994).

Commission Comment: The original paragraphs were not designated. The commission designated subsections (a) through (e).

In subsection (b), the commission inserted a "\$" before "450,000" and deleted a closed parenthesis after the word "responsibilities." The commission also replaced the phrase "the first rule" with "subsection (a)(1)." In subsection (e), the commission replaced the phrase "the second rule" with "subsection (a)(2)."

### **§ 20-40.1-010 Definitions**

- (a) "Audited financial report" means and includes those items specified in § 20-40.1-105 of this subchapter.
- (b) "Accountant" and "independent certified public accountant" means an independent certified public accountant or accounting firm in good standing with the American Institute of CPAs and in all states in which they are licensed to practice.
- (c) "Insurer" means an authorized insurer as defined in 4 CMC § 7301(a) and (b) of the Commonwealth Insurance Act of 1983.
- (d) "State" means any state of the United States, the governments of Puerto Rico, American Samoa and Guam.
- (e) Labor bond is defined in the Alien Labor Rules and Regulations adopted on April 15, 1988 section II page 5515 [10 Com. Reg. at 5515 (Apr. 15, 1988)] and is herein incorporated.

Modified, 1 CMC § 3806(c), (d), (f).

History: Adopted 16 Com. Reg. 12586 (Nov. 15, 1994); Proposed 16 Com. Reg. 12359 (Sept. 15, 1994).

Commission Comment: The Alien Labor Rules and Regulations provision referenced in subsection (e) is codified as amended at NMIAC § 80-20.1-110(e). The Commission corrected the spelling of "CPAs" in subsection (b).

### **Part 100 - Annual Audited Financial Reports**

#### **§ 20-40.1-101 Filing and Extensions for Filing of Annual Audited Financial Reports**

- (a) All insurers shall have an annual audit by an independent certified public accountant and shall file an audited financial report with the Commissioner on or before June 1 for the year ended December 31 immediately preceding. The Commissioner may require an insurer to file an audited financial report earlier than June 1 with ninety days advance notice to the insurer.
- (b) Extensions of the June 1 filing date may be granted by the Commissioner for thirty-day periods upon showing by the insurer and its independent certified public accountant the reasons for requesting such extension and determined by the Commissioner of good cause for an extension. The request for extension must be submitted in writing not less than ten days prior to the due date in sufficient detail to permit the Commissioner to make an informed decision with

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respect to the requested extension.

Modified, 1 CMC § 3806(e).

History: Adopted 16 Com. Reg. 12586 (Nov. 15, 1994); Proposed 16 Com. Reg. 12359 (Sept. 15, 1994).

Commission Comment: The original paragraphs were not designated. The commission designated subsections (a) and (b).

### **§ 20-40.1-105                    Contents of Annual Audited Financial Report**

(a) The annual audited financial report shall report the financial position of the insurer as of the end of the most recent calendar year and the results of its operations, cash flows and changes in capital and surplus for the year then ended in conformity with statutory accounting practices prescribed, or otherwise permitted, by the Department of Insurance of the state of domicile.

(b) The annual audited financial report shall include the following:

(1) Report of independent certified public accountant.

(2) Balance sheet reporting admitted assets, liabilities, capital and surplus.

(3) Statement of operations.

(4) Statement of cash flows.

(5) Statement of changes in capital and surplus (for domestic insurers, the statement of changes in capital and surplus).

(6) Notes to financial statements. These notes shall be those required by the appropriate NAIC annual statement instructions and any other notes required by generally accepted accounting principles and shall also include:

(i) A reconciliation of differences, if any, between the audited statutory financial statements and the annual statement filed pursuant to 4 CMC §§ 7306(o)(1), 7396(d), and 7308(e), respectively, of the Commonwealth Insurance Act with a written description of the nature of these differences;

(ii) A summary of ownership and relationships of the insurer and all affiliated companies.

(7) The financial statements included in the audited financial report shall be prepared in a form and using language and groupings substantially the same as the relevant sections of the audited statement of the insurer filed with the Commissioner, and the financial statement shall be comparative, presenting the amounts as of December 31 of the current year and the amounts as of the immediately preceding December 31. However, in the first year in which an insurer is required to file an audited financial report, the comparative data may be omitted.

Modified, 1 CMC § 3806(f).

History: Adopted 16 Com. Reg. 12586 (Nov. 15, 1994); Proposed 16 Com. Reg. 12359 (Sept. 15, 1994).

Commission Comment: The original paragraphs were not designated. The commission designated subsections (a) and (b). The Commission corrected the period at the end of subsection (b)(6)(i) to a semicolon pursuant to 1 CMC § 3806(g).

### **§ 20-40.1-110                    Designation of Independent Certified Public Accountant**

(a) Each insurer required by this subchapter to file an annual audited financial report must

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within sixty days after becoming subject to such requirement, register with the Commissioner in writing the name and address of the independent certified public accountant or accounting firm (generally referred to in this subchapter as the "accountant") retained to conduct the annual audit set forth in this subchapter. Insurers not retaining an independent certified public accountant on the effective date of this rule shall register the name and address of their retained certified public accountant not less than six months before the date when the first audited financial report is to be filed.

(b) The insurer shall obtain a letter from the accountant, and file a copy with the Commissioner stating that the accountant is aware of the provisions of the Insurance Code and the rules and regulations of the Insurance Department of the state of domicile that relate to accounting and financial matters and affirming that he will express his opinion on the financial statements in terms of their conformity to the statutory accounting practices prescribed or otherwise permitted by the Department, specifying such exceptions as he may believe appropriate.

(c) If an accountant who was the accountant for the immediately preceding filed audited financial report is dismissed or resigns the insurers shall within five business days notify the Commissioner of this event. The insurers shall also furnish the Commissioner with a separate letter within ten business days of the above notification stating whether in the twenty-four months preceding such event there were any disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure; which disagreements, if not resolved to the satisfaction of the former accountant, would have caused him to make reference opinion. The disagreements required to be reported in response to this section include both those resolved to the former accountant's satisfaction and those not resolved to the former accountant's satisfaction. Disagreements contemplated by this section are those that occur at the decision-making level, i.e., between personnel of the insurer responsible for presentation of its financial statements and personnel of the accounting firm responsible for rendering its report. The insurer shall also in writing request such former accountant to furnish a letter addressed to the insurer stating whether the accountant agrees with the statements contained in the insurer's letter and, if not, stating the reasons for which he does not agree; and the insurer shall furnish such responsive letter from the former accountant to the Commissioner together with its own.

Modified, 1 CMC § 3806(d), (e).

History: Adopted 16 Com. Reg. 12586 (Nov. 15, 1994); Proposed 16 Com. Reg. 12359 (Sept. 15, 1994).

Commission Comment: The original paragraphs were not designated. The commission designated subsections (a) through (c).

### **§ 20-40.1-115                      Qualification of Independent Certified Public Accountant**

(a) The Commissioner shall not recognize any person or firm as a qualified independent certified public accountant that is not in good standing with the American Institute of CPAs and in all states in which the accountant is licensed to practice.

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(b) Except as otherwise provided herein, an independent certified public accountant shall be recognized as qualified as long as he or she conforms to the standards of his or her profession, as contained in the Code of Professional Ethics of the American Institute of Certified Public Accountants.

(c)(1) No partner or other person responsible for rendering a report may act in that capacity for more than seven consecutive years. Following any period of service such person shall be disqualified from acting in that or a similar capacity for the same company or its insurance subsidiaries or affiliates for a period of two years. An insurer may make application to the Commissioner for relief from the above rotation requirement on the basis of unusual circumstances. The Commissioner may consider the following factors in determining if the relief should be granted:

(i) Number of partners, expertise of the partners or the number of insurance clients in the currently registered firm;

(ii) Premium volume of the insurer; or

(iii) Number of jurisdictions in which the insurer transacts business.

(2) The requirement of this paragraph shall become effective two years after the enactment of this subchapter.

(d) The Commissioner shall not recognize as a qualified independent certified public accountant, nor accept any annual audited financial report, prepared in whole or in part by, any natural person who:

(1) Has been convicted of fraud, bribery, a violation of the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. §§ 1961- 1968, or any dishonest conduct or practices under federal or state law;

(2) Has been found to have violated the insurance laws of this state with respect to any previous reports submitted under this subchapter; or

(3) Has demonstrated a pattern or practice of failing to detect or disclose material information in previous reports filed under the provisions of this subchapter.

(e) The Commissioner of Insurance, as provided in 4 CMC § 7201(i) of the Commonwealth Insurance Act, may hold a hearing to determine whether a certified public accountant is qualified and, considering the evidence presented, may rule that the accountant is not qualified for purposes of expressing his opinion on the financial statements in the annual audited financial report made pursuant to this subchapter and require the insurer to replace the accountant with another whose relationship with the insurer is qualified within the meaning of this subchapter.

Modified, 1 CMC § 3806(d), (e), (f), (g).

History: Adopted 16 Com. Reg. 12586 (Nov. 15, 1994); Proposed 16 Com. Reg. 12359 (Sept. 15, 1994).

Commission Comment: The original paragraphs of subsection (c) were not designated. The commission designated subsections (c)(1) and (c)(2).

In subsection (b), the commission changed “as” to “an” before “independent certified public accountant” to correct a manifest error.

### § 20-40.1-120

### Consolidated or Combined Audits

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An insurer may make written application to the Commissioner for approval to file audited consolidated or combined financial statements in lieu of separate annual audited financial statements if the insurer is part of a group of insurance companies which utilizes a pooling or one hundred percent reinsurance agreement that affects the solvency and integrity of the insurer's reserves and such insurer cedes all of its direct and assumed business to the pool. In such cases, a columnar consolidating or combining worksheet shall be filed with the report, as follows:

- (a) Amounts shown on the consolidated or combined audited financial report shall be shown on the worksheet.
- (b) Amounts for each insurer subject to this section shall be stated separately.
- (c) Noninsurance operations may be shown on the worksheet on a combined or individual bases.
- (d) Explanations of consolidating and eliminating entries shall be included.
- (e) A reconciliation shall be included of any differences between the amounts shown in the individual insurer columns of the worksheet and comparable amounts shown on the annual statements of the insurers.

Modified, 1 CMC § 3806(f).

History: Adopted 16 Com. Reg. 12586 (Nov. 15, 1994); Proposed 16 Com. Reg. 12359 (Sept. 15, 1994).

### **§ 20-40.1-125            Scope of Examination and Report of Independent Certified Public Accountant**

Financial statements furnished pursuant to § 20-40.1-105 hereof shall be examined by an independent certified public accountant. The examination of the insurer's financial statements shall be conducted in accordance with generally accepted auditing standards. Consideration should also be given to such other procedures illustrated in the Financial Condition Examiner's Handbook promulgated by the National Association of Insurance Commissioners as the independent certified public accountant deems necessary.

History: Adopted 16 Com. Reg. 12586 (Nov. 15, 1994); Proposed 16 Com. Reg. 12359 (Sept. 15, 1994).

### **§ 20-40.1-130            Notification of Adverse Financial Condition**

- (a) The insurer required to furnish the annual audited financial report shall require the independent certified public accountant to report, in writing, within five business days to the board of directors or its audit committee any determination by the independent certified public accountant that the insurer has materially misstated its financial condition as reported to the Commissioner as of the balance sheet date currently under examination or that the insurer does not meet the minimum capital and surplus requirement of the Commonwealth Insurance Act of that date. An insurer who has received a report pursuant to this subsection shall forward a copy

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of the report to the Commissioner within five business days of receipt of such report and shall provide the independent certified public accountant making the report with evidence of the report being furnished to the Commissioner. If the independent certified public accountant fails to receive such evidence within the required five business day period, the independent certified public accountant shall furnish to the Commissioner a copy of its report within the next five business days.

(b) No independent public accountant shall be liable in any manner to any person for any statement made in connection with subsection (a) if such statement is made in good faith in compliance with subsection (a).

(c) If the accountant, subsequent to the date of the audited financial report filed pursuant to this subchapter, becomes aware of facts which might have affected his report, the Office of the Insurance Commissioner notes the obligation of the accountant to take such action as prescribed in Volume 1, Section AQ 561 of the Professional Standards of the American Institute of Certified Public Accountants.

Modified, 1 CMC § 3806(d), (e), (f).

History: Adopted 16 Com. Reg. 12586 (Nov. 15, 1994); Proposed 16 Com. Reg. 12359 (Sept. 15, 1994).

Commission Comment: The original paragraphs were not designated. The commission designated subsections (a) through (c).

### **§ 20-40.1-135 Report on Significant Deficiencies in Internal Controls**

In addition to the annual audited financial statements, each insurer shall furnish the Commissioner with a written report prepared by the accountant describing significant deficiencies in the insurer's internal control structure noted by the accountant during the audit. ASA No. 60, Communication of Internal Control Structure Matters Noted in an Audit (AU Section 325 of the Professional Standards of the American Institute of Certified Public Accountants) requires an accountant to communicate significant deficiencies (known as "reportable conditions") noted during a financial statement audit to the appropriate parties within an entity. No report should be issued if the accountant does not identify significant deficiencies. If significant deficiencies are noted, the written report shall be filed annually by the insurer with the Office of the Insurance Commissioner within sixty days after the filing of the annual audited financial statements. The insurer is required to provide a description of remedial actions taken or proposed to correct significant deficiencies, if such actions are not described in the accountant's report.

Modified, 1 CMC § 3806(e), (f).

History: Adopted 16 Com. Reg. 12586 (Nov. 15, 1994); Proposed 16 Com. Reg. 12359 (Sept. 15, 1994).

### **§ 20-40.1-140 Accountant's Letter of Qualifications**

The accountant shall furnish the insurer in connection with, and for inclusion in, the filing of the annual audited financial report, a letter stating:



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- (a) That the accountant is independent with respect to the insurer and conforms to the standards of his or her profession as contained in the Code of Professional Ethics and pronouncements of the American Institute of Certified Public Accountants.
- (b) The background and experience in general, and the experience in audits of insurers of the staff assigned to the engagement and whether each is an independent certified public accountant. Nothing within this section shall be construed as prohibiting the accountant from utilizing such staff as he or she deems appropriate where use is consistent with the standards prescribed by generally accepted auditing standards.
- (c) That the accountant understands the annual audited financial report and his opinion thereon will be filed in compliance with this subsection and that the Commissioner will be relying on this information in the monitoring and regulation of the financial position of insurers.
- (d) That the accountant consents to the requirements of § 20-40.1-145 and that the accountant consents and agrees to make available for review by the Commissioner, his designee or his appointed agent, the workpapers, as defined in § 20-40.1-145.
- (e) A representation that the accountant is properly licensed by an appropriate state licensing authority and is a member in good standing in the American Institute of Certified Public Accountants.
- (f) A presentation that the accountant is in compliance with the requirements of § 20-40.1-115.

Modified, 1 CMC § 3806(c), (d), (g).

History: Adopted 16 Com. Reg. 12586 (Nov. 15, 1994); Proposed 16 Com. Reg. 12359 (Sept. 15, 1994).

Commission Comment: In subsection (e), the commission changed “an” to “and” before “is a member” to correct a manifest error. The Commission corrected the periods at the ends of subsections (a) through (e) to semicolons pursuant to 1 CMC § 3806(g).

### **§ 20-40.1-145 Definitions, Availability and Maintenance of CPA Workpapers**

- (a) Workpapers are the records kept by the independent certified public accountants of the procedures followed, the tests performed, the information obtained, and the conclusions reached pertinent to his examinations of the financial statements of an insurer. Workpapers, accordingly, may include audit planning documentation, work programs, analyses, memoranda, letters of confirmation and representation, abstracts of company documents and schedules or commentaries prepared or obtained by the independent certified public accountant in the course of his examination of the financial statements of an insurer and which support his opinion thereof.
- (b) Every insurer required to file an audited financial report pursuant to this subchapter, shall require the accountant to make available for review by the Commissioner’s examiners, all workpapers prepared in the conduct of his examination and any communications related to the audit between the accountant and the insurer, at the offices of the insurer, at the Office of the

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Insurance Commissioner or at any other reasonable place designated by the Commissioner. The insurer shall require that the accountant retain the audit workpapers and communications until the Office of the Insurance Commissioner has filed a report on examination covering the period of the audit but no longer than seven years from the date of the audit report.

(c) In the conduct of the aforementioned periodic review by the Commissioner's examiners, it shall be agreed that photocopies of pertinent audit workpapers may be made and retained by the Office of the Insurance Commissioner. Such reviews by the Commissioner's examiners shall be considered investigations and all working papers and communications obtained during the course of such investigations shall be afforded the same confidentiality as other examination workpapers generated by the Office of the Insurance Commissioner.

Modified, 1 CMC § 3806(d), (e), (f).

History: Adopted 16 Com. Reg. 12586 (Nov. 15, 1994); Proposed 16 Com. Reg. 12359 (Sept. 15, 1994).

Commission Comment: The original paragraphs were not designated. The commission designated subsections (a) through (c).

### **§ 20-40.1-150 Exemptions and Effective Dates**

(a) Upon written application of any insurer, the Commissioner may grant an exemption from compliance with this part if the Commissioner finds, upon review of this application, that compliance with this part would constitute a financial or organizational hardship upon the insurer. An exemption may be granted at any time and from time to time for a specified period or periods. Within ten days from a denial of an insurer's written request for an exemption from this part, such insurer may request in writing a hearing on its application for an exemption. Such hearing shall be held in accordance with 4 CMC § 7201(i) through (v) of the Commonwealth Insurance Act pertaining to administrative hearing procedures.

(b) Domestic insurers retaining a certified public accountant on the effective date of this subchapter who qualify as independent shall comply with this part for the year ending December 31, 1994 and each year thereafter unless the Commissioner permits otherwise.

(c) Domestic insurers not retaining a certified public accountant on the effective date of this subchapter who qualify as independent may meet the following schedule for compliance unless the Commissioner permits otherwise.

(1) As of December 31, 1994, file with the Commissioner:

- (i) Report of independent certified public accountant;
- (ii) Audited balance sheet;
- (iii) Notes to audited balance sheet.

(2) For the year ending December 31, 1994 and each year thereafter, such insurer shall file with the Commissioner all reports required by this subchapter.

(d) Foreign insurers shall comply with this part for the year ending December 31, 1994 and each year thereafter, unless the Commissioner permits otherwise.

Modified, 1 CMC § 3806(d), (e), (f).

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History: Adopted 16 Com. Reg. 12586 (Nov. 15, 1994); Proposed 16 Com. Reg. 12359 (Sept. 15, 1994).

Commission Comment: The original paragraphs were not designated. The commission designated subsections (a) through (d).

### **Part 200 - Security and Reserve Requirements**

#### **§ 20-40.1-201 Second Rule; Security Deposit**

(a) As security for the faithful performance of its obligations each insurer, as a condition of engaging in the business of issuing surety bonds for nonresident worker labor-related risk exposure, as required by the Director of Labor for the bonding of nonresident worker labor-related risk exposure, for calendar year 2005 shall deposit in an established escrow account on a monthly basis ten percent of its premiums written each month on every surety (labor) bond for nonresident workers, in addition to the required one hundred thousand dollars in time deposits for a period of one year, or the one hundred thousand dollars irrevocable letter of credit in a duly licensed bank in the Commonwealth, for the benefit of labor-related risk exposure of nonresident workers, with such deposits to be maintained at all times. Each following calendar year, the same insurer shall, in addition to the required one hundred thousand dollars in time deposits for a period of one year, or the one hundred thousand dollars irrevocable letter of credit, shall increase the monthly deposit into the escrow account by an additional five percent of its labor-related risk exposure for nonresident workers. The additional calendar year five percent increases in monthly deposits shall continue until the monthly deposits reach twenty-five percent of the total nonresident worker labor-related risk exposure.

For example: for calendar year 2005 the monthly deposit shall be ten percent of the total nonresident worker labor-related premiums written; for calendar year 2006 the monthly deposit shall be fifteen percent of the total nonresident worker labor-related premiums written; for calendar year 2007 the monthly deposit shall be twenty percent of the total nonresident worker labor-related premiums written; and, for calendar year 2008 and beyond, the monthly deposit shall be twenty-five percent of the total nonresident worker labor-related premiums written.

The Insurance Commissioner prescribes the following procedures and guidelines:

- (1) On or before renewal of an insurer's Certificate of Authority it must present to the Insurance Commissioner the required security deposits or irrevocable letter of credit and a quarterly listing of all nonresident labor bonds. The listing shall include such items as names of insured, employers, amount of coverage, and dates of the expiration of such bonds;
- (2) Time deposit account or irrevocable letter of credit must show "Insurance Company" and "Insurance Commissioner" as holders of the account or as beneficiaries;
- (3) The Commissioner shall turn over the time deposit to the Treasurer for safekeeping;
- (4) The savings/escrow account for the reserve requirement as percentage of premiums written must show "Insurance Company" and "Insurance Commissioner" as holders of the account. Deposits to this account must be made on a monthly basis. In addition to the submission of a monthly labor bond report, insurers shall also be required to show proof on a monthly basis that the retention amount, based on total premiums written, has been duly deposited into the escrow account. The deadline to submit proof (i.e. copy of deposit slip) is on the 20<sup>th</sup> of every

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month. For example, the March monthly report will be due on April 20<sup>th</sup> and the April report will be due on May 20<sup>th</sup>. Failure to comply with the submission deadline will subject bonding companies to a \$50/day late filing fee for each day that the report or proof remains outstanding, or suspension of the insurer's COA, at the Insurance Commissioner's discretion.

(5) Release of the Security Deposits and demand on letter of credit shall be accompanied by authority from the Insurance Commissioner and only upon satisfaction of the following conditions:

(i) A reasonable determination by the Insurance Commissioner and after making findings that the circumstances surrounding the release warrants for such release.\* Reasons, findings, and determinations must be documented.

(ii) All its outstanding labor bonds have either expired, unearned premiums returned, or have been assumed by another bonding company;

(iii) All existing claims arising out of insurance transacted in the CNMI have been paid in full.

(iv) The bonding company shall cause publication of a notice of its intention to petition for the release of its security deposits and demand on letter of credit in a newspaper of general circulation in the CNMI once a week for four consecutive weeks, and shall cause said newspaper to file an affidavit of publication with the Commissioner.

(v) If the Director of Labor or any person shall object to such release within one week from date of last publication, and give good and sufficient cause therefore, the Commissioner may order that the release may be denied.

(vi) If the Insurer has complied with the provisions of this section and no objection has been made, or if objection is made but without good and sufficient cause, the Commissioner shall order the release of the security deposits and demand on letter of credit.

(vii) The minimum accumulated premium retention amount shall at all times be one hundred thousand dollars. Bonding companies may be allowed to utilize the funds in escrow above the one hundred thousand dollars amount only under the following conditions:

(A) The request for utilization of the escrow account shall only be made for payment of Wage, Labor & Repatriation bond claims as demanded by the Director of Labor. Any attempt to request utilization of the escrow account for other than the intended purpose shall be denied and any fraudulent claims will result in the immediate suspension and/or revocation of an insurer's Certification of Authority (COA).

(B) In compliance with the Department of Labor's bond claim requirements, bonding companies shall use the attached "Wage, Labor & Repatriation Claim Form" [Appendix C] to request for utilization of escrow funds. The Insurance Commissioner shall approve all labor bond claims to be paid through the escrow account.

(C) Bonding companies with impaired capital pursuant to 4 CMC §7306(o)(5) based on their latest audited financial statements shall not be allowed to utilize the funds in escrow. Such companies shall be required to submit quarterly financial statements until the impairment is removed.

(viii) The Insurance Commissioner, at his discretion, may allow insurers subject to the labor bond premium retention requirement, to cease making additional deposits into the escrow account, if the amount retained has reached \$100,000.

(ix) The Insurance Commissioner reserves the authority through the issuance of administrative order to raise the minimum labor premium retention value from one hundred thousand dollars to a more appropriate amount if he or she believes that the existing threshold is

## TITLE 20: DEPARTMENT OF COMMERCE

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insufficient to cover bond claims exposure.

(b) From time to time the Insurance Commissioner shall issue statements describing administrative policies and by virtue of his discretionary authority, the Commissioner shall consult with the Secretary of Labor and Immigration on issues, concerns, and problems surrounding the arrangement of labor bonds. Administrative policies will be distributed annually as reminders.

\* So in original.

Modified, 1 CMC § 3806(e), (f), (g).

History: Amdts Adopted 31 Com. Reg. 29974 (Dec. 22, 2009); Amdts Proposed 31 Com. Reg. 29898 (Sept. 28, 2009); Amdts Adopted 27 Com. Reg. 24086 (Feb. 17, 2005); Amdts Proposed 27 Com. Reg. 23819 (Jan. 17, 2005); Amdts Adopted 20 Com. Reg. 16296 (Nov. 15, 1998); Amdts Proposed 20 Com. Reg. 15969 (July 15, 1998) (extending comment period); Amdts Proposed 20 Com. Reg. 15910 (June 15, 1998); Adopted 16 Com. Reg. 12586 (Nov. 15, 1994); Proposed 16 Com. Reg. 12359 (Sept. 15, 1994).

Commission Comment: Subparagraph (b) was originally designated subsection (a)(5). The commission changed the designation to improve the clarity of the section. The Commission corrected the capitalization of “one hundred thousand dollars” and struck the figures “5,” “10,” “5%,” “10%,” “15%,” “20%,” “25%,” “\$100,000,” “4,” and “1” pursuant to 1 CMC § 3806(e) and (f).

The 1998 amendments added new subsection (b), amended subsections (a) and (a)(1) through (a)(4), and repealed former subsection (a)(4)(iv). The 2005 amendments repealed the former subsections (a) and (a)(1) through (a)(4), and added new subsections (a) and (a)(1) through (a)(11). The 2009 amendments amended subsection (a), subsection (a)(4), and replaced subsections (a)(6) through (a)(11) with subsections (a)(5)(i) through (a)(5)(ix).

In subsection (a)(2), the commission changed the final period to a semicolon. The Commission redesignated the subsections of subsection (a)(5) to match the NMIAC numbering scheme pursuant to 1 CMC § 3806(a).

Executive Order 03-01 (effective May 9, 2003), the “Department of Labor and Immigration Reorganization Plan of 2003,” returned the immigration functions of the executive branch to the Office of the Attorney General and renamed the Department of Labor and Immigration the Department of Labor. See the commission comment to NMIAC, title 5, subchapter 40.1.

### **§ 20-40.1-205 Third Rule; Reserve Requirement**

Any and all policies written to cover worker’s compensation claims in the Commonwealth must be written by members of the Northern Marianas Insurance Association (“NMIA”) and approved, in advance, by the Commissioner of Insurance with the concurrence of the Commonwealth Worker’s Compensation Commission. The reserve requirement for NMIA members offering policies written to cover worker’s compensation claims in the Commonwealth shall be equivalent of sixty-six percent of the cumulative premiums earned by the respective NMIA member from worker’s compensation policies for the immediate three years preceding the earning of the premium from each worker’s compensation policy. The applicable rate, or tariff, allowable to be charged on worker’s compensation claims policies in the Commonwealth shall be one uniform rate and shall be published by the Commissioner of Insurance annually in the July Commonwealth Register, following written submission of input from any and all NMIA members.

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Modified, 1 CMC § 3806(e), (f), (g).

History: Amdts Adopted 20 Com. Reg. 16296 (Nov. 15, 1998); Amdts Proposed 20 Com. Reg. 15969 (July 15, 1998) (extending comment period); Amdts Proposed 20 Com. Reg. 15910 (June 15, 1998).

Commission Comment: In the last sentence, the commission corrected a typographical error in the word "policies."

### **§ 20-40.1-210 Fourth Rule; Withdrawal Procedures**

Any and all alien insurers and foreign insurers, as defined by applicable Commonwealth statutes and regulations, as a condition for doing insurance business in the Commonwealth, do appoint, upon suspension, revocation, withdrawal, or refusal to extend the insurer's certificate of authority, the Insurance Commissioner as the registered agent for service of process for the respective alien insurer or foreign insurer. Any and all alien and foreign insurers who wish to withdraw their certificate of authority must also comply with the following:

- (a) An insurer who desires to withdraw from the CNMI must first make an application to the Commissioner for an order granting permission to withdraw.
- (b) Such application shall be accompanied by an affidavit of its principal officer and general agent, that:
  - (1) It desires to withdraw and to permanently discontinue the transaction of insurance business in the CNMI;
  - (2) All its outstanding policies have either expired or have been reinsured in which case it shall file an affidavit by the reinsurance company stating that it has reinsured certain policies of the withdrawing company and setting forth in detail the policies it has reinsured; and that
  - (3) All existing claims arising out of insurance transacted in the CNMI have been paid in full.
- (c) It shall cause publication of a notice of its intention to withdraw in a newspaper of general circulation in the CNMI once a week for four consecutive weeks, and shall cause said newspaper to file an affidavit of publication with the Commissioner.
- (d) If any person shall object to such withdrawal within one week from date of last publication, and give good and sufficient cause therefore, the Commissioner may order that permission for which withdrawal be refused.
- (e) If the insurer has complied with the provisions of this section and no objection has been made, or if objection is made but without good and sufficient cause, the Commissioner shall order permission to withdraw and the withdrawing insurer shall deliver to the Commissioner for cancellation its certificate of authority and current business licenses of its agents and solicitors.

Modified, 1 CMC § 3806(e), (f), (g).

History: Amdts Adopted 20 Com. Reg. 16296 (Nov. 15, 1998); Amdts Proposed 20 Com. Reg. 15969 (July 15, 1998); Amdts Proposed 20 Com. Reg. 15910 (June 15, 1998).

Commission Comment: In the title to this section and the opening paragraph, the commission corrected the spelling of the word "withdrawal." The commission changed the final period to a semicolon at the end of subsection (b)(1).

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### Part 300 - Miscellaneous Provisions

#### § 20-40.1-301 Severability Provision

(a) If any section or portion of a section of this subchapter or the applicability thereof to any person or circumstance is held invalid by a court, the remainder of the section or the applicability of such provisions to other persons or circumstances shall not be affected thereby.

(b) The review committee under the direction of the Secretary of Commerce shall adopt specific criteria and establish standard operating procedures and shall be incorporated into these regulations: forms, standard operating procedures and guidelines, public notices and service announcements, memorandums, and other miscellaneous items.

Modified, 1 CMC § 3806(d), (g).

History: Adopted 16 Com. Reg. 12586 (Nov. 15, 1994); Proposed 16 Com. Reg. 12359 (Sept. 15, 1994).

Commission Comment: The first paragraph of this section was not designated. The commission designated it subsection (a).

In subsection (b), the commission changed "criterias" to "criteria" to correct a manifest error.

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**Appendix A**

**25% RESERVE REQUIREMENT**

1. **Criteria and options adopted are as follows: Option number five (5) is to be installed as the guiding criteria. This installation is a result of written comments received from two insurance companies and oral comments from various individuals. Non-compliance of this rule may result in the non-renewal of insurer's Certificate of Authority and, or sanctions imposed on insurers writing surety to the Chief of Labor.**

**ANALYSIS OF IMPOSING A 25% RESERVE REQUIREMENT ON INSURANCE COMPANIES SELLING LABOR BONDS.**

**Option #1**

\$3,100 policy; \$100 premium; 25%.

	# of Policies	Policy	Res. Req.	Reserve Require.	Premium	Premiums to be earned	Reserve Realization
	1	\$3,100	25%	\$775	\$100	\$100	7.75
***	11,167	\$3,100	25%	\$8,654,425	\$100	\$1,116,700	7.75

**OPTION #2:**

\$3,100 Policy; \$100; 25% reserve; \$100,000 capital

	# of Policies	Policy	Reserve Rate	Reserve Require.	Premium	Premiums to be earned	Reserve Realization	Max. # of Policies
	1	\$3,100	25%	\$775	\$100	\$100	7.75	129
***	11,167	\$3,100	25%	\$8,654,425	\$100	\$1,116,700	7.75	779

**OPTION #3:**

\$3,100 policy; \$100 premium; 25% reserve requirement -- policy to be born by employers.

	# of Policies	Policy	Res. Req.	Reserve Require.	Premium	Premiums to be earned	Reserve Realization
	1	\$3,100	25%	\$775	\$100	\$100	7.75
***	11,167	\$3,100	25%	\$8,654,425	\$100	\$1,116,700	7.75

**Option #3a:**

\$3,100 policy; \$100 premium; 25% reserve requirement -- policy to be born by employers; \$100,000 capital.

	# of Policies	Policy	Reserve Rate	Reserve Require.	Premium	Premiums to be earned	Reserve Realization	Max. # of Policies
	1	\$3,100	25%	\$775	\$100	\$100	7.75	8
***	11,167	\$3,100	25%	\$8,654,425	\$100	\$1,116,700	7.75	8

**Option #3b:**

Portion of reserve requirement to be born by employers.

	Premium	Average Policy	Reserve Require.	@ 10%*	@ 15%*	@ 20%*	@ 25%*
	\$100	\$3,100	\$775.00	\$697.50	\$658.75	\$620.00	\$581.25
***	11167	Reserves:	\$8,654,425	\$7,788,983	\$7,356,261	\$6,923,540	\$6,490,819

\*insurance company's share of the reserve requirement.



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**OPTION #4:**

\$3,100 policy; \$100 premium; 25% reserve requirement-- use of other insurance class premiums for reserves.

	# of Policies	Policy	Res. Req.	Reserve Require.	Premium	Premiums to be earned	Reserve Realization
	1	\$3,100	25%	\$775	\$100	\$100	7.75
***	11,167	\$3,100	25%	\$8,654,425	\$100	\$1,116,700	6.25

**Option #4a:**

\$3,100 policy; \$100 premium; 25% reserve requirement-- use of other insurance class premiums for reserves; \$100,000.

	# of Policies	Policy	Reserve Rate	Reserve Require.	Premium	Premiums to be earned	Reserve Realization	Max. # of Policies
	1	\$3,100	25%	\$775	\$100	\$100	7.75	160
***	11,167	\$3,100	25%	\$8,654,425	\$100	\$1,116,700	6.25	1,440

**OPTION #5:**

Only a portion of policy is used to calculate reserve req.; \$100,000 cap  
 \$3,100-2,000= \$1,100 subject to reserve requirement.

	# of Policies	Policy	Res. Req.	Reserve Require.	Premium	Premiums to be earned	Reserve Realization	Max # of Policies
	1	1100	25%	\$275	\$100	\$100	2.75	364
***	11,167	1100	25%	\$3,070,925	\$100	\$1,116,700	2.75	5,756

\*\*\*Actual number of policies written as of April 1994. Source: Insurance Survey.

\*\*Indicates how long the company will realize the required reserve based on annual premiums.

History: Adopted 16 Com. Reg. 12586 (Nov. 15, 1994); Proposed 16 Com. Reg. 12359 (Sept. 15, 1994).

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### Appendix B

#### INSTRUCTION SHEET FOR "AUTHORITY TO ORGANIZE" A DOMESTIC CORPORATION PURSUANT TO PART II, SECTION 901 BUSINESS LICENSE REGULATIONS

- 1) A proposed incorporator, director, or officer is considered an organizer of the proposed domestic corporation.
- 2) At least one or more individuals may act as organizers of a proposed domestic corporation.
- 3) Every organizer must submit a biographical affidavit which shall be accompanied or supported by at least two letters of reference written by sources not mentioned in the application as organizers.
- 4) Official Police Clearance from country of citizenship or last residency of at least three years is required of each Organizer.
- 5) No application for a "Business License" will be accepted if the proposed articles of incorporation for the proposed domestic corporation have been filed with the Office of the Registrar of Corporations and a corporate charter was granted prior to filing the same documents with the Office of the Secretary of Commerce.
- 6) The Department of Commerce will not render a final review of an application that is incomplete of the required information. Normally, a preliminary review is undertaken to ascertain the completeness of an application with respect to all the information required to be submitted under Section 1600 of the Business License Regulations.
- 7) Any result of a preliminary review will be issued in writing and addressed in letter form to the proposed President of the proposed domestic corporation.
- 8) If none of the proposed corporate directors or officers will be acting in the capacity of "Resident Manager" or "General Manager" or their equivalence, then the individual designated to act as such will be required to provide the same information required of an organizer under #3 above.
- 9) If more than 10% of the outstanding stock of the proposed domestic corporation are to be acquired by corporations, associations, or partnerships, such organizations must submit full disclosure of its principals, major stockholders, including their addresses and citizenships, its financial condition and a "good standing" certification issued by the country or state of its domicile.
- 10) It is highly recommended that all applications seeking "authority to organize" be submitted under a cover letter written on a bonafide office stationery of the legal counsel of the organizers which has the mailing address and telephone number(s) of the person to be of contact contained therein.

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**BIOGRAPHICAL AFFIDAVIT  
(Print or Type)**

In connection with the application for "Authority to Organize" a corporation, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any question fully.) IF ANSWER IS "NO" or "NONE", SO STATE.

1) Affiant's full name (initials NOT ACCEPTABLE).

\_\_\_\_\_

2) a) Have you ever had your name changed? \_\_\_\_\_ If yes, give the reason for change.

\_\_\_\_\_  
\_\_\_\_\_

b) Other names used at any time. \_\_\_\_\_

3) Affiant's Social Security Number: \_\_\_\_\_

4) Date and place of birth: \_\_\_\_\_

\_\_\_\_\_

5) Affiant's address: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

6) List your residence for the last ten (10) years starting with your current address, giving:

DATE	ADDRESS	CITY and STATE
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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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7) Education: Dates, Names, Locations and Degrees.

College \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Graduate Studies \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Others \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8) List memberships in Professional Societies and Associations.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9) Proposed position with the proposed business corporation.

\_\_\_\_\_

10) List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past ten (10) years, giving:

DATE	TITLE	EMPLOYER AND ADDRESS
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

11) Present employer may be contacted.    Yes        No        (circle one)  
Former employers may be contacted.    Yes        No        (circle one)

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- 12) a) Have you ever been in a position which required a fidelity bond?

\_\_\_\_\_

If any claims were made on the bond, give details. \_\_\_\_\_

- b) Have you ever been denied an individual or position schedule fidelity bond, or has a bond canceled or revoked? \_\_\_\_\_ If yes, give details

- 13) List any professional, occupational, and vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past (state date license issued, issuer of license, date terminated, reasons for termination).

- 14) During the last ten (10) years, have you ever been refused a professional, occupational, or vocational license by any public or governmental licensing agency or regulatory authority, or has any such license held by you ever been suspended or revoked? \_\_\_\_\_ If yes, give details.

- 15) List any corporations in which you control directly or indirectly or own legally or beneficially 5% or more of the outstanding stock (in voting power).

\_\_\_\_\_

\_\_\_\_\_

If any of the stock is pledged or hypothecated in any way, give details.

- 16) Will you or members of your immediate family subscribe to or own, beneficially or of record, shares of stock of the applicant corporation or hypothecated in any way, give details.

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17) Have you ever been adjudged a bankrupt? \_\_\_\_\_

18) a) Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to an information or indictment charging any felony, or charging a misdemeanor involving embezzlement, theft, larceny, or mail fraud, or charging a violation of any corporate securities statute or any insurance law, or have you been subject of any disciplinary proceedings of any federal or state regulatory agency? \_\_\_\_\_

If yes, give details. \_\_\_\_\_

b) Has any company been so charged, allegedly as a result of any action or conduct on your part? \_\_\_\_\_

If yes, give details. \_\_\_\_\_

19) Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any corporation which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? \_\_\_\_\_

20) Has the certificate of authority or license to do business of any corporation of which you were an officer or director or key management person ever been suspended or revoked while you occupied such position? \_\_\_\_\_  
If yes, give details. \_\_\_\_\_

Dated and signed this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ at \_\_\_\_\_.

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

\_\_\_\_\_  
(Signature of Affiant)

Note: This affidavit must be notarized.

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**APPLICATION FOR "AUTHORITY TO ORGANIZE"  
A DOMESTIC CORPORATION PURSUANT TO PART II,  
SECTION 901 BUSINESS LICENSE REGULATIONS**

Date: \_\_\_\_\_

TO THE SECRETARY OF COMMERCE OF THE COMMONWEALTH:

1) Name of the proposed corporation: \_\_\_\_\_

2. Proposed location of its principal office: \_\_\_\_\_

Mailing address: \_\_\_\_\_

3. Amount of paid-in capital (including paid-in surplus) to be authorized: \_\_\_\_\_

4. The proposed line of business to be transacted are: (check the appropriate box and/or boxes)

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> Hotel/Motel            | <input type="checkbox"/> Construction                                       | <input type="checkbox"/> Banking/Finance  |
| <input type="checkbox"/> Agriculture/Fishing    | <input type="checkbox"/> Professional Service                               | <input type="checkbox"/> Restaurant/Bars  |
| <input type="checkbox"/> Retail/Wholesale Trade | <input type="checkbox"/> Manufacturing<br>(including textile manufacturing) | <input type="checkbox"/> Air Transportation/<br>Transportation<br>Services/Shipping |

All others

5. Names of persons acting as organizers:

	Name	Title
1)	_____	_____
2)	_____	_____
3)	_____	_____
4)	_____	_____

6. Name of individual to act as Resident Manager or General Manager or Registered Agent: \_\_\_\_\_

7. How much (best estimate in U.S. dollars) will be used for organization and promotion expense? \$\_\_\_\_\_

8. This application must be signed by all organizers listed in No. 5 herein.

	Name	Proposed Title
1)	_____	_____
2)	_____	_____
3)	_____	_____
4)	_____	_____

9. We authorize the Secretary of commerce to do a background check and inquiries as to our business experience and affiliations.

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DEPARTMENT OF COMMERCE  
BUSINESS LICENSING BRANCH  
CALLER BOX 10007  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
SAIPAN, MP 96950

## APPLICATION FOR BUSINESS LICENSE

### TYPE OF APPLICATION

NEW  
 RENEWAL

Capital Investment \$ \_\_\_\_\_

AMENDMENT Business License Number: \_\_\_\_\_ (Please Specify 1st year of operation) \_\_\_\_\_  
(Check below only those that apply)

--> Location of Business  --> Address  
 --> Name Change of Business  --> Name Change of Ownership  
 --> Add activity(ies)  --> Delete activity(ies)  
 --> Change form of business

### FORM OF BUSINESS (Check one only)

Sole Proprietorship  Corporation  Partnership  Non-Profit Organization

Association (Please specify): \_\_\_\_\_

Pursuant to the Law of the Commonwealth of the Northern Mariana Islands, the undersigned hereby makes application to engage in or continue engaging in the following business activity(ies):

1. \_\_\_\_\_ 5. \_\_\_\_\_  
2. \_\_\_\_\_ 6. \_\_\_\_\_  
3. \_\_\_\_\_ 7. \_\_\_\_\_  
4. \_\_\_\_\_ 8. \_\_\_\_\_

In consideration of the issuance of such license, the applicant must provide the following information: (Answer each item as accurately as possible.) Application understands that willful misstatement(s) or omission(s) of a material fact on this application shall be grounds for revocation of the business license or the imposition of civil and/or criminal penalties.

### Applicants Information:

1. \_\_\_\_\_ (Last Name) \_\_\_\_\_ (First Name) \_\_\_\_\_ (Middle Initial)

2. Local address (Village, Apt's name, etc): \_\_\_\_\_

3. Address: \_\_\_\_\_

4. Citizenship of Applicant: \_\_\_\_\_

### Business Information:

5. Business Name: \_\_\_\_\_

6. Business' Mailing Address in CNMI: \_\_\_\_\_

7. Business' Local Address (Village, Bldg.'s name, etc.): \_\_\_\_\_

8. Business Phone and/or Fax Number: \_\_\_\_\_

9. Location of Business (Check one only):  Saipan  Rota  Tinian  Northern Islands

(please attach a detail sketch of business location)

10. If form of business is a corporation or the applicant is a Non-CNMI resident, please specify complete name, address and telephone number of resident agent on the space provided below.

\_\_\_\_\_ (Last Name) \_\_\_\_\_ (First Name) \_\_\_\_\_ (Middle Initial)

Mailing Address: \_\_\_\_\_ Telephone No.: \_\_\_\_\_

### Workers' Compensation - Public Law 6-33 - Requirements: (CHECK ONE)

I CERTIFY THAT THERE IS/ARE NO EMPLOYEES(S) IN THE BUSINESS. THAT SHOULD I HIRE ANY EMPLOYEE(S), I WILL COMPLY WITH THE WORKER'S COMPENSATION. LAW TO IMMEDIATELY PROVIDE INSURANCE COVERAGE FOR ALL EMPLOYEE(S) HIRED.

I CERTIFY THAT THE BUSINESS HAS EMPLOYEE(S) AND THAT ALL EMPLOYEES ARE COVERED BY WORKER'S COMPENSATION INSURANCE AS REQUIRED BY PUBLIC LAW 6-33.

**Applicant's Declaration:** I declare under penalty of perjury that the statements above are true and correct, and that I have complied with all Commonwealth Laws and regulations promulgated pursuant thereto and that this declaration was executed at Saipan/Rota/Tinian, Northern Mariana Islands on the date indicated below.

\_\_\_\_\_

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History: Adopted 16 Com. Reg. 12586 (Nov. 15, 1994); Proposed 16 Com. Reg. 12359 (Sept. 15, 1994).

Commission Comment: PL 11-73 (effective March 19, 1999), the "Business Licencing Processing Act of 1998," codified at 1 CMC § 2553(l) and (m), and 4 CMC §§ 5611-5614 completely revised the Commonwealth code provisions regarding business licenses and transferred authority to issue business licenses from the Department of Commerce to the Department of Finance. See 4 CMC §§ 5611-5614; see also NMIAC, title 70, subchapter 40.1.



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**Appendix C**

**WAGE, LABOR & REPATRIATION CLAIM REQUEST FORM**

**NOTICE OF CLAIM FROM DEPARTMENT OF LABOR  
(See Attached)**

BANK \_\_\_\_\_

ESCROW ACCT. NUMBER \_\_\_\_\_

CLAIM AMOUNT \_\_\_\_\_

AUTHORIZED PERSON REQUESTING  
DISBURSEMENT \_\_\_\_\_

DATE OF RELEASE \_\_\_\_\_

SURETY BOND COMPANY \_\_\_\_\_

BOND NUMBER \_\_\_\_\_

EMPLOYER \_\_\_\_\_

EMPLOYEE \_\_\_\_\_

REQUEST:    APPROVED  DENIED  \_\_\_\_\_  
CNMI INSURANCE COMMISSIONER

DATE