

**TITLE 1: GOVERNMENT**  
**DIVISION 8: PUBLIC EMPLOYMENT**

**§ 8421. Administration of the Government Life and Health Insurance Programs.**

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

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

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

**Source:** [PL 10-19](#), § 2; repealed and reenacted by [PL 19-60](#) §§ 2, 3 (101) (Aug. 5, 2016), modified.

**Commission Comment:** [PL 10-19](#) took effect June 21, 1996. According to [PL 10-19](#), § 1:

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

[PL 19-60](#), in addition to savings and severability clauses, included the following Findings and Purpose section:

Section 1. Findings and Purpose. The Legislature finds that the Governor vetoed House Bill No. 19-37, HD2, SD1, entitled an act "To transfer the administration of the Government's Group Health and Life Insurance programs to the Department of Finance, and to amend 1 CMC § 8364; and for other purposes". Governor's Communication 19-89 further went on to state: "I am exercising my authority to veto this legislation because the amendment to increase the number of re-enrollees in GHLI may lead to a potentially significant increase to overall premiums for members of the GHLI programs". The Legislature further finds that the particular amendment the Governor was referring to was adopted and passed by the Senate on October 9, 2015, which amended [1](#)

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[CMC § 8364](#), as amended by Public Law 15-70, that would have permitted retirees who did not enroll within the grace period and those who were properly enrolled but for different reasons dis-enrolled will have the option to enroll for the first time or to re-enroll in the government health insurance program. The Governor further states that he agrees with the intent and principle of the legislation, however, the legislation runs the risk of increasing costs when its overall intent was to make premiums more affordable for every enrollee. Therefore, the intent of this legislation is to re-introduce the original intent and principle of House Bill No. 19-37, HD2.

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

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

The Commission numbered this section pursuant to [1 CMC § 3806\(a\)](#).