

**TITLE 4: ECONOMIC RESOURCES**  
**DIVISION 9: LABOR**

**§ 9345. Insurance Policies.**

(a) Every policy or contract of insurance issued under authority of this chapter shall contain:

(1) A provision to carry out the provisions of 4 CMC § 9344, and

(2) A provision that the insolvency or bankruptcy of the employer or the employer's discharge in any insolvency or bankruptcy proceeding, or both, shall not relieve the carrier from payment of compensation for disability or death sustained by an employee during the period covered by such policy or contract.

(b) No contract or policy of insurance issued by a carrier under this chapter shall be canceled prior to the date specified in such contract or policy for its expiration until at least 30 days after a notice of cancellation has been sent to the administrator and to the employer in accordance with the provisions of 4 CMC § 9321(c).

(c) A coverage for worker's compensation secured by any employer required under this chapter, including renewals thereof, for which premium payment has not been made, shall be deemed to be effective within the grace period allowed by the carrier. Grace periods allowed by a carrier shall be in writing. However, notwithstanding the provision of subsection (b) of this section, any employer who:

(1) Fails to make the necessary premium payment, after reasonable notice of demand for payment, following such grace period as allowed, by the carrier, shall be deemed to have never secured the payment of compensation retroactive to the intended effective date of coverage; and, the carrier shall have the right to recover from the employer the cost of premium, on a pro rata basis, for the coverage provided during the grace period allowed such carrier.

(2) Has made partial payments for premium, and after reasonable notice of demand for full payment thereof, fails to make the required full payment, shall be deemed to be covered, on a pro rata basis, for only the period represented by such partial payments.

(d) The carrier adversely affected by subsection (c) of this section, shall have the right to cancel such coverage and shall notify the administrator of this cancellation in accordance with 4 CMC § 9321(c). The carrier shall be entitled to recover from such employer the premium cost which represents the coverage grace period.

**Source:** PL 6-33, § 1 (§ 9345); amended by PL 9-33, § 10, modified.