



## NMI SETTLEMENT FUND

POST OFFICE BOX 501247, SAIPAN, MP 96950

December 5, 2025

### VIA ELECTRONIC MAIL

Ms. Tracy Norita  
Secretary of Finance  
P.O. Box 5234 CHRB  
Saipan, MP 96950

**RE: Request for Modifications to Final Amended Stipulation and  
Agreement of Settlement  
*Johnson v. Inos*, Case No. 09-00023**

Dear Ms. Norita:

Thank you for your letter dated December 3, 2025 regarding modifications to the Settlement Agreement as it relates to retirees' health insurance coverage. The meeting yesterday was also very helpful in understanding the Government's financial challenges concerning the funding of the GHLI program.

We have provided a copy of your December 3 letter to Class Counsel, Margery Bronster and Robert Hatch, and have discussed the Government's request to modify the Settlement Agreement. It is the position of Class Counsel and the Settlement Fund that the Settlement Agreement cannot be modified. Any modification would require the consent of all parties, including Class Counsel, all NMI Government agencies, the Settlement Fund, and *all of the 2,378 class members*.

The Settlement Fund has been communicating with the Government, the legislature, and the U.S. Delegate to the House of Representatives Kimberlyn King-Hinds, and has been closely monitoring the developments related to the CNMI budget crisis. We are deeply concerned about the Government's ability to fund the MAP and the GHLI for the active employees and retirees. The Government's original approved 2026 budget appropriated \$3.6 million for its share of the active employee health insurance cost, and allocated only \$1 for its share of the retiree health insurance cost. This represents a \$7.2 million shortfall in the estimated cost for retiree coverage. With 21 days remaining in the year, today, the House of Representatives finally passed HB 24-75 appropriating \$2.8 million for the retiree health insurance, still leaving a shortfall of approximately \$4.4 million.

The funding for the retiree health and life insurance coverage is, and remains, the responsibility of the CNMI. Section 13 of the Settlement Agreement explicitly states: "[i]t will be the duty and obligation of the CNMI to pass any legislation necessary to effectuate this paragraph." § 13.0, Settlement Agreement (ECF No. 468-1, at 25). One of the Government's proposals is to include the GHLI retiree premiums as part of the MAP, thereby seeking to make

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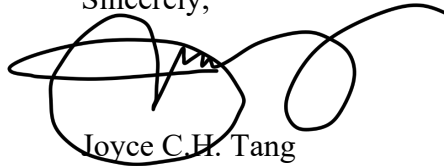
the Settlement Fund responsible for paying the Government share of the GHLI insurance. The Settlement Fund cannot and will not agree to assume responsibility for payment of any portion of the GHLI premiums.

The Government also seeks relief from the requirement that any GHLI plan must include the "Settlement Class Members in the same government and life insurance plans and with the same benefits as provided to then current full-time employees of the CNMI." This proposal, if approved, would give the Government the right to create a separate plan for retirees with significantly less coverage, potentially offering no meaningful benefits compared to active plans.

Lastly, as of December 5, 2025, the Government has not fully funded the GHLI health plan for all actives and retirees. The Government's failure to provide health insurance coverage to retirees equal to that of active employees constitutes anticipatory repudiation of the Settlement Agreement, and a direct violation of the NMI District Court's Order (ECF No. 561). Failure to pay a plan will result in default and termination of health insurance for the entire NMI Government.

The NMI Government must fund the GHLI and prevent termination of the Aetna insurance policy. We look forward to continued communication on these critical matters.

Sincerely,

A handwritten signature in black ink, appearing to read "Joyce C.H. Tang", with a large, stylized flourish extending to the right.

cc: Hon. David M. Apatang, Governor  
Attorney General Edward Manibusan  
Margery Bronster, Class Counsel  
Robert Hatch, Class Counsel