



*The President*  
*Palikir, Pohnpei*  
*Federated States of Micronesia*

June 25, 2014

The Honorable Dohsis Halbert  
Speaker  
18<sup>th</sup> FSM Congress  
Palikir, Pohnpei FM 96941

Dear Speaker Halbert:

I am pleased to transmit the following Congressional Act, which I signed to become Public Law No. 18-71:

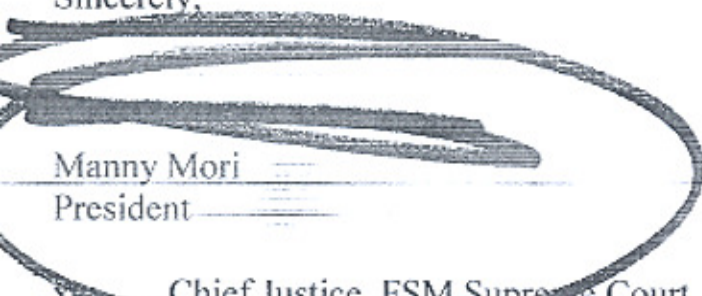
Congressional Act No. 18-77, entitled: "AN ACT TO FURTHER AMEND SECTIONS 1003 AND 1015 OF TITLE 37 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA, AS ENACTED BY PUBLIC LAW NO. 14-88 AND AS AMENDED BY PUBLIC LAWS NOS. 15-34 AND 16-17, AND INSERTING NEW SECTIONS 1017, 1018, 1019, AND 1020 TO CLARIFY AND ESTABLISH A REVOLVING FUND FOR THE FEES AND PREMIUM TAX REVENUES COLLECTED THEREUNDER FOR SUCH PURPOSES AND FUNCTIONS STATED THEREIN, AND FOR OTHER PURPOSES."

The intention of the Act is to bring stability to the captive insurance by making its license valid until terminated by surrender, suspension, revocation, and failure to comply with law. The Act also establishes a revolving fund that will help in the regulation of captive insurance and the review of license application.

There are errors in the Act consisting of typo on page 3, line 11 (the correct word is "fee" not "feed") and ambiguity in section 1017. Section 1017 does not give indication on how the cap of \$50,000 will operate as a threshold. Additionally, the timing of enforcing the cap is ambiguous, since section 1017 does not indicate whether the cap applies at the beginning or closing of fiscal year. Section 1017 also does not state what will happen to the funds in excess of \$50,000. I urge respectfully Congress to review these errors at the earliest opportunity and take the necessary actions to rectify them.

I thank Congress for passing this important legislation.

Sincerely,

  
Manny Mori  
President

Chief Justice, FSM Supreme Court  
Secretary, Department of Justice  
Director, Office of SBOC  
Legislative Counsel, CFSM  
Library, CFSM  
PIO, FSM