

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

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2012 SEP 20 PM 2:12

Patricia D. Petersen
Patricia D. Petersen
Chief Hearing Officer

September 20, 2012

Patricia D. Petersen, JD, Chief Hearing Officer
Office of the Insurance Commissioner, Hearings Unit
PO Box 40255
Olympia, WA 98504-0255
5000 Capitol Boulevard
Tumwater, WA 98501

Re: Docket No. 12-0236 - Form A Filing dated June 1, 2012 – Proposed Acquisition
of Control of North Coast Life Insurance Company – Issuance of Solicitation
Permit

Dear Ms. Petersen:

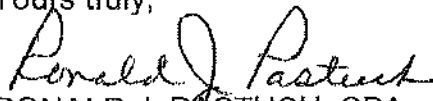
Attached please find the attached Solicitation Permit for Subsequent Financing of a
Domestic Life and Disability Insurer for the proposed Acquisition of Control of a
Domestic Insurer application under Docket No. 12-0236.

The Permit (Permit No. 12-0260) covers the proposed solicitation by North Coast Life
Insurance Company of the sale of its common stock shares and the issuance of a
surplus debenture to Government Personnel Mutual Life Insurance Company.

The Permit is contingent upon the final regulatory approval of the proposed acquisition
of control application.

If you have any questions, please call me at 360-725-7211 or Ms. Aronson at
360-725-7181.

Yours truly,


RONALD J. PASTUCH, CPA
Holding Company Manager
Company Supervision Division
E-Mail: RonP@oic.wa.gov

Cc: James T. Odiome, CPA, JD, Deputy Insurance Commissioner
Robin Aronson, Staff Attorney



OFFICE OF
INSURANCE COMMISSIONER

THE GRANTING OF THIS SOLICITATION PERMIT IS PERMISSIVE ONLY, AND SHALL NOT CONSTITUTE AN ENDORSEMENT BY THE INSURANCE COMMISSIONER OF ANY PERSON OR THING RELATED TO THE INSURER, CORPORATION, OR SYNDICATE, AND THE EXISTENCE OF THIS PERMIT SHALL NOT BE ADVERTISED OR USED AS AN INDUCEMENT IN ANY SOLICITATION.

SOLICITATION PERMIT FOR SUBSEQUENT FINANCING OF A
DOMESTIC LIFE AND DISABILITY INSURER
Permit No. 12-0260

The authority contemplated by RCW 48.06.030, 48.06.040 and 48.06.180 is hereby granted to **NORTH COAST LIFE INSURANCE COMPANY**, under the provisions of Chapter 48.06 RCW, as amended, subject to the following express conditions:

(1) Permit Covers:

This permit covers the proposed solicitation by North Coast Life Insurance Company ("Company") of the sale of 763,017 shares of common stock at the price of \$7.66 per share to Government Personnel Mutual Life Insurance Company ("GPM Life") and a surplus debenture in the principal amount of \$469,115 for total consideration of \$6,313,825. Sale and conveyance of the common stock is contingent upon final regulatory approval of a pending application by GPM Life to acquire control of the Company.

Proceeds from this solicitation will be used to redeem the outstanding preferred shares at an aggregate redemption price of \$10.00 per share, plus cumulative accrued and unpaid dividends on the redemption date.

(2) Solicitation:

Sale of this stock will be through direct purchase by GPM Life.

(3) Bond or Deposit:

The bond-cash deposit required by the provisions of RCW 48.06.110(2) has been waived under the provisions granted by RCW 48.06.110(3)(b).

(4) Duration:

This permit shall have duration to not later than June 30, 2013 unless earlier modified or revoked, as specified herein, and as provided by the Insurance Code of the State of Washington, Title 48 RCW.

(5) Condition:

This permit is issued upon the condition that on the Closing Date, the Purchaser hereby subscribes for and agrees to purchase the Subscription Shares and the Surplus Debenture from the Company, and the Company shall sell and issue the Subscription Shares and the Surplus Debenture to the Purchaser upon the terms and conditions set forth in the Common Stock and Surplus Debenture Subscription agreement dated May 7, 2012.

- (6) Report to Commissioner:
North Coast Life Insurance Company shall, on or before March 31, 2013 make an accounting to the Insurance Commissioner, certified by its outside counsel or an officer of the corporation, of the number of shares of stock sold and the monies collected from the transactions authorized by this Solicitation Permit.
- (7) Representation:
No representation is made concerning the possible application of any other law, including the Securities Act of Washington (Chapter 21.20 RCW) to the solicitation which is the subject of this permit.
- (8) Escrow:
Under the authority granted by RCW 48.06.180 (3), the requirement for an escrow account is hereby waived.
- (9) Added Liability of Issuer:
Each stock certificate issued by the company shall conform in terms and content to all applicable requirements outlined in Title 48 RCW.

Each stock certificate issued by the company shall contain printed notice of the shareholder's potential additional liability imposed by Article XII, Paragraph 11 of the Constitution of the State of Washington as follows:

Article XII, Section 11 of the Constitution of the State of Washington provides that the stockholders of an insurance company are individually and personally liable equally and ratably for all obligations for the corporation incurred while they remain stockholders up to the par value of their stock, in addition to the amount invested in such shares.

- (10) Modification or Revocation:
The Insurance Commissioner may, as authorized by RCW 48.06.100, modify or revoke this permit.

IN WITNESS WHEREOF, I have issued this Permit this 19th day of September, 2012.

MIKE KREIDLER
Insurance Commissioner

BY: 

JAMES T. ODIORNE, CPA, JD
Deputy Insurance Commissioner
Company Supervision Division