

North Coast Life Insurance Company Receives Approval for Payment of the Regular September 30, 2001 Preferred Stock Dividend Payment Under New Agreement

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SPOKANE, Wash.--(BUSINESS WIRE)--Oct. 24, 2001--North Coast Life Insurance Company [NCLIP](#)(OTC:NCLI) -- North Coast Life received approval from the State of Washington, Office of the Insurance Commissioner for payment of North Coast's regular quarterly dividend payment on its 10% Series A Cumulative Convertible Preferred Stock.

The approval is the first since the Company and the Office of the Insurance Commissioner formalized the conditions under which the preferred stock dividend may be paid. These conditions include:

- The Company's total capital and surplus shall exceed \$4.8 million (the Company's minimum capital and surplus requirement in California had previously been raised to \$5.0 million), and
- The Company's net income, cumulative from the quarter ending December 31, 2000, as reflected by filed annual and quarterly statutory financial statements, must exceed the cumulative total amount of dividends paid since February 1, 2001, including the dividends covered by the current application, and
- The Company shall not have reported negative net income in four or more consecutive quarters, including the most recent quarter.

Upon application for payment of the quarterly preferred stock dividends, including an indication that all the conditions are properly met, approval by the Office of the Insurance Commissioner is automatic within a 15 business-day timeframe. Prior to formalizing the conditions, the requirements and timeframe for approval of the preferred stock dividends were not clearly defined.

Company news, financial results and other investor information may be viewed at the Company's web site: www.nclife.com

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