

Comments to Market Conduct Examination Report

North Pointe Insurance Company is dedicated to providing excellent service to its policyholders. The California Department of Insurance has conducted an extensive examination of North Pointe's claims handling operation, and the results of the examination attest to the high quality of the company's claims handling practices. While the examination does contain some citations, they are technical in nature and not related to the substantive practices of North Pointe in handling its claims as negatively affecting policyholders.

As pointed out in the examination report, we disagree with many of the Department's conclusions as they are based on questionable or unpublished interpretations of the Fair Claims Practices Regulations. We note that the Department has proposed new revisions to the regulations to make them conform to its interpretations, but the proposed revisions are not yet in effect. North Pointe has always tried to base its business practices on the statutes and regulations of the states in which it does business. We consider our good relations with our regulators to be a valuable business asset. We do not believe, however, that any person should be held to standards that do not appear in the governing statutes or regulations.

We appreciate the Department's professionalism and cooperation during the examination process. We continually seek new ways of improving our claims handling operations to benefit policyholders and thank the Department for its suggestions. We are pleased that the examination has affirmed the skill and dedication of our claims staff.