

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION**

COMMONWEALTH OF VIRGINIA, <u>ex rel.</u>	§	
STATE CORPORATION COMMISSION	§	
	§	
Applicants,	§	
	§	
v.	§	CASE NO. INS-2003-00024
	§	
RECIPROCAL OF AMERICA, In Receivership,	§	
THE RECIPROCAL GROUP, In Receivership	§	
	§	
Respondents.	§	

EIGHTH DIRECTIVE REGARDING CLAIM PAYMENTS

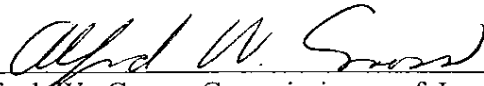
1. On December 13, 2005, in a case styled Application of Reciprocal of America and The Reciprocal Group For Approval of Agreement to Stay Proceedings and Tolling Agreement, CASE NO. INS-2004-00244, the State Corporation Commission (the "Commission") of the Commonwealth of Virginia, entered its Final Order, which, among other things: (1) authorized the Deputy Receiver to modify the Fifth Directive entered herein effective as of April 30, 2003, consistent with the terms of said Final Order, (2) authorized payment of 17% of policyholder-level claims against ROA, in an aggregate amount that does not exceed \$77,511,000, and (3) requires the Deputy Receiver to file an application with the Commission for authority to make further monetary distributions.

THEREFORE, in accordance with the powers granted to the Deputy Receiver in the said Final Order and other applicable authority, THE DEPUTY RECEIVER HEREBY DIRECTS:

1. ROA shall make payments to policyholders, subscribers, third-party claimants, and guaranty associations having made payments to such policyholders and claimants, for approved claims arising under workers' compensation and other Insurance Policies of ROA in amounts that do not exceed 17% of the amount approved upon such claims and which do not, in the aggregate exceed \$77,511,000.
2. The percentage and aggregate amount of such payments may be increased when, and to the extent that, additional payments are authorized in further orders of the Commission.
3. In all other respects, the Fifth Directive effective as of April 30, 2003, shall remain in full force and effect.

This Eighth Directive shall take effect whenever the Commission's Final Order of December 13, 2005, becomes final and non-appealable. All of the foregoing is subject to further directives of the Deputy Receiver and orders of the State Corporation Commission of the Commonwealth of Virginia.

It is so directed on this Fourteenth day of December, 2005:



Alfred W. Gross, Commissioner of Insurance, Bureau of Insurance, State Corporation Commission, Commonwealth of Virginia, and Deputy Receiver of the Companies