

**UPDATE REGARDING DISTRIBUTION OF THE ASSETS OF THE
ESTATE OF RECIPROCAL OF AMERICA AND THE ESTATE OF
THE RECIPROCAL GROUP
(As of August 26, 2019)**

The following is a summary description of some of the significant events regarding the liquidation of Reciprocal of America (“ROA”) and The Reciprocal Group (“TRG”). The principal documents referenced herein are available in the Documents section of this web site. **NOTHING HEREIN CONSTITUTES A BINDING LEGAL STATEMENT OR TIMETABLE BY THE RECEIVER, THE DEPUTY RECEIVER, OR THEIR REPRESENTATIVES. NOR ARE THE STATEMENTS CONTAINED HEREIN INTENDED AS COMPLETE LEGAL DESCRIPTIONS OF THE EVENTS OR MATTERS TO WHICH THEY RELATE. THE MATERIAL PROVIDED HEREIN IS OFFERED ONLY FOR THE PURPOSE OF GENERAL INFORMATION. FOR FULL LEGAL INFORMATION, INTERESTED PARTIES SHOULD REVIEW THE SOURCE DOCUMENTS AND APPLICABLE LEGAL AUTHORITIES.**

This update covers developments through the date noted above, subsequent to the previous update posted on the receivership web site as of March 7, 2019. At that time, the accountants were determining the funds available for distribution to approved TRG creditors and ROA equity account holders pursuant to the September 8, 2017, Final Order on the Deputy Receiver’s June 16, 2017, Application for Final Order Approving Various Wind-Down Matters (“Final Order Approving Various Wind-Down Matters”), in the Virginia State Corporation Commission, Case No. INS-2017-00155.

In the prior update, we stated that we anticipated filing another application. However, we subsequently determined that no such application was necessary. Accordingly, the accountants are preparing to make the following distributions in the manner previously approved by the Final Order Approving Various Wind-Down Matters:

From the TRG estate:

- * Payment in full of approved TRG creditor claims (versus the 55.3% pro rata payments that were estimated in the June 16, 2017, Application); and
- * Distribution of residual TRG assets to ROA, subject to the Reserve for TRG Final Expenses and Contingencies (versus the estimate in the June 16, 2017, Application that there would be no residual TRG assets to distribute to ROA);

Followed by, from the ROA estate:

- * Pro rata distribution to withdrawn and current subscribers of ROA who, as of December 31, 2002, had positive Equity Account balances (“ROA Equity

Account Distributees”), subject to the Reserve for ROA Final Expenses and Contingencies (NOTE: It is anticipated that the pro rata percentage will be somewhat greater than the 8.4% that was estimated in the June 16, 2017, Application—a revised estimated pro rata percentage will be provided by a future update posted on this web site nearer to the time of the distribution to ROA equity account holders).

The Deputy Receiver appreciates the patience of TRG creditors and ROA Equity Account Distributees as the complex liquidation process continues. As material developments warrant, the Deputy Receiver will cause additional updates to be posted periodically at www.reciprocalgroup.com (click on “Current Update”).