

**UPDATE REGARDING DISTRIBUTION OF THE ASSETS OF
THE ESTATE OF RECIPROCAL OF AMERICA AND
THE ESTATE OF THE RECIPROCAL GROUP
(As of October 30, 2020)**

NOTICE: DUE TO RESTRICTIONS RESULTING FROM THE 2019 CORONAVIRUS (COVID-19) PANDEMIC, SOME RECEIVERSHIP FUNCTIONS MAY BE DELAYED. WE APOLOGIZE FOR THE INCONVENIENCE.

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 February 11, 2020.

All approved claims of TRG creditors and ROA general creditors from whom the receivership had received a W-9 and any additional required documentation, and for whom the receivership had an address not known to be inaccurate, have been paid in full.

For all other approved claims of TRG creditors and ROA general creditors for whom the receivership had an address not known to be inaccurate, the receivership sent due diligence letters. If such a creditor timely responded by providing a W-9 and any other required information, the claim is in the process of being paid in full. If such a creditor did not timely respond to a due diligence letter, the amount payable was (or is in the process of being) reported and remitted to the applicable state unclaimed property fund as soon as permitted under applicable law (this is sometimes referred to as escheatment). We anticipate that the escheatment of unclaimed payments of TRG creditor claims and ROA general creditor claims will be completed by the end of 2020. TRG creditors and ROA general creditors whose claims were escheated would be able to claim their distributions by contacting the unclaimed property fund for their respective states.

We do not anticipate any future communications to TRG creditors or ROA general creditors, other than the mailing of an I.R.S. Form 1099-MISC, in early 2021 to the extent required by law, to TRG creditors or ROA general creditors whose approved claims were paid in 2020.

The receivership's accountants had determined that, excluding the Reserve for ROA Final Expenses and Contingencies and the liabilities that ROA had assumed from TRG, \$8,124,049.96 was available for a pro rata distribution to former subscribers of ROA who, as of December 31, 2002, had positive Equity Account balances ("ROA Equity Account Distributees"). This exceeds the "Approx. \$6.5M" estimate included in the exhibit to the June 16, 2017, Application for Final Order Approving Various Wind-Down Matters ("Application").

On October 29, 2020, the receivership's accountants issued and mailed the first batch of checks for pro-rata distributions of residual assets of the receivership to ROA Equity Account Distributees. The accountants will be issuing checks to other ROA Equity Account Distributees in batches over the coming weeks, with the distributions expected to be completed by December. ROA Equity Account Distributees who receive a distribution in 2020 will, in early 2021, receive an I.R.S. Form 1099-MISC from the receivership.

As soon as permitted under the unclaimed property laws of the various states, the receivership will send due diligence letters to ROA Equity Account Distributees who have not submitted W-9s and any additional required information, and for whom the receivership has mailing addresses not known to be inaccurate. Checks will be issued to such ROA Equity Account Distributees who respond with the required documentation. For those ROA Equity Account Distributees who do not timely respond, or for whom the receivership did not have an address not known to be inaccurate, their distributions will be reported and remitted to the applicable state unclaimed property funds as soon as permitted under applicable law. An ROA Equity Account Distributee (or its legal successor) whose distribution is escheated will be able to claim it by contacting the unclaimed property fund of the state of the ROA Equity Account Distributee's last known address in the receivership's records.

Please note that, in addition to the above-described pro rata distribution, there might be an additional pro rata distribution to ROA Equity Account Distributees near the end of the receivership consisting any remainder of the Reserve for ROA Final Expenses and Contingencies that is not needed prior to termination of the receivership. Therefore, it is important that, until such time any final distribution is made and the receivership terminates, ROA Equity Account Distributees submit any address change information and updated W-9s to the receivership (forms for that purpose are available on the receivership web page, www.reciprocalgroup.com). To the extent that any such final distributions near the end of the receivership are unclaimed, they will be reported and remitted to the appropriate state unclaimed property funds after following the same procedures that applied to earlier escheatments, as described above.

The Deputy Receiver appreciates the patience of 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 the link to "Current Update").