

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

COMMONWEALTH OF VIRGINIA *ex rel.*
STATE CORPORATION COMMISSION,

Applicant,

v.

RECIPROCAL OF AMERICA and
THE RECIPROCAL GROUP,

Respondents.

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**THIRTEENTH DIRECTIVE OF DEPUTY RECEIVER
APPOINTING SUCCESSOR SPECIAL DEPUTY RECEIVER**

1. On January 29, 2003, in a case styled Commonwealth of Virginia ex rel. State Corporation Commission v. Reciprocal of America, The Reciprocal Group, and Jody M. Wagner, Treasurer of Virginia, Case No. CH03-135, the Circuit Court of the City of Richmond found that Reciprocal of America (“ROA”) and The Reciprocal Group (“TRG”) (collectively, ROA and TRG are referred to as the “Companies”) are in a condition, as a single insurance business enterprise, where any further transaction of business will be hazardous to the policyholders, creditors, members, subscribers, and the public. Therefore, the Court issued its Final Order Appointing Receiver for Rehabilitation or Liquidation (the “Receivership Order”), appointing the State Corporation Commission (the “Commission”) of the Commonwealth of Virginia, as Receiver, Alfred W. Gross, the Commissioner of the Commission’s Bureau of Insurance, as Deputy Receiver, and Melvin J. Dillon as Special Deputy Receiver of the Companies, in accordance with Title 38.2 Chapter 12 and 15 of the Virginia Code.

2. Melvin J. Dillon served as Special Deputy Receiver of the Companies from the date of the Receivership Order until January 14, 2005. On that date, the management of the Companies’ receivership operations transferred to Mike R. Parker, formerly Director of Reinsurance and Accounting, as Receivership Operations Manager.

3. By the Seventh Directive, effective June 1, 2005, the Deputy Receiver appointed Mr. Parker as Special Deputy Receiver of the Companies.

4. Effective January 1, 2011, Jacqueline K. Cunningham succeeded Mr. Gross as Commissioner of Insurance and Deputy Receiver of ROA and TRG.

5. Mr. Parker gave notice of his retirement and resignation as Special Deputy Receiver of the Companies, effective November 30, 2015.

6. By the Twelfth Directive, the Deputy Receiver appointed John O. Cox, Associate General Counsel, Office of General Counsel, State Corporation Commission of the

Commonwealth of Virginia, to succeed Mr. Parker as Special Deputy Receiver of the Companies, effective December 1, 2015.

7. On January 5, 2018, pursuant to Title 38.2, Chapter 15 of the Virginia Code, the Commission entered its Order Appointing Deputy Receiver for Rehabilitation or Liquidation, appointing Scott A. White, the Commissioner of the Commission's Bureau of Insurance, to replace Jacqueline K. Cunningham as Deputy Receiver.

8. The Receivership Order authorizes the Deputy Receiver to employ and fix the compensation of such deputies as the Deputy Receiver considers necessary. The Deputy Receiver has concluded that Donald C. Beatty, Deputy Commissioner for the Commission, should be appointed to succeed John O. Cox in the capacity of Special Deputy Receiver of the Companies, effective April 13, 2018.

THEREFORE, in accordance with the powers granted to the Deputy Receiver in the Receivership Order, THE DEPUTY RECEIVER HEREBY APPOINTS DONALD C. BEATTY SPECIAL DEPUTY RECEIVER OF THE COMPANIES.

This Thirteen Directive is effective as of April 13, 2018. 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:



Scott A. White, Commissioner of Insurance, Bureau of Insurance, State Corporation Commission, Commonwealth of Virginia, as Deputy Receiver of the Companies