

Rebating

On or about April 11, 1997, Shaw Aviation offered Eagle Aviation (Eagle) of Medford, Oregon to reduce Shaw Aviation's commission to induce Eagle to purchase a commercial insurance policy, number NAC1992441, to be issued by Reliance National Insurance Company. The original gross premium was \$4,585 and the original commission was 13% of the gross premium or \$587.50. Shaw reduced its commission by \$485 to \$102.50 which caused the actual gross premium to be reduced by \$485 to \$4,100. On or about May 1, 1997, Shaw Aviation collected \$4,100 from Eagle Aviation and retained \$102.50 in commission. On or about May 18, 1997, Shaw paid the remaining \$3,998.50 to another insurance agency on behalf of the insurer.

Ultimate Facts

Shaw Aviation allowed an insured to set off or reduce the premium payable on an insurance policy by rebating or reducing its commission earned for selling an insurance policy.

Conclusions

Shaw Aviation violated ORS 746.045.

Action

Shaw Aviation shall pay a civil penalty of \$2,102.50 pursuant to ORS 731.988. Payment shall be made in the form of a check payable to the "Department of Consumer and Business Services" for the full amount due. Payment shall be personally delivered or mailed to the Insurance Division so that it is received on or before the date of this order.

Dated July 2, 1999

_____/s/ Michael J. Kammerich
Michael J. Kammerich
President
Shaw Aviation Insurance Services, Inc.

FINAL ORDER

The Director adopts, and incorporates herein by this reference, the Facts, Ultimate Facts, Conclusions and Action in the above Stipulation as the Findings of Fact, Ultimate Findings of Fact, Conclusions of Law and Order, respectively, of this Final Order.

Dated July 16, 1999

_____/s/ Michael Greenfield
Michael Greenfield
Director
Department of Consumer and Business Services