

**STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

Before the Commissioner of the Office of Financial and Insurance Regulation

In the matter of

**PFS Premium Finance Corporation
System ID No. 0001921
NAIC No. 00141**

Enforcement Case No. 09-7087

Respondent.
_____ /

**Issued and entered
this 8th day of September 2011
by Annette E. Flood
Chief Deputy Commissioner**

**ORDER VACATING
CONSENT ORDER AND STIPULATION**

This matter comes before the Commissioner on the Respondent's request for reconsideration. On April 28, 2009, Chief Deputy Commissioner Stephen R. Hilker issued a Consent Order and Stipulation in the above-entitled matter. The Findings of Fact and Conclusions of Law of the April 28, 2009 Consent Order were based upon the finding of a violation of Section 1505(1)(e) of the Michigan Insurance Code (Code), MCL 500.1505(1)(e) which prohibits a premium finance company from paying remuneration as an inducement to encourage the financing of insurance policies.

Specifically, it was found that Respondent had established an "Incentive Bonus Plan" wherein agencies/agents could become shareholders in Respondent and receive the benefit of earned profits if they submitted enough financed charges in excess of a specific threshold. The purpose was to give agents an incentive to place premium finance

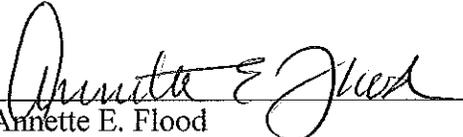
contracts with Respondent. Respondents entered into a Consent Order agreeing not to pursue the Incentive Bonus Plan. Instead, Respondents pursued clarification in the Legislature.

As a result, Section 1505 of the Code was subsequently changed by the Legislature. Effective July 12, 2011, the conduct that originally prompted the Consent Order is no longer prohibited pursuant to Section 1505(4), MCL 500.1505(4), which now states:

Subsection (1)(e) does not prohibit a premium finance company that is majority owned by insurance producers from remunerating any of its insurance producer owners. This subsection does not apply to a premium finance company that is involved in any manner in financing life insurance or annuity policies or contracts.

The Legislature having clarified that subsection (1)(e) does not prohibit Respondent's Incentive Bonus Plan, Respondent requests and the Staff recommend that the Consent Order be vacated.

Based upon the foregoing, **IT IS THEREFORE ORDERED** that the Consent Order be and is hereby **VACATED** and the file closed without further proceedings.


Annette E. Flood
Chief Deputy Commissioner