

(i) receipt by the insurer of [the] A ~~WRITTEN~~ notice of cancellation FROM THE PREMIUM FINANCE COMPANY; or

(ii) completion of any payroll audit necessary to determine the amount of premium earned while the insurance contract was in force.

(2) ~~A RETURN PREMIUM SHALL BE SUBJECT TO ANY MINIMUM EARNED PREMIUM STATED IN THE INSURANCE CONTRACT.~~

(~~2~~) An audit under paragraph (1)(ii) of this subsection shall be performed within [60] 45 days after the insurer receives the notice of cancellation.

(b) (1) ~~After the insurer returns to the premium finance company any gross unearned premiums that are due under the insurance contract, the premium finance company shall refund to the insured the amount of unearned premium that exceeds any amount due under the premium finance agreement. IF CREDITING OF RETURN PREMIUMS TO THE ACCOUNT OF THE INSURED CAUSES A SURPLUS OVER THE AMOUNT DUE FROM THE INSURED, THE PREMIUM FINANCE COMPANY SHALL REFUND THE SURPLUS TO THE INSURED AS SOON AS REASONABLY POSSIBLE NOT EXCEEDING 15 BUSINESS DAYS AFTER THE PREMIUM FINANCE COMPANY RECEIVES ALL RETURN PREMIUMS.~~

(2) A premium finance company need not make a refund to the insured if the amount of the refund would be less than \$5.

(C) WHENEVER AN INSURER, AFTER RECEIVING NOTICE OF THE EXISTENCE OF A PREMIUM FINANCE AGREEMENT, RETURNS ANY UNEARNED PREMIUMS TO A PERSON OTHER THAN THE PREMIUM FINANCE COMPANY NAMED IN THE PREMIUM FINANCE AGREEMENT, THE INSURER SHALL BE DIRECTLY RESPONSIBLE TO THE PREMIUM FINANCE COMPANY FOR ALL UNEARNED PREMIUMS ARISING FROM THE CANCELLATION OF THE PREMIUM FINANCE AGREEMENT.

(D) ~~IF THE INSURER HAS PRIOR NOTICE OF THE EXISTENCE OF A PREMIUM FINANCE AGREEMENT, THE INSURER SHALL RETURN TO THE PREMIUM FINANCE COMPANY ANY UNEARNED COMMISSION THAT THE AGENT DOES NOT REMIT TO THE PREMIUM FINANCE COMPANY WITHIN THE APPLICABLE PERIOD SPECIFIED IN SUBSECTION (A)(1) OF THIS SECTION.~~

(~~E~~) (1) AN INSURER THAT FAILS TO RETURN ANY PREMIUM REQUIRED UNDER THIS SECTION SHALL PAY INTEREST OF ~~10% PER YEAR~~ 1% PER MONTH OF 0% THE UNEARNED PREMIUM THAT HAS NOT BEEN RETURNED UNTIL THE UNEARNED PREMIUM IS RETURNED.

(2) ANY PAYMENT UNDER THIS SUBSECTION TO THE PREMIUM FINANCE COMPANY SHALL BE CREDITED TO THE ACCOUNT OF THE INSURED.

(~~F~~) (E) AN INSURER MAY NOT DEDUCT FROM ANY RETURN PREMIUM ANY AMOUNT OWED TO THE INSURER BY THE INSURED UNDER ANY OTHER INSURANCE CONTRACT.