

183 connection with the transaction.

184 (B) A stamping fee collected by the commissioner shall be deposited in the General
185 Fund.

186 (C) The commissioner shall establish a stamping fee by rule.

187 (ii) A stamping fee collected by an advisory organization is the property of the advisory
188 organization to be used in paying the expenses of the advisory organization.

189 (iii) Liability for paying a stamping fee is as required under Subsection 31A-3-303(1)
190 for taxes imposed under Section 31A-3-301.

191 (iv) The commissioner shall adopt a rule dealing with the payment of stamping fees. If
192 a stamping fee is not paid when due, the commissioner or advisory organization may impose a
193 penalty of 25% of the stamping fee due, plus 1-1/2% per month from the time of default until
194 full payment of the stamping fee.

195 (v) A stamping fee relative to a policy covering a risk located partially in this state
196 shall be allocated in the same manner as under Subsection 31A-3-303(4).

197 (e) The commissioner, representatives of the department, advisory organizations,
198 representatives and members of advisory organizations, authorized insurers, and surplus lines
199 insurers are not liable for damages on account of statements, comments, or recommendations
200 made in good faith in connection with their duties under this Subsection (11)(e) or under
201 Section 31A-15-111.

202 (f) An examination conducted under this Subsection (11) and a document or materials
203 related to the examination are confidential.

204 ~~§~~→ [f] (12) (a) For a surplus lines insurance transaction in the state entered into on or after
205 May 13, 2014, if an audit is required by the surplus lines insurance ~~§~~→ [transaction] policy ←~~§~~ , a
205a surplus lines

206 insurer: [f]

207 [f] (i) shall exercise due diligence to initiate an audit of an insured, to determine whether
208 additional premium is owed by the insured, by no later than six months after the expiration of
209 the term for which premium is paid; and [f]

210 [f] (ii) may not audit an insured more than three years after the surplus lines insurance
211 ~~§~~→ [transaction] policy ←~~§~~ expires. [f]

212 [f] (b) A surplus lines insurer that does not comply with this Subsection (12) may not
213 charge or collect additional premium in excess of the premium agreed to under the surplus ⚠

214 ☉ lines insurance ~~§~~ → [transaction] policy ← ~~§~~ . [f] ← ~~§~~

215 ~~[(13) (a) For purpose of this Subsection (13), "initial premium" is the premium paid by~~
 216 ~~an insured under an auditable surplus lines insurance contract on the basis of estimated~~
 217 ~~exposure covered by the surplus lines insurance contract.]~~

218 ~~[(b) For an auditable surplus lines insurance transaction in this state entered into on or~~
 219 ~~after May 13, 2014, the following apply:]~~

220 ~~[(i) A surplus lines insurer may not consider as earned premium an amount in excess of~~
 221 ~~50% of the initial premium paid by an insured until the earlier of:]~~

222 ~~[(A) when an audit is completed; or]~~

223 ~~[(B) the term of the surplus lines insurance contract has expired and the time to~~
 224 ~~conduct an audit has lapsed.]~~

225 ~~[(ii) If a surplus lines insurance contract provides for an audit, the audit shall be~~
 226 ~~conducted as provided under Subsection (12), and after the audit is completed:]~~

227 ~~[(A) if the actual exposure covered by the auditable portion of the surplus lines~~
 228 ~~insurance contract exceeds the estimate upon which the initial premium is based, the surplus~~
 229 ~~lines insurer is entitled to additional premium; and]~~

230 ~~[(B) if the actual exposure covered by the auditable portion of the surplus lines~~
 231 ~~insurance contract is less than the estimate upon which the initial premium is based, the insured~~
 232 ~~is entitled to a refund of that portion of the initial premium that represents the reduction of~~
 233 ~~exposure.]~~

234 ~~[(c) An insured may request an audit under an auditable surplus lines insurance~~
 235 ~~contract described in this Subsection (13), if the insured believes that the actual exposure is~~
 236 ~~less than the estimated exposure used to determine the initial premium, by no later than six~~
 237 ~~months after the expiration of the term for which initial premium is paid. If the surplus lines~~
 238 ~~insurer does not complete an audit as provided in Subsection (12) after a request from the~~
 239 ~~insured, the surplus lines insurer shall accept the insured's statement of actual exposure and~~
 240 ~~refund that portion of the initial premium that represents the reduction of exposure stated by~~
 241 ~~the insured.]~~

242 ~~[(d) The commissioner may impose penalties for a violation of this Subsection (13) in~~
 243 ~~accordance with Section [31A-2-308](#).]~~

244 ~~[(14) Subsections (12) and (13) apply to the extent permitted by federal law.]~~