

Sec. 12-568a-12. Agent delinquencies

(a) **Collection agents.** The president may designate any person as a collection agent to oversee the assessment, collection and receipt of settlements and delinquencies and any other debts owed to the CLC. Such collection agent shall be bonded in an amount established by the department. The president shall designate a specific employee of the CLC as the collections liaison for the department, which individual shall coordinate with the department on collections activity, including preparation of documents for, and testifying in, enforcement proceedings.

(b) **Determination of the CLC, notices to agent.** If the CLC determines that a settlement is improper in that all moneys due and owing the CLC have not been remitted or that an agent has failed to render a timely settlement, the agent shall be so notified by the CLC and shall be afforded a reasonable period of time, as determined by the CLC, within which to render a proper settlement. If after such period of time the agent remains delinquent, the president shall make a finding of delinquency and notify said agent and the commissioner. Thereafter, the commissioner shall charge the delinquent agent:

- (1) The amount due but unremitted as of the stated past settlement date;
- (2) A delinquency assessment penalty equal to ten percent of the amount due and unremitted or ten dollars, whichever is greater; and
- (3) Interest at the rate of one and one half percent of the amount due for each month or fraction of a month computed from the date settlement was due to the date of payment.

(c) **Opportunity for hearing, notice.** Included conspicuously in the finding of delinquency shall be a notice informing the agent that its sales are suspended and informing the agent of its right to contest the finding at a delinquency assessment hearing before the commissioner. The notice shall inform the agent that failure to appear at the hearing will result in a conclusive presumption of delinquency with the attendant consequences thereof under chapters 226 and 229a of the Connecticut General Statutes and sections 12-568a-1 to 12-568a-24, inclusive, of the Regulations of Connecticut State Agencies. A request for a continuance by an agent will be granted only once in extraordinary circumstances and then for not more than seven (7) calendar days. To this end, the commissioner may require a statement, under oath, from the agent explaining these extraordinary circumstances.

(d) **Delinquency assessment findings.** The commissioner may modify the delinquency finding and may require that the agent:

- (1) Remit the full amount due and owing pursuant to the terms of the modified assessment or enter into a payment schedule with the CLC pursuant to the terms of the modified assessment; and
- (2) Post a bond in such form and amount as the department determines is required to protect and save harmless the CLC from any future loss.

(e) **Delinquency collection.** If the commissioner affirms the finding of delinquency at a hearing, the commissioner shall issue in writing a formal finding of delinquency assessment. Thereafter, the president shall employ collection agents for the purpose of collecting the delinquency in accordance with the commissioner's decision. In this regard, the CLC shall prepare and the commissioner may sign a warrant directed to any authorized officer or designated collection agent employed by the CLC or the department for distraint upon any property (real, personal, tangible or intangible) owned by the agent, or in the case of a

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business entity, its natural person guarantor, in whole or in part, and located in the state of Connecticut. There shall be attached to the warrant an itemized bill, certified by the commissioner as a true statement, of the full amount due from the agent. Such warrant shall be considered equivalent to an execution issued in accordance with chapter 906 of the Connecticut General Statutes. Such warrant shall be levied on any applicable property and sale made pursuant to such warrant as provided for an execution under chapter 906 of the Connecticut General Statutes.

(f) **Agency action.** Notwithstanding any other provisions of this section, the department may at any time initiate the hearing process against an agent with an alleged delinquency.

(Adopted effective October 6, 1999; Amended April 13, 2021)