

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of	)	
Banking and Insurance, to fine, suspend	)	CONSENT
and/or revoke the producer	)	ORDER
license of Michael Vetere	)	
Reference No. 275122	)	

THIS MATTER, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Michael Vetere (“Respondent”) may have violated provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondent was formerly licensed as a resident individual insurance producer in the State of New Jersey, pursuant to N.J.S.A. 17:22A-32(a), until February 28, 2019, when his license expired; and

WHEREAS, Respondent is subject to the provisions of the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 to -48 (“Producer Act”), the New Jersey Insurance Fraud Prevention Act, N.J.S.A. 17:33A-1 to -30 (“Fraud Act”) and the regulations promulgated thereunder, N.J.A.C. 11:16-1.1 to -7.10; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(d), the Commissioner shall retain the authority to enforce the provisions of and impose any penalty or remedy authorized by the Producer Act and Title 17 of the Revised Statutes or Title 17B of the New Jersey Statutes against any person who is under investigation for or charged with a violation of the Producer Act or Title

17 of the Revised Statutes or Title 17B of the New Jersey Statutes even if the person's license or registration has been surrendered or has lapsed by operation of law; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(2), an insurance producer shall not violate any insurance law, regulation, subpoena or order of the Commissioner or of another state's insurance regulator; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(7), an insurance producer shall not have admitted or has been found to have committed any insurance unfair trade practice or fraud; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40(a)(16), an insurance producer shall not commit any fraudulent act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45(c), any person violating the Producer Act is subject to a penalty not exceeding \$5,000.00 for the first offense and not exceeding \$10,000.00 for each subsequent offense; additionally, the Commissioner may order restitution of moneys owed any person and reimbursement of costs of the investigation and prosecution, as appropriate; and

WHEREAS, pursuant to N.J.S.A. 17:33A-4(a)(1), no person shall present or cause to be presented any written or oral statement as part of, or in support of or opposition to, a claim for payment or other benefit pursuant to an insurance policy, knowing that the statement contains any false or misleading information concerning any fact or thing material to the claim; and

WHEREAS, pursuant to N.J.S.A. 17:33A-5(a) and (c), violations of the Fraud Act subject the violator to a civil and administrative penalty not to exceed \$5,000.00 for the first offense, not to exceed \$10,000.00 for the second offense and not to exceed \$15,000.00 for each subsequent offense; moreover, the Commissioner may issue a final order recovering costs of prosecution, including attorneys' fees in accordance with N.J.A.C. 11:16-7.9(c); and

WHEREAS, pursuant to N.J.S.A. 17:33A-5.1, any person who is found in any legal proceeding to have committed insurance fraud shall be subject to a surcharge in the amount of \$1,000.00; and

WHEREAS, on July 24, 2019, the Commissioner issued Order to Show Cause No. E19-62 (“OTSC”) alleging violations of the Producer Act and the Fraud Act by Respondent as set forth in the following counts:

ALLEGATIONS COMMON TO ALL COUNTS

IT APPEARING, that starting February 15, 2015, Respondent had a renters policy with State Farm Fire and Casualty Company (“State Farm Policy”); and

IT FURTHER APPEARING, that on June 26, 2015, Respondent purchased an engagement ring for \$47,000.00 from Fiorino Jewelers (“Ring-1”); and

IT FURTHER APPEARING, that after purchasing Ring-1, Respondent added a rider to his State Farm Policy (“Personal Articles Rider”) with an effective date of July 1, 2015 through July 1, 2016 to insure Ring-1; and

IT FURTHER APPEARING, that on June 27, 2015, Respondent got engaged to N.B. and shortly thereafter, Respondent noticed an imperfection in Ring-1’s diamond; and

IT FURTHER APPEARING, that Respondent returned to Fiorino Jewelers with Ring-1 and was told it would cost him another \$20,000 for a diamond with more clarity; and

IT FURTHER APPEARING, that Respondent submitted a claim under the State Farm Policy on July 27, 2015, falsely reporting that Ring-1 was lost in a restaurant on July 24, 2015; and

IT FURTHER APPEARING, that on August 6, 2015, Respondent emailed State Farm Fire and Casualty Company and asked to withdraw the claim because Ring-1 was allegedly found; and

IT FURTHER APPEARING, that on August 6, 2015, Respondent withdrew \$20,000 from his bank account and purchased the upgraded diamond (“Ring-2”) from Fiorino Jewelers; and

IT FURTHER APPEARING, that on August 11, 2015, Respondent cancelled the State Farm Policy; and

IT FURTHER APPEARING, that on August 11, 2015, Respondent obtained a renters policy with an attached valuable items rider from Great Northern Insurance Company ("Great Northern Policy") to cover Ring-2, which listed both Respondent and N.B. as policyholders; and

IT FURTHER APPEARING, that on November 17, 2015, Respondent emailed Great Northern Insurance Company falsely stating that N.B. broke off their engagement, and therefore requested to amend the Great Northern Policy so that only Respondent would be listed as the policyholder; and

IT FURTHER APPEARING, that a new policy with Great Northern Insurance Company was issued with only Respondent as the policyholder to insure Ring-2, with an effective date of November 17, 2015; and

IT FURTHER APPEARING, that on January 28, 2016, Respondent falsely reported to Great Northern Insurance Company that Ring-2 was lost on January 27, 2016; and

IT FURTHER APPEARING, on February 19, 2016, Respondent withdrew his claim for the loss of Ring-2 with Great Northern Insurance Company; and

IT FURTHER APPEARING, that on March 24, 2016, Respondent sent an email to Great Northern Insurance Company alleging that Ring-2 was found and that the claim should be closed; and

IT FURTHER APPEARING, that in a recorded interview with the Department of Banking and Insurance ("Department"), Respondent admitted to falsely submitting a claim for Ring-1 to State Farm Fire and Casualty Company and falsely submitting a claim for Ring-2 to Great Northern Insurance Company and also admitted that neither Ring-1 nor Ring-2 were actually lost; and

**COUNT ONE**  
**(Producer Act)**

IT FURTHER APPEARING, that Respondent submitted a fraudulent claim to State Farm Fire and Casualty for Ring-1, in violation of N.J.S.A. 17:22A-40(a)(2),(7), and (16); and

**COUNT TWO**  
**(Producer Act)**

IT FURTHER APPEARING, that Respondent submitted a fraudulent claim to Great Northern Insurance Company for Ring-2, in violation of N.J.S.A. 17:22A-40(a)(2),(7) and (16); and

**COUNT THREE**  
**(Fraud Act)**

IT FURTHER APPEARING, that Respondent submitted a claim to State Farm Fire and Casualty Company that contained statements he knew had false or misleading information concerning facts material to the claim for Ring-1, in violation of N.J.S.A. 17:33A-4(a)(1); and

**COUNT FOUR**  
**(Fraud Act)**

IT FURTHER APPEARING, that Respondent submitted a claim to Great Northern Insurance Company that contained statements he knew had false or misleading information concerning facts material to the claim for Ring-2, in violation of N.J.S.A. 17:33A-4(a)(1); and

WHEREAS, Respondent was given notice of the aforesaid allegations and an opportunity to be heard;

WHEREAS, on December 13, 2019, Respondent filed an Answer; and

WHEREAS, this Consent Order encompasses and resolves the violations stated in the OTSC; and

WHEREAS, Respondent admits and agrees to take responsibility for the violations contained in the OTSC; and

WHEREAS, that Respondent has waived his right to a hearing on the above violations and consented to the payment of a \$20,000.00 settlement payment which consists of a \$7,500 civil penalty for the violations of the Fraud Act, a \$7,500 civil penalty for the violations of the Producer Act, a \$375 fraud surcharge, and \$4,625 in attorneys' fees, and the revocation of his producer license; and

WHEREAS, that this matter should be resolved upon the consent of the parties without resort to a formal hearing; and

WHEREAS, that good cause exists to enter into this Consent Order and impose a civil penalty under N.J.S.A. 17:22A-45(c) and N.J.S.A. 17:33A-5(a) and (c); and

NOW THEREFORE IT IS ON this 20 day of November 2020

ORDERED AND AGREED, that Respondent admits and agrees to take responsibility for the aforementioned violations; and

IT IS FURTHER ORDERED AND AGREED, that pursuant to N.J.S.A. 17:22A-40, Respondent's insurance producer license is hereby revoked; and

IT IS FURTHER ORDERED AND AGREED, that pursuant to N.J.A.C. 11:17D-2.7, Respondent is barred from reapplying for an insurance producer license for a period of five years from the date of this Consent Order; and

IT IS FURTHER ORDERED AND AGREED, that Respondent shall pay a civil penalty of \$20,000.00 as described below ("Settlement Amount"). This Settlement Amount consists of a \$7,500 civil penalty for violations of the Fraud Act, a \$7,500 civil penalty for violations of the Producer Act, a \$375 fraud surcharge, and \$4,625 in attorneys' fees; and

IT IS FURTHER ORDERED AND AGREED, that immediately upon execution of this Consent Order by Respondent, Respondent shall remit to the attorney for the Commissioner a

payment in the amount of \$10,000.00 by certified check, official bank check, or money order made payable to the “Commissioner, New Jersey Department of Banking and Insurance” and sent to:

Ashleigh B. Shelton, Deputy Attorney General  
Banking and Insurance Section  
R.J. Hughes Justice Complex  
25 Market Street  
P.O. Box 117  
Trenton, New Jersey 08625


IT IS FURTHER ORDERED AND AGREED, that Respondent shall remit the remaining balance of \$10,000 in ten monthly installment payments of \$1,000.00 each, to be paid on the first day of each month, beginning January 1, 2021, until the full settlement amount has been paid, by certified check, official bank check, or money order made payable to the “Commissioner, New Jersey Department of Banking and Insurance” and sent to:

Rose V. McGill  
Collections Department  
New Jersey Department of Banking and Insurance  
20 West State Street, 10th Floor  
P.O. Box 325  
Trenton, New Jersey 08625

IT IS FURTHER ORDERED AND AGREED, that in the event full payment of the fines and costs is not made, the Commissioner may exercise any and all remedies available by law, including but not limited to recovery of any unpaid penalties, in accordance with the Penalty Enforcement Law of 1999, N.J.S.A. 2A:58-10 to -12; and

IT IS FURTHER ORDERED AND AGREED, that the fines in this Consent Order are imposed pursuant to the police powers of the State of New Jersey for the enforcement of the law and the protection of the public health, safety, and welfare, and are not intended to constitute debts which may be limited or discharged in a bankruptcy proceeding; and

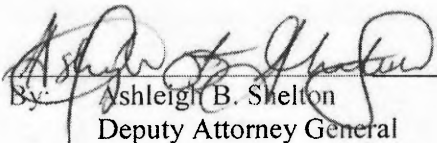
IT IS FURTHER ORDERED AND AGREED, that this Consent Order represents a final agency decision and constitutes a final resolution of the allegations of this Consent Order.

  
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Marlene Caride  
Commissioner

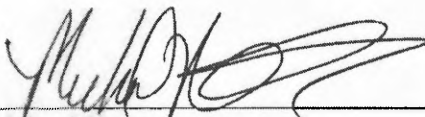
Consented to as to Form, Content and Entry:

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GURBIR S. GREWAL  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for the New Jersey  
Department of Banking and Insurance

Date: 11/24/2020

  
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By: Ashleigh B. Shelton  
Deputy Attorney General

Date: 11/16/2020

  
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Michael Vetere  
Respondent