

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

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Proceedings by the Commissioner of Banking )  
and Insurance, State of New Jersey, to fine, )  
suspend and/or revoke the insurance license of )  
Michael Vetere, Reference No. 275122. )  
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**ORDER TO SHOW CAUSE**

TO: Michael Vetere  
20 Meeker Drive  
Florham Park, New Jersey 07932

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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 various 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 of 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

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WHEREAS, pursuant to N.J.S.A. 17:22A-40(a), the Commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license for violating the Producer 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

#### ALLEGATIONS COMMON TO ALL COUNTS

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

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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, that 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);

NOW, THEREFORE, IT IS on this 7<sup>th</sup> day of June, 2019

ORDERED, that Respondent appear and show cause why his New Jersey insurance producer license should not be suspended or revoked pursuant to N.J.S.A. 17:22A-40(a); and

IT IS FURTHER ORDERED, that Respondent appear and show cause why the Commissioner should not assess a civil penalty of up to \$5,000.00 for the first violation and \$10,000.00 for each subsequent violation of the Producer Act and order Respondent to pay restitution of moneys owed to any person, pursuant to the provisions of N.J.S.A. 17:22A-45(c); and

IT IS FURTHER ORDERED, that Respondent appear and show cause why he should not be required to reimburse the Department for the costs of the investigation and prosecution, including attorneys' fees, as authorized pursuant to N.J.S.A. 17:22A-45(c), N.J.S.A. 17:33A-5(c), and N.J.A.C. 11:16-7.9(c); and

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IT IS FURTHER ORDERED, that Respondent appear and show cause why the Commissioner should not assess a civil penalty of up to \$5,000.00 for the first offense, up to \$10,000.00 for the second offense, and up to \$15,000 for each subsequent offense of the Fraud Act pursuant to the provisions of N.J.S.A. 17:33A-5(c) and N.J.A.C. 11:16-7.9(a); and

IT IS FURTHER ORDERED, that Respondent appear and show cause why the Commissioner should not impose a \$1,000.00 surcharge against him in accordance with N.J.S.A. 17:33A-5.1; and

IT IS PROVIDED, that Respondent has the right to request an administrative hearing, to be represented by counsel or other qualified representative, at his own expense, to take testimony, to call or cross-examine witnesses, to have subpoenas issued, and to present evidence or argument if a hearing is requested; and

IT IS FURTHER PROVIDED, that unless a request for a hearing is received within twenty (20) days of the service of this Order to Show Cause, the right to a hearing in this matter shall be deemed to have been waived by Respondent, and the Commissioner shall dispose of this matter in accordance with law. A hearing may be requested by mailing the request to Virgil Downtin, Chief of Investigations, Department of Banking and Insurance, P.O. Box 329, Trenton, New Jersey 08625, or by faxing the hearing request to the Department at (609) 292-5337. A copy of the request for a hearing shall also be sent to Deputy Attorney General Ashleigh Shelton, Division of Law, P.O. Box 117, Trenton, NJ 08625. The request shall contain the following:

- (a) Respondent's full name, address and daytime telephone number;
- (b) A statement referring to each charge alleged in this Order to Show Cause and identifying any defense intended to be asserted in response to each charge. Where the defense relies on facts not contained in the Order to Show Cause, those specific facts must be stated;
- (c) A specific admission or denial of each fact alleged in this Order to Show Cause. Where Respondent has no specific knowledge regarding a fact alleged in the Order to Show Cause, a statement to that effect must be contained in the hearing request. Allegations of this Order to Show Cause not answered in the manner set forth above shall be deemed to have been admitted; and
- (d) A statement requesting the hearing.

  
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Marlene Caride  
Commissioner