

**STATE OF VERMONT
DEPARTMENT OF FINANCIAL REGULATION**

IN RE: BEJAMIN SCHERER)	
VT LICENSE # 3210356)	DOCKET NO. 20-030-I
NPN # 18241370)	
)	

EX PARTE ORDER SUSPENDING LICENSE

Based on the motion of the Insurance Division of the Vermont Department of Financial Regulation seeking an order suspending the insurance producer license of Benjamin Scherer and requiring Benjamin Scherer to retain records concerning such activities, the following findings of fact, conclusions of law, and order are entered.

I. FINDINGS OF FACT

1. Benjamin Scherer (“Respondent”) holds Vermont insurance producer license # 3210356.
2. The Insurance Division issued license # 3210356 to Respondent on December 19, 2016 pursuant to the licensing requirements set forth in 8 V.S.A., Chapter 131.
3. From June 1, 2016 to October 5, 2020 Respondent was employed as an insurance producer for Royer Camp & Associated Insurance Inc., an insurance agency located in Newport, Vermont (the “Royer Agency”). *See Affidavit of Isabelle Keiser ¶¶ 7-8, 40.*
4. On Friday, October 2, 2020, principals of the Royer Agency requested that Respondent meet with them on Monday, October 5, to discuss what appeared to be irregularities in a client account Respondent managed. *See id.* ¶ 39.

5. On Monday, October 5, at 1:28 am, Respondent e-mailed his resignation, effective immediately, to Annette Lantagne, a principal with the Royer Agency, indicating that he was apologizing, was “deeply sorry for losing your trust,” and that he felt “it is not fair to continually drag you on, while lying, and trying to cover my steps of mistakes that I’ve made as I go.” *See id.* ¶ 40 and Exhibit 2.

Client 1

6. In or around May 2019, then-clients of the Royer Agency, a married couple (“Client 1”), purchased a farm. *See id.* ¶¶ 11, 15. “Client 1” is used herein to refer to both the couple collectively and individually.

7. In or around September 2019, Respondent told Client 1 that he would purchase a commercial policy from American Reliable Insurance Company (“American Reliable”) to cover their farm and cancel a pre-existing homeowner’s policy they held with Concord General Mutual Insurance Company (“Concord”) that they no longer needed. *See id.* ¶ 16.

8. In or around October 2019, Client 1 began leasing a barn on another person’s property. *See id.* ¶ 15.

9. On October 29, 2020, Client 1 e-mailed Respondent to ask if she had insurance coverage because she needed to provide a copy of her insurance to the owner of the barn she was leasing. *See id.* Exhibit 9, page 2.

10. Respondent answered via e-mail on October 30, 2019, stating “[y]ou are covered, I promise,” stating that he would have sent her the binder documenting her coverage two weeks earlier if he had been able to bind it himself, and requesting the contact

information of the barn owner so he could prepare a Certificate of Insurance to provide to the barn owner. *See id.* Exhibit 9, page 1.

11. On October 30, 2019, in her reply to Respondent providing the barn owner's contact information, Client 1 asked "[h]as my other homeowners been cancelled?" *See id.* Exhibit 9, page 1.

12. On April 8, 2020, Client 1 e-mailed Respondent to indicate she had received a renewal notice from Concord for her homeowner's policy which was "supposed to have been cancelled long ago" when she obtained the insurance policy for her farm via Respondent. *See id.* Exhibit 10, page 2.

13. On April 8, 2020, Respondent e-mailed a response to Client 1 that the Concord policy "was cancelled at one point" and that he would "look into it and see why it got renewed." *See id.* Exhibit 10, page 2.

14. Also on April 8, 2020, in response to a follow-up e-mail from Client 1, Respondent indicated that he was not sure if Client 1 received a refund for the Concord homeowner's policy and that, if she did, it was probably applied to her commercial policy so she "didn't get an additional bill." *See id.* Exhibit 10, page 1.

15. On April 27, 2020, Respondent stated in an e-mail to Client 1 that a refund check of \$530 was issued to her for her homeowner's policy, that it had been applied to her balance on the commercial policy, and that he waived his commission fee which "was able to avoid any remaining balance that you would have had to pay out of pocket." *See id.* Exhibit 11.

16. Sometime after June 4, 2020, the Royer Agency received a notice of cancellation effective June 25, 2020 from Concord for non-payment of premium for Client 1's homeowner's policy. *See id.* ¶ 25 and Exhibit 8.

17. Respondent did not cancel Client 1's homeowner policy with Concord. *See id.* ¶ 26.

18. On September 28, 2020 Respondent sent a fax from the Royer Agency to a loan officer affiliated with Client 1's mortgagee containing Anniversary Renewal Declarations for a homeowner's policy for Client 1 for coverage beginning on May 31, 2020 that Respondent knew or should have known was not in force. *See id.* ¶¶ 23-27 and Exhibits 7 and 8.

19. American Reliable did not receive a signed application for a policy for Client 1 or instructions to bind coverage in 2019 or 2020; consequently, American Reliable did not issue a policy for Client 1. *See id.* ¶ 21 and Exhibit 6.

20. The Royer Agency files contain three documents that were apparently falsified by Respondent for a commercial policy for Client 1 through American Reliable, a Certificate of Liability Insurance, an Evidence of Property Insurance, and an invoice marked "balance paid." *See id.* ¶¶ 17-20, 22, and Exhibits 3-5.

Client 2

21. In or around December 2019 a then-client of the Royer Agency, an individual ("Client 2"), contacted Respondent to file a claim with her insurance company, XS Brokers, because her garage had a collapsing foundation wall. *See id.* ¶ 30.

22. Client 2 held a Lloyd's of London Dwelling Fire insurance policy through XS Brokers with effective dates of August 2, 2019 to August 2, 2020. *See id.* ¶ 29.

23. On February 24, 2020, Client 2 e-mailed Respondent to ask for news about an appraisal of her garage. *See id.* Exhibit 13, page 2.

24. On February 26, 2020, Respondent replied in an e-mail that he “did not hear anything from the adjuster yesterday,” that he “sent an e-mail to him last night,” and that he would call the adjuster to check on the status. *See id.* Exhibit 13, page 2.

25. On February 27, 2020, Respondent indicated to Client 2 via e-mail that XS Brokers was denying her claim, that they were issuing a letter and report “saying that the damage does not appear sudden, and appears to have happened over time,” and that she could appeal the decision after the letter came in. *See id.* Exhibit 13, page 1.

26. On March 4, 2020, Client 2 e-mailed Respondent to inform him that she had not received anything from the adjuster. *See id.* Exhibit 13, page 1.

27. On March 4, 2020, Respondent replied in an e-mail that the “letter was issued on Friday” and that he couldn’t “imagine you wouldn’t see it by tomorrow.” *See id.* Exhibit 13, page 1.

28. On July 8, 2020, Respondent received an e-mail from XS Brokers with a quote for renewal of Client 2’s policy with XS Brokers to take effect August 2, 2020 if renewed. *See id.* ¶ 31 and Exhibit 12.

29. On August 14, 2020, Client 2 e-mailed Respondent asking what was being done about her claim, reporting that the garage was becoming less stable as time went on, and expressing concerns about the lack of settlement of the claim in light of the approaching winter. *See id.* Exhibit 14, page 1.

30. On August 15, 2020, Respondent responded in an e-mail that he had tried to call Client 2 yesterday and that he had available times “to come out and meet you this coming week with adjuster.” *See id.* Exhibit 14, page 1.

31. Respondent did not file a claim on behalf of Client 2 with XS Brokers or renew her policy with XS Brokers. *See id.* ¶¶ 33-35.

Other Clients

32. Between June 2020 and September 2020, in the Royer Agency’s administrative system, Respondent manually falsified the expiration dates associated with three of his clients’ policies to dates beyond each policy’s correct expiration dates. *See id.* ¶¶ 36-37.

33. The policies of the three clients for which Respondent provided false expiration dates in Royer Agency’s administrative system were not timely renewed or replaced by Respondent despite the clients’ wishes to either renew their policies or obtain new policies. *See id.* ¶ 38.

34. It is unknown whether other clients of Respondent have been affected and, if so, in what manner.

II. CONCLUSIONS OF LAW

35. Because Respondent misrepresented to Client 1 the terms of their insurance contracts, misrepresented to Client 1’s mortgagee the terms of their insurance coverage, and falsified formal documents for an insurance contract that did not exist for Client 1, suspension of Respondent’s insurance producer license is warranted pursuant to 8 V.S.A. § 4804(a)(6).

36. By failing to obtain insurance coverage requested by Client 1; failing to cancel and obtain insurance coverage as requested by Client 1; misrepresenting, on multiple occasions, to Client 1 that he had taken such actions; falsifying formal documents for an insurance contract that did not exist; misrepresenting to Client 1's mortgagee the terms of their insurance coverage; failing to file a claim on behalf of Client 2 as she requested; misrepresenting, on multiple occasions, to Client 2 that he had taken such actions; failing to renew or take other action when Client 2's policy was up for renewal; entering false expirations dates for the policies of three clients into his employer's system and allowing them to expire without renewing or taking other action on them; and by other actions described herein, Respondent has engaged in a series of fraudulent, coercive, and dishonest practices over the past two years in his capacity as an insurance producer.

37. Because Respondent has engaged in a series of fraudulent, coercive, and dishonest practices over two years that shows a disregard for his clients' financial health and welfare, and shows that he is untrustworthy and financially irresponsible as an insurance producer, suspension of Respondent's license is warranted pursuant to 8 V.S.A. § 4804(a)(9).


38. An immediate suspension of Respondent's insurance producer license is necessary to prevent Respondent from putting additional Vermont residents at risk of being uninsured, of having claims denied or untimely settled, and of suffering other negative impacts to their financial health and welfare.

III. Order

39. Pursuant to 8 V.S.A. § 15 and § 4804(a), and based on the findings of facts and conclusions of law set forth above, the Vermont resident insurance producer license # 3210356 of Respondent, Benjamin Scherer, is immediately suspended until the Insurance Division completes an investigation of Respondent's conduct or pending further orders of the Commissioner.

40. Benjamin Scherer is further ordered not to withhold, destroy, mutilate, or by any other means alter or modify, any documentary material in his possession that is relevant to his activities as an insurance producer while employed with the Royer Agency or subsequently with other insurance agencies.

Dated at Montpelier, Vermont this 3RD day of November 2020.

By: 
Michael S. Pieciak
Commissioner of Financial Regulation
Vermont Department of Financial Regulation