

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of Banking)
and Insurance, State of New Jersey, to fine) CONSENT
Jerod Blakestad, Reference No. 1579090) ORDER
and Capitol Risk Insurance Advisors Inc.,)
Reference No. 1581048)

To: Jerod Blakestad
3807 Xerxes Avenue South
Minneapolis, MN 55410-1134

Capitol Risk Insurance Advisors Inc.
901 North 3rd Street, Suite 114
Minneapolis, MN 55401

This matter, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Capitol Risk Insurance Advisors Inc; (“Capitol Risk”), formerly licensed as a nonresident business entity insurance producer, pursuant to N.J.S.A. 17:22A-34a, and its designated responsible licensed producer; Jerod Blakestad (“Blakestad”), currently licensed as a nonresident individual insurance producer, pursuant to N.J.S.A. 17:22A-34a, may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Capitol Risk and Blakestad (collectively “Respondents”) are subject to the provisions of the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 to 48 (the “Producer Act”), and the regulations governing Insurance Producer Standards of Conduct, N.J.A.C. 11:17A-1.1 to 11:17D-2.8; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(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-40a(8), an insurance producer shall not use fraudulent, coercive or dishonest practices, or demonstrate incompetence, untrustworthiness or financial irresponsibility in the conduct of insurance business in this State or elsewhere; and

WHEREAS, pursuant to N.J.S.A. 17:22-6.42(c), surplus lines insurance can be procured from unauthorized insurers, provided among other things, the insurance must be placed through a licensed New Jersey surplus lines agent; and

WHEREAS, pursuant to N.J.S.A. 17:22A-29, a person shall not sell, solicit or negotiate insurance in this State unless the person is licensed for that line of authority in accordance with the Producer Act; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.3(a), with certain exceptions, no person shall act as an insurance producer or maintain or operate any office in this State for the transaction of the business of an insurance producer, or receive any commission, brokerage fee, compensation or other consideration for services rendered as an insurance producer, without first obtaining a license from the Commissioner granting authority for the kind of insurance transacted; and

WHEREAS, pursuant to N.J.A.C. 11:17B-3.1(b), any insurance producer charging a fee to an insured or prospective insured shall first obtain from the insured or prospective insured a written agreement, which shall be separate and apart from all other agreements and applications; and

WHEREAS, Respondents solicited twelve (12) surplus lines policies in New Jersey without having surplus line authority and charged fees without the issuance of a separate fee agreement, in violation of N.J.S.A. 17:22A-40a(2) and (8), N.J.S.A. 17:22-6.42(c), N.J.S.A. 17:22A-29, and N.J.A.C. 11:17A-1.3(a) and N.J.A.C. 11:17B-3.1(b);
and

WHEREAS, the Respondents:

- 1) Have admitted responsibility for the aforementioned violations; and
 - 2) Have cooperated with the investigation conducted by the New Jersey Department of Banking and Insurance ("Department"),
 - 3) Have asserted that the violations cited in this Consent Order were not willful;
- and

WHEREAS, cause does exist under N.J.S.A 17:22-40a and N.J.S.A. 17:22-45c to impose a fine; and

WHEREAS, the Respondents have waived their right to a hearing on the aforementioned violations and consented to the payment of a fine in the amount of ten thousand dollars (\$10,000.00) and;

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

NOW, THEREFORE, IT IS on this 26TH day of APRIL, 2018

ORDERED AND AGREED, that the Respondents pay a fine in the amount of \$10,000.00 to the Department; and

IT IS FURTHER ORDERED AND AGREED, that said fine shall be paid by certified check, cashier's check or money order made payable to the State of New Jersey,

General Treasury, which shall be paid upon execution of this Consent Order by Respondents; and

IT IS FURTHER ORDERED AND AGREED that the signed Consent Order,


together with the fine payment of \$10,000.00 shall be remitted to:

New Jersey Department of Banking and Insurance
Attention: Virgil Downtin - Chief of Investigations
9th Floor, Consumer Protection Services, Enforcement
P. O. Box 329
Trenton, New Jersey 08625-0329

and

IT IS FURTHER ORDERED AND AGREED, that the provisions of this Consent Order represent a final agency decision and constitute a final resolution of the violations contained herein; and

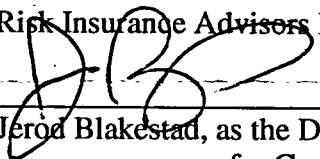
IT IS FURTHER ORDERED AND AGREED, that the Respondents shall cease and desist engaging in the conduct that gave rise to this Consent Order.


Peter L. Hart
Director of Insurance

Consented to as to Form,
Entry and Content

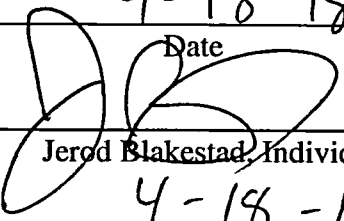
Capitol Risk Insurance Advisors Inc.

By:


Jerod Blakestad, as the Designated Responsible Licensed Producer
for Capitol Risk Insurance Advisors Inc.

4-18-18
Date

By:


Jerod Blakestad, Individually
4-18-18
Date



