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FILED

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**Department of Insurance
State of Idaho**

Attorneys for Idaho Department of Insurance

BEFORE THE DIRECTOR OF THE IDAHO DEPARTMENT OF INSURANCE

In the Matter of:

CARDINAL POINT INSURANCE
COMPANY, INC., a foreign corporation, and
STRATEGIC RISK ALTERNATIVES, LLC,
an Idaho limited liability company d/b/a SRA
831(b) Admin; VAN ERIC CARLSON, an
individual; DUSTIN CARLSON, an
individual;

Respondents.

Docket No. 18-4947-26

**CEASE AND DESIST ORDER AND
NOTICE**

To: CARDINAL POINT INSURANCE COMPANY, INC., and STRATEGIC RISK ALTERNATIVES, LLC, d/b/a SRA 831(b) Admin, VAN ERIC CARLSON, and DUSTIN CARLSON,

Pursuant to the authority granted to the Director of the Idaho Department of Insurance (“Department”) in the Idaho Insurance Code, section 41-101, *et seq.*, Idaho Code, in particular section 41-213(1)(a), Idaho Code, in addition to the Administrative Procedures Act, Idaho Code § 67-5201, *et seq.*, the Director of the Department issues this **CEASE AND DESIST ORDER** without prior notice but with the opportunity for hearing based upon the following:

IDAHO LAW

Idaho Code § 41-102 defines the term “insurance” as a “contract whereby one undertakes to indemnify another or pay or allow a specified or ascertainable amount or benefit upon determinable risk contingencies.”

Idaho Code § 41-112 defines the transaction of insurance as including any of the following:

- (1) Solicitation and inducement.
- (2) Preliminary negotiations.
- (3) Effectuation of a contract of insurance.
- (4) Transaction of matters subsequent to effectuation of a contract of insurance and arising out of it.
- (5) Mailing or otherwise delivering any written solicitation to any person in this state by an insurer or any person acting on behalf of the insurer for fee or compensation.

Idaho Code § 41-113, Idaho Code, states that no person shall transact the business of insurance or relative to a subject of insurance, in Idaho without complying with the provisions of Title 41.

Idaho Code § 41-207 allows the Director to delegate to his deputy, assistant, counsel, actuary, examiner or employee, the exercise of discharge in the Director’s name of any power, duty, or function under title 41. Such act by any person acting in the Director’s name and by his authority shall be deemed an official act of the Director.

Idaho Code § 41-305, states that no person shall act as an insurer and no insurer or its agents, attorneys, subscribers, or representatives shall directly or indirectly transact insurance in Idaho without a certificate of authority issued by the director.

Idaho Code § 41-306A(2), states that all foreign insurers must have a certificate of authority provided by the director.

Idaho Code § 41-1004 requires that every person who sells, solicits, or negotiates insurance in Idaho for any class or classes of insurance shall have a license as a producer for that line of authority.

Idaho Code § 41-1201 states that no person shall directly or indirectly act as agent for, or otherwise represent or aid on behalf of another, any insurer not then authorized to transact such insurance in this state, either in solicitation, negotiation, procurement, or effectuation of insurance.

Idaho Code § 41-1236 holds that no unauthorized insurer through any estimate, illustration, circular, pamphlet, letter, announcement, statement, or any other means or medium shall misrepresent to any person in this state the terms of any contract issued or to be issued by it or the advantages thereof. Whenever the Director has reason to believe that any such insurer is so misrepresenting, he shall notify the insurer.

Idaho Code § 41-1237(2) holds that the director may require an unauthorized insurer to cease and desist from misrepresentations as referred to in Idaho Code § 41-1236.

Idaho Code § 41-213(1)(a) authorizes the Director to issue an order requiring a person to cease and desist from engaging in any act or practice constituting a violation of the Idaho Insurance Code.

Idaho Code §§ 41-213(1)(a) and 67-5247 provides that an agency may act through an emergency proceeding, otherwise known as a cease and desist order, in a situation involving an immediate danger to the public health, safety, or welfare requiring immediate agency action, or where to prohibit any unlawful act or practice.

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RESPONDENTS

1. CARDINAL POINT INSURANCE COMPANY, INC. (“Cardinal Point”) is a foreign corporation domiciled with the Modoc Indian tribe, a domestic dependent nation located within the state of Oklahoma and does not hold a certificate of authority to transact insurance in Idaho. Cardinal Point is not a registered corporation with the Idaho Secretary of State.

2. STRATEGIC RISK ALTERNATIVES, LLC, d/b/a SRA 831(b) Admin (hereinafter “SRA 831(b) Admin”) is an Idaho limited liability company and does not hold a certificate of authority to transact insurance in Idaho. SRA 831(b) Admin is neither a resident nor non-resident licensed producer, business entity in the state of Idaho. SRA 831(b) Admin derives its name from 26 U.S. Code § 831(b), which allows captive insurance companies to exclude underwriting profit from federal taxation.

3. VAN ERIC CARLSON (“Van Carlson”) is a resident of the state of Idaho and held an Idaho Resident Producer License No. 2883465, which was originally issued on May 8, 1996, and expired on July 31, 2020. Van Carlson was at all times relevant to this matter the president of Respondent Cardinal Point as well as founder and CEO of SRA 831(b) Admin.

4. DUSTIN CARLSON is a resident of the state of Idaho and does not now hold, nor previously held, an Idaho Resident Producer License in the state of Idaho. Dustin Carlson is Van Carlson’s son, and under knowledge and belief serves as President of Respondent SRA 831(b) Admin.

FINDINGS OF FACT

5. Van Carlson is the founder and chief executive officer (hereinafter “CEO”) of SRA 831(b) Admin. His son, Dustin Carlson, is the President of SRA 831(b) Admin. SRA 831(b) Admin’s website lists its business address as 776 E. Riverside Dr., Suite 200 in Eagle, Idaho.

6. SRA 831(b) Admin counsels and guides small to medium sized businesses to utilize 26 U.S. Code § 831(b), which allows businesses to set aside tax-deferred dollars to “self-insure” against underinsured and/or uninsured risks such as event cancellation, supply chain disruption, brand protection and other non-traditional risks. SRA 831(b) Admin does this by helping businesses establish captive reinsurance companies. Under information and belief, SRA 831(b) Admin facilitates insurance transactions with Cardinal Point as its “fronting insurer” for such reinsuring captives.

7. Cardinal Point, which is registered with the Modoc Tribe, located in Miami, Oklahoma, acted as a foreign insurer in Idaho when it issued contracts of insurance to persons resident to Idaho and/or for coverage of risks located or to be performed in Idaho. Cardinal Point does not hold an Idaho certificate of authority under Idaho Code § 41-305. Under information and belief, Cardinal Point serves as a “fronting insurer” to the captive insurers that are created with the assistance and/or aid of SRA 831(b) Admin, Van Carlson, and Dustin Carlson. Through arrangements facilitated by the other Respondents, premiums to Cardinal Point are received at an Idaho address or wired to Idaho Central Credit Union, or other Idaho financial institutions. While captive reinsurance is exempt, Cardinal Point does not have a certificate of authority to transact the insurance it is “fronting” in Idaho, thereby violating Idaho Code § 41-305.

8. Under information and belief, Cardinal Point has been engaged in the unlicensed business of insurance since at least 2016 by serving as a “fronting insurer” to captive insurers that are ceded risks located in Idaho and has collected millions of dollars in premiums into Idaho financial institutions from Idaho businesses despite its location listed as Miami, Oklahoma. Cardinal Point does, or has in the past, represented to clients that it has an Idaho address.

9. Under information and belief, SRA 831(b) Admin has engaged in the unlicensed business of insurance since at least 2016 and has been steering Idaho businesses to Cardinal Point. A producer license is required to transact insurance in Idaho pursuant to Idaho Code § 41-1004. Aiding an unauthorized insurer, such as Cardinal Point, is prohibited by Idaho Code § 41-1201.

10. Under information and belief, Van Carlson and Dustin Carlson have, both in their capacity as principals of SRA 831(b) Admin and/or of Cardinal Point, personally transacted the business of insurance with Idaho businesses with risks located in Idaho without proper licensing as required by Title 41. A producer license is required to transact insurance pursuant to Idaho Code § 41-1004. Aiding an unauthorized insurer, such as Cardinal Point, is prohibited by Idaho Code § 41-1201.

CONCLUSIONS OF LAW

Based on the facts set forth above, the Director concludes as a matter of law that:

- a. Pursuant to Idaho Code § 41-207, the Director hereby delegates to the Deputy Director the authority to issue this cease and desist order, which therefore constitutes an official act of the Director.
- b. CARDINAL POINT, STRATEGIC RISK ALTERNATIVES, LLC, d/b/a SRA 831(b), VAN ERIC CARLSON, and DUSTIN CARLSON (collectively “the Respondents”) are engaged in the business and transaction of insurance as defined in §§ 41-102 and 41-112, Idaho Code;
- c. CARDINAL POINT INSURANCE does not possess a certificate of authority as required under § 41-305, Idaho Code;

- d. The RESPONDENTS are operating as an unlicensed insurer or aiding the same and immediate action is needed to prevent present and future damage and further abuse.
- e. The respondents' websites, cardinalpointinsurance.com and 831b.com constitute misrepresentations by unauthorized insurers under Idaho Code § 41-1236.

Based on the foregoing findings of fact and conclusions of law, the Director enters the following order:

ORDER TO CEASE AND DESIST

NOW THEREFORE, acting pursuant to the public interest and Idaho Code § 41-213(1)(a), it is hereby ORDERED that the RESPONDENTS, their principals, including, but not limited to CARDINAL POINT INSURANCE, STRATEGIC RISK ALTERNATIVES, LLC, d/b/a SRA 831(b), VAN ERIC CARLSON, and DUSTIN CARLSON, and their management, officers, employees, agents and successors, immediately **CEASE AND DESIST** from operating or functioning in any way, including through advertisement or inducement through websites or other means or medium as an INSURER, or in aiding in the unauthorized transaction of insurance as a PRODUCER in the state of Idaho without first being licensed and obtaining a certificate of authority, as defined and as required under Title 41, Chapters 3 and 10, Idaho Code.

NOTICE

Respondents are hereby notified that this cease and desist Order is a final order of the Director, subject to the Respondents' right to timely file a motion for reconsideration or a request for hearing. Pursuant to Idaho Code §§ 41-232 and 67-5246, the Respondents may file a motion for reconsideration of this cease and desist Order or a request for hearing within fourteen (14) days of the service of this Order.

Any hearing and subsequent proceedings in this matter will be conducted in accordance with Chapter 2, Title 41, of the Code and the Idaho Administrative Procedure Act, Idaho Code § 67-5201, *et seq.*

If the Respondents timely file a motion for reconsideration, the Department will dispose of such motion within twenty-one (21) days of its receipt, or the motion will be considered denied by operation of law, pursuant to Idaho Code § 67-5246(4).

If the Respondents timely file a request for hearing, the Respondents will be notified of the date, time and place of the hearing, as well as the name of the presiding officer. At the hearing, the Respondents will be entitled to enter an appearance, introduce evidence, examine and cross-examine witnesses, make arguments, and generally participate in the conduct of the proceedings. The Respondents may also be represented by legal counsel at their own expense.

Any motion for reconsideration or request for hearing must be timely made in writing, addressed to:

Dean L. Cameron, Director
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, Idaho 83720-0043

With a copy sent to:

Matt K. Steen, Deputy Attorney General
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, Idaho 83720-0043

Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this Order may appeal from such order to the district court by filing a petition in the district court of the county in which: (a) a hearing was held; or (b) the final agency action was taken; (c) the party seeking review of the order resides; or (d) the real property or personal property that was the subject of the agency action is located.

An appeal must be filed within twenty-eight (28) days: (a) of the issuance of this Order, (b) of the issuance of an order denying a motion for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. Idaho Code § 67-5273(2). The filing of an appeal to the district court does not itself stay the effectiveness of enforcement of the order being appealed.

IT IS SO ORDERED.

DATED this 27 day of April, 2026.

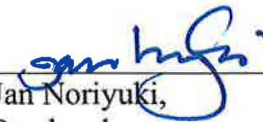
STATE OF IDAHO
DEPARTMENT OF INSURANCE


WES TREXLER
Deputy Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 27th day of April 2026, I caused a true and correct copy of the foregoing CEASE AND DESIST ORDER AND NOTICE to be served upon the following by the designated means:

Cardinal Point Insurance 22 N. Eight Tribes Trail Miami, OK 74354	<input type="checkbox"/> First Class Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Email
Strategic Risk Alternatives, d/b/a SRA 831(b) Admin 776 E. Riverside Drive, Suite 200 Eagle, ID 83616	<input type="checkbox"/> First Class Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Email
Van Carlson 776 E. Riverside Drive, Suite 200 Eagle, ID 83616	<input type="checkbox"/> First Class Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Email
Dustin Carlson 776 E. Riverside Drive, Suite 200 Eagle, ID 83616	<input type="checkbox"/> First Class Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Email



Jan Noriyuki,
Paralegal