

No. 2017-4977

**OFFICIAL ORDER  
of the  
TEXAS COMMISSIONER OF INSURANCE**

**Date:** MAR 06 2017

**Subject Considered:**

JOSEPH GRASSO IV  
8301 Cross Timbers Rd.  
Flower Mound, Texas 75022-6428

**CONSENT ORDER**  
TDI ENFORCEMENT FILE NO. 8403

**General remarks and official action taken:**

The commissioner of insurance considers whether disciplinary action should be taken against Joseph Grasso IV.

**WAIVER**

Grasso acknowledges that the Texas Insurance Code and other applicable law provide certain rights. Grasso waives all of these rights, and any other applicable procedural rights, in consideration of the entry of this consent order.

Pursuant to TEX. INS. CODE § 82.055(b), Grasso agrees to this consent order with the express reservation that he does not admit to a violation of any provision of the Texas Insurance Code or of a rule of TDI, and Grasso maintains that the existence of a violation is in dispute. However, for purposes of settlement, Grasso has agreed to this order.

**FINDINGS OF FACT**

1. Joseph Grasso IV, individual identification no. 657746, holds a general lines agent license with property and casualty, and life, accident, and health qualifications, originally issued by the department on November 15, 2005. Grasso also holds a public insurance adjuster (PIA) license originally issued by the department on April 25, 2012.

**Operating without a license**

2. On November 27, 2013, Grasso incorporated and began operations of Grasso Public Adjusters, Inc.

3. On June 24, 2014, the department issued Grasso Public Adjusters, Inc., firm identification no. 90642, a public insurance adjuster license. Grasso Public Adjusters, Inc. operated without a license for almost seven months.

#### **Delegating duties requiring a license**

4. Around November of 2014, the department received a complaint that Grasso's unlicensed employees or construction contractors that Grasso worked with were soliciting and engaging PIA contracts on behalf of Grasso. Multiple insureds indicated that an unlicensed employee or a construction contractor presented the PIA contract to them and told them they needed to sign it to get the construction work completed. These insureds did not understand the significance of the PIA contract and the fact that a PIA would be representing them to assist in their claims resolution.
5. Grasso and Grasso Public Adjusters, Inc. generally solicited and engaged at least 300 contracts from 2012, through 2014. Approximately 15 PIA contracts were solicited and engaged by unlicensed employees or construction contractors.

#### **Compliance**

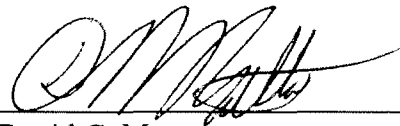
6. Grasso and Grasso Public Adjusters, Inc. discovered that they were not in compliance with state law when a complaint was filed with the department. Grasso and Grasso Public Adjusters, Inc. came into compliance by promptly doing the following:
  - a. cooperating with the department's investigation;
  - b. hiring an additional PIA;
  - c. implementing Mavenlink, a computer program that allows the PIA to work with the client in real-time and explain the PIA process;
  - d. preventing unlicensed parties from soliciting, advertising to, or engaging clients;
  - e. seeking the advice of an attorney; and
  - f. ensuring that only licensed individuals explain the PIA agreement and the scope of representation to the customer, solicit the customer, and engage the customer.

#### **CONCLUSIONS OF LAW**

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.001–82.056, 84.021–84.022, 4005.101–4005.103, and 4102.051, and TEX. GOV'T CODE §§ 2001.051–2001.178.
2. The commissioner has the authority to dispose of this case informally pursuant to TEX. GOV'T CODE § 2001.056, TEX. INS. CODE §§ 36.104 and 82.055, and 28 TEX. ADMIN. CODE § 1.47.
3. Pursuant to TEX. INS. CODE § 82.055(b), Grasso agrees to this order with the express reservation that he does not admit a violation of this code or of a rule, and he maintains that the existence of a violation is in dispute.

4. Pursuant to TEX. INS. CODE § 4005.101(b)(1), the department may discipline Grasso because he has willfully violated an insurance law of this state.
5. Grasso, through his firm, Grasso Public Adjusters, Inc. violated TEX. INS. CODE § 4102.051 (West 2007) by operating as a PIA firm without a license.
6. Grasso violated TEX. INS. CODE § 4102.155 by permitting an unlicensed employee or agent, in the employee's or agent's own name, to advertise, solicit or engage clients, furnish reports or present bills to clients, or in any manner conduct business for which a license is required under chapter 4102.

The commissioner of insurance orders Joseph Grasso IV to pay a \$5,250.00 administrative penalty within 30 days from the date of this order. The administrative penalty must be paid by cashier's check or money order made payable to the "State of Texas." Mail the administrative penalty to the Texas Department of Insurance, Attn: Enforcement Section, Division 40111, MC 9999, P.O. Box 149104, Austin, Texas, 78714-9104.



David C. Mattax  
Commissioner of Insurance  
By: Kevin Brady, Deputy Commissioner  
Delegation Order 4506

Approved as to Form and Content:



Amy L. K. Wills, Staff Attorney  
Compliance Division, Enforcement Section

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Commissioner's Order  
Joseph Grasso IV  
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Affidavit

STATE OF Texas

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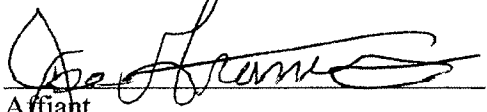
COUNTY OF Collin

Before me, the undersigned authority, personally appeared the affiant, who being by me duly sworn, deposed as follows:

"My name is JOE GRASSO IV. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

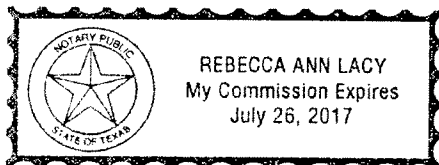
I waive rights provided by the Texas Insurance Code and other applicable laws, and acknowledge the jurisdiction of the commissioner.

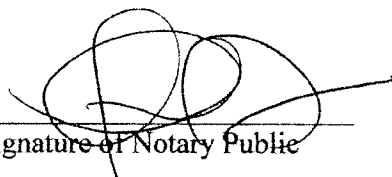
I have knowingly and voluntarily entered into this consent order and agree with and consent to the issuance and service of the same by the commissioner of insurance of the state of Texas."

  
Affiant

SWORN TO AND SUBSCRIBED before me on this 28 day of February, 2017.

(NOTARY SEAL)



  
Signature of Notary Public