

No. 2024-8558

**Official Order
of the
Texas Commissioner of Insurance**

Date: 2/29/2024

Subject Considered:

Grasso Public Adjusters, Inc. & Joseph Grasso IV
[REDACTED]
Flower Mound, Texas 75022-6428

Consent Order
TDI Enforcement File Nos. 28647 & 33282

General remarks and official action taken:

This is a consent order with Grasso Public Adjusters, Inc. (Grasso, Inc.) and Joseph Grasso IV (J. Grasso). The department alleges that J. Grasso included prohibited language in the public adjuster contracts used at his adjusting firm and failed to inform the department of another state's administrative action. Grasso, Inc., and J. Grasso have agreed to pay a \$3,500 administrative penalty.

Waiver

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

Findings of Fact

Licensure and Previous Department Action

1. J. Grasso, individual identification no. 657746, holds a public insurance adjuster license issued by the department on April 25, 2012, a general lines agent license

2024-8558

Commissioner's Order
Grasso Public Adjusters, Inc. &
Joseph Grasso IV
Page 2 of 5

- with a life, accident, and health qualification issued on November 15, 2005, and a property and casualty qualification issued on February 24, 2010.
2. Grasso, Inc., firm identification no. 90642, holds a public insurance adjuster firm license issued by the department on June 24, 2014.
 3. J. Grasso is the designated responsible licensed person for Grasso, Inc.
 4. On March 3, 2017, the department filed a Notice of Hearing in SOAH Docket No. 454-17-2906.C. This case was ultimately settled with Order No. 2017-4977. J. Grasso agreed to the order with the express reservation that he did not admit to any violation of the Texas Insurance Code or other rules of TDI. In that order, the commissioner found that J. Grasso operated Grasso, Inc. as an unlicensed firm for seven months from 2013 to 2014, and utilized unlicensed employees or construction contractors to solicit clients. J. Grasso paid a \$5,250 administrative penalty, and the licenses held by J. Grasso and Grasso, Inc. remained valid.
 5. J. Grasso was issued a warning letter in 2020 by the department. This warning letter resolved the department's investigation into allegations that J. Grasso submitted an inflated claim to an insurer, was using prohibited sales tax language in his contract, and was charging prohibited sales tax for his public adjusting services. The department's investigation uncovered no evidence of submission of an inflated claim to an insurer.

Prohibited Language in Contract

6. Public insurance adjuster services performed after October 1, 2015, are not taxable according to 34 TEX. ADMIN. CODE § 3.355(c)(4). Public insurance adjusters are required to use a department approved contract for services. Independently written contracts must be submitted for approval when applying for a license and upon renewal. Once approved, that contract is valid for two years.
7. The department's investigation revealed that J. Grasso retained and used unapproved contracts which contained the prohibited sales tax language.
8. During the course of the department's investigation, J. Grasso was able to prove that for those clients who signed the contract with the prohibited sales tax language, no sales tax was charged.

2024-8558

Commissioner's Order
Grasso Public Adjusters, Inc. &
Joseph Grasso IV
Page 3 of 5

9. J. Grasso represents that all versions of the contract which contained the prohibited sales tax language have been replaced with an updated contract.

Failure to Notify Department of Another State's Administrative Action

10. On January 20, 2021, the Louisiana Department of Insurance issued Order No. 780436 against Grasso, Inc. Its investigation concluded that Grasso, Inc. was in violation of Louisiana statutes by operating without a license. Grasso, Inc. was ordered to cease and desist all insurance activity in Louisiana and was fined \$500. J. Grasso failed to notify the department of this order.
11. J. Grasso represents he will alert the department of any future administrative actions taken against him or Grasso, Inc.

Conclusions of Law


1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, and 4102.051.
2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056; TEX. INS. CODE §§ 36.104 and 82.055; and 28 TEX. ADMIN. CODE § 1.47.
3. J. Grasso has knowingly and voluntarily waived all procedural rights to which he may have been entitled regarding the entry of this order, including, but not limited to, issuance and service of notice of intention to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.
4. J. Grasso entered into written contracts not approved by the commissioner, in violation of 28 TEX. ADMIN. CODE §§ 19.708(d)-(f) and 19.713(b)(10), and TEX. INS. CODE § 4102.103(a).
5. J. Grasso did not notify the department of an administrative action taken against his adjusting firm, Grasso, Inc., in violation of TEX. INS. CODE § 4001.252.

2024-8558

Commissioner's Order
Grasso Public Adjusters, Inc. &
Joseph Grasso IV
Page 4 of 5


Order

It is ordered that Grasso Public Adjusters, Inc. and Joseph Grasso IV must pay, jointly and severally, an administrative penalty of \$3,500 within 30 days from the date of this order. The administrative penalty must be paid as instructed in the invoice, which the department will send after entry of this order.

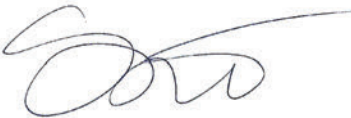
DocuSigned by:

FC5D7EDDFFBB4F8...

Cassie Brown
Commissioner of Insurance

Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division



Stephanie Daniels
Enforcement

Commissioner's Order
Grasso Public Adjusters, Inc. &
Joseph Grasso IV
Page 5 of 5

Affidavit

STATE OF Texas §

§

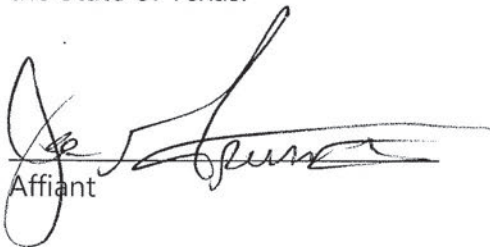
COUNTY OF Denton §

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

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

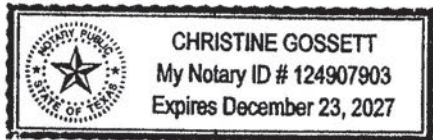
I hold the office of President and am the authorized representative of Grasso Public Adjusters, Inc. I am duly authorized by said organization to execute this statement.

I have knowingly and voluntarily entered into the foregoing 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 January 30, 2024.

(NOTARY SEAL)




Signature of Notary Public

Christine Gossett
Printed Name of Notary Public