

No. **2025-9692**

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

Date: 12/18/2025

Subject Considered:

Code Blue, LLC
14 East Main Street
Springfield, OH 45502

Consent Order
SOAH Docket No. 454-24-04124
TDI Enforcement File No. 28571

General remarks and official action taken:

For approximately three years, Code Blue, LLC, f/k/a Code Blue, LLC (Code Blue) investigated, adjusted, and supervised Texas claims for multiple insurers without holding an adjuster license. This order grants Code Blue's adjuster license application subject to a two-year probated suspension and the reporting requirements detailed in this order. Code Blue also agrees to pay an administrative penalty of \$150,000.

Waiver

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

Findings of Fact

Licensure and Background

1. Code Blue is incorporated in Delaware and its principal place of business is in Ohio.

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2. Code Blue does not hold any licenses, registrations, or other authorizations, to allow it to conduct the business of insurance in Texas and it is not exempt from insurance licensure.
3. In 2021, TDI received a complaint from a water mitigation contractor alleging a Code Blue representative acted as a public insurance adjuster (PIA) in a homeowners insurance claim by acting on behalf of the homeowner in investigating, negotiating, advising, and attempting to settle the claim. As a result, TDI investigated Code Blue.
4. Accuserve Solutions, Inc. (Accuserve) owns 100% of Code Blue.
5. When TDI began its investigation, Code Blue identified Hunter Powell (Powell), CEO, and Reid Schellhouse (Schellhouse), CFO, as Code Blue's sole officers and controlling individuals.
6. Neither Powell, Schellhouse, nor Accuserve hold any licenses, registrations, or other authorizations to allow them to conduct the business of insurance in Texas.

Code Blue Engaged in Unauthorized Acts

7. Texas law defines an adjuster to include a business entity or individual that investigates or adjusts losses on behalf of an insurer or supervises the handling of claims, whether as an independent contractor or as an employee of an insurer.
8. TDI's investigation of the initial complaint found that Code Blue's representative had not acted as a PIA, but rather, had acted as an adjuster on behalf of the insurer in the Texas homeowner's claim.
9. TDI's investigation further found that since January 2020, Code Blue has contracted with approximately 32 insurance companies operating in Texas to provide water mitigation services to insurers.
10. Code Blue represents that since that time, they handled approximately 18,120 claims on Texas risks through the three types of services they offer to insurers, specifically: (1) first notice of loss, (2) water mitigation including technical review, and (3) their "Direct Repair Network."

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11. Code Blue represents that its water mitigation services consist of offering technical review services to the insurers' licensed adjusters by reviewing invoices and documentation of completed water mitigation work to identify any deviations from the Institute of Inspection Cleaning and Restoration Certification (IICRC) S500 Standards. Code Blue represents that in providing these technical review services its team: reviews invoices and documentation of completed work; collaborates with the contractor to identify and discuss any deviations from industry standards; reviews and discusses these deviations; and then attempts to reach an agreed scope with the contractor to determine the appropriate final invoice amount.
12. Code Blue also contracted with Texas insurers to provide first notice of loss services to insureds, in which it operated a call center to receive initial notice of claims. During some of these calls, Code Blue provided insureds with the name of a water mitigation contractor from its "Direct Repair Network."
13. Code Blue represents that its "Direct Repair Network" services are used by Texas insurers to connect insureds with third-party network contractors, ensures that the estimates and invoices submitted on behalf of its network contractors comply with the carrier's estimate and billing guidelines, and that Code Blue does not adjust the price of the estimate of invoice. However, Code Blue's agreements with the network contractors state that Code Blue is actually setting the fees and revenue sharing percentages between the network contractor and the insurer.
14. During the course of TDI's investigation some of Code Blue's conduct did not fall within the definition of an adjuster or the general exemptions from licensure provided in the Texas Insurance Code, and some of its conduct may have changed since TDI received the complaint.

Misleading Advertising

15. During TDI's investigation, Code Blue's publicly available website, www.codeblue360.com, showed that Code Blue held itself out as an adjuster, PIA, or was otherwise engaging in the business of insurance in Texas.

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16. During TDI's investigation, the website also showed that Code Blue incorrectly held itself out as a third-party administrator (TPA)¹ and made misleading representations about its ability or authority to handle property claims in Texas.
17. Between January 2022 and February 2023, Code Blue's website changed to state that it became part of the Accuserve family, and website traffic was redirected to an Accuserve website. The Accuserve website is also active, fully operational, and viewable by citizens of Texas.
18. The Accuserve website previously advertised and held out Code Blue:
 - a. as a PIA stating Code Blue can assist insureds in the claims process, despite not having a license to do so in Texas; and
 - b. as an insurance adjuster, despite not having a license to do so in Texas.
19. All statements and references to acting as or holding itself out as a TPA, PIA, and adjuster were removed from Code Blue's and Accuserve's website during TDI's investigation.

Adjuster License Application

20. On March 7, 2023, Code Blue submitted application identification number 2901740, for an adjuster license with a property and casualty qualification.
21. Code Blue's application disclosed only Richard Michael Dillion (Dillion), individual identification number 1883229, as its sole officer and designated responsible person (DRLP), and listed Insurance Claims Management Inc. as the sole owner.
22. On October 26, 2023, TDI proposed to deny Code Blue's license application based upon its misconduct. The following day, TDI filed a petition at the State Office of Administrative Hearings (SOAH) to seek a cease-and-desist order and other relief in SOAH Docket Number 454-24-04124. TDI's allegations against Code Blue and Code Blue's license application are being resolved through this consent order.

¹ A TPA is required to hold a certificate of authority in Texas, and is defined to mean "a person who, in connection with annuities or life benefits, health benefits, accident benefits, pharmacy benefits, or workers' compensation benefits, collects premiums or contributions from or adjusts or settles claims for residents of this state." TEX. INS. CODE §§ 4151.001(1) and 4151.051.

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23. Between January and March 2025, Code Blue informed TDI that Schellhouse is no longer CFO, Powell remains its CEO, and Luke DiTomas (DiTomas) is its new CFO. Biographical information for DiTomas was not previously included in Code Blue's license application.
24. In early April 2025, TDI found that Code Blue was and continues to advertise several individuals on its website with titles demonstrating that they control and administer the operations of Code Blue, but these individuals were not disclosed to TDI in its license application.
25. On April 25, 2025, Code Blue submitted biographical information to TDI to supplement its license application and update its controlling persons. However, none of the newly-identified controlling persons are Texas licensed, and therefore none can serve as Code Blue's DRLP.
26. On June 24, 2025, the person Code Blue designated as its DRLP was granted an adjuster all-lines license.
27. Code Blue expressly represents that as of the date of this order its application is accurate, complete, and that it has provided biographical information for all persons who are presently owners, members, managers, officers, or who otherwise control Code Blue, or administer its operations.

Other Mitigation

28. During TDI's investigation, 10 individuals working for Code Blue as technical review specialists obtained Texas adjuster licenses.
29. Code Blue represents that the initial complaint was a unique circumstance and that it did not and does not regularly act on behalf of the insured. Instead, Code Blue represents it acts on the behalf of the insurer and therefore is not required to hold a PIA license.
30. To achieve compliance, Code Blue agrees to:
 - a. immediately cease and desist from using unlicensed persons to adjust claims involving Texas risks, to the extent it hasn't already done so;

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- b. immediately cease and desist from holding itself out as a TPA in Texas, to the extent it hasn't already done so;
- c. immediately cease and desist from holding itself out as and providing services requiring a PIA license to Texas policyholders, insureds, or claimants, to the extent it hasn't already done so;
- d. confirm licensure status of all persons Code Blue uses to adjust claims involving Texas risks, regardless of whether those persons are Code Blue employees or not;
- e. revise all Code Blue and Accuserve websites to correctly and expressly disclose Code Blue's Texas licensure and remove any false, misleading, or deceptive assertions or statements about its licensure or authority to operate in Texas; and
- f. voluntarily consent to a two-year probated suspension of the adjuster license being granted through this order.

Conclusions of Law

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 101.101–101.103, 101.151–101.156, 541.001–541.004, 4001.002, 4005.101–4005.103, 4101.051–4101.053, 4101.201, 4102.051, and 4151.051.
2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056; and TEX. INS. CODE §§ 36.104 and 82.055.
3. Code Blue has knowingly and voluntarily waived all procedural rights to which it 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.

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4. Code Blue performed the acts of an adjuster and a public insurance adjuster without first obtaining the required licenses, assisted unlicensed persons with engaging in such acts without appropriate licensure, and held itself out as a third party administrator, all in violation of TEX. INS. CODE §§ 101.102, 4101.051, 4102.051, and 4151.051(a); and 28 TEX. ADMIN. CODE § 7.1603(a).
5. Code Blue made, published, and otherwise placed before the public advertisements and statements containing untrue, deceptive, or misleading assertions, representations, and statements in its conduct of insurance business, in violation of TEX. INS. CODE §§ 541.003 and 541.052.
6. As contemplated in TEX. INS. CODE § 4101.053(c), Code Blue committed acts that are grounds to deny an adjuster's license under TEX. INS. CODE §§ 4005.101-4005.102, and 4101.201.

Order

It is ordered that an adjuster license is granted to Code Blue, LLC.

It is further ordered that the adjuster license granted to Code Blue, LLC is suspended for two years, with the suspension being probated, and the terms and conditions stated in this order apply.

If during the probation period imposed by this order, TDI issues any additional licenses or authorizations to Code Blue LLC, those additional licenses or authorizations will be suspended until the probation period imposed by this order has ended. The suspension will be probated, and the same terms and conditions stated in this order will apply.

It is further ordered that Code Blue comply with the following terms and conditions as stated below:

- a. Code Blue must immediately cease and desist from using unlicensed persons to adjust claims involving Texas risks, to the extent it has not already done so;
- b. Code Blue must immediately cease and desist from holding itself out as a TPA in Texas, to the extent it hasn't already done so;

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- c. Code Blue must immediately cease and desist from holding itself out as and providing services requiring a PIA license to Texas policyholders, insureds, or claimants, to the extent it hasn't already done so;
- d. Code Blue must independently confirm the licensure status of all persons Code Blue uses to adjust claims involving Texas risks, regardless of whether those persons are Code Blue employees or not;
- e. Within 30 days from the date of this order, Code Blue must provide TDI with a detailed, written explanation of its processes, procedures, and controls it has implemented to independently confirm licensure status of all persons Code Blue uses to adjust claims involving Texas risks, regardless of whether those persons are Code Blue employees or not;
- f. Within 30 days from the date of this order, Code Blue and Accuserve must revise all of their websites to:
 - i. clearly and unequivocally identify which licenses Code Blue holds in Texas;
 - ii. remove any false, misleading, or deceptive assertions or statements about Code Blue's licensure or authority to operate in Texas, to the extent it has not already done so; and,
- g. Within 30 days from the date of this order, Code Blue must confirm to TDI in writing it has made the above website revisions.

Beginning on the date of this order and continuing through the probation period, Code Blue must submit a quarterly, written report to TDI. Each report is due 90, 180, 270, 365, 455, 545, 635, and 730 days after the date of this order, and must include the following information:

- a. Code Blue's current mailing address, business location (physical) address, telephone number, and email address;
- b. the name, mailing address, telephone number, and Texas adjuster license number for all persons who adjusted claims involving Texas risks for Code Blue on behalf of any insurer in any line of business during the previous quarter;

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- c. the name, mailing address, and telephone number for any unlicensed persons who were involved in handling claims involving Texas risks for Code Blue on behalf of any insurer in any line of business during the previous quarter, and a detailed description of each such person's duties and responsibilities related to those claims;
- d. the name and address of any insurer or managing general agent (MGA) that enters into a contract, agreement, or other arrangement with Code Blue; and
- e. the name and address of any insurer or MGA that terminated its contract, agreement, or arrangement with Code Blue, and a description of the reason for that termination.

Code Blue, LLC must notify TDI immediately of the following:

- a. any change to its mailing address, business location (physical) address, telephone number, or email address;
- b. any state or regulatory actions taken against it, including formal and informal actions;
- c. any state or regulatory actions, including formal and informal actions, that are taken against any of Code Blue's individual officers, directors, members, managers, partners, or shareholders holding 10% or more of the voting stock or voting rights in Code Blue;
- d. any criminal charges or indictments filed (excluding traffic offenses and Class C misdemeanors) against any of Code Blue's individual officers, directors, members, managers, partners, or shareholders holding 10% or more of the voting stock or voting rights in Code Blue;
- e. any complaint made against Code Blue concerning its acts as an adjuster on Texas risks, as well as a written explanation detailing the steps taken to resolve it; and
- f. any complaint made against any person adjusting claims involving Texas risks for Code Blue, where the subject matter concerns his or her acts as an adjuster, as well as a written explanation detailing the steps taken to resolve it.

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Code Blue, LLC must send all information required to be submitted to TDI under the terms of this order, by email to: EnforcementReports@tdi.texas.gov.

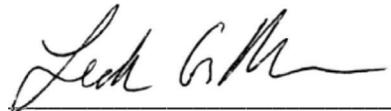
Code Blue, LLC is further ordered to comply with TEX. INS. CODE §§ 4001.252(b) and (c).

It is further ordered that Code Blue, LLC must pay an administrative penalty of \$150,000 within 30 days from the date of this order. The administrative penalty must be paid as instructed in the invoice, which TDI will send after entry of this order.

Signed by:

FC5D7EDDFFB4F8...
Cassie Brown
Commissioner of Insurance

Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division



Sarah White, Staff Attorney
Enforcement

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Affidavit

STATE OF Texas §
§
COUNTY OF Travis §

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

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

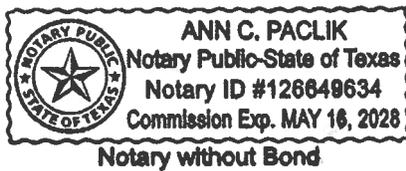
I hold the office of Chief Client Officer and am the authorized representative of Code Blue, LLC. I am duly authorized by said organization to execute this statement.

Code Blue, LLC. has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the state of Texas."

[Signature]
Affiant

SWORN TO AND SUBSCRIBED before me on 18 sept 2025

(NOTARY SEAL)



[Signature]
Signature of Notary Public
Ann C Paclik
Printed Name of Notary Public