

1-1 By: Clardy, et al. (Senate Sponsor - Schwertner) H.B. No. 1437
 1-2 (In the Senate - Received from the House May 10, 2023;
 1-3 May 17, 2023, read first time and referred to Committee on Business
 1-4 & Commerce; May 22, 2023, reported adversely, with favorable
 1-5 Committee Substitute by the following vote: Yeas 10, Nays 0;
 1-6 May 22, 2023, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11			X	
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			

1-20 COMMITTEE SUBSTITUTE FOR H.B. No. 1437 By: Schwertner

1-21 A BILL TO BE ENTITLED
 1-22 AN ACT

1-23 relating to an appraisal process for disputed losses under personal
 1-24 automobile or residential property insurance policies.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Subtitle A, Title 10, Insurance Code, is amended
 1-27 by adding Chapter 1813 to read as follows:

1-28 CHAPTER 1813. APPRAISAL OF DISPUTED LOSSES

1-29 Sec. 1813.001. APPLICABILITY OF CHAPTER. (a) This chapter
 1-30 applies only to a personal automobile or residential property
 1-31 insurance policy delivered, issued for delivery, or renewed in this
 1-32 state by an insurer, including:

- 1-33 (1) a capital stock insurance company;
- 1-34 (2) a mutual insurance company;
- 1-35 (3) a county mutual insurance company;
- 1-36 (4) a Lloyd's plan;
- 1-37 (5) a reciprocal or interinsurance exchange;
- 1-38 (6) a farm mutual insurance company;
- 1-39 (7) an eligible surplus lines insurer if this state is
 1-40 the insured's home state as defined by Section 981.002; and
- 1-41 (8) the FAIR Plan Association.

1-42 (b) This chapter does not apply to:

- 1-43 (1) an insurance policy delivered, issued for
 1-44 delivery, or renewed by the Texas Windstorm Insurance Association;
 1-45 or
- 1-46 (2) a commercial insurance policy.

1-47 Sec. 1813.002. RULES. The commissioner may adopt rules
 1-48 necessary to implement this chapter.

1-49 Sec. 1813.003. REQUIRED POLICY PROVISION: APPRAISAL
 1-50 PROCESS. (a) An insurance policy described by Section 1813.001(a)
 1-51 must contain an appraisal provision that complies with this
 1-52 chapter.

1-53 (b) The appraisal provision required by this chapter is
 1-54 intended to provide a type of dispute resolution process solely to
 1-55 determine the amount of loss when that amount is in dispute between
 1-56 the policyholder and the insurer.

1-57 Sec. 1813.004. EFFECT OF APPRAISAL. (a) An appraisal under
 1-58 the provision required by this chapter does not affect any
 1-59 applicable policy terms.

1-60 (b) Except for fraud or material mistake relevant to the

2-1 appraisal, the amount of loss determined by an appraisal under this
2-2 chapter is binding as to the policyholder and the insurer.

2-3 SECTION 2. Chapter 1813, Insurance Code, as added by this
2-4 Act, applies only to an insurance policy delivered, issued for
2-5 delivery, or renewed on or after January 1, 2024.

2-6 SECTION 3. This Act takes effect September 1, 2023.

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