

By: Davis of Dallas

H.B. No. 4223

Substitute the following for H.B. No. 4223:

By: White

C.S.H.B. No. 4223

A BILL TO BE ENTITLED

AN ACT

relating to the resolution of certain contract disputes through a contractual appraisal process.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 154, Civil Practice and Remedies Code, is amended by adding Subchapter E to read as follows:

SUBCHAPTER E. RESOLUTION OF DISPUTES BY CONTRACTUAL APPRAISAL  
PROCESS

Sec. 154.101. TIME FOR INVOKING APPRAISAL. A party that receives written notice of a dispute that may be subject to a contractual appraisal process meant to determine the amount of a loss covered by the contract may not invoke that appraisal process after the 60th day after the date the party receives the notice.

Sec. 154.102. PURPOSE OF APPRAISAL; OTHER DUTIES NOT AFFECTED. (a) A party that may be liable under a contract for a loss the amount of which may be determined through a contractual appraisal process is required to promptly investigate and pay any obligation under the contract, notwithstanding the existence of the appraisal provision in the contract.

(b) A contractual appraisal process does not serve any purpose other than the resolution of a dispute regarding the amount of a covered loss that must be paid under the contract. The appraisal process does not absolve a party from an extra-contractual obligation, including a statutory or common law

1 obligation to timely investigate and pay a contractual obligation  
2 in good faith, or exempt a party from the prompt payment of  
3 penalties or attorney's fees ordinarily recoverable when a party  
4 fails to adequately and timely pay a covered loss.

5 Sec. 154.103. CONFLICT WITH OTHER LAW. (a) Except as  
6 provided by Subsection (b), this subchapter controls over any other  
7 law to the extent of a conflict.

8 (b) This subchapter does not apply to a dispute that is  
9 subject to Section [2210.574](#), Insurance Code.

10 SECTION 2. The change in law made by this Act applies only  
11 to a contract entered into or renewed on or after the effective date  
12 of this Act.

13 SECTION 3. This Act takes effect September 1, 2019.