

AN ACT

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

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

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

CHAPTER 1813. APPRAISAL OF DISPUTED LOSSES

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

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

(b) This chapter does not apply to:

- (1) an insurance policy delivered, issued for delivery, or renewed by the Texas Windstorm Insurance Association;
- or

1           (2) a commercial insurance policy.

2           Sec. 1813.002. RULES. (a) The commissioner shall adopt  
3 rules necessary to implement this chapter, including:

4           (1) rules establishing the period in which an  
5 appraisal under a provision required by this chapter must be  
6 completed; and

7           (2) rules mandating an appraisal for total loss and  
8 damage of the property that is the subject of the appraisal.

9           (b) In adopting rules establishing the period described by  
10 Subsection (a)(1), the commissioner must consider the  
11 qualifications and selection of appraisers and umpires for the  
12 appraisal.

13           Sec. 1813.003. REQUIRED POLICY PROVISION: APPRAISAL  
14 PROCESS. (a) An insurance policy described by Section 1813.001(a)  
15 must contain an appraisal provision that complies with this  
16 chapter.

17           (b) The appraisal provision required by this chapter is  
18 intended to provide a type of dispute resolution process solely to  
19 determine the amount of loss when that amount is in dispute between  
20 the policyholder and the insurer.

21           Sec. 1813.004. EFFECT OF APPRAISAL. (a) An appraisal under  
22 the provision required by this chapter does not affect any  
23 applicable policy terms, and an appraisal award must be made in  
24 substantial compliance with the appraisal clause of the insurance  
25 policy.

26           (b) Except for fraud, accident, or material mistake  
27 relevant to the appraisal or an appraisal award made without

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

3       SECTION 2. (a) Chapter 1813, Insurance Code, as added by  
4 this Act, applies only to an insurance policy delivered, issued for  
5 delivery, or renewed on or after January 1, 2026.

6       (b) An insurance policy form required to be filed under  
7 Chapter 2301, Insurance Code, providing for an appraisal process  
8 that is in use on January 1, 2026, and otherwise compliant with  
9 Chapter 1813, Insurance Code, as added by this Act, is not required  
10 to be filed with the Texas Department of Insurance as a consequence  
11 of this Act.

12       SECTION 3. This Act takes effect September 1, 2025.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 458 passed the Senate on April 9, 2025, by the following vote: Yeas 29, Nays 0, one present not voting; and that the Senate concurred in House amendment on May 26, 2025, by the following vote: Yeas 30, Nays 0, one present not voting.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 458 passed the House, with amendment, on May 20, 2025, by the following vote: Yeas 143, Nays 0, two present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor