

By: Schwertner

S.B. No. 458

A BILL TO BE ENTITLED

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. The commissioner shall adopt rules
3 necessary to implement this chapter, including rules establishing
4 the period in which an appraisal under a provision required by this
5 chapter must be completed. In adopting the rules establishing that
6 period, the commissioner shall:

7 (1) allow flexibility for an adequate investigation of
8 the claim that is the subject of the appraisal; and

9 (2) consider the time necessary to preserve the
10 independence of the appraisers.

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

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

19 Sec. 1813.004. EFFECT OF APPRAISAL. (a) An appraisal under
20 the provision required by this chapter does not affect any
21 applicable policy terms.

22 (b) Except for fraud or material mistake relevant to the
23 appraisal, the amount of loss determined by an appraisal under this
24 chapter is binding as to the policyholder and the insurer.

25 SECTION 2. Chapter 1813, Insurance Code, as added by this
26 Act, applies only to an insurance policy delivered, issued for
27 delivery, or renewed on or after January 1, 2026.

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