

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

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

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