

**MANDATORY RTA ACHIEVED! ABAT CELEBRATES BIG WIN FOR TEXAS CONSUMERS!**

The official publication of the Auto Body Association of Texas (ABAT)

# TEXAS AUTOMOTIVE™



July 2025  
\$5.95

## Deep Rooted in Education:

## Texas Auto Body Trade Show Branches Out



2025 Texas Auto Body Trade Show

**SEPTEMBER 12-13**

[www.grecopublishing.com](http://www.grecopublishing.com)



## TEXAS MANDATORY BINDING RIGHT TO APPRAISAL RIGHTS BECOMES LAW

Dear Mr. McDorman,

I own and operate a collision facility in East Texas. I, like many readers, have been closely following the editorials on the Texas Mandatory Appraisal Bill journey, and I appreciate everyone's hard work on this important consumer protection issue. I saw over the weekend that the Mandatory Right to Appraisal Bill SB 458 was approved to become law in Texas. Can you expand on this for me and the other readers? Also, what are the next steps?

Thank you and the many other readers so much for keeping up with the campaign for mandatory appraisal rights in Texas for all motor vehicle policies and for everyone's support in this long but worthwhile journey. Yes, SB 458 was e-filed and passed into law on the afternoon of Saturday, June 21. The passing of SB 458 will amend the Texas Insurance Code to require each auto policy in Texas to have a binding Appraisal Clause for loss disputes. This requirement will apply to any insurance policy delivered, issued for delivery or renewed on or after January 1, 2026.

The next step in the process will be for Commissioner Brown to adopt rules mandating an appraisal for total loss and delineating property damage subject to the appraisal and the period of appraisal. Also, Commissioner Brown must consider the qualifications and selection criteria for appraisers and umpires for the appraisal. There is still much work to be done, and we all know that the devil is always found in the details. Everyone should remain vigilant and keep a close eye on how the mandates of SB 458 get implemented.

The passing of SB 458, ensuring that all Texas motor vehicle insurance policies will have a binding Appraisal Clause, is a wonderful step forward for consumer rights. I applaud lawmakers for passing this bill into law during the 89th legislative session. Our position at Auto Claim Specialists has always been that the Right to Appraisal should be a mandatory contractual right in every policy, and we are thrilled with the successful passage of SB 458.

Auto Body Association of Texas' (ABAT) lobbyist, Jacob Smith, has done a wonderful job working with lawmakers and lobbyists over the years to get us where we are today. Our lobbyist at Auto Claim Specialists, Andrew "Drew" Graham, has also done an amazing job educating and working with law makers and other lobbyists on the importance of mandatory appraisal rights in motor vehicle policies in Texas. I cannot say enough good things about these two men and their desire to help the insured citizens of our great state to achieve mandatory appraisal rights. I love them both

and commend their dogged determination to watch over and protect the insured Texans' interest relating to a covered loss.

The under-indemnification in repair procedure claims in Texas is rampant. Most of the estimates and supplements we see for repair claims have many overlooked (by design) safety and OEM-required operations needed to restore the loss vehicle to its pre-loss condition to the best of one's human ability. Now, with the passing of SB 458, when a dispute arises over the loss on a motor vehicle claim, there will be a binding Appraisal Clause in the policy allowing these disputes to be turned over to industry professionals to determine the loss.

The spirit of the Appraisal Clause is to resolve loss disputes fairly and to do so in a timely and cost-effective manner. Invoking the Appraisal Clause removes inexperienced and biased carrier appraisers and claims handlers from the process, undermining their management's many tricks to undervalue the loss settlement and under-indemnify the insured. Through the Appraisal Clause, loss disputes can be resolved relatively quickly, economically, equitably and amicably by unbiased, experienced, independent third-party appraisers as opposed to more costly and time-consuming methods such as mediation, arbitration and litigation.

In today's world, regarding motor vehicle insurance policies, frequent changes in claim management and claim handling policies, and non-standardized GAP Addendums, we have found it is always in the best interest of the insured or claimant to have their proposed insurance settlement reviewed by an expert before accepting. There is never an upfront fee for Auto Claim Specialists to review a motor vehicle claim or proposed settlement and give their professional opinion as to the fairness of the offer.

Please call me should you have any questions relating to the policy or covered loss. We have most insurance policies in our library. Always remember that safe repair is a quality repair, and quality equates to value. I thank you for your question and look forward to any follow-up questions that may arise.



Robert is a recognized Public Insurance Adjuster and Certified Vehicle Value Expert specializing in motor vehicle-related insurance claim resolution. Robert can be reached by phone at (800) 736-6816, (817) 756-5482 or via email at [AskTheExpert@autoclaimspecialists.com](mailto:AskTheExpert@autoclaimspecialists.com).

Sincerely,  
Robert L. McDorman  
TXA