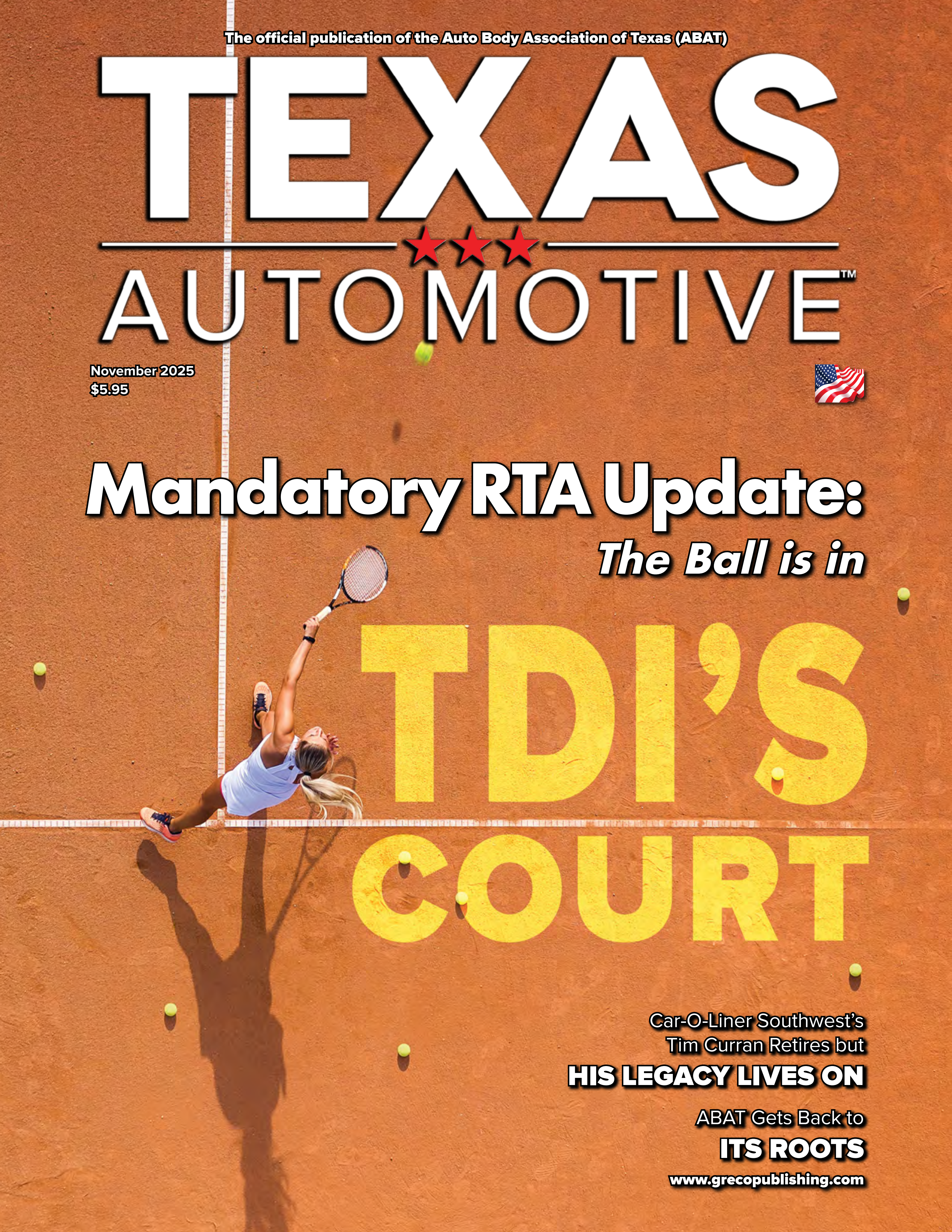
The official publication of the Auto Body Association of Texas (ABAT)

TEXAS AUTOMOTIVE™

November 2025
$5.95



Mandatory RTA Update: *The Ball is in* TDI'S COURT

Car-O-Liner Southwest's Tim Curran Retires but **HIS LEGACY LIVES ON**

ABAT Gets Back to **ITS ROOTS**

www.grecopublishing.com

KEEPING THE PUBLIC INFORMED ON MANDATORY RIGHT TO APPRAISAL

Dear Mr. McDorman,

I own and operate a collision facility in West Texas. I, like many others, have read your three editorials about the Texas Mandatory Appraisal Bill rule making and appraiser/umpire criteria phase. Thank you for keeping everyone informed and up to date on the process. I saw that on September 22, 2025, the Texas Department of Insurance (TDI) posted an informal working draft of rules implementing Senate Bill 458 on appraisal provisions. I also noticed that TDI set an October 6, 2025, deadline for public comments. Did you issue any comments to the TDI working draft, and, if so, can you share them with the readers? We have become devoted to keeping our clients and other insured Texans informed about their Right to Appraisal when there is a dispute over their loss with their insurance carrier. Based upon everything I have read and my own research, the rule making and appraiser/umpire criteria phase is a vital part of the Mandatory Appraisal Bill everyone worked so hard to get passed. Will you please provide me and other readers with any updated information you have about this final phase?

Thank you so much for your comments and for wanting to help inform insureds of their legal Right to Appraisal in Texas when a dispute arises between them and their insurer over the loss. I could not agree more that the rule making and appraiser/umpire criteria phase is vital to the Mandatory Appraisal Bill. We did issue comments to the Texas Department of Insurance informal working draft of rules implementing Senate Bill 458 on appraisal provisions. Below are the Auto Claim Specialists' comments related to the working draft. We graciously thank TDI for their work on these Rules.

Auto Claim Specialists Comments to TDI related to Informal Working Draft on Rules Mandating Appraisal Provisions for Home and Auto Policies.

5.9802. General Requirements. (a) (1) allows either party to unilaterally demand appraisal.
We believe this is an essential element of these Rules and it must remain that either party is allowed to unilaterally demand appraisal for the appraisal process to work as intended.

5.9802. General Requirements. (b) Minimum qualifications, Appraisers and umpires must be:

(2) independent from the parties: and

(3) disinterested in the outcome of the appraisal.

We believe these requirements are a very important part of these Rules. On the auto side, several large carriers regularly require their independent appraiser to send their loss statement to the insurer for review and to make changes to, prior to their appraiser discussing the appraisal loss statement with the insured's appraiser. The insurers are also instructing that their appraisers choose specific umpires. This process corrupts the independent appraisal process. We think some additional language such as, "appraisers and umpires must remain unbiased, independent, disinterested and not be instructed or coached by any outside interest during the appraisal process" could make this section more effective. In addition, some clear penalties for violations of this clause and the other clauses in these Rules would be very helpful.

5.9804. Personal Automobile Appraisal Process. (5) If an umpire is engaged, the appraisal award must be issued not later than 180 days after the umpire is selected or appointed. If an appraisal award is not issued by the deadline, the appraisers may select a new umpire.

The way we interpret this section, it allows for the parties to wait an additional 180 days after the umpire is appointed, which could be up to 210 days after the appraisal begins. This allows the appraisal to last over one year. The umpire's role does not require this amount of time. The estimates have already been created, and the umpire should be able to complete whatever work they need to do within 30-60 days. We feel the 180-day timeline will unnecessarily delay the resolution of auto appraisals.

5.9805. Notice to Policyholders.

We believe the notice required in this section should be required to be in a larger, different font that is italicized and bold. It could be required to meet the "conspicuous" definition in the policy.

As a whole, we are thankful for TDI's work on these rules and appreciate that the residential property and auto appraisal processes have been somewhat separated to allow for the quicker resolution of auto claims. We look forward to seeing the final rules and appraiser and umpire criteria along with the punishment

continued on pg. 24

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.**

continued from pg. 22

guidelines when one of the rules is broken. In my professional opinion, the tougher the rules and the bigger the fines when a rule is broken, the fairer and more efficient the appraisal process will be for all interested parties.

With the Mandatory Appraisal Bill rule making and appraiser/umpire criteria phase under review and in process, Commissioner Brown must adopt rules related to the period for appraisal, which is critical to the process. Our comments above address this important issue. Equally critical are the qualifications and selection criteria for appraisers and umpires involved in the appraisal process which is also addressed in our comments related to the working draft. As I have stated several times, we have done an excellent job making legislators problem-aware to give Commissioner Brown the backing she needs for adapting rules and requirements. We now must make her solution-aware. I am confident that, with the right information and data, she will set the correct rules and qualifications in place for motor vehicle loss disputes. I have complete faith in her to do this.

As an insured citizen in Texas, I will do everything in my power to educate my fellow Texans about their legal Right to Appraisal when a dispute arises between them and their insurer. These under-indemnification issues on motor vehicle claims are harmful to Texans and can be detoured or stopped with widespread consumer awareness.

As I have spoken about and written about for many years, the under-indemnification in repair procedure and total loss 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 repair 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 by unbiased industry qualified appraisers and umpires. Invoking the Appraisal Clause removes the 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. Thank you for your question and look forward to any follow-up questions that may arise.

Sincerely,
Robert L. McDorman
TXA