

1-1 By: Schwertner S.B. No. 458  
1-2 (In the Senate - Filed November 22, 2024; February 3, 2025,  
1-3 read first time and referred to Committee on Business & Commerce;  
1-4 April 2, 2025, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 11, Nays 0; April 2, 2025,  
1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	<u>X</u>			
1-10	<u>X</u>			
1-11	<u>X</u>			
1-12	<u>X</u>			
1-13	<u>X</u>			
1-14	<u>X</u>			
1-15	<u>X</u>			
1-16	<u>X</u>			
1-17	<u>X</u>			
1-18	<u>X</u>			
1-19	<u>X</u>			

1-20 COMMITTEE SUBSTITUTE FOR S.B. No. 458 By: Schwertner

1-21 A BILL TO BE ENTITLED  
1-22 AN ACT

1-23 relating to an appraisal process for disputed losses under personal  
1-24 automobile or residential property insurance policies.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Subtitle A, Title 10, Insurance Code, is amended  
1-27 by adding Chapter 1813 to read as follows:

1-28 CHAPTER 1813. APPRAISAL OF DISPUTED LOSSES

1-29 Sec. 1813.001. APPLICABILITY OF CHAPTER. (a) This chapter  
1-30 applies only to a personal automobile or residential property  
1-31 insurance policy delivered, issued for delivery, or renewed in this  
1-32 state by an insurer, including:

1-33 (1) a capital stock insurance company;

1-34 (2) a mutual insurance company;

1-35 (3) a county mutual insurance company;

1-36 (4) a Lloyd's plan;

1-37 (5) a reciprocal or interinsurance exchange;

1-38 (6) a farm mutual insurance company;

1-39 (7) an eligible surplus lines insurer if this state is  
1-40 the insured's home state as defined by Section 981.002; and

1-41 (8) the FAIR Plan Association.

1-42 (b) This chapter does not apply to:

1-43 (1) an insurance policy delivered, issued for  
1-44 delivery, or renewed by the Texas Windstorm Insurance Association;  
1-45 or

1-46 (2) a commercial insurance policy.

1-47 Sec. 1813.002. RULES. (a) The commissioner shall adopt  
1-48 rules necessary to implement this chapter, including:

1-49 (1) rules establishing the period in which an  
1-50 appraisal under a provision required by this chapter must be  
1-51 completed; and

1-52 (2) rules mandating an appraisal for total loss and  
1-53 damage of the property that is the subject of the appraisal.

1-54 (b) In adopting rules establishing the period described by  
1-55 Subsection (a)(1), the commissioner must consider the  
1-56 qualifications and selection of appraisers and umpires for the  
1-57 appraisal.

1-58 Sec. 1813.003. REQUIRED POLICY PROVISION: APPRAISAL  
1-59 PROCESS. (a) An insurance policy described by Section 1813.001(a)  
1-60 must contain an appraisal provision that complies with this

2-1 chapter.

2-2 (b) The appraisal provision required by this chapter is  
2-3 intended to provide a type of dispute resolution process solely to  
2-4 determine the amount of loss when that amount is in dispute between  
2-5 the policyholder and the insurer.

2-6 Sec. 1813.004. EFFECT OF APPRAISAL. (a) An appraisal under  
2-7 the provision required by this chapter does not affect any  
2-8 applicable policy terms, and an appraisal award must be made in  
2-9 substantial compliance with the insurance policy.

2-10 (b) Except for fraud, accident, or material mistake  
2-11 relevant to the appraisal or an appraisal award made without  
2-12 authority, the amount of loss determined by an appraisal under this  
2-13 chapter is binding as to the policyholder and the insurer.

2-14 SECTION 2. (a) Chapter 1813, Insurance Code, as added by  
2-15 this Act, applies only to an insurance policy delivered, issued for  
2-16 delivery, or renewed on or after January 1, 2026.

2-17 (b) An insurance policy form required to be filed under  
2-18 Chapter 2301, Insurance Code, providing for an appraisal process  
2-19 that is in use on September 1, 2025, and otherwise compliant with  
2-20 Chapter 1813, Insurance Code, as added by this Act, is not required  
2-21 to be filed with the Texas Department of Insurance as a consequence  
2-22 of this Act.

2-23 SECTION 3. This Act takes effect September 1, 2025.

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