



1108 Lavaca, Suite 800
Austin, Texas 78701
Phone: 512-476-2686
www.tada.org

October 3, 2025

Mr. David Muckerheide
Property & Casualty Lines Office
Texas Department of Insurance
1601 Congress Avenue
Austin, TX 78701

P. O. Box 12030
Austin, TX 78711

Sent via email: David.Muckerheide@tdi.texas.gov

Re: Comments to Informal Working Draft
Appraisal Provisions for Automobile Policies
Subchapter Q. General Property and Casualty Rules
Division 4. Appraisal Requirements
28 TAC §§5.9800, 5.9801, 5.9803, 5.9804, and 5.9805

Dear Mr. Muckerheide:

On behalf of the Texas Automobile Dealers Association (TADA), an association comprised of approximately 93% of the Texas franchised motor vehicle and heavy duty truck dealers, please accept these comments regarding the Informal Working Draft on Rules Mandating Appraisal Provision For Personal Automobile Insurance Policies, as posted September 22, 2025.

TADA appreciates the Texas Department of Insurance (TDI) accepting comments with respect to the informal draft for rules implementing SB 458 (89th R.S., 2025) and looks forward to working with the department.

TADA's comments are in reference to the informal draft rules pertaining to a personal automobile policy issued or renewed in this state by an insurer and as set forth in Insurance Code, §1813.001.

In General

The recognition by the TDI that it is preferable to separate the appraisal demand and procedures as between the residential property appraisal process and the personal automobile appraisal process is appreciated.

As an automobile is an immediate concern when it is damaged because it is necessary for an insured's day-to-day business, such as for traveling to work, the grocery store, to school, and to the doctor, TADA requests that the time periods for the appraisal process be more compressed for a personal automobile policy.

For the motor vehicle owner, in order to defray insurance premium costs, a policyholder may increase their deductible or limit their policy in other ways such as the amount of time and reimbursement that is covered by the policy to rent a motor vehicle.

In addition, as an automobile policy may typically limit the number of days for rental coverage to 30 days, the appraisal process for an automobile needs to be condensed so that those policyholders who are without their personal vehicle and whose rental coverage is limited and who have limited means to rent a vehicle, are not foreclosed from the appraisal process.

The repair facility may also be responsible for storing the damaged vehicle while the appraisal process goes forward, which is an additional cost to the repairer and potentially for the insured, which again shows the need for shorter time periods.

TADA also requests additional qualifications for an appraiser and an umpire for a personal automobile policy as well as a licensing requirement from the TDI.

A reasonable and expeditious appraisal process is preferable for the policyholder, the repair facility, and the insurance company.

Qualifications for Automobile Appraisers and Umpires

The minimum qualifications proposed in 28 TAC §5.9802(b) for an appraiser and umpire for both a residential property insurance policy and a personal automobile

insurance policy include:

- (1.) Competent to evaluate the type of property loss or damage in dispute;
- (2.) Independent from the parties; and,
- (3.) Disinterested in the outcome of the appraisal.

As additional qualifications are provided for a residential property appraiser and umpire in proposed §5.9803(d), TADA recommends additional qualifications for a personal automobile appraiser and umpire.

An appraiser and an umpire in the personal automobile appraisal process needs an understanding of the types of repairs available for an automobile and for the various makes and models of motor vehicles and recommends the ASE certification and the I-CAR Platinum certification as a requirement for both an appraiser and an umpire in §5.9804.

Although the minimum proposed qualifications include independence from the parties, clarification as to the meaning of this qualification is suggested so that neither an appraiser nor an umpire in the automobile appraisal process may currently or, at minimum, for the previous five years, have been the subject of consideration or employment with a personal automobile insurance company or automobile repair facility.

A disclosure requirement with respect to any personal automobile insurance company or automobile repair facility for which an appraiser or umpire has provided services for compensation for any period of time is requested so that an insured as well as an insurance company is informed of not only the qualifications but previous employment and potential conflicts.

A license requirement from the TDI for appraisers and umpires in residential property and personal automobiles is recommended so that an insured can be assured that qualifications are satisfied and verified and also for a complaint process.

An insured and an insurer should be able to file a complaint regarding an appraiser or umpire and the licensing process is a way for parties to have a source to file a complaint and to have it reviewed and investigated. A potential license suspension or revocation by the licensing agency allows for the public to have confidence in the system.

Whether a bond and an errors and omissions policy should be a license requirement for an appraiser or an umpire is suggested to be explored by TDI.

In addition, TADA recommends that both an appraiser and umpire be fingerprinted for TDI licensure by submitting a complete and acceptable set of fingerprints to the Texas Department of Public Safety and pay the required fees for purposes of obtaining criminal history information from the Texas Department of Public Safety and the Federal Bureau of Investigation.

A license requirement and additional relevant qualifications will assist in ensuring a competent, independent, and reliable appraisal process.

Appraisal Process Time Periods for Personal Automobile Claims

The Texas Insurance Code, §542.056, provides that an insurer will notify an insured or claimant in writing of the acceptance or rejection of a claim no later than 15 business days after receiving all items and forms required to determine proof of loss with a 45 day extension, if necessary.

Compressing the time periods in proposed §5.9804(b)(2), (3), and (5) is requested for the insured and insurer. Proposing to provide an additional 75 days, 105 days, and 180 days can total to an additional 360 days, or almost an entire year which is time that most policyholders cannot afford. In the meantime, the insured is without their personal transportation. The cost for parts and labor may increase and the vehicle will likely require more repairs as it sits and expenses continue to accrue.

As the parties may agree to extend a deadline in the appraisal process in proposed §5.9804, TADA recommends that the suggested time periods in §5.9804(b)(2), (3), and (5) be reduced by no less than fifty percent or more.

Notice to Policyholders

TADA appreciates the required written notice as proposed in §5.9805 and requests that the notice be stated in bold lettering and set off in a box with the notice “APPRAISAL PROCESS” so that it is conspicuous to the insured.

On behalf of the franchised motor vehicle dealers in Texas, thank you for the opportunity to submit comments on the proposed appraisal provisions for personal automobile policies.

If you have any question, please do not hesitate to contact me.

Best Regards,

A handwritten signature in blue ink, appearing to read "Karen Phillips". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Karen Phillips
General Counsel/EVP