

Request for Information on TWIA Appraisals Deadline Rule

Posting Date: August 21, 2023

Comments Due: September 5, 2023

The Texas Department of Insurance (TDI) is contemplating changes to the Texas Windstorm Insurance Association (TWIA) appraisal process. [House Bill 3310](#), 88th Legislature, 2023, requires the commissioner to adopt rules establishing the period in which an appraisal demanded under Insurance Code [§2210.574](#) must be completed.

Request for comments

TDI is seeking input on rules to establish the period in which appraisal of a TWIA claim must be completed.

Please provide your comments to PropertyCasualty@tdi.texas.gov by **5 p.m. Central time, September 5, 2023**. If you have questions, contact the Property and Casualty Division at 512-676-6710.

Appraisal under Insurance Code §2210.574

Insurance Code §2210.574, concerning Disputes Concerning Amount of Accepted Coverage, sets general guidelines for the TWIA appraisal process, including a deadline to demand appraisal. Texas Administrative Code, Title 28, [§5.4211](#) (relating to Appraisal Process) contains additional requirements, including deadlines for TWIA to acknowledge an appraisal demand and for each party to give notice of its appraiser's fees.

However, many aspects of the TWIA appraisal process do not have deadlines, including deadlines for when appraisal must be completed. This can result in unnecessary and avoidable delays in reaching an appraisal decision. Establishing deadlines may help keep the process moving.

Contemplated changes

TDI, in consultation with TWIA, will amend 28 TAC §5.4211 to establish the period in which appraisal must be completed. In setting deadlines to complete appraisal, TDI will allow flexibility for an adequate investigation of the claim that is the subject of the appraisal and will consider the time necessary to preserve the independence of the appraisers, as required by Insurance Code §2210.574(d-1).

Suggested deadlines for appraisal decision

TWIA has suggested the following deadlines for appraisers and umpires to reach an agreement or decision:

Deadlines for appraiser agreement:

- For residential claims, appraisers must agree on the amount of loss within 90 days of the date by which both appraisers were named.
- For commercial claims, appraisers must agree on the amount of loss within 120 days of the date by which both appraisers were named.

Deadlines for appraisal panel decision:

- For residential claims, the appraisal panel must reach a decision on the amount of loss within 60 days of the date the umpire becomes involved.
- For commercial claims, the appraisal panel must reach a decision on the amount of loss within 90 days of the date the umpire becomes involved.

Suggested deadline for appraisers' projected fees and agreement on umpire

TWIA suggested a deadline for appraisers to agree on an umpire and disclose their projected fees:

- The appraisers must agree on an umpire and give a budget within 15 days of the date by which both appraisers were named.

Specific input requests

- Comments on the TWIA-suggested deadlines?
- What additional deadlines, if any, would aid the process?
- Deadline extensions by agreement:
 - Should any of the parties, appraisers, or umpires be allowed to extend deadlines by agreement?
 - Under what circumstances should they be allowed to extend a deadline?
- What should happen if a deadline is missed?

Additional comments

Please provide any comments, feedback, or points of clarification that the rule should address.