



Rep. Tracy Katz Muhl

Filed: 4/8/2026

10400HB4160ham001

LRB104 15794 BAB 36315 a

1 AMENDMENT TO HOUSE BILL 4160

2 AMENDMENT NO. _____. Amend House Bill 4160 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Insurance Code is amended by
5 adding Section 143.13b as follows:

6 (215 ILCS 5/143.13b new)

7 Sec. 143.13b. Right to appraisal.

8 (a) Definitions. As used in this Section:

9 "Appraiser" means an individual selected to determine the
10 value of the disputed loss.

11 "Competent" means an individual with appropriate subject
12 matter expertise, training, and experience in automobile
13 damage valuation and claims practices.

14 "Disinterested" means an individual having no direct or
15 indirect financial interest in the outcome of the appraisal.

16 "Umpire" means a neutral, disinterested individual with

1 relevant experience in vehicle damage assessment, selected
2 under paragraph (3) of subsection (b).

3 (b) Right to appraisal for first-party claims.

4 (1) Every automobile insurance policy issued, renewed,
5 or delivered in Illinois that includes first-party
6 coverage for physical damage shall contain a provision
7 granting either the insured or the insurer the right to
8 invoke appraisal if there is a dispute over:

9 (A) the actual cash value or amount of a loss,
10 including repairable or total loss amounts; or

11 (B) the value of a settlement offer made to a
12 third-party claimant.

13 (2) If a dispute arises regarding the amount of a loss
14 or a settlement offer, either party may submit a written
15 demand for appraisal. Within 7 calendar days after
16 receiving the demand, each party shall:

17 (A) select a competent and disinterested
18 appraiser; and

19 (B) notify the opposing party in writing of the
20 selection.

21 (3) The 2 appraisers shall independently determine the
22 amount of loss. If the appraisers fail to agree on the
23 amount of a loss or a settlement offer within 5 calendar
24 days after the date of their appointment, they shall
25 jointly select a competent and disinterested umpire. If
26 the appraisers fail to agree on an umpire within 15

1 calendar days after they failed to agree on the amount of
2 the loss or the settlement offer, either party may
3 petition a court to appoint a suitable umpire. The
4 Department shall maintain a list of competent and
5 disinterested umpires and shall furnish that list to any
6 party that requests the list. If an umpire is selected
7 pursuant to this Section, a final award shall be
8 determined within 5 calendar days after the umpire was
9 selected.

10 (4) The 2 appraisers or, if there is a disagreement
11 under paragraph (3), one appraiser and the umpire shall
12 issue an award determining the actual cash value and
13 amount of the loss.

14 (5) An agreement by any 2 of the 3, either both
15 appraisers or one appraiser and the umpire, shall be
16 binding upon all parties.

17 (c) Cost allocation and consumer protections.

18 (1) Each party shall bear the cost of its own
19 appraiser.

20 (2) The cost of the umpire shall be shared equally
21 between the parties.

22 (d) Enforcement and penalties.

23 (1) Any insurer in Illinois that fails to comply with
24 the appraisal provisions of this Section, including any
25 refusal to participate in the process in good faith, shall
26 be subject to administrative penalties imposed by the

1 Department.

2 (2) Repeated violations of this Section may result in
3 further disciplinary measures, including suspension or
4 revocation of the insurer's authority to write automobile
5 insurance policies in Illinois.

6 Section 99. Effective date. This Act takes effect 90 days
7 after becoming law.".