



Sen. Julie A. Morrison

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10400HB4160sam002

LRB104 15794 BAB 37824 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 398 as follows:

6 (215 ILCS 5/398 new)

7 Sec. 398. Right to appraisal.

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

9 "Actual cash value" means the market value of the subject
10 property of the personal automobile insurance policy
11 immediately before it was damaged.

12 "Amount of loss" means:

13 (1) with regard to the repair of the vehicle, the cost
14 to repair the damage to the subject property expressed
15 monetarily in the context of the repair of a vehicle; and

16 (2) with regard to the value of the vehicle, the

1 actual cash value of the vehicle.

2 "Appraiser" means an individual selected to determine the
3 value of the disputed loss.

4 "Competent" means an individual with appropriate subject
5 matter expertise, training, and experience in automobile
6 damage valuation and claims practices.

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

9 "Umpire" means a neutral, competent, and disinterested
10 individual with relevant experience in vehicle damage
11 assessment.

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

13 (1) Every policy of automobile insurance, as defined
14 in subsection (a) of Section 143.13, issued, renewed, or
15 delivered on or after July 1, 2027 in Illinois that
16 includes first-party coverage for physical damage shall
17 contain a provision granting the insured, in the insured's
18 sole discretion, without the company's consent or
19 agreement required, and the insurer the right to invoke
20 appraisal if there is a dispute over the amount of a loss.

21 (2) If a dispute arises regarding the amount of a
22 loss, either party may submit a written demand for
23 appraisal. Within 7 business days after receiving the
24 demand, each party shall:

25 (A) select a competent and disinterested
26 appraiser; and

1 (B) notify the opposing party in writing of the
2 selection.

3 (3) The 2 appraisers shall independently determine the
4 amount of loss. If the appraisers fail to agree on the
5 amount of a loss within 5 business days after the date of
6 their appointment, they shall jointly select an umpire. If
7 the appraisers fail to agree on an umpire within 15
8 business days after they failed to agree on the amount of
9 the loss, either party may petition a court to appoint a
10 suitable umpire.

11 (4) The 2 appraisers or, if there is a disagreement
12 under paragraph (3), one appraiser and the umpire shall
13 issue an award determining the amount of the loss. A final
14 award shall be determined within 5 business days after the
15 umpire was selected.

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

19 (c) Cost allocation.

20 (1) Each party shall bear the cost of its own
21 appraiser.

22 (2) The cost of the umpire shall be shared equally
23 between the parties.

24 Section 99. Effective date. This Act takes effect July 1,
25 2027."