Sen. Julie A. Morrison

Filed: 4/29/2026

AMENDMENT TO HOUSE BILL 4160

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

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

(215 ILCS 5/143.13b new)

Sec. 143.13b. Right to appraisal.

(a) Definitions. As used in this Section:

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

"Amount of loss" means:

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

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

actual cash value of the vehicle.

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

"Business day" means Monday through Friday, excluding federal and State holidays.

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

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

"Umpire" means a neutral, competent, and disinterested individual with relevant experience in vehicle damage assessment, selected under paragraph (3) of subsection (b).

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

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

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

(A) select a competent and disinterested appraiser; and

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

(3) The 2 appraisers shall independently determine the amount of loss. If the appraisers fail to agree on the amount of a loss within 5 business days after the date of their appointment, they shall jointly select a competent and disinterested umpire. If the appraisers fail to agree on an umpire within 15 business days after they failed to agree on the amount of the loss, either party may petition a court to appoint a suitable umpire. The Department shall maintain a list of competent and disinterested umpires and shall furnish that list to any party that requests the list. If an umpire is selected pursuant to this Section, a final award shall be determined within 5 business days after the umpire was selected.

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

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

(c) Cost allocation and consumer protections.

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

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

(d) Enforcement and penalties.

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

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

(e) This Section shall only apply to policies of automobile insurance as defined in subsection (a) of Section 143.13 of this Code. The provisions of this Section do not apply to either policies for any commercial automobile, liability, and property insurance under Section 4 of this Code or policies for nonowner's automobile insurance.

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