CLIENT GUIDE | TEXAS PROPERTY CLAIMS

Insurance Appraisal: Frequently Asked Questions

A practical overview of the appraisal process and the roles of appraisers and umpires.

> **IN BRIEF** Appraisal is a policy-based process commonly used when the insurer and policyholder disagree about the amount of a covered property loss. The insurance policy controls whether appraisal is available, how it is invoked, deadlines, qualifications, costs, and the scope of the process.

What is insurance appraisal?

Insurance appraisal is a contractual process used to determine the amount of loss when the insurer and policyholder disagree about the value or cost of covered property damage. It may address issues such as repair scope, quantities, labor and material pricing, depreciation, or the value of damaged property, as permitted by the policy and applicable law.

Appraisal generally does not replace the insurer’s coverage decision or decide every policy or legal issue. Coverage disputes, exclusions, policy interpretation, and certain causation questions may remain outside the appraisers’ authority. The policy language and applicable law control.

When might appraisal be appropriate?

Appraisal may be worth considering when coverage has been accepted for at least part of a loss but the parties remain unable to agree on the amount. Common disagreements include:

- The scope of repairs or replacement necessary to restore the damaged property.
- Measurements, quantities, labor rates, material prices, or repair methods.
- The value of damaged personal property or building components.
- Depreciation, actual cash value, or replacement cost calculations when those issues are properly within the appraisal.

Before invoking appraisal, compare the estimates, provide relevant supporting documents, and request reconsideration or a supplemental review when appropriate. Act promptly because policies and claim correspondence may contain deadlines.

What does each appraiser do?

Each party selects an appraiser who meets the qualifications stated in the policy and applicable law. Depending on the governing language, the appraiser may be required to be competent, impartial, independent, or disinterested.

An appraiser may inspect the property; review estimates, photographs, invoices, reports, and claim records; evaluate the submitted amount-of-loss issues; prepare an itemized assessment; and work with the other appraiser to identify areas of agreement and disagreement. The appraiser should remain within the authority granted by the policy and the appraisal submission.

What does an umpire do?

The appraisers first attempt to reach agreement. If unresolved amount-of-loss issues remain, they submit those issues to an umpire as the policy provides. The umpire evaluates the disputed items and works with the appraisers toward an appraisal award.

An umpire is not simply a mediator and does not automatically select one party’s entire estimate. The signatures required for an award—and the effect of that award—depend on the policy and applicable law.

Who pays the appraisal costs?

Many policies provide that each party pays its own appraiser and the parties share the umpire’s fee and other appraisal expenses. Some policies and specialized insurance programs use different rules. Review the policy and obtain written fee terms before proceeding.

What issues may be evaluated in appraisal?

Depending on the policy, the accepted or submitted scope, and applicable law, the appraisal may evaluate:

- The physical damage submitted for appraisal and the work reasonably needed to repair or replace it.
- Measurements, quantities, materials, labor, repair methods, and market pricing.
- The value of damaged building components or personal property.
- Depreciation and actual cash value or replacement cost calculations when authorized.
- Ordinance, law, or code-related costs only when those items are covered or otherwise properly submitted.
- Hidden or later-discovered damage when documented and properly within the appraisal scope.

What may be outside the appraisal process?

The appraisal panel should not exceed the authority granted by the policy and applicable law. Issues that may fall outside appraisal include whether the policy provides coverage, the meaning of policy provisions, exclusions, duties after loss, fraud or misrepresentation, and certain causation or legal questions. These boundaries can be fact-specific, so qualified legal advice may be appropriate.

What documents should I gather?

A well-organized claim file helps the appraisal team understand the dispute. Useful materials may include:

- The complete policy, declarations, endorsements, and appraisal provision.
- The insurer's estimates, coverage letters, payment explanations, and claim correspondence.
- Contractor estimates, engineering or consultant reports, photographs, videos, and measurements.
- Invoices, receipts, permits, code information, and proof of completed repairs.
- A claim timeline and records of prior repairs or losses when relevant.

How long does appraisal take?

There is no single timetable. The length of the process depends on the size and complexity of the loss, access to the property, the quality of the documentation, scheduling, cooperation between the parties, and the number of disputed items. Policies or applicable law may impose deadlines, so review them carefully.

Is an appraisal award binding?

The policy and applicable law determine whether and to what extent an appraisal award is binding. Many policies treat a properly issued award as binding on the amount of loss, subject to limited grounds for challenge, while coverage and payment remain governed by the policy. Review the specific policy and seek legal advice when necessary.

How do I request appraisal or umpire services?

Submit a confidential service request through Flying Coconuts' secure intake page:
app.insuranceappraisal.com/i/flying-coconuts

Questions? Contact Flying Coconuts at **teamcoconut@flyingcoconuts.com** or call Office (512) 508-8456.

Based in Central Texas, serving clients throughout Texas.

> **IMPORTANT NOTICE** This guide provides general information only. It is not legal advice, does not interpret any particular policy, and does not create an appraiser-client or umpire engagement. Insurance policies and Texas appraisal requirements can change. Review the complete policy and consult qualified counsel about coverage, deadlines, rights, and remedies.

Helpful consumer resource: Texas Department of Insurance — What if my insurance isn't paying enough? | Current as of July 2026