

Comments of the National Association of Public Insurance Adjusters (NAPIA), to HB563/SB1018

The National Association of Public Insurance Adjusters (“NAPIA”) appreciates the opportunity to comment on the “Umpire Bill” (HB563 and SB1018). We applaud the Task Force in its efforts to improve the system. NAPIA intends to work with the Legislature in passage of legislation which will weed out bad actors, protect the rights of property owners, and improve the efficiency and fairness of the insurance adjustment process.

UMPIRE BILL

NAPIA is unclear what public testimony or other information demonstrated a compelling need for a new regulatory apparatus for appraisal umpires. Presently, property owners and insurers have simple, tried-and-true mechanisms to appoint a competent appraisal umpire. Under the insurance contract, the property owner and insurer must first confer and attempt to reach agreement on an umpire. Failing such an agreement, the parties have the right to have that umpire appointed by a sitting judge. In both instances, the insurance contract includes efficient mechanisms to ensure that the umpire will be competent, disinterested, and fair.

In the absence of compelling public policy reasons to do so, NAPIA is hesitant to support a new state bureaucracy for the regulation of appraisal umpires. Under the proposed bill, even the most competent and experienced retired trial judge would not be authorized to serve as an umpire (without additional classroom training). NAPIA believes that such additional barriers to entry will decrease the number of available umpires, particularly in small property claims.

NAPIA welcomes the opportunity to provide any additional information the Task Force might request. Thank you for your time and consideration.