

## RECREATIONAL VEHICLE FRANCHISE ACT (EXCERPT)

Act 33 of 2009

### **445.1937 Warrantor; obligations; audits; submission of claims; notice of inability to perform warranty repairs; approval or disapproval of claim by warrantor.**

Sec. 17. (1) A warrantor has all of the following obligations to each dealer engaged in the sale or lease of products that are covered by a warranty from that warrantor:

(a) To specify in writing to the dealer the dealer's obligations, if any, for preparation, delivery, and warranty service on its products.

(b) To compensate the dealer for warranty service required of the dealer by the warrantor.

(c) To provide the dealer with a schedule of compensation the warrantor will pay for warranty work and the warrantor's time allowances for the performance of that work. All of the following apply to the schedule of compensation required under this subdivision:

(i) It must include reasonable compensation for diagnostic work and warranty labor.

(ii) Time allowances in the schedule for the diagnosis and performance of warranty labor must be reasonable for the work to be performed.

(iii) The compensation of a dealer for warranty labor shall equal or exceed the lowest retail labor rates actually charged by the dealer for similar nonwarranty labor if those rates are consistent with the actual wage rates paid by the dealer and the actual retail labor rates charged by the dealer in the community in which the dealer is doing business.

(d) To reimburse the dealer for warranty parts at actual wholesale cost, plus a minimum 30% handling charge and any freight costs to return warranty parts to the warrantor.

(e) To deny dealer claims for warranty compensation only for cause, including, but not limited to, performance of nonwarranty repairs, material noncompliance with the warrantor's published policies and procedures, lack of material documentation of claims, fraud, or misrepresentation.

(2) A warrantor may conduct audits of the records of a dealer that sells or leases its warranted products on a reasonable basis.

(3) A dealer shall submit warranty claims to a warrantor within 45 days after completing warranty work on a warranted product.

(4) A dealer shall immediately notify the warrantor orally or in writing if the dealer is unable to perform warranty repairs on a warranted product as soon as is reasonably possible, but not later than 12 days after the delivery of the recreational vehicle to the dealer for warranty repair. A warrantor that receives a notification from a dealer under this subsection shall make arrangements for another dealer or repair facility to perform the warranty repairs identified by the dealer in the notification within 12 days after receiving the notification.

(5) A warrantor shall approve or disapprove a warranty claim on a warranted product in writing within 30 days after the date the dealer submits the claim, if the claim is submitted in the manner and in the form prescribed by the warrantor. If a claim that is properly submitted is not specifically disapproved in writing by a warrantor within that 30-day period, the claim is considered approved by the warrantor and the warrantor shall pay the amount of the claim to the dealer within 45 days after the dealer submitted the claim.

**History:** 2009, Act 33, Eff. Dec. 1, 2009.