

**§1293. Warranty obligations**

**1. Payment of warranty claim.** Whenever a supplier and a dealer enter into an agreement providing consumer warranties, the supplier shall pay any warranty claim made by the dealer for warranty parts or service within 30 days after its receipt and approval. The supplier shall approve or disapprove a warranty claim within 30 days after its receipt. If a claim is not specifically disapproved in writing within 30 days after its receipt, it is deemed to be approved and payment must be made by the supplier within 30 days.

A. A dealer that performs warranty work as provided for in this section must be compensated for the dealer's labor in an amount that is not less than the reasonable and customary amount of time required to complete such work, expressed in hours and fractions of hours, multiplied by the dealer's established hourly labor rate. Prior to filing a claim for warranty work, the dealer shall notify the supplier of the dealer's hourly retail labor rate. [PL 2005, c. 317, §1 (NEW).]

B. A dealer that performs warranty work as provided for in this section must be compensated for parts used in fulfilling such warranty work in an amount that is not less than the dealer's costs for such parts plus 20% or the supplier's suggested retail price for such parts, whichever is greater, plus all freight and handling charges applicable to such parts, to reimburse the dealer's reasonable costs of doing business and providing such warranty service on behalf of the supplier. If the warranty work is provided on behalf of the supplier on a product sold by a nonservicing dealer, the compensation for parts used in fulfilling such warranty work must be at an amount that is not less than the supplier's suggested list price or dealer's cost plus 30%, whichever is greater, plus freight and handling charges applicable to such parts. [PL 2011, c. 236, §15 (AMD); PL 2011, c. 236, §18 (AFF).]

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**2. Indemnity.** Whenever a supplier and a dealer enter into a dealer agreement, the supplier shall indemnify and hold harmless the dealer against any judgment for damages arising from breach of warranty or rescission of the sale by the supplier.

[PL 1995, c. 462, Pt. A, §22 (NEW); PL 1995, c. 462, Pt. A, §23 (AFF).]

**SECTION HISTORY**

PL 1995, c. 462, §A22 (NEW). PL 1995, c. 462, §A23 (AFF). PL 2005, c. 317, §1 (AMD). PL 2011, c. 236, §15 (AMD). PL 2011, c. 236, §18 (AFF).

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