



Senate Bill No. 264

Public Act No. 21-127

AN ACT CONCERNING REIMBURSEMENT FOR WARRANTY CLAIMS TO RETAIL DEALERS OF POWER EQUIPMENT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 42-351 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2022*):

(a) As used in this section, "current net price" means the price listed in a supplier's price list or catalog in effect at the time a warranty claim is made under this section, less any applicable discounts allowed. Whenever a supplier and a dealer enter into a dealer agreement that provides for consumer warranties, the supplier shall pay any warranty claim made for parts and service not later than thirty days after receipt and approval of such claim by the supplier. The supplier shall approve or disapprove a warranty claim not later than thirty days after receipt of such claim by the supplier. If a warranty claim is not disapproved in writing by the thirtieth day after receipt of such claim by the supplier, it shall be deemed to be approved and payment shall be made by the supplier not later than thirty days thereafter.

(b) A supplier that pays a warranty claim pursuant to subsection (a) of this section shall pay the dealer the current net price plus eighteen per cent for any parts and the posted hourly labor rate the dealer charges

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consumers for nonwarranty repair work for service that has been previously made known to the supplier, provided such rate is reasonable, as compared to other same brand dealers of similar size in the geographic vicinity of the dealer.

(c) A supplier who denies a warranty claim made by a dealer pursuant to subsection (a) of this section or charges back such a claim following a timely audit based solely on the dealer's failure to comply with a claim processing procedure, a clerical error or other administrative technicality, provided such failure to comply does not call into question the legitimacy of the claim, shall allow the dealer an opportunity to resubmit such claim according to reasonable supplier guidelines not later than thirty days after the initial claim denial or charge-back. A reasonable deadline to submit claims or supporting materials required by the supplier shall not be considered a claim processing procedure or administrative technicality for purposes of this subsection.

Approved July 7, 2021