



General Assembly

January Session, 2021

Raised Bill No. 264

LCO No. 1326



Referred to Committee on GENERAL LAW

Introduced by:
(GL)

AN ACT CONCERNING FAIR REIMBURSEMENT TO RETAIL DEALERS OF POWER EQUIPMENT.

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

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 Section 42-351 of the general statutes is repealed and the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

3 (a) Whenever a supplier and a dealer enter into a dealer agreement
4 that provides for consumer warranties, the supplier shall pay any
5 warranty claim made for parts and service not later than thirty days
6 after receipt and approval of such claim by the supplier. The supplier
7 shall approve or disapprove a warranty claim not later than thirty days
8 after receipt of such claim by the supplier. If a warranty claim is not
9 disapproved in writing by the thirtieth day after receipt of such claim
10 by the supplier, it shall be deemed to be approved and payment shall be
11 made by the supplier not later than thirty days thereafter.

12 (b) A supplier that pays a warranty claim pursuant to subsection (a)
13 of this section shall pay the dealer the current net price plus eighteen
14 per cent for any parts and the posted hourly labor rate the dealer charges
15 consumers for nonwarranty repair work for service that has been

16 previously made known to the supplier, provided such rate is
17 reasonable, as compared to other same brand dealers of similar size in
18 the geographic vicinity of the dealer.

19 (c) A supplier shall not deny a warranty claim made by a dealer
20 pursuant to subsection (a) of this section or charge-back such a claim
21 following a timely audit based solely on the dealer's failure to comply
22 with a claim processing procedure, a clerical error or other
23 administrative technicality, provided the failure to comply does not call
24 into question the legitimacy of the claim without allowing the dealer an
25 opportunity to resubmit a denied claim according to reasonable
26 supplier guidelines not later than thirty days after the initial claim
27 denial or charge-back. A reasonable deadline to submit claims or
28 supporting materials required by the supplier shall not be considered a
29 claim processing procedure or administrative technicality.

This act shall take effect as follows and shall amend the following sections:		
Section 1	January 1, 2022	42-351

Statement of Purpose:

To ensure fair reimbursement to retail dealers of power equipment regarding certain warranty claims.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]