

365.833 Claims by retailers for payment under warranty agreements.

- (1) Claims filed by a retailer for payment under warranty agreements shall be approved or disapproved within thirty (30) days of receipt by the supplier. All claims for payment shall be paid within thirty (30) days of their approval. If any claim is disapproved, the supplier shall notify the retailer within thirty (30) days stating the specific grounds upon which the disapproval is based. If a claim is not specifically disapproved within thirty (30) days of receipt, it shall be deemed approved and payment by the supplier shall be within thirty (30) days.
- (2) If, after termination of a retail agreement contract, a retailer submits a claim to the supplier for warranty work performed prior to the effective date of the termination, the supplier shall accept or reject the claim within thirty (30) days of receipt. All claims for payment shall be paid within thirty (30) days of their acceptance. If any claim is rejected, the supplier shall notify the retailer within thirty (30) days stating the specific grounds upon which the rejection is based. If a claim is not specifically rejected within thirty (30) days of receipt, it shall be deemed accepted and payment by the supplier shall be within thirty (30) days.
- (3) Warranty work performed by a retailer shall be compensated in accordance with the reasonable and customary amount of time required to complete the work, expressed in hours and fractions of hours, multiplied by the retailer's established customer hourly retail labor rate, which shall have previously been made known to the supplier.
- (4) Expenses expressly excluded under the supplier's warranty to the customer shall not be included nor required to be paid on requests for compensation from a retailer for warranty work performed.
- (5) Expenses for all parts used by a retailer in performing warranty work shall be paid to the retailer in the amount equal to the retailer's net price for parts used, plus a minimum of fifteen percent (15%). The percentage additive is to reimburse the retailer for reasonable costs of doing business in performing warranty service on the supplier's behalf, including but not limited to freight and handling costs incurred.
- (6) The supplier has the right to adjust for errors discovered during audit and, if necessary, to adjust claims paid in error.
- (7) A retailer may accept the manufacturer's reimbursement terms and conditions in lieu of the other provisions provided by this section.

Effective: April 21, 2004

History: Created 2004 Ky. Acts ch. 144, sec. 12, effective April 21, 2004.