

**RCW 19.98.170 Warranty claims.** (1) In the event a warranty claim is submitted by a dealer to a supplier while a dealer agreement is in effect, or after the termination of a dealer agreement, if the claim is for work performed before the effective date of the dealer agreement termination:

(a) A supplier shall fulfill any warranty agreement with each of its dealers for labor and parts relative to repairs of equipment covered by the terms of such an agreement.

(b) The supplier must approve or disapprove, in writing, any claim submitted by a dealer for warranty compensation for labor or parts within thirty days of receipt of such a claim by the supplier.

(c) The supplier must pay to the submitting dealer any approved dealer claim within thirty days following approval of such a claim.

(d) If a supplier disapproves a dealer warranty claim, the supplier must state the specific reasons for rejecting the claim in its written notification required by (b) of this subsection.

(e) A claim that is disapproved by the supplier based upon the dealer's failure to properly follow the procedural or technical requirements for submission of warranty claims may be resubmitted in proper form by the dealer within thirty days of receipt by the dealer of the supplier's notification of such a disapproval.

(f) A claim that is not specifically disapproved, in writing, by the supplier within thirty days following the supplier's receipt of such a claim is conclusively deemed to be approved and must be paid to the submitting dealer within thirty days following expiration of the notification period established in (b) of this subsection.

(g) A supplier may audit warranty claims submitted by its dealers for a period of up to one year following payment of the claims, and may charge back to its dealers any amounts paid based upon claims shown by audit to be false. The supplier has the right to adjust claims for errors discovered during the audit, and if necessary, to adjust claims paid in error.

(2) A supplier must compensate its dealers for warranty claims pursuant to the following schedule:

(a) Reasonable compensation must be made by the supplier for costs associated with diagnostic work, repair service, parts, and labor that are related to warranted repairs;

(b) Time allowances for diagnosis and performance of warranty work and service must be adequate for the work being performed;

(c) The hourly labor rate for which the dealer is compensated may not be less than the rate charged by the dealer for like services provided to nonwarranty customers for nonwarranted service; and

(d) Compensation for parts used in the performance of a warranted repair may not be less than the amount paid by the dealer to obtain the parts, plus a reasonable allowance for shipping and handling.

(3) Notwithstanding the provisions of subsections (1) and (2) of this section, a supplier may withhold payment of a warranty claim as setoff against reasonable obligations otherwise owed by the dealer to the supplier.

(4) Notwithstanding the provisions of subsection (2) of this section, a dealer may accept the supplier's reimbursement terms and conditions in lieu of the terms and conditions set forth in subsection (2) of this section. [2002 c 236 s 10.]