

**8-2419. Liability of manufacturers and distributors for defects in equipment; indemnification for damages; when.** (a) All first or second stage manufacturers and distributors shall be liable for the full period of the warranty of the vehicle for all defects in any equipment attached to any vehicle at the factory and all defects in any equipment produced by or advertised as an accessory to a vehicle manufactured by such first or second stage manufacturer which is added at the dealership whether such equipment is added to a new or to a used vehicle so long as such equipment has been advertised as being either an "accessory" or an "option."

(b) All first stage manufacturers and second stage manufacturers and distributors shall, upon demand:

(1) Indemnify any existing or former licensee or party to a franchise agreement and the licensee or party's successors and assigns from any and all damages sustained and attorney's fees and other expenses reasonably incurred by the licensee or party that result from or relate to any claim made or asserted by a third party against the licensee or party to the extent the claim results from any of the following:

(A) The condition, characteristics, manufacture, assembly or design of any vehicle, parts, accessories, tools or equipment or the selection or combination of parts or components manufactured or distributed by the manufacturer or distributor;

(B) service systems, procedures or methods the franchisor required or recommended the licensee or party to use if the licensee or party properly uses the system, procedure or method;

(C) improper use or disclosure by a manufacturer or distributor of nonpublic personal information obtained from a licensee or party concerning any consumer, customer or employee of the licensee or party; and

(D) any act or omission of the manufacturer or distributor for which the licensee or party would have a claim for contribution or indemnity under applicable law or under the franchise, irrespective of and without regard to a prior termination or expiration of the franchise.

(2) This subsection does not limit in any way the existing rights, remedies or recourses available to any licensee, party or other person.

**History:** L. 1980, ch. 36, § 19; L. 2010, ch. 71, § 8; Apr. 15.