



DATE: March 23, 2017
TO: Professional Restylers Organization Membership
FROM: Chris Kersting, SEMA President & CEO
SUBJECT: Selling and Installing Aftermarket Parts Through Dealerships

This document is intended to provide guidance to aftermarket parts installers for working with dealerships.

Automobile dealerships, in some cases, can be reluctant to install SEMA Members' parts on vehicles for fear that warranty claims may be denied because of the aftermarket part installation.

SEMA works collaboratively with nearly all original equipment vehicle manufacturers (OEMs), both through our annual SEMA Show and cooperative efforts on federal and state legislative initiatives. SEMA also works with OEMs on efforts to assist our members with the development of high-quality new aftermarket products. These efforts include, but are not limited to, members' access to pre-production or prototype vehicles for measuring sessions or product development planning, sharing of proprietary OEM engineering data and access to OEM staff for strategic planning needs. In fact, many OEM vehicle accessories and components are manufactured by or sourced through SEMA-member companies.

Under federal law (The Magnuson-Moss Warranty Act), OEMs may not deny a warranty claim unless the claim is caused by the aftermarket part. Nonetheless, due to a lack of awareness of the law and concerns about becoming involved in complex warranty claims, some dealerships continue to refuse to install aftermarket parts.

When working with dealerships to sell and install aftermarket parts, The Professional Restylers Organization (PRO), a SEMA Council, recommends the following:

- Inform and educate the dealer that they have a right to sell aftermarket accessories. Dealerships should be encouraged to work with professional, local restyling companies for installation of aftermarket accessories to enhance the sale of vehicles.
- Inform the dealer that an OEM may not deny a warranty unless the warranty claim is caused by the installation of the aftermarket part.
- If a member finds that a dealer is denying warranties based on the use of an aftermarket part, notify SEMA. Often there are misunderstandings about the law or there are pattern failures on vehicles that might cause warranty claims. SEMA frequently can resolve the warranty denials in consultation with the vehicle manufacturers.
- Dealerships should select aftermarket parts and installers who maintain relevant insurance policies and that utilize a documented quality policy for vehicle processing.
- Dealers should look to aftermarket companies that are insured for product liability and warranty claims and who agree to take care of claims that result from the installation and use of aftermarket products. With such programs in place, neither the vehicle manufacturer nor the dealer will be responsible for product or warranty liability caused by the aftermarket part.

In closing, it is the right of a dealer franchise owner to select products and services that maximize business profitability and best fulfill the needs of their customers. The Magnuson-Moss Warranty Act exists to protect dealer rights as much as it protects the rights of the consumer.