

Florida

**Attorney General
Ashley Moody**



Lemon Law Arbitration Program



2018 Annual Report

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Dear Floridians:

The Florida New Motor Vehicle Arbitration Board, housed in the Lemon Law Arbitration division of the Attorney General's office, is a free and effective forum for the resolution of disputes between consumers and motor vehicle manufacturers under Florida's "Lemon Law." For cases filed through the close of the reporting period, consumers have recovered more than \$482 million in refunds and vehicle replacements via settlements and arbitration awards since the first case was filed in 1989.

This report focuses on disputes filed with the Office of Attorney General that were approved for arbitration before the New Motor Vehicle Arbitration Board for the 2018 calendar year. The report includes a summary comparison of data from 1989 through 2018. Also reported is the total number of motor vehicles identified by manufacturers as having been reacquired in 2018.

Consumers can obtain information about Florida's Lemon Law and search a list of vehicles repurchased by motor vehicle manufacturers on the Office of the Attorney General's website, www.myfloridalegal.com.

Sincerely,



Ashley Moody
Attorney General



INTRODUCTION

Florida's "Lemon Law," Chapter 681, Florida Statutes, allows consumers to receive purchase price refunds or replacement motor vehicles when their new or demonstrator motor vehicles are subjected to repeated, unsuccessful repairs by the manufacturer or its authorized service agent for the same defect or condition, or are constantly in the shop for repair of one or more different defects or conditions. The defects or conditions must substantially impair the use, value or safety of the vehicle, and must first be reported to the manufacturer or its authorized service agent during a specified period after the consumer takes delivery of the vehicle. If the manufacturer fails to provide the remedy required by statute, the consumer can arbitrate his or her claim before the Florida New Motor Vehicle Arbitration Board.

Members of the Florida New Motor Vehicle Arbitration Board are appointed by the Attorney General and conduct arbitration hearings throughout the state. Arbitration is an "all-or-nothing" proposition for the consumer, who will either win an award of a refund or replacement vehicle, or have their claim dismissed. Section 681.1095, Florida Statutes, requires the Attorney General to compile annual statistics for all disputes submitted to the Board. Because the law was changed in 2011 to require that requests for arbitration be filed with and screened by the Office of the Attorney General, instead of the Department of Agriculture and Consumer Services, comparison of certain data in more recent reports with that from 2010 and years prior may not be possible. Where such comparison is possible, the information will be compared. The information contained in this report was derived from the records of the Attorney General's Lemon Law Arbitration division, and covers claims filed with the Office of the Attorney General and approved for arbitration from January 1, 2018, through December 31, 2018.

Disputes are reported by manufacturer. In cases involving some motor vehicles, a single claim could involve multiple manufacturers. In those instances, approval of the claim for arbitration is credited to the "nameplate" manufacturer (the name of the manufacturer under which the vehicle was sold). In reporting the dollar values of the arbitration awards, all manufacturers found liable by the board in each case are listed; however, the per-case dollar amount of the award is not pro-rated. For example, if two manufacturers were found liable to pay the consumer in one case a refund of \$60,000, only the total amount of the award is reflected in this report, along with the names of both liable manufacturers. The law does not give the board the authority to pro-rate awards in multiple manufacturer cases.

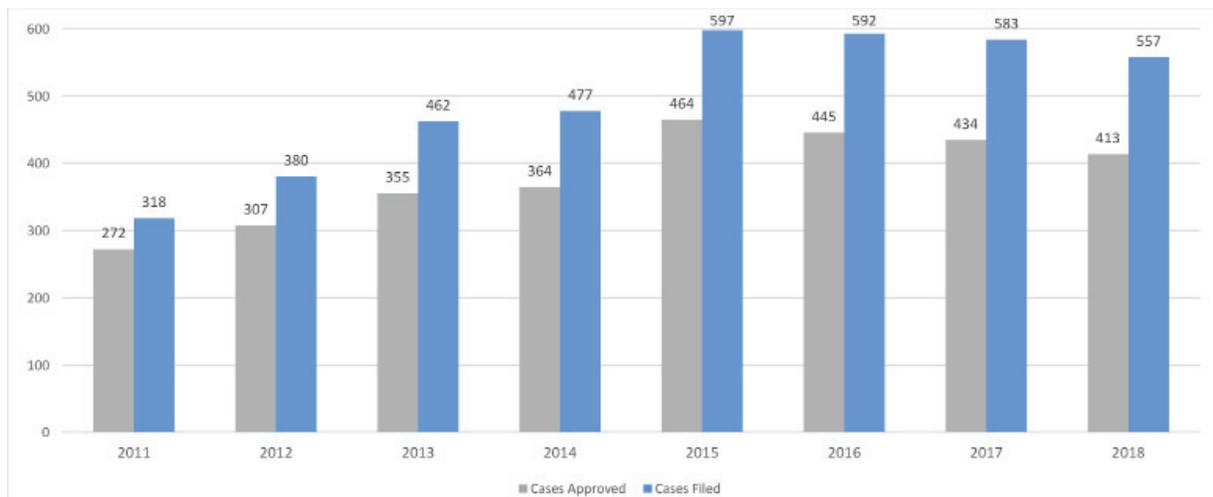


2018 EXECUTIVE PROGRAM SUMMARY

During the calendar year 2018, a total of 557 consumers filed arbitration claims with the Office of the Attorney General. While this represents a slight decrease in total cases filed compared to the years 2015 – 2017 (which numbered 597, 592 and 583, respectively), the overall trend since 2011 reflects an increase in the number of consumers seeking relief through the program. For 2018, purchase price refunds were requested by 85.5 percent (476) of the consumers approved for arbitration, while 14.5 percent (81) requested replacement vehicles. Of the 557 cases filed, 104 cases were rejected by the Office of the Attorney General as outside of the scope of the Arbitration Board’s authority, and 40 were withdrawn by the consumer before formal action was taken on the request. The remaining 413 claims were approved for arbitration. This report is focused primarily on the outcomes of those cases. From January 1, 2018, through December 31, 2018, a total of 24 of the approved cases were voluntarily withdrawn by consumers prior to resolution. The remaining 389 cases were resolved via prehearing settlement (216) or arbitration decision (173). The dollar amount of relief obtained for the 2018 calendar year totaled very close to \$12.5 million.

Graph A shows the number of cases filed and the number approved for arbitration between 2011 and 2018.

**2011-2018 CASES FILED AND CASES APPROVED
GRAPH A**



CASES APPROVED FOR ARBITRATION

Since mid-2011, Consumers have requested arbitration of their Lemon Law disputes by filing a Request for Arbitration form with the Lemon Law Arbitration division of the Attorney General's office. The forms are screened for eligibility under a process governed by statute. If a request is determined eligible, it is approved for arbitration, the parties are notified of the approval, and the case is assigned to the appropriate regional office of the Lemon Law Arbitration division for administration and the scheduling of a hearing.

The total number of claims filed by consumers in 2018 is reflected in Table 1, along with the number of those claims that were rejected or withdrawn prior to approval. Claims were approved against 26 manufacturers during the 2018 report period. The number of cases approved to move forward against each manufacturer, as well as the number of claims withdrawn by consumers after approval but for reasons other than settlement, is reflected in Table 2. Manufacturers are identified by the nameplate under which the vehicles were sold.

TABLE 1. 2018 CASES FILED FOR ARBITRATION; CASES REJECTED/NOT APPROVED AND CASES WITHDRAWN/NOT APPROVED

Manufacturer	Cases Filed	Cases Rejected- Not Approved	Cases Withdrawn- Not Approved	Cases Approved
ALFA ROMEO	2	0	0	2
AMERICAN HONDA/ACURA	31	1	0	30
ASTON MARTIN	3	0	1	2
BMW	20	1	0	19
CHRYSLER/FCA US LLC	179	25	8	146
DAIMLER VEHICLE INNOVATIONS USA, LLC	1	0	0	1
FERRARI	2	0	2	0
FORD	56	22	5	29
GENERAL MOTORS	75	28	9	38
HYUNDAI	11	4	0	7
JAGUAR	16	0	0	16



TABLE 1. 2018 CASES FILED FOR ARBITRATION; CASES REJECTED/NOT APPROVED AND CASES WITHDRAWN/NOT APPROVED (Continued)

Manufacturer	Cases Filed	Cases Rejected- Not Approved	Cases Withdrawn- Not Approved	Cases Approved
KIA	8	2	1	5
LAND ROVER	22	0	4	18
MASERATI	11	0	2	9
MAZDA	2	1	0	1
MERCEDES-BENZ	33	4	3	26
MITSUBISHI	3	1	0	2
NISSAN/INFINITI	24	8	4	12
PORSCHE	1	0	0	1
ROLLS-ROYCE	1	0	0	1
SUBARU	3	0	0	3
TESLA	9	0	0	9
THOR	1	0	0	1
TOYOTA/LEXUS	31	3	0	28
VOLKSWAGEN/AUDI	5	3	0	2
VOLVO	6	1	1	4
WINNEBAGO	1	0	0	1
TOTALS	557	104	40	413



TABLE 2. 2018 CASES APPROVED FOR ARBITRATION AND CASES WITHDRAWN AFTER APPROVAL WITHOUT SETTLEMENT

Manufacturer	Cases Approved	Cases Withdrawn After Approval
ALFA ROMEO	2	0
AMERICAN HONDA/ACURA	30	1
ASTON MARTIN	2	0
BMW	19	0
CHRYSLER/FCA US LLC	146	9
DAIMLER VEHICLE INNOVATIONS	1	0
FORD	29	1
GENERAL MOTORS	38	2
HYUNDAI	7	1
JAGUAR	16	1
KIA	5	0
LAND ROVER	18	2
MASERATI	9	0
MAZDA	1	0
MERCEDES-BENZ	26	2
MITSUBISHI	2	0
NISSAN/INFINITI	12	0
PORSCHE	1	0
ROLLS-ROYCE	1	0
SUBARU	3	0
TESLA	9	2
THOR	1	0
TOYOTA/LEXUS	28	3
VOLKSWAGEN/AUDI	2	0
VOLVO	4	0
WINNEBAGO	1	0
TOTALS	413	24



PREHEARING SETTLEMENTS

Consumer claims were resolved by settlement between the parties in 52 percent (216) of the 413 approved cases for the report period. “Full” settlements, or settlements for the same full refund or vehicle replacements consumers would have obtained had they prevailed in arbitration, numbered 182, while the remaining 34 cases were settled for something less than full relief. Generally, these “partial” settlements are for such things as additional repairs, extended warranties, or partial cash payments.

This is the fourth consecutive reporting period in which consumer claims were resolved by settlement between the parties in over 50% of the cases approved for arbitration; the settlement rate for 2015 was 59 percent (274 out of 464 cases), the settlement rate for 2016 was 51 percent (230 out of 445), and the settlement rate for 2017 was 58 percent (250 out of 434).

Tables 3 and 4 identify the manufacturers entering into partial and full settlements with consumers during the report period, and the total dollar values of the full settlements. The nature of most partial settlements prevents assignment of dollar values to them.

TABLE 3. 2018 NUMBER OF “PARTIAL” SETTLEMENTS

Manufacturer	Number
AMERICAN HONDA/ACURA	4
BMW	6
CHRYSLER/FCA	7
FORD	2
GENERAL MOTORS	4
JAGUAR	1
MASERATI	4
MAZDA	1
MERCEDES-BENZ	2
SUBARU	1
TOYOTA/LEXUS	2
TOTALS	34



TABLE 4. 2018 NUMBER, PERCENT, AND VALUE OF FULL SETTLEMENTS

Manufacturer	Full Settlements	Percentages of All Settlements	Value of Full Settlements
ALFA ROMEO	1	0.55%	\$47,548.00
AMERICAN HONDA/ACURA	6	3.30%	\$195,169.00
ASTON MARTIN	1	0.55%	\$194,240.00
BMW	1	0.55%	\$36,018.00
CHRYSLER/FCA	105	57.69%	\$3,609,746.00
DAIMLER VEHICLE INNOVATIONS	1	0.55%	\$34,452.00
FORD	6	3.30%	\$261,581.00
GENERAL MOTORS	25	13.74%	\$1,117,107.00
JAGUAR	4	2.20%	\$262,658.00
LAND ROVER	7	3.85%	\$512,305.00
MASERATI	2	1.10%	\$140,944.00
MERCEDES-BENZ	10	5.49%	\$761,289.00
NISSAN/INFINITI	2	1.10%	\$60,731.00
SUBARU	1	0.55%	\$20,746.00
TESLA	2	1.10%	\$143,282.00
THOR	1	0.55%	\$65,685.00
TOYOTA/LEXUS	5	2.75%	\$178,932.00
VOLVO	2	1.10%	\$114,416.00
TOTALS	182	100.00%	\$7,756,849.00



DECISIONS BY THE ARBITRATION BOARD

Cases that were not withdrawn or settled went to hearings before the Florida New Motor Vehicle Arbitration Board. During the report period, as many as 77 Florida citizens served as members of the statewide Arbitration Board. The Board is comprised of members with diverse backgrounds, and includes individuals in the legal, education, automotive, engineering, alternative dispute resolution, and business professions. They perform a very valuable public service for very little compensation.

Cases are assigned to geographical regions from Pensacola to Miami, depending upon the residence address of the consumer. Arbitration hearings are conducted by three-member panels of the Board in public locations throughout the state. If the consumer prevails at hearing, a refund or replacement motor vehicle is awarded. If the manufacturer prevails, the case is dismissed. It is neither necessary nor required for parties to have attorneys in order to participate in arbitrations before the Florida New Motor Vehicle Arbitration Board. The Board is not empowered by the Legislature to award attorney fees to parties who prevail in arbitration.

The Board conducted a total of 173 arbitration hearings during this report period. Consumers prevailed in 88 (51 percent) of these cases, while manufacturers prevailed in 85 (49 percent).

When the consumer prevails at a hearing, the Arbitration Board awards either a refund of all amounts paid to acquire the vehicle or a replacement motor vehicle, at the option of the Consumer. If a refund is awarded and the “lemon” vehicle was purchased with financing, the consumer and lienholder are refunded according to their interests. Generally, such awards direct the manufacturer to pay the consumer a specified amount consisting of all expenses incurred to acquire the vehicle (e.g. cash down payment, as well as non-financed government fees, options and accessories, extended service agreements, etc.), and where applicable, the net allowance for any trade-in vehicle, all periodic principal and interest payments made as of the date the vehicle is repurchased, and any reasonable costs caused by the substantial defect(s). The manufacturer is directed to pay to the lienholder the balance owed on the loan as of the repurchase date.

If the vehicle was leased, the consumer is awarded all amounts paid at lease signing, the net allowance for any trade-in vehicle, all lease payments made as of the date the vehicle is repurchased and any reasonable costs caused by the substantial defect(s). The lessor is paid according to a formula set forth by statute and is prohibited from charging any penalty for early termination of the lease.





If a replacement motor vehicle is awarded, the replacement vehicle must be identical or reasonably equivalent to the vehicle being replaced, and it must be acceptable to the consumer. In addition, the consumer is refunded costs paid to acquire the “lemon” vehicle (e.g. options and accessories, sales tax, extended service agreements, interest paid on the loan or rental charge paid on the lease as of the date of replacement, if applicable), as well as costs incurred as a result of the substantial defect(s).

Whether the award is a refund or a replacement vehicle, a “reasonable offset for use” is charged to the consumer. The offset for use is calculated according to a statutory formula.



Table 5 shows the number, percentage and dollar values of Arbitration Board award decisions for 2018 by manufacturer. Dollar values are based upon the total amount of the awards, including the loan or lease pay-offs, and any additional amounts awarded, reduced by the statutory offsets. In multiple manufacturer cases, one or several of the participating manufacturers could have been found liable for the award. If liability was assessed jointly against several participating manufacturers, these are listed separately.

TABLE 5. 2018 DECISION AWARDS BY LIABLE MANUFACTURER

Liabe Manufacturer	Number of Decision Awards	Percentages	Value of Awards
AMERICAN HONDA/ACURA	7	7.95%	\$340,698.00
BMW	5	5.68%	\$351,525.00
CHRYSLER/FCA	8	9.09%	\$226,161.00
FORD	11	12.50%	\$356,287.00
GENERAL MOTORS	5	5.68%	\$195,001.00
HYUNDAI	5	5.68%	\$134,347.00
JAGUAR	9	10.23%	\$446,422.00
KIA	1	1.14%	\$20,662.00
LAND ROVER	9	10.23%	\$638,028.00
MASERATI	2	2.27%	\$136,519.00
MERCEDES-BENZ	7	7.95%	\$729,675.00
NISSAN/INFINITI	6	6.82%	\$268,962.00
PORSCHE	1	1.14%	\$109,466.00
ROLLS-ROYCE	1	1.14%	\$236,099.00
SUBARU	1	1.14%	\$14,701.00
TESLA	3	3.41%	\$202,094.00
TOYOTA/LEXUS	6	6.82%	\$227,266.00
VOLVO	1	1.14%	\$29,845.00
TOTALS	88	100.00%	\$4,663,758.00



Table 6 shows the number of cases dismissed, by manufacturer, and the percentage that number represents of the total number of cases dismissed in 2018.

TABLE 6. 2018 CASES DISMISSED

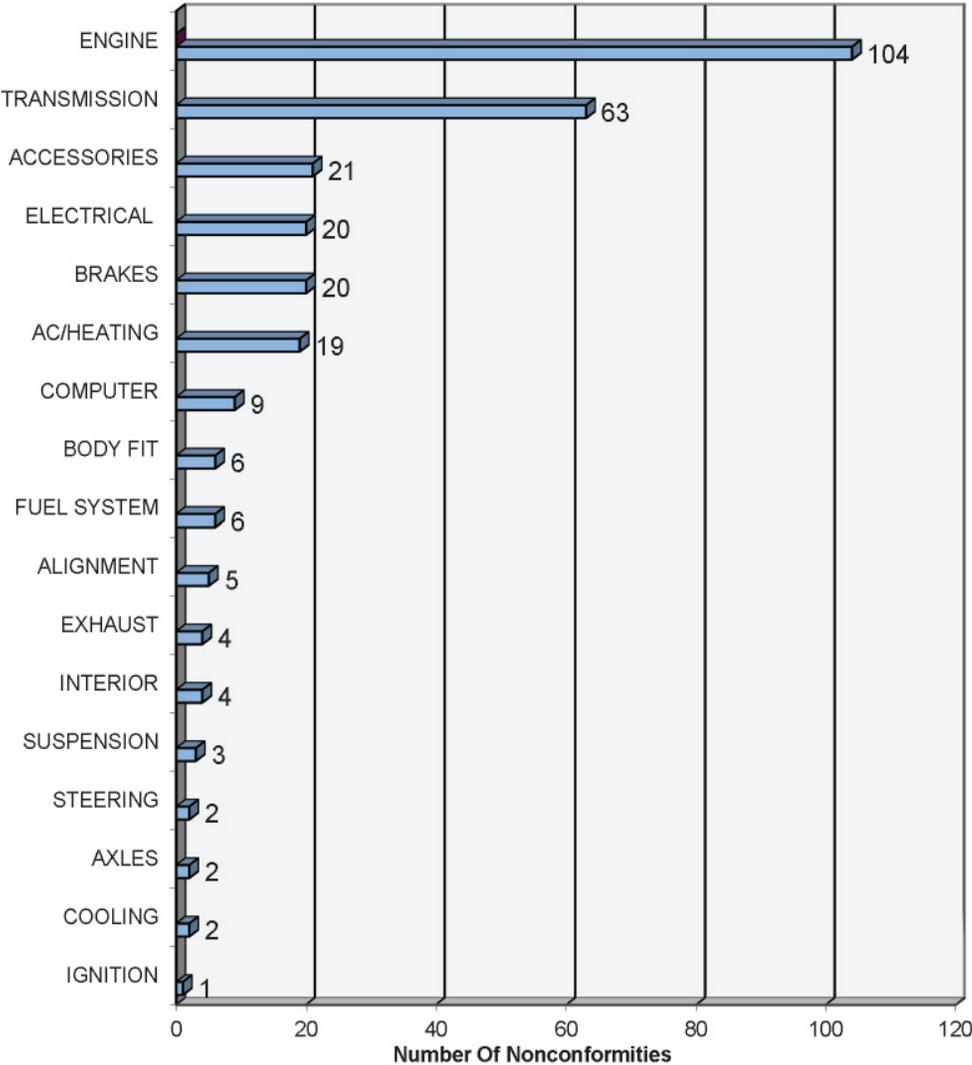
Manufacturer	Number	Total Percentages
ALFA ROMEO	1	1.18%
AMERICAN HONDA/ACURA	12	14.12%
ASTON MARTIN	1	1.18%
BMW	7	8.24%
CHRYSLER/FCA	17	20.00%
FORD	9	10.59%
GENERAL MOTORS	2	2.35%
HYUNDAI	1	1.18%
JAGUAR	1	1.18%
KIA	4	4.71%
MASERATI	1	1.18%
MERCEDES-BENZ	5	5.88%
MINI	2	2.35%
NISSAN/INFINITY	4	4.71%
TESLA	2	2.35%
TOYOTA/LEXUS	12	14.12%
VOLKSWAGEN/AUDI	2	2.35%
VOLVO	1	1.18%
WINNEBAGO	1	1.18%
Totals	85	100.00%



NONCONFORMITIES FOUND

The Lemon Law requires that an award decision on behalf of a consumer be based on the existence of a “nonconformity,” meaning a defect or condition that substantially impairs the use, value or safety of the vehicle and that is not the result of abuse, neglect, modification or alteration of the vehicle by persons other than the manufacturer or its authorized service agent. **Graph B** illustrates the number of nonconformities found by the Arbitration Board in 2018 in the major vehicle systems or components listed. The top five nonconformities for 2018 were defects in the engine, transmission, accessories, electrical system and brakes.

GRAPH B. 2018 NONCONFORMITIES FOUND



APPEALS

Parties not satisfied with decisions of the Florida New Motor Vehicle Arbitration Board can appeal them to the circuit court. Manufacturers filed two appeals in 2018. Consumers filed 19 appeals in 2018. Overall the appeals totaled 12.1% of the 173 cases decided by the Board.



PROGRAM SUMMARY 1989 - 2018

Graph C illustrates the total number of cases approved for arbitration for each year since the inception of the program through the report period, from 1989-2018.

GRAPH C. 1989-2018 CASES APPROVED FOR ARBITRATION

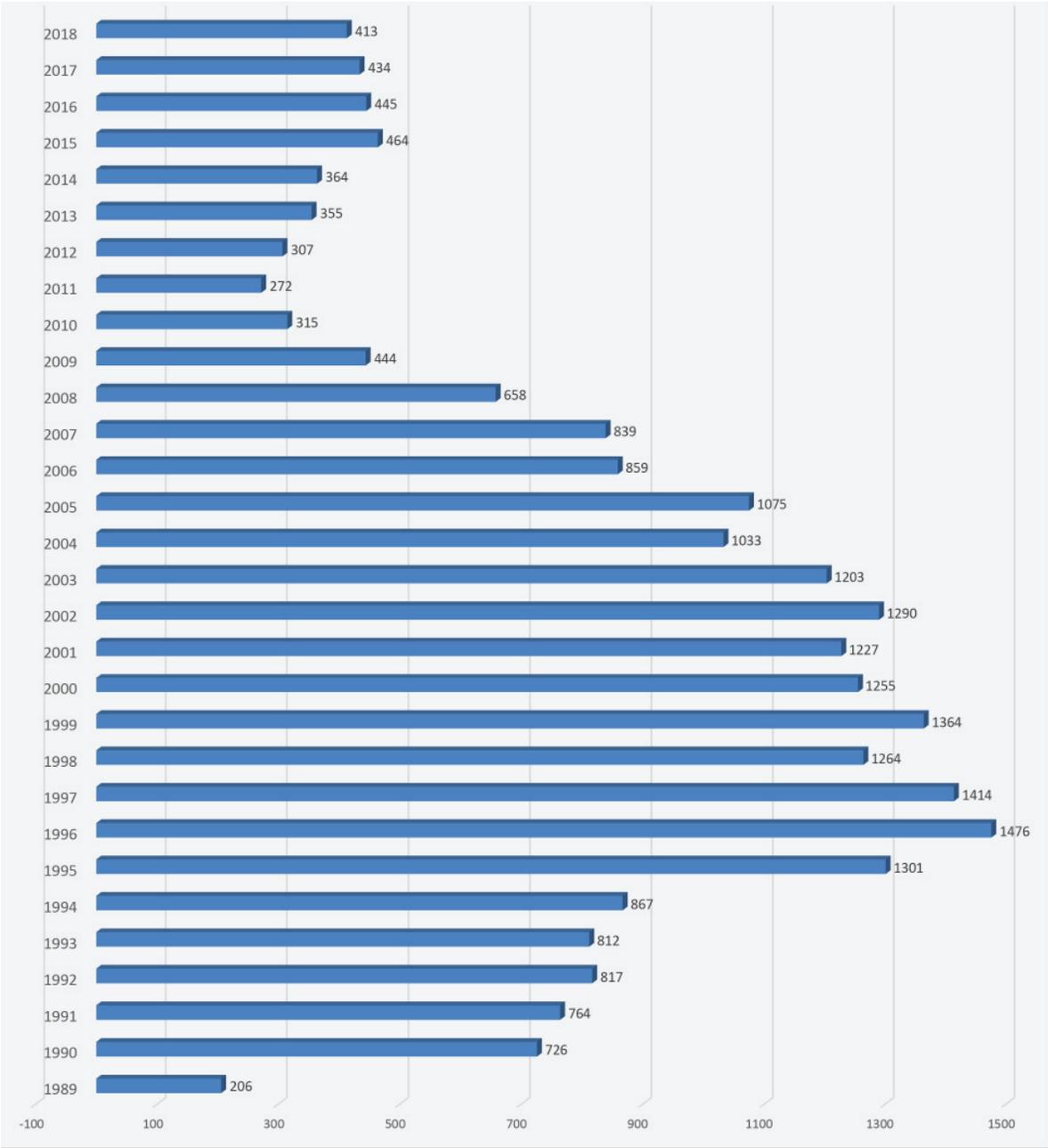


Table 7 and **Graph D** illustrate the consumer relief obtained through the program from 1989-2018. Of the 24,263 consumer claims approved for arbitration during that period, full relief via either prehearing settlements or decision awards was obtained in 69.6 percent (16,877), for a total dollar value of more than \$482 million.

TABLE 7. 1989-2018 TOTAL CASES APPROVED AND RECOVERY VALUES

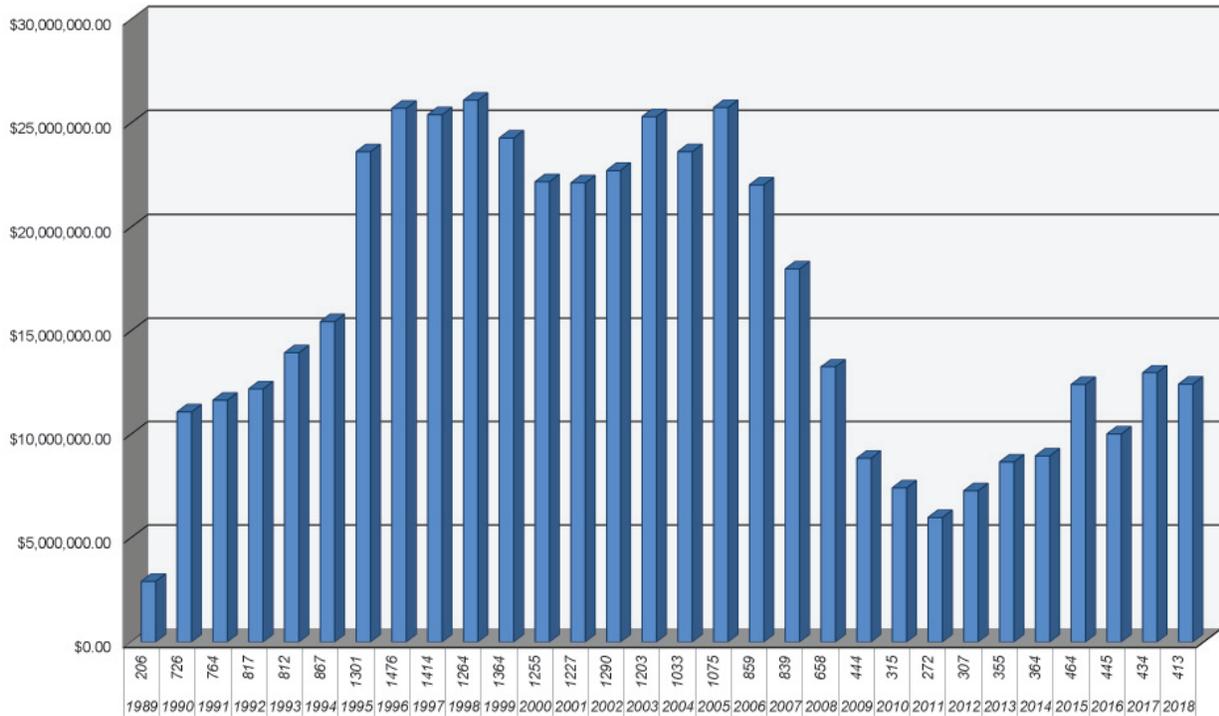
Year	Total Number of Approved Cases	Dollar Value of Recoveries	Number of Cases with Recoveries
1989	206	\$ 2,925,943.00	145
1990	726	\$ 11,084,254.00	533
1991	764	\$ 11,645,821.00	543
1992	817	\$ 12,194,871.00	661
1993	812	\$ 13,955,116.00	603
1994	867	\$ 15,455,498.00	635
1995	1301	\$ 23,623,638.00	934
1996	1476	\$ 25,716,474.00	1076
1997	1414	\$ 25,407,219.00	1014
1998	1264	\$ 26,103,773.00	905
1999	1364	\$ 24,284,201.00	953
2000	1255	\$ 22,199,403.00	863
2001	1227	\$ 22,144,257.00	850
2002	1290	\$ 22,730,626.00	832
2003	1203	\$ 25,311,738.00	825
2004	1033	\$ 23,626,887.00	714
2005	1075	\$ 25,755,869.00	784
2006	859	\$ 22,047,619.00	611
2007	839	\$ 17,995,763.00	500
2008	658	\$ 13,266,987.00	404
2009	444	\$ 8,851,875.00	254
2010	315	\$ 7,415,805.00	204
2011	272	\$ 5,987,621.00	168
2012	307	\$ 7,280,706.00	207



**TABLE 7. 1989-2018 TOTAL CASES APPROVED AND RECOVERY VALUES
(Continued)**

Year	Total Number of Approved Cases	Dollar Value of Recoveries	Number of Cases with Recoveries
2013	355	\$ 8,670,318.00	235
2014	364	\$ 8,961,428.55	241
2015	464	\$ 12,406,702.32	336
2016	445	\$ 10,021,220.00	298
2017	434	\$ 12,975,100.00	279
2018	414	\$ 12,420,607.00	270
Totals	24263	\$482,467,240.05	16877

GRAPH D. 1989-2018 TOTAL CASES APPROVED AND RECOVERY VALUES



2018 MANUFACTURER-REPORTED REACQUIRED VEHICLES

Under Florida’s Lemon Law, manufacturers are required to notify the Office of the Attorney General when they reacquire new vehicles from the original owners under certain conditions specified by the statute. This notification is made on a form that includes identification of the vehicle, the reason for the buy-back, and disclosure of the reported defects. A portion of the form is sent by the manufacturer to the Office of the Attorney General, with the remainder of the form required to travel with the vehicle and be provided to the retail buyer if and when the vehicle is resold.

When the Attorney General’s Office receives a disclosure form from a manufacturer, the information reported is entered in a database maintained by the Lemon Law Arbitration division. This information also forms the basis for the searchable database of repurchased vehicles that is accessible on the Attorney General’s website.

Table 8 lists, by vehicle make, the number of vehicles reported by manufacturers as having been repurchased for 2018. The total number reported was 1,907. Included in that number were vehicles bought back as a result of settlements or decisions of claims before the Florida New Motor Vehicle Arbitration Board, along with vehicles repurchased for a variety of other reasons, including settlements or decisions of manufacturer-sponsored procedures, similar statutes of other states (a number of the reported repurchases originated in states other than Florida), court settlements or decisions, and reasons characterized as “customer goodwill.”



TABLE 8. 2018 MANUFACTURER-REPORTED REACQUIRED VEHICLES

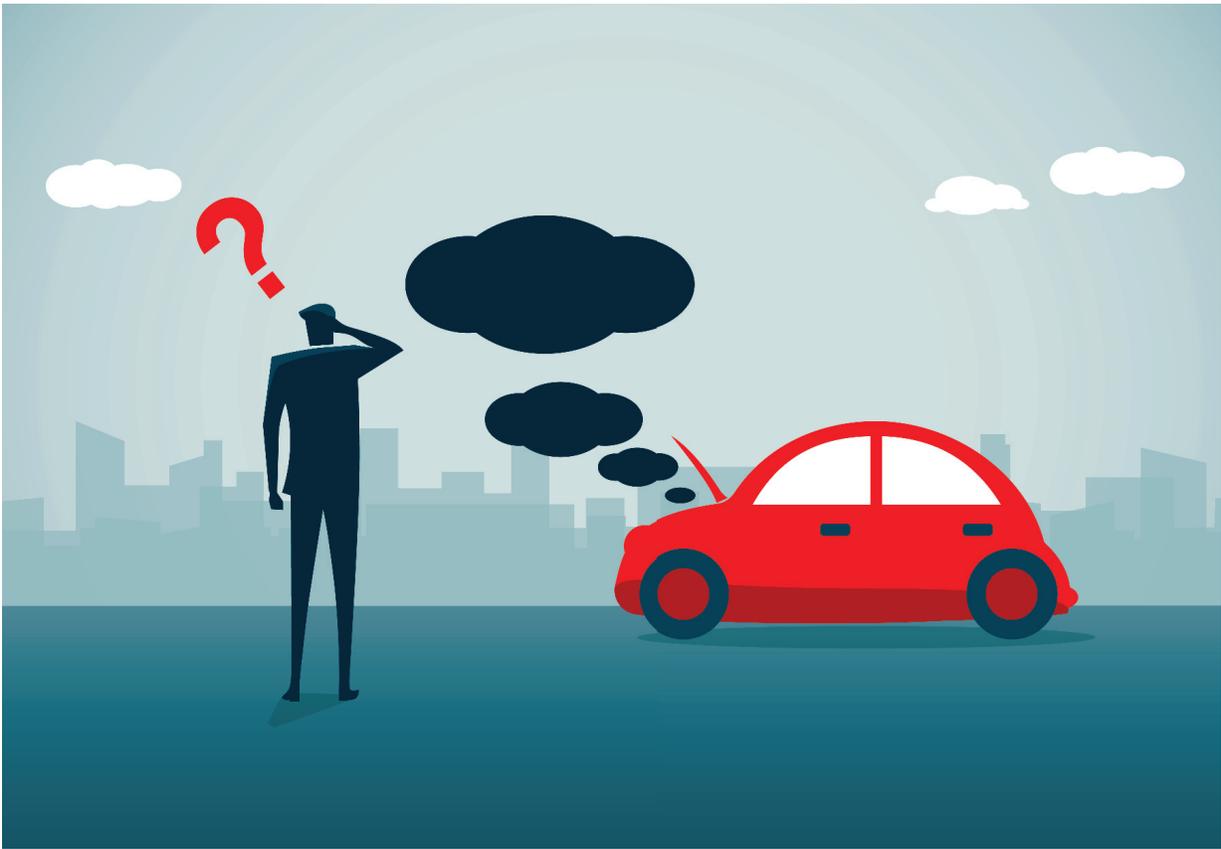
Vehicle Make	Reporting Manufacturer	Number of Vehicles Repurchased
Acura	American Honda Motor Company	10
Alfa Romeo	Alfa Romeo Distributors of North America	9
Alfa Romeo	FCA US LLC, f/k/a Chrysler Group LLC	16
Audi	Volkswagen/Audi of America Inc.	7
BMW	BMW of North America, LLC	93
Buick	General Motors LLC	24
Cadillac	General Motors LLC	91
Chevrolet	General Motors LLC	349
Chrysler	FCA US LLC, f/k/a Chrysler Group LLC	52
Dodge	FCA US LLC, f/k/a Chrysler Group LLC	44
Fiat	FCA US LLC, f/k/a Chrysler Group LLC	13
Ford	Ford Motor Company	37
GMC	General Motors LLC	101
Honda	American Honda Motor Company	21
Hyundai	Hyundai Motor America	89
Infiniti	Nissan Motor Corporation U.S.A.	44
Jeep	FCA US LLC, f/k/a Chrysler Group LLC	149
Kia	Kia Motors America, Inc.	36
Lexus	Toyota Motor Sales, U.S.A., Inc.	27
Lincoln	Ford Motor Company	4
Maserati	Maserati North America, Inc.	57
Mazda	Mazda Motor of America, Inc	9
Mercedes-Benz	Mercedes-Benz USA, LLC	197
Newmar	Newmar Corporation	1
Nissan	Nissan Motor Corporation U.S.A.	167
Porsche	Porsche Cars North America, Inc.	18

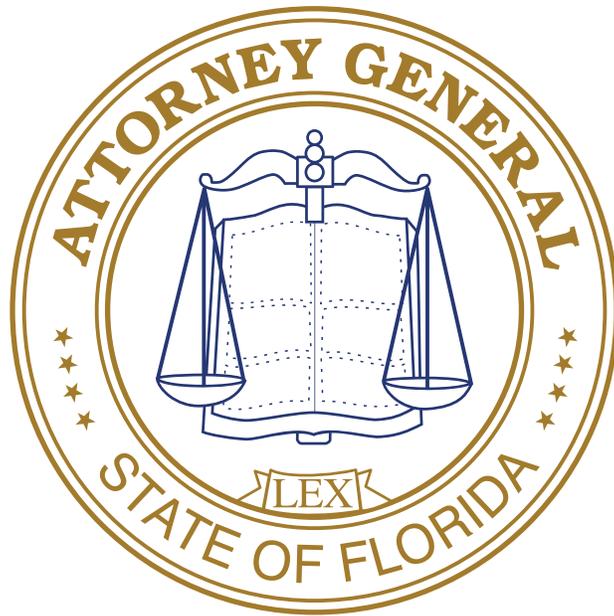


**TABLE 8. 2018 MANUFACTURER-REPORTED REAQUIRED VEHICLES
(Continued)**

Vehicle Make	Reporting Manufacturer	Number of Vehicles Repurchased
Ram	FCA US LLC, f/k/a Chrysler Group LLC	54
Rolls-Royce	Rolls-Royce Motor Cars NA, LLC	1
Smart	Daimler Vehicle Innovations USA, LLC	4
Subaru	Subaru of America, Inc.	36
Thor	Thor Industries, Inc.	1
Toyota	Toyota Motor Sales, U.S.A., Inc.	98
Volkswagen	Volkswagen/Audi of America, Inc.	14
Volvo	Volvo Cars of North America	27
Totals		1907







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