

District Court Finds Plaintiff's LTD Claim Time Barred by the Limitations Term in the Plan

October 11, 2012

An employee covered under his employer's long-term disability plan ("Plan"), which was governed by ERISA, sought to recover benefits for a 2001 claim filed with the Plan. The claim was denied pursuant to the Plan's claims and appeals process and the employee did not file an action at that time. In 2008, the employee filed another claim for long-term disability benefits and sought reconsideration of his 2001 claim. The terms of the Plan provided that any legal action cannot be brought more than three years after the time the proof of claim is required. In connection with his 2001 claim, the plaintiff was required to file a proof of claim no later than by March 12, 2002 and, therefore, under the limitations provision in the Plan, the plaintiff was required to take legal action by March 12, 2005. The federal district court stated that for ERISA claims, courts normally apply the most analogous state statute of limitations; however, when the plan contains a contractual statute of limitations, courts generally apply the plan's provision provided that the plan's stipulated limitations period is reasonable. In Ohio, the applicable statute of limitations for breach of written contract claims is 15 years. In this case, the Court held that the plaintiff's action with respect to the 2001 claim was time barred by the contractual limitations period in the Plan which the Court deemed to be reasonable. This case illustrates that ERISA plans should incorporate their own "reasonable" statute of limitations period for claims denials rather than deferring to analogous state law which could have a much longer limitations period to file a lawsuit. *Engleson v. Unum Life Insurance Co. of America*, No. 5:09 CV 2969 (N.D. Ohio June 29, 2012).