



News Release

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Supreme Court Decision in *Heimeshoff v. Hartford Life & Accident Insurance Co., et al.*, in Alignment with DRI Amicus Brief

Chicago—(December 16, 2013)—In a decision today, the U.S. Supreme Court ruled for the defense in the case of *Heimeshoff v. Hartford Life & Accident Insurance Co., et al.* The decision is consistent with the arguments asserted in an amicus brief filed with the Court by DRI – The Voice of the Defense Bar.

This case revolved around the extent to which the terms of an ERISA-covered plan can establish the date on which the statute of limitations to file a claim for benefits complaint in federal court will begin to run.

On August 22, 2005, Julie Heimeshoff, a Wal-Mart employee, submitted a claim for long-term disability benefits under the ERISA-covered long-term disability plan sponsored by her employer. The insurance policy, issued by the Hartford, required Ms. Heimeshoff to submit proof of loss by December 8, 2005, and provided that the three-year statute of limitations to file a claim for benefits related to the denial of a disability claim would begin to run from the date proof of loss is due. During the process of evaluating her claim, several faxes and requests for information were sent to Mrs. Heimeshoff and her doctor, which went unanswered, and her claim was eventually denied for failure to provide proof of loss.

Five months later Mrs. Heimeshoff retained counsel and advised of her intent to appeal the denial decision made by the plan. Through counsel, Mrs. Heimeshoff sought and received plan-related documents, which included the plan's contractual three-year limitations period and established that such period began to run from the date proof of loss was due. After the conclusion of her informal appeal, Mrs. Heimeshoff's claim was again denied on November 25, 2007.

Mrs. Heimeshoff's suit challenging the denial of benefits was not filed until November 18, 2010. The Hartford moved to dismiss the complaint later filed by Mrs. Heimeshoff challenging the denial of benefits on the grounds that the claim was barred by the plan's limitations period, which required her to file suit no later than December 8, 2008, which was three years after her "proof of loss" was due (and almost a year after her claim was

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denied). The United States District Court for the District of Connecticut agreed with the Hartford and dismissed the case. The Second Circuit affirmed.

In her appeal to the Supreme Court, Mrs. Heimeshoff argued that plans should not be allowed to impose a limitations period that begins before the claimant exhausts administrative remedies and is able to file suit because doing so could allow the limitations period to waste away while the claimant is going through the plan's administrative review process.

In its amicus brief on the merits, DRI supported the Hartford's position, which is consistent with well-settled statutory and contractual principles that the clear terms of a plan must be upheld and that courts should not rewrite unambiguous terms of a plan. DRI argued that the protections of the administrative claims process that are guaranteed through the Department of Labor's claims procedure regulations and relevant case law make the hypothetical concerns predicted by Mrs. Heimeshoff to be highly unlikely, and should they occur, the mechanism of equitable tolling employed by federal courts is an adequate means to address the matter.

The Supreme Court, in a decision written by Justice Clarence Thomas, agreed. "Absent a controlling statute to the contrary, a participant and a plan may agree by contract to a particular limitations period, even one that starts to run before the cause of action accrues, as long as the period is reasonable...We must give effect to the plan's limitation provision unless we determine either that the period is unreasonably short, or that a 'controlling statute' prevents that limitations provision from taking effect. Neither condition exists here."

"The Court agreed that powerful and compelling reasons support the conclusion that courts should uphold express plan language that provides a reasonable period for claimants to challenge adverse decisions," said Jerrold J. Ganzfried, co-author of the DRI brief. "Judicial fidelity to contractual language will promote the orderly and fair administration of benefits plans."

Mr. Ganzfried and brief co-author Ariadna Alvarez, of Holland & Knight, Washington, D.C., and Ft. Lauderdale, FL, respectively, are available for interview or expert comment through DRI's Communications Office.

For the full text of the amicus brief, [click here](#).

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