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MISSISSIPPI DEPARTMENT OF INSURANCE
BULLETIN 2006-8
June 8, 2006

STATUTE OF LIMITATIONS ON INSURANCE CONTRACTS

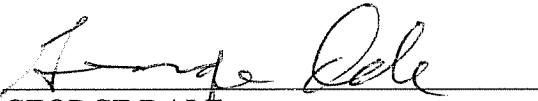
The Commissioner of Insurance has become aware of a provision in some insurance policies that is causing confusion regarding the statute of limitations period for a policyholder to file a legal action against his or her insurance company. Some policyholders are concerned that this provision is limiting their ability to bring a legal action against their insurance company to one (1) year instead of the statutory three (3) year period. In an effort to clarify this and remove any confusion or misunderstanding regarding the statute of limitations period to file a legal action against an insurance company, I am hereby issuing the following directive.

Insurance companies should be aware that Miss. Code Ann. § 15-1-49 prescribes a general limitations period of three (3) years next after the cause of such action has accrued. Case law has held that this statute applies to insurance policies. Furthermore, Miss. Code Ann. § 15-1-5 states that the statute of limitations period provided by law may not be changed in any way whatsoever by contract between the parties, and any provision which so changes the statute of limitations period shall be null and void.

Any provision in an insurance policy that limits the statute of limitations for filing a legal action to any period less than three (3) years as prescribed by statute is null and void. All Mississippi policyholders have the three (3) year statute of limitations period prescribed by Miss. Code Ann. § 15-1-49 in which to file a legal action, notwithstanding any provision in their policy that states otherwise.

Insurers whose policy forms contain a provision that may appear to have a statute of limitations period of less than three (3) years are hereby directed to file with the Mississippi Department of Insurance amended policy forms and endorsements, with clear language prescribing the correct statute of limitations period.

Issued this the 8th day of June, 2006.


GEORGE DALE
COMMISSIONER OF INSURANCE