

Effective 5/3/2023

31A-21-313 Limitation of actions.

- (1)
 - (a) A person shall commence an action on a written policy or contract of first party insurance within three years after the inception of the loss except as provided in:
 - (i) Subsection 31A-22-305(11); and
 - (ii) Subsection 31A-22-307(7).
 - (b) The inception of the loss on a fidelity bond is the date the insurer first denies all or part of a claim made under the fidelity bond.
- (2) Except as provided in Subsection (1) or elsewhere in this title, an action on a written policy or contract for insurance is subject to the law applicable to limitation of actions in Title 78B, Chapter 2, Statutes of Limitations.
- (3) An insurance policy may not:
 - (a) limit the time for beginning an action on the policy to a time less than that authorized by statute;
 - (b) prescribe in what court an action may be brought on the policy; or
 - (c) provide that no action may be brought, subject to permissible arbitration provisions in contracts.
- (4)
 - (a) Unless by verified complaint it is alleged that prejudice to the complainant will arise from a delay in bringing suit against an insurer, which prejudice is other than the delay itself, an action may not be brought against an insurer on an insurance policy to compel payment under the insurance policy until the earlier of:
 - (i) 60 days after proof of loss has been furnished as required under the policy;
 - (ii) waiver by the insurer of proof of loss; or
 - (iii)
 - (A) the insurer's denial of full payment; or
 - (B) for an accident and health insurance policy, the insurer's denial of payment.
 - (b) Under an accident and health insurance policy, an insurer may not require the completion of an appeals process that exceeds the provisions in 29 C.F.R. Sec. 2560.503-1 to bring suit under this Subsection (4).
- (5) The period of limitation is tolled during the period in which the parties conduct an appraisal or arbitration procedure prescribed by the insurance policy, by law, or as agreed to by the parties.

Amended by Chapter 185, 2023 General Session