

Suicide: Best Practices for Life Claims

Suicide is a major health concern that is among the leading causes of death in the United States.

Based on recent nationwide surveys, suicide in some populations is on the rise.¹ This is troubling news, both in society as a whole and in the life insurance industry. In an effort to better understand how life insurers are impacted by suicides, Munich Re Life US recently published an [Analysis of General and Insured Population Suicides in the U.S.](#) This study combines data gathered from individual life claims reinsured with Munich Re Life US with population statistics to compare suicide trends between the general population and the insured population.

Building on that foundation, this paper will discuss best practices for claims professionals who are adjudicating suicide claims.

Background

Generally, life insurance policies provide for a limited death benefit if the insured dies by suicide during the suicide exclusion period of the policy. This is intended to protect the insurer against suicide as a form of antiselection when the policy is purchased with the intent to end one's own life. However, from a claims perspective, making a determination of suicide can be complicated. It will likely involve investigation beyond the usual claim documents. Our focus here is on best practices for contestable suicide claims, meaning both the suicide exclusion and contestable periods are applicable. Note that while the contestable period and suicide exclusion period often (but not always) overlap, they are separate policy provisions with different purposes.

We will examine:

- How state regulations affect suicide claims.
- Claim philosophy regarding suicide investigations.
- Proof of loss: Is the death certificate sufficient proof of suicide? What information on the death certificate is relevant to the claim investigation?
- What additional information should be obtained?
- The beneficiary: What is the beneficiary telling you? What are they not telling you?
- Is a typical contestable investigation necessary?
- Are there other factors to consider?

State regulations

State regulations vary for many policy provisions, including those concerning suicide. One of the biggest challenges for claims professionals is to ensure that their policies and procedures are compliant with all applicable state regulations. For example, the suicide exclusion period (the period during which the death benefit is limited in cases of suicide) is generally two years, but there are state exceptions. For example, as of this writing, Missouri, Colorado, and North Dakota limit the period to one year. There may be a state requirement to show proof of intent to commit suicide in order to invoke the suicide exclusion. Certain states permit physician-assisted suicide, while others do not. It is important that claim analysts understand the policy provisions and state regulations concerning suicide as they relate to the

circumstances of any particular claim and that they seek guidance from their legal team when appropriate.

Claim philosophy and suicide investigations

The approach to adjudicating contestable suicide claims will be driven by each company's claim philosophy, which is the foundation for its policies and procedures. There is no one-size-fits-all playbook on how to approach suicide claims, and no two suicide deaths are the same. Each insurer must determine what makes sense based on their products, customers, distribution system and risk tolerance. Whatever processes are implemented, it is important to be consistent in their application and to document the rationale for any exceptions. Our goal in sharing best practices is to help claims analysts determine the appropriate course of action based on the circumstances of each individual claim.

Proof of loss

Generally, the first step in the claim process is asking the beneficiary to submit a claim form and a copy of the deceased insured's death certificate. These documents are the initial brush strokes in painting the claim picture. It is important to identify key bits of information on these documents as they can help to formulate your approach to the claims investigation. For this purpose, it is important for the claim form to ask for the cause and manner of death.

The death certificate is a great starting point for the claims suicide investigation, but the death certificate alone should not be considered proof of suicide. There are cases where the death certificate indicates suicide, but the evidence supports an accident or even homicide. The opposite may also be true. For example, consider the insured who understands the benefits are limited in case of suicide and therefore plans their suicide to appear as an accident.

Let's explore some key sections of a typical death certificate to see how this information is useful in adjudicating contestable suicide claims. (Note: Some jurisdictions issue short form or redacted death certificates, which will not show some of the following information.)

Cause of death: For suicides, the immediate cause of death will be the act which caused the insured's death, such as *gunshot wound to the head, blunt force trauma*, etc. It is important to note whether the cause of death could also be the result of something other than suicide, such as an accident or homicide.

Underlying conditions: In addition to the immediate cause of death, the death certificate may list additional details or underlying conditions leading to the death. For example, the immediate cause of death may be shown as *blunt force trauma with decedent jumped from bridge* listed as the underlying condition. Or the immediate cause of death could be listed as *asphyxia due to hanging with depression* shown as an underlying condition that contributed to the death. Certain underlying conditions may be material from a contestability standpoint; therefore, further investigation may be warranted.

Interval between onset and death: For any underlying conditions, there may also be an interval between onset and death. The interval may be very broad (years) or it may be more specific (seven months). This can be an important consideration for the claims analyst if the interval between onset and death for the underlying condition encompasses the period of time prior to the application date. In such a case, it is reasonable to take the necessary steps to rule out material misrepresentations on the life insurance application concerning this medical history.

Manner of death: When suicide is suspected, it will generally be indicated in the manner of death section. Occasionally, the section may indicate pending (the cause of death may also indicate pending). This means that additional information, such as autopsy or toxicology results, is needed before the manner of death can be determined. In this case, refer to the section of the death certificate which indicates whether or not the case was **referred to the medical examiner** as well as the section indicating whether or not **an autopsy** was performed. If these sections are blank or marked NO, additional inquiries may be warranted to see what is holding up the process of determining the manner of death.

Occasionally, the final death certificate will indicate the final manner of death is undetermined. It is important to review additional information, such as police/EMS reports and medical examiner/coroner investigative

reports, to further understand why a determination could not be made and to confirm or rule out that suicide is suspected. The claim analyst should seek guidance from the company's legal team prior to making a claim determination.

Certification of the death certificate: Who completed or certified the cause and manner of death? This can vary, depending on the jurisdiction and circumstances of the death. In the certifier section, the name, address and license number of the certifier is shown along with the date of certification. If the insured died at a hospital, the attending physician may certify the cause and manner of death. If the certifier is a medical examiner, there will likely be an autopsy and an investigation associated with the death. These reports can be valuable tools in a claim investigation. If the certifier is a coroner, there may or may not be an autopsy or investigation, depending on the jurisdiction. Some jurisdictions have neither a coroner nor a medical examiner, and the task of certifying the cause and manner of death may fall to a justice of the peace.

Note that a coroner or justice of the peace may be appointed or elected and may or may not have a medical or law enforcement background. Given the public presumption against suicide and the social stigma often associated with it, certain officials may be influenced or pressured by family members to certify the manner of death as something other than suicide (e.g., accident or undetermined). This underscores the need for documentation beyond the death certificate to make the case for suicide or to rule it out.

Place of death: The place of death is significant in that it often determines the extent of the official death investigation. For example, it may be standard procedure in some jurisdictions to refer all unattended deaths (where no one witnessed the death) to the medical examiner or coroner. These incidents may occur in remote locations (e.g., forests, isolated roadways, etc.), motels, or even the insured's home or another private residence. There will be police and/or EMS reports associated with these incidents that can contain important information for the claims analyst. For example, a police report is likely to include a description of the scene and statements from family members or others familiar with the insured.

If the death occurred in a hospital or other medical facility, it is significant to note the type of facility, duration of

hospital stay, and whether the decedent was an inpatient, outpatient, ER patient, or dead on arrival (DOA). Medical records for the incident often include prior medical history that may be relevant to the claim investigation. For DOA and ER/outpatient cases, a police or EMS report may also be available since these cases are often initiated by an emergency call.

Additional documentation

The claims analyst should obtain available reports and records that will either support suicide as the manner of death or rule it out. These reports and records may include but are not limited to:

- Autopsy report
- Medical examiner or coroner investigative report
- Police report
- EMS report
- Medical records

Each case must be considered on its own merits. The amount of documentation available will vary by the circumstances of the death as well as the officials having jurisdiction. A thorough medico-legal death investigation will involve an autopsy, lab work, and scene investigation, as well as history, circumstances, witness accounts, and medical records.³

The beneficiary

Suicides are extremely difficult for the family of the insured. In addition to dealing with the death on an emotional level, the beneficiary most likely understands what is at stake for them financially—the difference between the policy face amount and the less favorable suicide benefit, which is usually limited to a refund of premium. Some beneficiaries make it clear they understand the death is a suicide and they are resigned to a return of premium. They may see no benefit in cooperating with a painful investigation. Others may launch a concerted effort to dispute the finding of suicide in order to claim the full death benefit. They may intentionally omit pertinent information or put up roadblocks to keep the truth from coming to light. The claim analyst should be prepared for either scenario, mustering their best communication skills to elicit assistance from a reluctant beneficiary or an adversarial one.

Regardless of the beneficiary's position, the claim investigation must always be fair and thorough, and there must be sufficient evidence to support the claim decision. In addition to the different reports and records mentioned previously, consider conducting a beneficiary interview. Due to the sensitivity of these claims, only experienced claims analysts or investigators should conduct these interviews, and they should be conducted in person, if possible. The interview should not be scripted but rather should provide for open-ended questions that will elicit as much information as possible about the insured's death and relevant prior history.

It is important to note any statements made by the beneficiary that conflict with official reports or records and to ask for clarification. The examiner should also ask for clarification of information obtained in the claim investigation that conflicts with information on the life insurance application. (Note: If the beneficiary is not the spouse or close family member, they may not have personal knowledge, so an interview may not be fruitful.) If the beneficiary is represented by an attorney, it will be necessary to get their permission to conduct the interview, and the attorney may wish to be present.

Contestable investigation

If the insured dies within the contestable period of the policy, an insurance company may conduct an investigation to rule out material misrepresentation on the application for life insurance, which, if found, may be grounds for the company to rescind the policy. The policy is considered void, and the company refunds the premiums paid. If the insured dies by suicide within the suicide exclusion period of the policy, the company pays the contractual suicide benefit, which is generally equal to the premiums paid. By asserting this defense, the company is affirming the terms of the policy. Often there is overlap between the policy's contestable period and the suicide exclusion period, and the company could invoke either defense. Although the payment amount may be essentially the same, there is an important distinction in how the payment is characterized.

Some companies may choose to pay the contractual suicide benefit without further investigation, citing a reservation of their rights to later assert the defense of material misrepresentation if necessary. However, some

courts may not permit such a defense at the point the claim is litigated in the future. It is best to seek legal guidance to determine the best approach based on the unique circumstances of each claim.

Other challenges and considerations

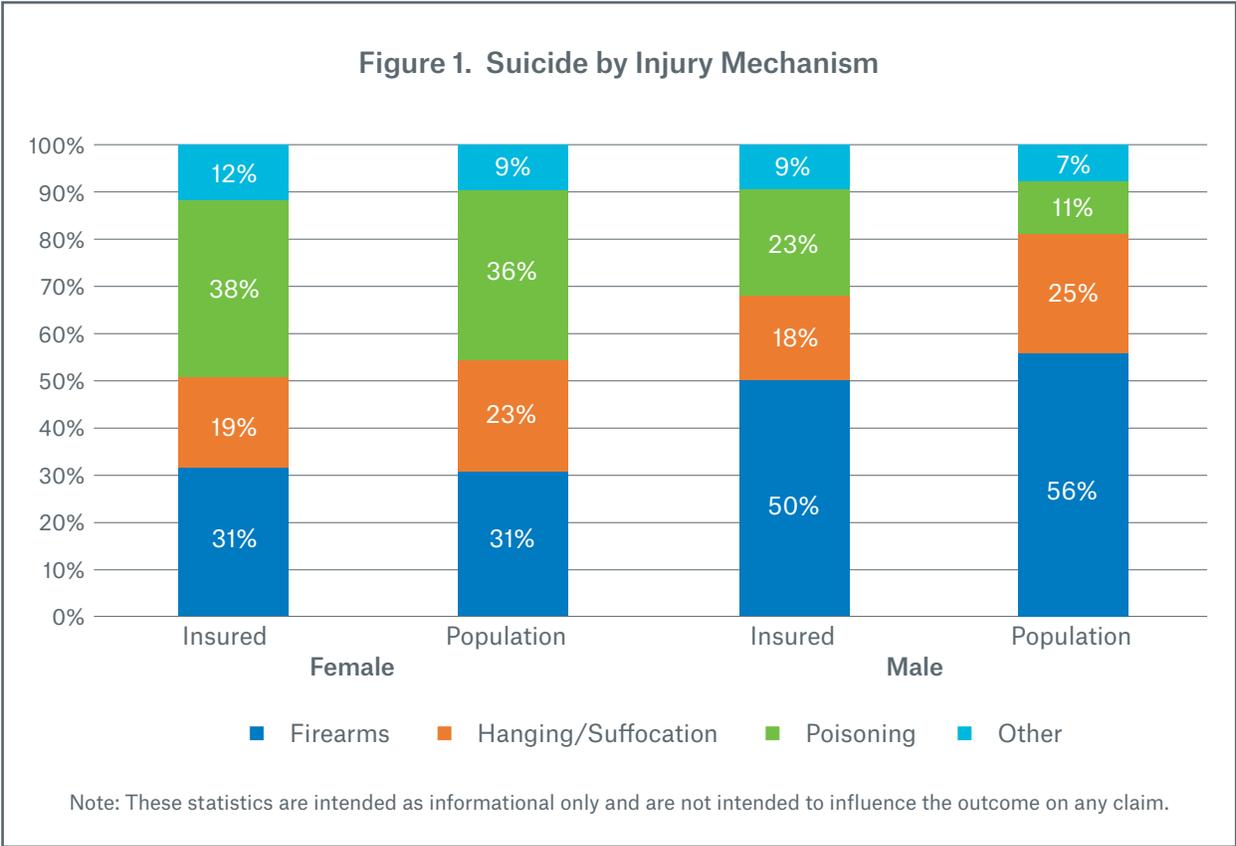
There may be cases where the claim analyst is having difficulty obtaining information relating to a particular suicide claim or they may wish to supplement existing documentation. Helpful information can be found via internet searches for obituaries, news articles, and public social media. The claim analyst should always adhere to their company’s guidelines pertaining to the use of these tools.

Various organizations and industry groups have studied suicides and published statistics relative to methods and trends in suicides associated with certain geographic

regions, religious or ethnic groups and other subsets of the population. For example, the Centers for Disease Control and Prevention recently published data comparing certain mechanisms (means/methods) of suicide by sex.² Munich Re has gathered similar data for the insured population, and the comparisons are depicted in Figure 1 below.⁴

As shown in the graph, with the exception of the percentage of males using poisoning or suffocation, there is little difference between the insured and general population regarding suicide mechanism.

There are many other suicide studies and data analyses available to the public, but despite the recent increased attention on studying suicide, it is still a public health phenomenon whose causes and prevention are not fully understood. Stigma surrounding suicide leads to underreporting, and data collection methods critical to suicide prevention need to be improved.⁵



From a claims perspective, it is important to remain objective throughout the course of a suicide investigation. **Always keep in mind that the ultimate goal is to find the truth.** The claim analyst should eliminate personal bias and use critical thinking to challenge any preconceived ideas or conclusions about the circumstances of the insured's death. The claim analyst can then arrive at the best possible decision under the circumstances.

In summary—claims best practices

- Understand policy provisions concerning suicide as they relate to the circumstances of any particular claim, e.g., one or two-year exclusion period, sane vs. insane, etc.
- Understand the applicable state regulations as they relate to the circumstances of any particular claim, e.g., requirement to prove intent, physician-assisted suicides, etc.
- Keep apprised of changes in state regulations concerning suicide.
- Conduct a thorough investigation on all contestable claims, including those where suicide is reported as the manner of death. It is important to rule out material misrepresentations on the application for life insurance any time a death occurs within the contestable period of the policy. If the company has a basis to rescind the policy, they may assert a dual defense of both material misrepresentation as well as the contractual suicide defense. This can be extremely helpful if the manner of death is challenged.
- Conduct an investigation regarding the circumstances of death. Do not rely solely on the information on the death certificate. The investigation may include, but not be limited to, interviewing the beneficiary or other witnesses, obtaining the police report, EMS report, medical examiner's investigative report and autopsy report, financial records or tax returns, medical records, and information found on social media sites.
- Stay current on methods and trends of suicides associated with certain geographic regions or demographic groups. This information can be helpful in understanding the circumstances surrounding the insured's death.
- Remain objective throughout the course of the investigation and use critical thinking to challenge any preconceived ideas about the circumstances of the insured's death. The goal is to find the truth, which may sometimes conflict with official accounts of the events.
- Complete inquiries in a timely manner and maintain communication with the beneficiary.
- Consult with legal counsel.
- Call on your reinsurer as an additional resource when appropriate.

This paper is Munich Re Life US's second in a series focusing on the life insurer's perspective on suicide mortality. The focus of this paper has been claims best practices, and it is intended to lay the foundation for the subsequent paper that will bring underwriting insights to the analysis.



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¹Suicide. (April 2019). *National Institute of Mental Health*. Retrieved from <https://www.nimh.nih.gov/health/statistics/suicide.shtml>

²Centers for Disease Control and Prevention, National Center for Health Statistics. (2018). *Underlying Cause of Death 1999-2017 Request from CDC WONDER Online Database released December 2018*. Data are from the Multiple Cause of Death Files, 1999-2017, as compiled from data provided by the 57 vital statistics jurisdictions through the Vital Statistics Cooperative Program. Retrieved from <http://wonder.cdc.gov/ucd-icd10.html> on 27 May 2019.

³Hankzlick, R. (nd). *An Overview of Medical Examiner/Coroner Systems in the United States* [PowerPoint slides]. Emory University. Retrieved from https://sites.nationalacademies.org/cs/groups/pgasite/documents/webpage/pga_049924.pdf

⁴Munich Re Life US claim data for years 2006-2016. *Munich American Reassurance Company*.

⁵Suicide statistics. (nd). *American Foundation for Suicide Prevention*. Retrieved from <https://afsp.org/about-suicide/suicide-statistics>