

Third Circuit Clarifies Intent Requirement for Suicide Exclusion in Life Insurance Policies Under New Jersey Law

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On September 18, 2019, the U.S. Court of Appeals for the Third Circuit issued an opinion in *Arena v. Riversource Life Insurance Company*, 2019 U.S. App. LEXIS 28052 (3d Cir. Sep. 18, 2019) (non-precedential), affirming the District Court's grant of summary judgment to a life insurer denying life insurance benefits to a husband whose insured wife committed suicide, because the insurer met its burden of demonstrating that she had the requisite intent under New Jersey law to end her life so as to trigger suicide exclusions to coverage. The Court of Appeals rejected the husband's argument that he presented sufficient evidence that his wife's anti-depressant medication and other circumstances suggested she lacked the requisite intent, and further rejected his argument that the District Court improperly shifted to him the burden of proving she lacked such intent. In reaching those conclusions, the Court of Appeals explained what intent on a decedent's part is required under New Jersey law for a death to be a suicide, as well as how an insurer can demonstrate that intent at the summary judgment stage.

Shortly before her death, the insured spouse had been prescribed anti-depressant and other medications noted to have potentially serious side effects, including depression and suicidal thoughts. Tragically, the insured spouse eventually took two of her husband's leather belts, moved a chair from another bedroom to a bathroom, fastened the belts together, and hanged herself. The applicable suicide exclusions stated that "[i]f the insured, whether sane or insane, dies by suicide within 2 years from the Policy Date, Our liability is limited to an amount equal to the total premiums paid"; and "[s]uicide by the Insured, whether sane or insane, within two years from the Policy Date is not covered by this policy...." The life insurer denied the husband's claim for life insurance benefits pursuant to the suicide exclusions because the medical examiner identified the insured spouse's manner of death as a suicide on the insured's death certificate.

The husband then sued the life insurer for breach of contract and introduced a forensic expert report concluding that his wife could have suffered a medication-induced mental disorder that altered her state of consciousness to the point that she was unable to understand the consequences of her actions or form suicidal intent. The District Court granted summary judgment to the life insurer, determining that the forensic expert report was insufficient to create a material fact issue, and that the husband had not otherwise offered any evidence that his wife was unaware of the fatal consequences of her acts. In particular, the District Court stated that "the inquiry is into whether the decedent lacked 'awareness that his or her actions would result in death' and that [the policyholder] had such awareness." The District Court also concluded that "the Suicide Exclusions would apply to this case even if [the policyholder] would not have committed suicide but for the effect that the medications had on her state of mind," and that "an irresistible impulse to commit self-harm 'would affirmatively establish that self-destruction was the very result intended, albeit by a deranged mind.'"

The Court of Appeals affirmed the District Court's ruling. The court acknowledged that, pursuant to *Bigelow v. Berkshire Life Insurance Company*, 93 U.S. 284, 287 (1876), *Johnson v. Metropolitan Life Insurance Company*, 404 F.2d 1202 (3d Cir. 1968), and *Biro v. Prudential Insurance Company of America*, 271 A.2d 1 (N.J. 1970), "New Jersey law requires, as an element of suicide, that the decedent had an intent to end her life." The court further determined that "such intent can be inferred from a decedent taking actions that will result in death." The court also reiterated, as it had explained in *Johnson, supra*, two possible situations in which the deceased would not have the required intent to commit suicide: (1) where a purposeful act is undertaken but the result was not intended; or (2) where a person's mental disorder is "so extreme the [he/she] has no comprehension whatever of what [he/she] is doing."

The court then concluded that the undisputed summary judgment evidence that the insured spouse had fastened her husband's leather belts around her neck and moved a chair from another room to the bathroom to effect a hanging was "sufficient circumstantial evidence to establish not only that [she] had 'awareness' that those actions would end her life but also that she intended to do so." The court rejected the husband's argument that the forensic expert report and other evidence triggered the "extreme mental disorder" exception as inadequate to survive summary judgment because the husband's evidence that his wife's general mental state, based on testimony of family and friends, and her moral aversion to suicide did not undermine the insurer's undisputed evidence that her deliberate actions can only be explained as an effort to commit suicide. The court further explained that the forensic expert report and evidence that the decedent's medication might have compelled her to commit suicide was insufficient because "acting on an irresistible impulse is different than having no intent or no comprehension of the actions one is taking." The court clarified that "the relevant inquiry is the mental state of the person at the time of [his/her] actions, and not what led to that mental state."

Finally, the Court of Appeals rejected the husband's argument that the District Court improperly shifted to him the burden of proving that the suicide exclusions did not apply. The life insurer met its summary judgment burden, the court noted, by demonstrating that the undisputed circumstances of the decedent's death can only be explained by suicide, and the husband failed to offer evidence demonstrating a material fact issue as to whether the exclusions applied to bar coverage.

Although the Court of Appeals' decision in *Arena* is not precedential, it nevertheless offers a useful discussion of what showing of intent is required to qualify a death as "suicide" under New Jersey law in the context of life insurance claims, and what type of evidence a life insurer may point to at the summary judgment stage to demonstrate that intent to invoke a typical suicide exclusion as a matter of law.

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