


Is This Covered by Life Insurance?

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Article summary

- Life insurance acts as a financial safety net by providing a tax-free death benefit to help your beneficiaries cover funeral costs, debts and living expenses.
- Most policies cover a wide range of causes of death, though sensitive circumstances like suicide or overdose are often subject to a one- to two-year contestability period.
- Insurers require you to be honest about your medical history and lifestyle during the application process to ensure your loved ones receive the payout you intended.

Life insurance provides financial resources to beneficiaries upon the insured person's death, offering critical support during an already difficult time. The death benefit payout is typically tax-free and can be used however the beneficiaries choose—whether to cover funeral and burial costs, pay off existing debts, replace lost income or help fund long-term goals such as a child's education or a surviving spouse's retirement.

Most people understand that life insurance covers common and unexpected events, including sudden illnesses, rare diseases and workplace accidents. In general, life insurance is designed to protect families from the financial fallout of life's most unpredictable moments. But questions often arise around more complicated and emotionally sensitive circumstances, such as suicide, assisted suicide and murder. It is important to know how your life insurance policy will cover these situations.



How does life insurance work?

Life insurance is a contract: you pay the premiums to an insurer, and the insurer promises a death benefit to your designated beneficiaries. (Life insurance benefits are generally tax-free.) Life insurance can be term—typically 10, 20 or 30 years, with the option to extend—or permanent, which doesn't expire as long as premiums are paid.

Life insurance policies cover a wide range of causes of death, from old age to a workplace accident to a sudden illness. Specific coverage details will be included in the contract; it is essential to review it thoroughly before signing.

The contestability period

Most life insurance policies include a contestability period of one to two years, during which the insurer can investigate claims for misrepresentation or fraud (for example, knowingly misrepresenting your medical history on your life insurance application in an effort to get the application approved). In many cases, disputes over life insurance claims aren't about the cause of death, but about whether the policyholder was truthful during the application process or whether the policy was still within its contestability period.

Is suicide covered by life insurance?

Another common provision in life insurance policies is a “suicide clause.” While it is a common belief that life insurance would not pay out in the event of the insured person's death by suicide, there is more nuance you should understand. Suicide clauses typically let an insurer deny coverage for death by suicide during a suicide exclusion period. After this period of time ends, suicide is generally covered by life insurance.

For anyone facing personal or immediate concerns about suicide, a healthcare provider or mental health professional can be a source of support. If you or someone you know is in an emotional crisis, please call, text or chat with the Suicide and Crisis Lifeline at 988, or contact the Crisis Text Line by texting TALK to 741741.

Does life insurance cover medically assisted suicide?

Medically assisted suicide (MAS) is illegal in most states. In those states, life insurance policies typically treat MAS in the same manner as suicide, meaning the death is not covered during the one- or two-year suicide exclusion period.

In states that have enacted statutes authorizing MAS under defined conditions, the laws generally provide that the terminal illness, rather than the ingestion of medication, is listed as the cause of death on the death certificate, and claims are therefore handled as deaths resulting from illness rather than suicide.

Is overdose covered by life insurance?

Whether a life insurance policy covers a death due to overdose often depends on how the overdose was classified. If the overdose was found to be accidental, it is typically covered the same way any other unintentional death is covered. If it is ruled intentional, it may fall under the suicide clause and be subject to the contestability period.

It is important to be forthcoming about substance use when applying for a life insurance policy.

Is murder covered by a life insurance policy?

In most cases, life insurance policies do typically cover a death that results from homicide. The primary consideration is whether there is beneficiary involvement in the homicide. If the person named as beneficiary is found legally responsible for the insured person's death, the beneficiary cannot receive the payout from the life insurance policy. In those cases, the benefit typically goes to a contingent beneficiary or the decedent's estate.

Does life insurance cover death due to COVID?

Despite early pandemic fears, most insurers treat COVID like any other illness and pay benefits accordingly. Pandemic exclusions are rare in modern-day life insurance policies.

Things to remember about life insurance

Life insurance policies typically include a contestability period. During that time, if an insurer discovers that material information about medical history was misrepresented or omitted on the application, a claim could be denied.

The bottom line

Life insurance is designed to provide financial protection in difficult and sometimes unexpected circumstances. Understanding your policy before you need it can provide peace of mind, and asking these difficult questions now helps ensure your loved ones are protected later.