

End of Life Choice Act will not affect your life insurance

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New Zealanders voting at this year's referendum need not be concerned that assisted dying will affect life insurance cover. The End of Life Choice Act 2019 (Act) makes it clear that assisted dying will not void an insurance contract and prevent a payment or other benefit being made to the estate of the person.

The referendum will ask voters whether you support the Act coming into force. The Act sets out a process for assisted dying. To be eligible, a person must meet all of the following criteria. They must:

- Be 18 years or over
- Be a New Zealand citizen or permanent resident
- Suffer from a terminal illness that is likely to end their life within six months
- Be in an advanced state of irreversible decline in physical capability
- Experience unbearable suffering that cannot be relieved in a manner they consider tolerable
- Be competent to make an informed decision about assisted dying (ie they can understand information about assisted dying, retain and weigh that information, and communicate the decision in some way).

The Act will not come into force unless more than 50% of voters in the referendum vote 'yes'.

Life insurance policies typically include an exclusion if a person dies as a result of suicide or other intentional self-injury within a certain period of time from taking cover. The effect of the Act on life insurance was specifically considered in the drafting process. Section 35 of the Act provides that a person who dies as a result of assisted dying is for the purposes of any life insurance contract (or any other contract) taken to have died from the terminal illness suffered, and as if assisted dying had not been provided.

As the Bill was passing through Parliament, David Seymour addressed public concerns around insurance policies and said:[1]

"A lot of people have been concerned about what the End of Life Choice Bill might mean for life insurance. This makes it absolutely clear that there will be no changes to life insurance policies if you take advantage of the End of Life Choice Bill."

The effect of section 35 of the Act is that assisted dying cannot be considered suicide under any contract of insurance. Insurance companies may decide to update their policies to explicitly differentiate between assisted dying and suicide.

The Act does not significantly impact the insurance industry. Most insurance policies already include cover for terminal illnesses under which insurers can pay a claim 'early' once an insured is eligible under the policy. Many insurance policies define a terminal illness as an illness that results in death within 12 months. Under the Act, to be eligible for assisted dying the terminal illness must be likely to end your life within six months. Therefore, some insureds may be paid out some months before facing a choice about assisted dying.

You can find more information on the Act and the referendum [here](#).

This article was written by [Susan Rowe](#) and [Annie Cao](#) for NBR (October 2020).

[1] David Seymour, Hansard, 25 September 2019.

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