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2015 IL App (3d) 140686-U

Order filed June 8, 2015

IN THE
APPELLATE COURT OF ILLINOIS
THIRD DISTRICT

A.D., 2015

<i>In re</i> MARRIAGE OF)	Appeal from the Circuit Court
)	of the 14th Judicial Circuit,
LALITA CHAUDHRY,)	Rock Island County, Illinois,
)	
Petitioner-Appellee,)	
)	Appeal No. 3-14-0686
and)	Circuit No. 99-D-772
)	
DEWAT R. CHAUDHRY,)	Honorable
)	James G. Conway, Jr.,
Respondent-Appellant.)	Judge, Presiding.

JUSTICE WRIGHT delivered the judgment of the court.
Presiding Justice McDade and Justice O'Brien concurred in the judgment.

ORDER

- ¶ 1 *Held:* The trial court's 2001 judgment for dissolution did not impose an affirmative duty to renew respondent's life insurance policy beyond its scheduled expiration.
- ¶ 2 In a 2001 judgment of dissolution, the trial court ordered petitioner, Lalita Chaudhry, and respondent, Dewat R. Chaudhry, to share the responsibility of paying the premium on Dewat's life insurance policy. When that policy was scheduled to expire in 2012, Lalita renewed the policy for a higher premium. Lalita then filed a motion for declaratory judgment, arguing that

the 2001 judgment required Dewat to pay his share of the new premium. The court granted the motion and Dewat appeals. We reverse, finding that the 2001 judgment does not impose any obligation on the parties beyond the 2012 expiration of the life insurance policy.

¶ 3

FACTS

¶ 4

Dewat and Lalita Chaudhry divorced in 2001. Although their divorce was effective March 23, 2001, related property and maintenance issues were not resolved until a “Judgment of Dissolution of Marriage on Second Half Issues” was entered on July 6, 2001.

¶ 5

One asset addressed by the judgment of dissolution was an irrevocable trust established by Dewat in 1990. The beneficiaries of the trust were Lalita, the couple’s two children, and Dewat’s step-mother. The trust was funded entirely by a life insurance policy with the Principal Mutual Life Insurance Company, which was set to lapse when Dewat, the insured, reached the age of 70. Dewat did not intend to continue the policy beyond that point.

¶ 6

The court’s judgment incorporated the parties’ agreement that the trust would be maintained and Lalita would remain a beneficiary of the trust. The parties could not, however, agree upon a method to maintain the policy with payment of premiums after dissolution. With respect to the obligation of the parties for payment of the insurance premiums, the court ordered—in paragraph 9L of the judgment—that the payments were “allocated two-thirds (\$2,520.00 per year, currently) to [Dewat] and one-third (\$1,260.00 annually, currently) to [Lalita].” The judgment further held that “[e]ach party shall pay his or her proportionate share thereof in a timely fashion, and each shall be enjoined from taking any action which compromises or diminishes the trust and the insurance policy by which it is to be funded.”

¶ 7

The court also ordered that Dewat pay Lalita a sum of \$1,500 per month for spousal maintenance, reviewable after five years. The court reviewed the maintenance obligation in

2006, and ordered one additional year of maintenance. Following that additional year, maintenance was terminated.

¶ 8 Dewat turned 70 years old in January of 2012. He ceased paying any premiums because the life insurance policy had run its term. Lalita, however, purchased extended coverage at an annual premium of \$10,000. The new coverage purchased by Lalita provided lesser coverage than the original insurance policy at a higher cost. Through her attorney, Lalita sought Dewat's payment of two-thirds of the new premium. Dewat declined.

¶ 9 On October 23, 2013, Lalita filed a rule to show cause against Dewat, arguing that he was in civil contempt for his failure to comply with the terms of the court's 2001 judgment of dissolution. Following the introduction of testimony and exhibits, the court found that Dewat was not in contempt. In so holding, the court found that the term "the policy of insurance" was ambiguous, and that this ambiguity negated the element of willfulness necessary to show civil contempt.

¶ 10 Lalita subsequently filed a motion for declaratory judgment seeking an order requiring Dewat to pay two-thirds of the life insurance premiums "going forward in perpetuity." She also sought reimbursement for Dewat's purported share of the premiums that she had been paying since he turned 70. A hearing on the matter was held on August 14, 2014, at which the court received evidence substantially similar to that adduced at the contempt hearing.

¶ 11 Following the hearing, the trial court adopted Lalita's position on the issue. The court reasoned that the inclusion of the word "currently" in the judgment "does not place a time limit on the existence of the policy." The court granted the motion for declaratory judgment on September 5, 2014, ordering Dewat to reimburse Lalita for two-thirds of the premiums she had

paid over the previous three years and to pay two-thirds of the premiums going forward. Dewat filed a notice of appeal.

¶ 12 ANALYSIS

¶ 13 On appeal, Dewat argues that the trial court erred in finding that the 2001 judgment mandates his continued payment of premiums past his 70th birthday. Lalita contends that the trial court ruled correctly.

¶ 14 At the outset, the parties dispute the proper standard of review. Dewat contends that we should review the trial court's decision *de novo*, as it is an issue of contract and judgment interpretation. Lalita maintains that this appeal is a direct appeal of the trial court's 2001 order concerning the apportionment of marital property, and the court's decision should thus be reviewed for an abuse of discretion.

¶ 15 The interpretation of provisions in a divorce decree is governed by the rules of contract construction. *In re Marriage of Kekstadt*, 85 Ill. App. 3d 952, 954 (1980). The interpretation of any contract, including the instant 2001 judgment, presents a question of law, and is subject to *de novo* review. *Gallagher v. Lenart*, 226 Ill. 2d 208, 219 (2007). Therefore, we apply this standard when reviewing the trial court's interpretation of the undisputed language set out in paragraph 8D of the judgment for dissolution and the language of paragraph 9L of the court order.

¶ 16 When interpreting the provisions of a divorce decree, the main objective is to give effect to the apparent intent of the court. *Kekstadt*, 85 Ill. App. 3d at 954. If the words in a contract are clear and unambiguous, they must be given their plain and ordinary meaning. *Thompson v. Gordon*, 241 Ill. 2d 428, 441 (2011). A contract is ambiguous, however, where it is susceptible

