

SUPREME COURT OF NEBRASKA

Rice v. Webb

287 Neb. 712 (2014) · No. No. S-13-458 · Decided March 21, 2014

SUMMARY

The Nebraska Supreme Court considered whether a divorce decree incorporating a property settlement agreement waived Brenda Rice’s beneficiary interests in life insurance policies owned by her former husband, Dale Rice. The court held that the agreement unambiguously relinquished those interests and that the district court had jurisdiction to enforce the decree after Dale’s death. The court affirmed the order requiring Brenda to withdraw her claims to the policy proceeds.

CASE DETAILS

COURT	Supreme Court of Nebraska
WRITING FOR THE COURT	Miller-Lerman, J.; Heavican, C.J.; Wright, J.; Connolly, J.; Stephan, J.; McCormack, J.; Cassel, J.
JURISDICTION	Nebraska
DECIDED	March 21, 2014
DOCKET	No. S-13-458
DISPOSITION	affirmed
PROCEDURAL POSTURE	Brenda Rice appealed from the Lancaster County District Court's judgment enforcing a dissolution decree and ordering her to withdraw claims to life insurance proceeds owned by her deceased former husband.
STANDARD OF REVIEW	The meaning of a divorce decree presents a question of law reviewed independently of the determination reached by the lower court.
PRECEDENTIAL VALUE	Published and precedential Supreme Court of Nebraska decision.
PARTIES	Brenda R. Rice v. Christina Webb, Personal Representative of the Estate of Dale E. Rice, deceased

TOPICS

- divorce
- life insurance litigation
- family law procedure
- appellate procedure
- standard of review

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether the property settlement agreement incorporated into the dissolution decree unambiguously waived Brenda's beneficiary interests in Dale's life insurance policies.
2. Whether the district court had jurisdiction to enforce the dissolution decree after Dale's death and revival of the action.
3. Whether parol evidence could be considered to establish the parties' alleged intent to remain beneficiaries of each other's life insurance policies.
4. Whether the property settlement agreement could be modified or reformed absent fraud or gross inequity.

HOLDINGS

1. A dissolution court retains jurisdiction to enforce the terms of an approved property settlement agreement incorporated into its decree, and a court with jurisdiction to make a decision may issue orders necessary to carry that decree into effect.
2. Divorce does not ordinarily affect a beneficiary designation in a life insurance policy, but a spouse may waive the beneficiary interest through a divorce decree or incorporated property settlement agreement.
3. The decree was unambiguous, and its meaning was determined as a matter of law from its four corners and the literal meaning of its language.
4. When the incorporated property settlement agreement is unambiguous, the court may not consider extrinsic evidence of the parties' alleged intent; the agreement's meaning is determined from its four corners.
5. A voluntarily executed property settlement agreement approved by the dissolution court and incorporated into an unappealed decree may not be vacated or modified absent fraud or gross inequity.

KEY QUOTATIONS

“A court that has jurisdiction to make a decision also has that power to enforce it by making such orders as are necessary to carry its judgment or decree into effect.” (at 723)

“The general rule is that divorce does not affect a beneficiary designation in a life insurance policy.” (at 724)

“A decree is a judgment, and once a decree for dissolution becomes final, its meaning, including the settlement agreement incorporated therein, is determined as a matter of law from the four corners of the decree itself.” (at 725)

“Where the language used in the property settlement agreement is unambiguous, we are bound to consider such language from the four corners of the agreement itself, and what the parties thought the agreement meant is irrelevant.” (at 727)

FACTUAL BACKGROUND

Brenda and Dale Rice divorced in August 2011 after entering a property settlement agreement that was incorporated into the dissolution decree. The agreement awarded Dale all interest in life insurance policies in his name, free from any claim by Brenda, and provided broad waivers and releases of property interests. Dale died one week after entry of the decree while Brenda remained the named primary beneficiary on his Primerica and Unum life insurance policies, and she claimed the policy proceeds. The estate sought enforcement, and the district court concluded that the decree unambiguously waived Brenda's beneficiary interests.

PROCEDURAL HISTORY

Brenda and Dale Rice's divorce decree incorporated their property settlement agreement. After Dale died while Brenda remained the named beneficiary on two life insurance policies, the estate sought enforcement of the decree. The district court initially granted enforcement, but the Nebraska Court of Appeals vacated that order for lack of jurisdiction because the dissolution proceeding had not been revived. After the estate revived the action, the district court again enforced the decree and rejected Brenda's requests to use extrinsic evidence or reform the agreement. The Nebraska Supreme Court affirmed.

DISPOSITION

affirmed

CASES CITED

- Hohertz v. Estate of Hohertz, 19 Neb. App. 110, 802 N.W.2d 141 (2011)
- Chamberlin v. Chamberlin, 206 Neb. 808, 295 N.W.2d 391 (1980)
- Strunk v. Chromy-Strunk, 270 Neb. 917, 708 N.W.2d 821 (2006)
- Henderson v. Henderson, 307 N.C. 401, 298 S.E.2d 345 (1983)
- Dennis v. Dennis, 6 Neb. App. 461, 574 N.W.2d 189 (1998)
- Pinkard v. Confederation Life Ins. Co., 264 Neb. 312, 647 N.W.2d 85 (2002)
- Trueblood v. Roberts, 15 Neb. App. 579, 732 N.W.2d 368 (2007)
- Strong v. Omaha Construction Industries Pension Plan, 270 Neb. 1, 701 N.W.2d 320 (2005)
- Kennedy v. Plan Administrator for DuPont Savings and Investment Plan, 555 U.S. 285, 129 S. Ct. 865, 172 L. Ed. 2d 662 (2009)
- Metropolitan Life Insurance Co. v. Beaty, 242 Neb. 169, 493 N.W.2d 627 (1993)
- Boyle v. Boyle, 12 Neb. App. 681, 684 N.W.2d 49 (2004)
- Bokelman v. Bokelman, 202 Neb. 17, 272 N.W.2d 916 (1979)
- Larsen v. Northwestern National Life Insurance, 463 N.W.2d 777 (Minn. App. 1990)
- Sorensen v. Nelson, 342 N.W.2d 477 (Iowa 1984)
- Lynch v. Bogenrief, 237 N.W.2d 793 (Iowa 1976)
- Fox Valley & Vicinity Construction Workers Pension Fund v. Brown, 897 F.2d 275 (7th Cir. 1990)
- Spady v. Spady, 284 Neb. 885, 824 N.W.2d 366 (2012)

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