STATE OF MINNESOTA
IN COURT OF APPEALS
A08-0781

In re the Marriage of: Francisco Puga, petitioner,
Respondent,

vs.

Lucia Vaglienti, respondent,

Estate of Lucia Vaglienti, deceased,
Appellant.

Filed January 13, 2009
Affirmed
Larkin, Judge

Dodge County District Court
File No. 20-F2-01-000476

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Considered and decided by Hudson, Presiding Judge; Larkin, Judge; and Collins, Judge.*

*Retired judge of the district court, serving as judge of the Minnesota Court of Appeals by appointment pursuant to Minn. Const. art. VI, § 10.

U N P U B L I S H E D O P I N I O N

LARKIN, Judge

In this post-dissolution appeal, wife's estate argues that the district court abused its discretion by ordering termination of a term life-insurance policy that was mandated by the parties' dissolution decree. Appellant argues that the life-insurance policy was awarded to wife as an asset in the decree's property division and that the district court improperly modified the property division when it terminated the policy. We conclude that the life-insurance policy was security for respondent's spousal-maintenance obligation, not an award of property, and that the district court did not abuse its discretion by terminating the policy after wife's death. We affirm.

FACTS

Lucia Vaglienti (deceased) and Francisco Puga (respondent) married in 1968 and legally separated in 2001. In September 2002, the parties dissolved their marriage. The dissolution decree required respondent to pay permanent spousal maintenance until he no longer worked at the Mayo Clinic, or until the death or remarriage of Vaglienti, whichever occurred first. The decree also required respondent to maintain a life insurance policy on his life for a term of ten years, in a sum not less than $1,000,000, with Vaglienti named as the beneficiary. Respondent obtained the policy and paid the necessary premiums. Vaglienti died in February 2007. Thereafter, appellant (Vaglienti's estate) began paying the premiums without respondent's knowledge.

In December 2007, respondent moved the district court for an order terminating the life insurance policy. Appellant opposed the motion. Appellant maintained that

Vaglienti owned the life insurance policy and that Vaglienti's interest in the policy transferred to her estate upon her death. Appellant argued that it had the right to maintain the policy at its own expense, if it chose.

The district court determined that respondent's spousal-maintenance obligation terminated on Vaglienti's death and that there was no longer a need for life insurance on respondent's life. The district court ordered that the life-insurance policy terminate immediately. This appeal follows.

D E C I S I O N

The parties agree that Vaglienti's death terminated respondent's obligation to pay spousal maintenance and his obligation to pay the premiums on the life-insurance policy. Appellant argues, however, that the dissolution judgment treated the policy as property, awarding it to Vaglienti as part of the property division. Respondent argues that the dissolution judgment did not treat the policy as property, but as security for his maintenance obligation. This distinction is critical. Under proper circumstances, Minn. Stat. § 518A.39 (2008) allows a district court to modify a spousal-maintenance obligation, but Minn. Stat. § 518A.39, subd. 2(f) states that a district court may not alter a dissolution judgment's property division absent a determination that conditions exist that justify reopening the judgment under Minn. Stat. § 518.145, subd. 2 (2008). *See Dabrowski v. Dabrowski*, 477 N.W.2d 761, 766 (Minn. App. 1991) (noting that property awards in dissolution judgments are generally final and not subject to alteration).

Here, the district court did not explicitly construe the dissolution judgment to treat the insurance policy as part of the maintenance award rather than as part of the property

division, but in terminating the insurance policy it stated both that "[respondent] shall no longer be required to pay spousal maintenance to [Vaglienti] or her Estate" and that "[respondent] shall no longer be responsible for the premiums of the North American Company life insurance policy." Because the district court treated the termination of the insurance policy as derivative of the termination of respondent's maintenance obligation, we infer that the district court functionally construed the dissolution judgment to treat the life-insurance policy as security for respondent's maintenance obligation rather than as part of the property award.

Appellate courts review a district court's construction of a judgment under a multi-part standard. Absent ambiguity in a judgment, it is improper for a court to interpret a judgment. *See Starr v. Starr*, 312 Minn. 561, 562-63, 251 N.W.2d 341, 342 (1977) (reciting this rule in the context of a stipulated judgment). A document is ambiguous if it is reasonably susceptible to more than one meaning. *Landwehr v. Landwehr*, 380 N.W.2d 136, 138 (Minn. App. 1985). Whether ambiguity exists is a legal question subject to de novo review. *Halverson v. Halverson*, 381 N.W.2d 69, 71 (Minn. App. 1986). What an ambiguous provision means, however, is a factual question. *Emerick ex rel. Howley v. Sanchez*, 547 N.W.2d 109, 112 (Minn. App. 1996). Appellate courts review a district court's findings of fact under a clearly erroneous standard. Minn. R. Civ. P. 52.01. Under this multi-part standard, for two reasons, we affirm the district court's reading of the dissolution judgment to treat the insurance policy as part of the maintenance award.

First, while awarding Vaglienti permanent monthly maintenance, the dissolution judgment also states that, "[a]s and for additional maintenance," respondent was to "pay all premiums on the [insurance] policy." Another provision states: "[I]n the event that [respondent] fails to maintain such life insurance, [Vaglienti] shall have at minimum a claim against [respondent's] estate for the amount of the maintenance obligations. . . ." Thus, while the first provision explicitly characterizes the premiums, and hence the continued existence of the policy, as part of the maintenance award, the second provision shows that the reason for the policy is to secure the maintenance award. On this record, we conclude that the judgment's language unambiguously makes the insurance policy part of the maintenance award. Therefore, we also conclude that the maintenance award can be modified under Minn. Stat. § 518A.39.

Based on judgment provisions stating that Vaglienti declined her interest in a trust and resigned as trustee in consideration for respondent obtaining the life insurance policy, appellant argues that the judgment treated the life insurance policy as property. We reject that argument because it makes assumptions about the nature of Vaglienti's interest in the trust. Appellant did not identify the forfeited interest, and the record contains no information regarding the terms of the trust. On this record, we will not ignore judgment language explicitly treating the policy as part of the maintenance award based on Vaglienti's forfeiture of an unidentified interest in an undescribed trust.

The second reason for affirming the district court's treatment of the insurance policy as part of the maintenance award is that determining the meaning of an ambiguous judgment provision is a fact question, *Sanchez*, 547 N.W.2d at 112, subject to a clearly

erroneous standard of review, Minn. R. Civ. P. 52.01, and on this record, even if the dissolution judgment were ambiguous, the district court's treatment of the insurance policy as part of the maintenance award would not be clearly erroneous. Where, as here, the same judge who authored a judgment is the one who is called on to interpret that judgment, that judge's interpretation of his or her own ruling is given "great weight." *Mikoda v. Mikoda*, 413 N.W.2d 238, 242 (Minn. App. 1987), *review denied* (Minn. Dec. 22, 1987); *see Ludwigson v. Ludwigson*, 642 N.W.2d 441, 449 (Minn. App. 2002) (stating that when a dissolution judgment "is ambiguous or uncertain on its face and, because of its language, is of doubtful meaning or open to diverse constructions, [it] may be clarified by the tribunal that ordered it" (quoting *Mikoda*, 413 N.W.2d at 241)).

Here, reading the dissolution judgment to treat the insurance policy as part of the maintenance award is consistent with the language of the judgment, with the statutory authorization for courts to require security for maintenance awards existing in Minn. Stat. § 518.24 (2002) when the judgment was entered (now codified at Minn. Stat. § 518A.71 (2008)), and with the absence of the insurance policy from the portion of the dissolution judgment dividing the parties' property. Moreover, this reading of the judgment is also consistent with caselaw on similar issues. *See, e.g., Hunley v. Hunley*, ___ N.W.2d ___, ___ 2008 WL 5137071, at *3 (Minn. App. Dec. 9, 2008) (holding that because requiring a parent to maintain a life-insurance policy to secure the parent's child-support obligation was in the nature of child support, the district court could require a parent to provide life insurance if doing so was in the child's best interests); *Korf v. Korf*, 553 N.W.2d 706, 708 (Minn. App. 1996) (stating that the requirement to provide medical insurance for children

is in the nature of child support)). Where a district court's finding of fact is consistent with the relevant language in the judgment, the statutes, the caselaw, and where the argument for another result lacks factual support in the record, we cannot say that any finding by the district court that the insurance policy is part of the maintenance award is clearly erroneous.

Appellant also argues that Vaglienti was designated as the owner of the life-insurance policy in the decree and that Vaglienti's ownership interest transferred to her estate at her death. Appellant contends that as the new owner of the life-insurance policy, the estate has the right to maintain the policy at its own expense and that only the estate has the ability to terminate the policy. We are not persuaded by this argument. Appellant draws a distinction between life insurance premiums, which appellant concedes are defined as additional spousal maintenance, and the actual insurance policy itself, which has no cash value. We see no meaningful basis to distinguish between the monthly premiums and the policy itself when the policy has no cash value.

Finally, we note that common law requires the beneficiary of an insurance policy to have an insurable interest in the insured's life. *Grigsby v. Russell*, 222 U.S. 149, 154, 32 S. Ct. 58 (1911) ("A contract of insurance upon a life in which the insured has no interest is a pure wager that gives the insured sinister counter interest in having the life come to an end."); *see also Middelstadt v. Grand Lodge Sons of Hermann*, 107 Minn. 228, 233, 120 N.W.2d 37, 38 (1909) (acknowledging the public policy "which forbids a mere stranger having no insurable interest to take out or otherwise acquire insurance on the life of another"). Post-dissolution, Vaglienti held no interest in respondent's life,

other than receipt of spousal-maintenance payments, and this interest ended upon Vaglienti's death. Appellant does not have an insurable interest in respondent's life. Allowing appellant to maintain the life insurance policy over respondent's objection is contrary to policy embodied in common law.

Because the life-insurance policy secured Vaglienti's right to receive spousal-maintenance payments, and that right ended upon Vaglienti's death, the district court did not abuse its discretion by terminating the life-insurance policy.

Affirmed.

Dated: _____

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The Honorable Michelle A. Larkin
Minnesota Court of Appeals