

STATE OF MICHIGAN
COURT OF APPEALS

KIRK RAYMOND ROSEY, Personal Representative
of the Estate of CRAIG E. ROSEY, Deceased,

UNPUBLISHED
October 31, 1997

Plaintiff-Appellant,

v

No. 194732
Grand Traverse Circuit Court
LC No. 96-014386 CK

GINA MICHELLE GOODMAN,

Defendant-Appellee.

Before: Holbrook, Jr., P.J., and Michael J. Kelly and Gribbs, JJ.

MEMORANDUM.

In this appeal as of right, we are asked to determine whether the proceeds of a life insurance policy should be paid to the contingent beneficiary or to the estate of the insured. The trial court determined that the contingent beneficiary was entitled to the proceeds. We agree and, therefore, affirm. This case is being decided without oral argument pursuant to MCR 7.214(E).

Plaintiff mistakenly relies on *In re Seitz Estate*, 426 Mich 630; 397 NW2d 162 (1986), to support his claim that the estate of the insured is entitled to the proceeds of the insured's life insurance policy. *In re Seitz Estate* stands for the proposition that when a life insurance policy beneficiary designation provides that a contingent beneficiary takes in the event the primary beneficiary predeceases the insured, and the primary beneficiary has not predeceased the insured but is disqualified—by divorce or otherwise—the contingent beneficiary is not qualified to receive the proceeds of the insurance policy. *Id.*, 635. Unlike in *In re Seitz Estate*, neither the application nor the insurance policy in the instant case sets forth an expressly stated precondition that requires the primary beneficiary to predecease the insured in order for the contingent beneficiary to qualify as the beneficiary entitled to the insurance proceeds. The language of the insurance contract relied upon by plaintiff, when read in context, does not clearly and unambiguously impose any precondition, but instead merely delineates the rights of survivorship held by a beneficiary regarding the beneficiary's interest under the policy, i.e. where the beneficiary predeceases the insured, any interest held by that beneficiary under the policy does not pass to the heirs or estate of the predeceased beneficiary, but instead passes to any remaining beneficiaries in equal shares.

Because the insurance policy in this case does not define the term “contingent beneficiary” or specify the preconditions that must occur before a contingent beneficiary may qualify to receive the insurance proceeds, we must assign the term “contingent beneficiary” its normal meaning, which is that of an alternative taker of the proceeds if the primary beneficiary cannot take due to death or disqualification. *Starbuck v City Bank & Trust Co*, 384 Mich 295, 300-301; 181 NW2d 904 (1970). Accordingly, as a matter of contract interpretation, the contingent beneficiary was qualified to receive the proceeds of the insured’s policy upon disqualification of the primary beneficiary due to divorce. *Id.*, 301; see also *Holley v Schneider*, 422 Mich 248; 369 NW2d 857 (1985).

Affirmed.

/s/ Donald E. Holbrook, Jr.
/s/ Michael J. Kelly
/s/ Roman S. Gibbs