

SUMMARY STATEMENT

Neustadt v. Colafranceschi

Docket No. 47201

This appeal involved the enforceability of a premarital agreement. Before Julie Neustadt and Mark Colafranceschi were married, they entered into a premarital agreement that required Neustadt to obtain a two-million-dollar life insurance policy naming Colafranceschi as the beneficiary. The agreement required Neustadt to keep the policy in force after termination of the marriage. During the divorce proceedings, Neustadt challenged the enforceability of this provision, arguing that the insurance clause was void as against public policy to the extent it applied after divorce. The magistrate court agreed that the contractual provision was void as against public policy. However, on appeal, the district court reversed, concluding the insurance clause did not violate any public policy in Idaho.

The Idaho Supreme Court held that the premarital agreement was not void as against public policy. The Court reasoned that Idaho Code section 41-1804 allowed an individual to procure a life insurance policy on their life for the benefit of another person regardless of whether that person has an insurable interest in the insured's life.

Additionally, the Court held that there was substantial and competent evidence supporting the magistrate court's judgment against Colafranceschi on his claims of fraudulent inducement regarding equity in the house the couple lived in during the marriage.