

No. 1-15-3437

**NOTICE:** This order was filed under Supreme Court Rule 23 and may not be cited as precedent by any party except in the limited circumstances allowed under Rule 23(e)(1).

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IN THE  
APPELLATE COURT OF ILLINOIS  
FIRST JUDICIAL DISTRICT

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SUDEEP CHANDRA,	)	Appeal from the
	)	Circuit Court of
Plaintiff-Appellant,	)	Cook County.
	)	
v.	)	13 CH 27788
	)	
MEMBERSELECT INSURANCE COMPANY,	)	
	)	The Honorable
	)	Kathleen G. Kennedy,
Defendant-Appellee.	)	Judge Presiding.
	)	

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JUSTICE HOWSE delivered the judgment of the court.  
Justices Ellis and Cobbs concurred in the judgment.

**ORDER**

¶ 1 *Held:* Where the insurance policy provisions, which limit coverage for stolen jewelry at \$2,500, are clear and unambiguous and that amount was paid to plaintiff, summary judgment in favor of insurer is affirmed.

¶ 2 Plaintiff Sudeep Chandra filed a claim with MemberSelect Insurance Company (MemberSelect) after his home had been burglarized pursuant to a homeowner's insurance policy he purchased from MemberSelect. During the burglary, jewelry was stolen. Chandra alleged the value of the stolen jewelry was approximately \$86,000. MemberSelect paid Chandra \$2,500 for the stolen jewelry claiming that was the maximum amount it could pay out pursuant to the terms of Chandra's insurance policy. Chandra disagreed and filed a lawsuit against MemberSelect claiming that the policy language allowed for coverage for the full value of his stolen jewelry. Both parties filed motions for summary judgment, and the trial court granted summary judgment in favor of MemberSelect finding that the unambiguous language in the insurance policy only allowed for \$2,500 in coverage for the stolen jewelry. Chandra now appeals that ruling. For the reasons that follow, we affirm the trial court's ruling.

¶ 3 **BACKGROUND**

¶ 4 Plaintiff Sudeep Chandra was insured by MemberSelect Insurance Company (MemberSelect) under a Homeowner's Insurance Policy, Policy Number HOM035664436 (Policy), which was issued to him as the named insured for the policy period of May 12, 2013 to May 12, 2014.

¶ 5 During the policy period, on or about May 21, 2013, Chandra's home was burglarized and a number of items were stolen, including a safe that contained jewelry estimated to be worth \$86,000. Subsequent to the burglary, Chandra notified MemberSelect, and sought recovery for his items, including the stolen jewelry. MemberSelect acknowledged receipt Chandra's claim.

¶ 6 At issue in this appeal is the amount of coverage that MemberSelect was required to provide for the stolen jewelry. MemberSelect paid Chandra \$2,500 claiming that was the maximum amount allowed for coverage for stolen jewelry under the language of the Policy.

Chandra argues that this was insufficient because, pursuant to the language of the Policy, which he claims is ambiguous, MemberSelect should provide coverage for the full value of his stolen jewelry, approximately \$86,000.

¶ 7 Chandra's Policy provides for special limits on certain property, including jewelry, watches, precious and semi-precious stones and furs. The "Homeowners Insurance Policy Renewal Declaration Certificate" (Declaration Certificate) states that Chandra paid a premium of \$771 for "H-3 Homeowners Insurance Policy – Dwelling Form" which included "H-290 Personal Property Replacement Cost Applies to Coverage C." Chandra paid an additional premium of \$119 for "H-500 Protection Plus Homeowners Package." "Included in H-500" is "H-210 Special Jewelry and Furs Coverage Total Limit: \$2,500."

¶ 8 The following provisions from the Policy are relevant here.

¶ 9 "Part I" of the Policy, entitled "Property Insurance Coverages" states that the limit of the insurer's liability is \$1,000 and that is the maximum the insurer will pay under the Policy for all property included in the group:

"COVERAGE C- PERSONAL PROPERTY

\* \* \*

SPECIAL LIMITS ON CERTAIN PROPERTY

The following Limit of Liability for each group is the maximum we will pay for any occurrence for all property included in the group.

These limits do not increase the amount of insurance under Coverage C.

Personal Property Group

Limit of Liability

\* \* \*

5. Theft of jewelry, watches  
precious and semi-precious stones

\$1,000[.]”

and furs, including any article containing fur which represents its principal value.

¶ 10 "Part III" of the Policy is entitled "Optional Insurance Coverages." Immediately below this title, the Policy states: "A Coverage from this Part applies only if shown on the Declaration Certificate. All provisions of this Policy apply to each Optional Insurance Coverage contained in this Part unless modified by the terms of the specific Optional Insurance Coverage." "Part III" goes on to state, in relevant part:

"H-210 – SPECIAL JEWELRY AND FURS COVERAGE

PART I – PROPERTY INSURANCE COVERAGES, is amended as follows:

Under the Special Limits on Certain Property under Coverage C, Personal Property Group 5 is deleted and replaced with the following Additional Insurance Coverage:

Jewelry and Furs. We cover risk of direct physical loss of jewelry, watches, precious and semi-precious stones and furs, including any article containing fur which represents its principal value.

\* \* \*

In addition to otherwise applicable limitations and exclusions, the Limit of Liability for loss caused by theft, misplacing or losing shall be the amount shown on the Declaration Certificate for this coverage, subject to a maximum per item as shown below:

<u>Limit of Liability Option</u>	<u>Maximum Per Item Limit</u>
\$2,500	\$1,000
\$5,000	\$2,500[.]

"Part III" of the Policy further goes on to state:

"H-290 – PERSONAL PROPERTY REPLACEMENT COST

We will pay, in the event of a loss under Coverage C, the Replacement Cost of: personal property, \*\*\*. Replacement Cost means the cost, at the time of the loss, of a new article identical to that damaged or destroyed or which is of comparable quality when the identical article is no longer available.

\* \* \*

Limits of Liability

Payment for any single item will not exceed the smallest of the following amounts:

1. the cost to replace the item with a similar item of like kind and quality;
2. the cost of repair or restoration;
3. the Limit of Liability shown on the Declaration Certificate for Coverage C, any Special Limit of Liability described in this Policy, or the Amount of Insurance stated on any applicable Scheduled Personal Property Endorsement attached to this Policy.

\* \* \*

Conditions

When the Replacement Cost for the entire loss is more than \$5,000, we will not pay more than the Actual Cash Value of the damaged property until the repair, restoration or replacement is completed. Actual Cash Value means there may be a deduction for depreciation.

If you decide not to repair, restore or replace the damaged or stolen property, settlement will be on an Actual Cash Value basis; not to exceed the Limit of Liability shown on the Declaration Certification for Coverage C, any Special Limit of Liability described in this Policy, or the Amount of Insurance stated for any applicable Scheduled Personal Property Coverage provided by this Policy. You may make a claim within two years after the settlement of loss for any additional payment or a Replacement Cost basis if you repair, restore or replace the damaged or stolen property."

Further, under section H-500, which is also found within "Part III," the Policy states:

"8. Special Jewelry and Furs Coverage

Coverage as provided by Optional Insurance Coverage H-210-Special Jewelry and Furs Coverage is Included. The \$2,500 Limit of Liability Option applies."

¶ 11 On December 17, 2013, Chandra filed a complaint against MemberSelect after it declined to pay him coverage beyond \$2,500 for the jewelry that was stolen from his home during the May 21, 2013 burglary. The complaint, and amended complaint, asserted two claims against MemberSelect: "Declaratory Judgment" (Count I) and "Breach of Contract" (Count II). On June 24, 2015, the parties filed cross motions for summary judgment. Following briefing and oral arguments on the matter, the trial court granted MemberSelect's motion for summary judgment and denied Chandra's motion for summary judgment. In making her oral ruling, the trial court judge stated:

"The Court further finds reading the policy as a whole, as the Court must, that there is no ambiguity and no conflict between H-210 and H-290. And the parties intended in this policy to limit to a total of \$2,500 the liability for loss caused by the theft of jewelry.

Therefore, Defendant MemberSelect Insurance Company is entitled to summary judgment in its favor and against plaintiff on plaintiff's amended complaint for declaratory judgment and other relief as well as MemberSelect's counterclaims, except that the Court makes no ruling regarding the Illinois Amendatory Endorsement to the Homeowners Insurance Policy."

Chandra now timely appeals the trial court's ruling granting summary judgment in favor of MemberSelect.

¶ 12

#### ANALYSIS

¶ 13 In an appeal from the grant of summary judgment, we conduct a *de novo* review.

*Outboard Marine Corp. v. Liberty Mutual Insurance Co.*, 154 Ill. 2d 90, 102 (1992).

Specifically, the construction of an insurance policy is a question of law, which is reviewed *de novo*. *Rich v. Principal Life Insurance Co.*, 226 Ill. 2d 359, 370-71 (2007). Although summary judgment is a drastic means of disposing of litigation, it is an appropriate measure in cases where there are no genuine issues of material fact and the moving party is entitled to judgment as a matter of law. *Crum & Forster Managers Corp. v. Resolution Trust Corp.*, 156 Ill. 2d 384, 390-91 (1993).

¶ 14 This appeal involves an issue relating to the construction of an insurance policy. The construction of an insurance policy and a determination of the rights and obligations thereunder are questions of law for the court which are appropriate subjects for disposition by way of summary judgment. *Crum & Forster Managers Corp.*, 156 Ill. 2d at 391; see *Outboard Marine Corp.*, 154 Ill. 2d at 108. In construing an insurance policy, the primary function of the court is to ascertain and enforce the intentions of the parties as expressed in the agreement. *Crum & Forster Managers Corp.*, 156 Ill. 2d at 391. To ascertain the intent of the parties and the meaning of the words used in the insurance policy, the court must construe the policy as a whole, taking into account the type of insurance for which the parties have contracted, the risks undertaken and purchased, the subject matter that is insured and the purposes of the entire contract. *Id.*; *Rich*, 226 Ill. 2d at 371 ("Because the court must assume that every provision was intended to serve a purpose, an insurance policy is to be construed as a whole, giving effect to every provision [citation.], and taking into account the type of insurance provided, the nature of the risks involved, and the overall purpose of the contract [Citations.]"). If the words in the policy are plain and unambiguous, the court will afford them their plain, ordinary meaning and will apply them as written. *Id.*

¶ 15 Whether an ambiguity exists turns on whether the policy language is subject to more than one reasonable interpretation. *Hobbs v. Hartford Insurance Co. of the Midwest*, 214 Ill. 2d 11, 17 (2005). "All the provisions of the insurance contract, rather than an isolated part, should be read together to interpret it and to determine whether an ambiguity exists." *Rich*, 226 Ill. 2d at 371 (quoting *United States Fire Insurance Co. v. Schnackenberg*, 88 Ill. 2d 1, 5 (1981)). Although "creative possibilities" may be suggested, only reasonable interpretations will be considered. *Bruder v. Country Mutual Insurance Co.*, 156 Ill. 2d 179, 193 (1993). We will not



interpret an insurance policy in such a way that any of its terms are rendered meaningless or superfluous. *Pekin Insurance Co. v. Wilson*, 391 Ill. App. 3d 505, 512 (2010). Although policy terms that limit an insurer's liability will be liberally construed in favor of coverage, this rule of construction only comes into play when the policy is ambiguous. *Hobbs*, 214 Ill. 2d at 17.

¶ 16 On appeal, Chandra argues that the trial court erred in granting summary judgment in favor of MemberSelect because the Policy at issue contains conflicting personal property loss coverage provisions, thereby making it ambiguous. Specifically, Chandra argues: (1) section H-290 provides that Chandra is entitled to receive the full replacement cost of his stolen jewelry, approximately \$86,000; (2) section H-210 does not limit coverage because, where a policy is ambiguous, the court must grant the insured the greater amount of coverage; (3) section H-210 and section H-290 conflict because jewelry is covered under both provisions; and (4) by only paying Chandra \$2,500, MemberSelect breached the insurance contract. Chandra also brings up an argument that was made in the lower court relating to the Illinois Amendatory Endorsement; however, the trial court never ruled on that argument and the parties do not raise arguments regarding the Illinois Amendatory Endorsement on appeal. MemberSelect, in turn, argues that the trial court properly granted summary judgment in its favor where the Policy is not ambiguous and where the maximum coverage under the Policy for Chandra's stolen jewelry, which has a special limit on coverage of \$2,500, has already been paid to Chandra.

¶ 17 We do not find the Policy at issue here to be ambiguous. Rather, like the trial court judge, we find that when reading the Policy as a whole, it very clearly limits the coverage for Chandra's stolen jewelry at \$2,500. "Part I" of the Policy, entitled "Property Insurance Coverage" states, under "Coverage C – Personal Property," that the limit of liability for the theft

of jewelry is \$1,000. As such, under the basic coverage under the Policy, coverage for stolen jewelry is limited at \$1,000.

¶ 18 However, as stated in the Declaration Certificate, Chandra purchased additional coverage for jewelry and paid an additional premium of \$119 for that additional coverage. The Declaration Certificate clearly states that, for the additional \$119 premium, and pursuant to "H-210 Special Jewelry and Furs Coverage" the "Total Limit" on liability is "\$2,500."

¶ 19 Section H-210 is under "Part III" of the Policy, which is titled, "Optional Insurance Coverages." Under section H-210 of the Policy, titled "Special Jewelry and Furs Coverage," it states that the section in "Part I" of the Policy that only allowed a maximum of \$1,000 in coverage for stolen jewelry "is deleted" and replaced by section H-210, which allows a "Limit of Liability Option" of \$2,500 with a "Maximum Per Item Limit" of \$1,000. This limit of liability of \$2,500 also appears on the face of Chandra's Declaration Certificate.

¶ 20 Immediately following section H-210 in the Policy is section H-290. Significantly, section H-290 is titled "Personal Property Replacement Costs." This section explains that, in the event of a loss, items of personal property, such as jewelry, will be paid out by the item's replacement cost, subject to certain conditions that modify how items are valued by MemberSelect for coverage purposes. As such, section H-290 deals with how the insured will be reimbursed for their damaged, lost or stolen items. While section H-290 discusses limits on liability, this discussion merely reiterates the limits already placed on liability earlier in the Policy to ensure that, when calculating the amount of coverage for damaged, lost or stolen items, those amounts do not exceed the limits already placed on such coverage. As such, because section H-290 deals with how the insured's coverage will be calculated while reinforcing the limits of liability set by the Policy in section H-210 (as well as in the Declaration Certificate), we

find that, reading the Policy as a whole, the Policy clearly and unambiguously limits coverage for Chandra's stolen jewelry at \$2,500.

¶ 21 Chandra argues that section H-290 offers unlimited coverage for the replacement cost of his jewelry that was stolen, which conflicts with section H-210 of the Policy, thereby creating ambiguity in the Policy that should be construed in his favor. We find this interpretation of the Policy language to be unreasonable.

¶ 22 When construing an insurance policy, we must assume that every provision was intended to serve a purpose, construe the insurance policy as a whole, give effect to every provision [], and take into account the type of insurance provided, the nature of the risks involved, and the overall purpose of the contract. *Rich*, 226 Ill. 2d at 371. First, we find that there are no conflicts or ambiguity between the provisions at issue here in the Policy, namely sections H-210 and H-290. In "Part I," the Policy lays out the basic insurance coverage offered by the Policy, which is \$1,000 for jewelry. Because Chandra purchased additional coverage under his Policy, as shown by the additional \$119 premium he paid in the Declaration Certificate, "Part III" is included in the Policy, which governs optional insurance coverage. Under "Part III," section H-210 increases the maximum coverage of \$1,000 for jewelry to \$2,500. "Part III" then goes onto to describe how stolen jewelry items will be valued for coverage purposes under section H-290, titled "Personal Property Replacement Costs." In that section, the Policy states that coverage for jewelry will be valued by its current replacement cost, subject to certain conditions, not to exceed the previously set limits on coverage found within the Policy. As such, because section H-210 governs additional insurance coverage purchased by the insured and the limits on that coverage, and section H-290 governs how items subject to coverage will be valued and paid out—by the current replacement costs, subject to conditions—we do not find that these

provisions conflict to create any ambiguity as to the limit of coverage applicable in this case.

One section sets limits on coverage (H-210) and one section explains how items will be valued (H-290).

¶ 23 Second, if we were to interpret the Policy as Chandra would like—that section H-290 offers unlimited coverage for stolen jewelry—that would render section H-210, section H-500(8), as well as statements in the Declaration Certificate meaningless. We will not interpret an insurance policy in such a way that any of its terms are rendered meaningless or superfluous. *Pekin Insurance Co.*, 391 Ill. App. 3d at 512.

¶ 24 Third, Chandra's argument that section H-290 is the source of unlimited coverage for stolen jewelry does not logically flow from the structure of the Policy. Section H-290 is titled "Personal Property Replacement Costs." It governs how stolen items are to be valued with respect to how much coverage will be paid for those items; it does not govern the limits on coverage. Although it references limits on coverage, likely to avoid the very situation created here, the purpose of section H-290 is to explain how claims will be paid, subject to the conditions stated therein and subject to the limits of coverage already found within the Policy. As such, section H-290 which is titled "Personal Property Replacement Costs" and which discusses how items will be valued for coverage purposes, is not a section in the Policy meant to set limits on coverage.

¶ 25 Last, section H-500 of the Policy reinforces our interpretation of the Policy as it states:

"8. Special Jewelry and Furs Coverage

Coverage as provided by Optional Insurance Coverage H-210-

Special Jewelry and Furs Coverage is Included. The \$2,500 Limit of Liability Option applies."

As such, because we find that the Policy clearly and unambiguously limits coverage for stolen jewelry at \$2,500, which is the amount that MemberSelect has already paid to Chandra, we affirm the trial court's grant of summary judgment in favor of MemberSelect.

¶ 26 Although we acknowledge Chandra's citation to *Orren v. Phoenix Insurance Co.*, 288 Minn. 225, 227 (1970) in support of its argument that the Policy at issue here is ambiguous, we find that case to be distinguishable. In *Orren*, the plaintiffs were homeowners whose home was burglarized and jewelry was stolen. The insurer argued its liability for stolen jewelry was limited to an aggregate amount of \$250. The plaintiffs argued that the policy was ambiguous as to whether liability was limited to an aggregate amount of \$250 or whether the liability limit was \$250 per article of jewelry stolen. The plaintiffs argued the ambiguity should be held against the insurer and, as a result, they should be entitled to recover up to \$250 per article of jewelry stolen. The court found that the policy was ambiguous as to whether the insurer's limit of liability was \$250 in the aggregate or \$250 per item of jewelry. The court found the policy could be interpreted either way and was, therefore, ambiguous. The court further held that the ambiguity should be held against the insurer and entered judgment in favor of the plaintiffs. See *Orren*, 288 Minn. 225, 227-30 (1970).

¶ 27 In this case, however, there is no ambiguity in regard to the limit of the insurer's liability. The Policy clearly states the maximum the insurer will pay for stolen jewelry:

**"SPECIAL LIMITS ON CERTAIN PROPERTY**

The following Limit of Liability for each group is the maximum we will pay for any occurrence for all property included in the group.

These limits do not increase the amount of insurance under Coverage C.

Personal Property Group

Limit of Liability

\* \* \*

5. Theft of jewelry, watches  
precious and semi-precious stones  
and furs, including any article containing  
fur which represents its principal value.

\$1,000[.]”

Although Chandra increased the limit of liability to \$2,500 with optional insurance, which is supported in sections H-210, H-500(8) and the Declaration Certificate, we find \$2,500 is the total liability for all jewelry lost or stolen in any occurrence. We, therefore, find no ambiguity.

¶ 28

Conclusion

¶ 29 For the reasons above, we affirm the trial court's grant of summary judgment in favor of MemberSelect.

¶ 30 Affirmed.