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INTERNATIONAL LAW

*Joseph Dainow**

*Theye y Ajuria v. Pan American Life Ins. Co.*¹ was a suit for the cash surrender value of an insurance policy. The insured was a Cuban, and he had applied for the policy through the company's agent in Havana. The application was received and acted upon at the home office in Louisiana, and the policy was duly issued in 1928. According to the policy provisions, premiums were paid in dollars in the United States, and in 1942 it became a paid-up policy. The proceeds of the policy were also payable at the home office in Louisiana.

The trial court rendered judgment for the plaintiff, but the court of appeal reversed, sustaining the defendant's argument that the contract had been transferred to Cuban jurisdiction and was governed by a 1959 Cuban law which required all payments to be made in Cuba. The Louisiana court of appeal considered that the situation came within the scope of the international agreement known as the 1945 Bretton Woods Agreement, which, together with the implementing act of Congress, must supersede state law, because the United States and Cuba were both parties.

The Supreme Court reversed the court of appeal, and affirmed the district court judgment on the ground that this case did not come within the Bretton Woods Agreement because it did not affect any international exchange or currency controls. The policy had been paid up in 1942, long before the Cuban law of 1959, and the loans made and repaid in pesos in 1948, 1950, and 1952 did not transform the Louisiana contract into a Cuban one. The "act of state" doctrine of international law could not give the Cuban law effectiveness over the Louisiana contract in a Louisiana court.²

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1. 245 La. 755, 161 So.2d 70 (1964), *reversing* 154 So.2d 450 (La. App. 4th Cir. 1963), *cert. denied*, 377 U.S. 997, *rehearing denied*, 85 Sup. Ct. 20 (1964).

2. A similar claim by a Cuban refugee for the cash surrender value of an insurance policy was rejected by a Florida court, because the place of making and performance of the contract had been in Cuba, so that the question had to be decided according to Cuban law. *Confederation Life Association v. Ugalde*, 164 So.2d 1 (Fla. 1964), 5 VA. J. INT'L L. 98 (1964).