

**Meadows Vs. United States**

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**SooperKanoon Citation :** [sooperkanoon.com/95263](http://sooperkanoon.com/95263)

**Court :** US Supreme Court

**Decided On :** Apr-14-1930

**Appeal No. :** 281 U.S. 271

**Appellant :** Meadows

**Respondent :** United States

**Judgement :**

Meadows v. United States - 281 U.S. 271 (1930)

U.S. Supreme Court Meadows v. United States, 281 U.S. 271 (1930)

**Meadows v. United States**

**No. 269**

**Argued March 5, 1930**

**Decided April 14, 1930**

**281 U.S. 271**

*CERTIORARI TO THE CIRCUIT COURT OF APPEALS*

*FOR THE EIGHTH CIRCUIT*

## SYLLABUS

1. The district court is without jurisdiction to review a decision of the Director of the Veterans' Bureau, denying (under 408 of the Act of 1921, carried into the Act of 1924 as 304, c. 320, 43 Stat. 607, 625; U.S.C. Title 38, 515) an application for reinstatement of a lapsed policy on the ground that the applicant, at the time of making the application, was totally and permanently disabled. P. [281 U. S. 273](#) .

2. Section 19 of the World War Veterans' Act of 1924, as amended, U.S.C. Title 38, 445, which confers jurisdiction upon the district courts to hear and determine controversies arising out of claims under contracts of insurance in the event of disagreement between the Bureau and claimants, does not apply to a claim for reinstatement of a lapsed policy. P. [281 U. S. 274](#) .

32 F.2d 440 affirmed.

Page 519 U. S. 272

Certiorari, 280 U.S. 550, to review a judgment of the circuit court of appeals which, on the ground that the trial court was without jurisdiction, reversed and directed dismissal of a judgment of the district court against the United States in an action to require the reinstatement of a lapsed war risk insurance policy.

MR. JUSTICE SUTHERLAND delivered the opinion of the Court.

Petitioner brought this action against the respondent in a federal district court to require the reinstatement of a lapsed insurance policy issued under the War Risk Insurance Act of October 6, 1917, c. 105, 400, 40 Stat. 398, 409; amended August 9, 1921, c. 57, 27, 42 Stat. 147, 156, 157. It was alleged that, being enlisted in the United States Army during the World War, he applied for and obtained, under the act, a policy of insurance in the sum of \$10,000 against death and permanent and total disability. Thereafter, on February 1, 1920, \$3,000 of this amount was converted into a twenty-payment life policy, and the remaining \$7,000 was allowed to lapse. In March, 1923, petitioner applied to the Director of the United States

Veterans' Bureau for reinstatement of the policy in respect of the \$7,000, asserting that he was then suffering from a disability of a degree less than permanent and total. The director of the bureau rejected the application,

Page 281 U. S. 273

and thereupon petitioner brought this action. The government answered, denying certain allegations and admitting others, and alleging that, at the time of the application for reinstatement and for a long time prior thereto, petitioner was permanently and totally disabled.

The case was tried by the court without a jury, and judgment rendered reinstating the policy to the extent of \$7,000. The circuit court of appeals reversed the judgment upon the ground that the trial court was without jurisdiction, and directed a dismissal of the petition. 32 F.2d 440.

Prior to the amending act of 1921, there was no statutory provision for the reinstatement of lapsed policies, but the matter was one of Bureau regulation. By 408 of that act, carried into the act of 1924 as 304, c. 320, 43 Stat. 607, 625 (U.S.Code, Title 38, 515), it was provided:

"In the event that all provisions of the rules and regulations other than the requirements as to the physical condition of the applicant for insurance have been complied with, an application for reinstatement, in whole or in part, of lapsed or cancelled yearly renewable term insurance or United States government life insurance (converted insurance) hereafter made may be approved if made within one year after July 2, 1926, or within two years after the date of lapse or cancellation: . . . *Provided further*, That the applicant, during his lifetime, submits proof satisfactory to the director showing that he is not totally and permanently disabled."

The director denied the application on the ground that the applicant, at the time of making it, was totally and permanently disabled. The trial court held the contrary. The evidence upon which the director acted was

not before the court, but the case was decided upon original evidence introduced upon the trial. The question was purely one of fact, which the director was authorized to determine, and his decision, unless within 19 of the World War Veterans' Act of 1924, dealt with below, was final and conclusive. *United States v. Williams*, [278 U. S. 255](#) ; *Silberschein v. United States*, [266 U. S. 221](#) , [266 U. S. 225](#) .

Section 19 of the act of 1924, as amended March 4, 1925, c. 553, 2, 43 Stat. 1302 (U.S.Code, Title 38, 445), provides in part:

"In the event of disagreement as to claim under a contract of insurance between the Bureau and any person or persons claiming thereunder, an action on the claim may be brought against the United States either in the Supreme Court of the District of Columbia or in the district court of the United States in and for the district in which such persons or any one of them resides, and jurisdiction is conferred upon such courts to hear and determine all such controversies."

This provision, we think, has nothing to do with an application for reinstatement of a defunct policy. The right to reinstatement, when it exists, flows from the statutory provision, and not from any undertaking expressed in the contract of insurance. No doubt the policyholder may have the benefit of the statute, although passed subsequently to the issue of the policy, *White v. United States*, [270 U. S. 175](#) , [270 U. S. 180](#) , but a reinstatement under the provisions of the statute would be not the fulfillment of a contractual obligation, but, in effect the making of a new contract by statutory sanction.

*Aetna Life Ins. Co. v. Dunken*, [266 U. S. 389](#) , upon which petitioner here relies, is not to the contrary. There, the original policy of insurance was a seven-year term

policy. It provided expressly that, upon any anniversary of its date, at the sole option of the insured, without medical reexamination, it was convertible into a twenty-payment life commercial policy, etc. It was held that the converted policy was merely a continuation of the old one. This Court said (p. [266 U. S. 399](#) ):

"In effect, it is as though the first policy had provided that, upon demand of the insured and payment of the stipulated increase in premiums, that policy should automatically become a 20-payment life commercial policy. It was issued not as the result of any new negotiation or agreement, but in discharge of preexisting obligations. It merely fulfilled promises then outstanding, and did not arise from new or additional promises. The result, in legal contemplation, was not a novation, but the consummation of an alternative specifically accorded by, and enforceable in virtue of, the original contract. If the insurance company had refused to issue the second policy upon demand, the insured could have compelled it by a suit in equity for specific performance."

The situation in the present case is altogether different. The original policy had come to an end; liability under it had wholly ceased; a new application was required, together with proof of an existing condition sufficient to satisfy the director, before reinstatement could be made. The effect of the statute is to accord the privilege of reinstatement to the holder of a lapsed policy, not to read into it a promise to that end. The existence of the old policy is, of course, a necessary prerequisite to the consideration of a claim for the allowance of the statutory privilege, but the claim is one under the statute, not under the contract, and, consequently, does not fall within the terms of 19.

*Judgment affirmed.*