

State of the forum as make it reasonable, in the context of our federal system . . . , to require the corporation to defend the particular suit which is brought there; [and] . . . that the maintenance of the suit does not offend ‘traditional notions of fair play and substantial justice’. . . . An ‘estimate of the inconveniences’ which would result to the corporation from a trial away from its ‘home’ or principal place of business is relevant in this connection.”⁸⁸⁷ As to the scope of application to be accorded this “fair play and substantial justice” doctrine, the Court concluded that “so far as . . . [corporate] obligations arise out of or are connected with activities within the State, a procedure which requires the corporation to respond to a suit brought to enforce them can, in most instances, hardly be said to be undue.”⁸⁸⁸

Extending this logic, a majority of the Court ruled that an out-of-state association selling mail order insurance had developed sufficient contacts and ties with Virginia residents so that the state could institute enforcement proceedings under its Blue Sky Law by forwarding notice to the company by registered mail, notwithstanding that the Association solicited business in Virginia solely through recommendations of existing members and was represented therein by no agents whatsoever.⁸⁸⁹ The Due Process Clause was declared not to “forbid a State to protect its citizens from such injustice” of having to file suits on their claims at a far distant home office, especially in view of the fact that the suits could be more conveniently tried in Virginia where claims of loss could be investigated.⁸⁹⁰

Likewise, the Court reviewed a California statute which subjected foreign mail order insurance companies engaged in contracts with California residents to suit in California courts, and which had authorized the petitioner to serve a Texas insurer by registered mail

⁸⁸⁷ *International Shoe Co. v. Washington*, 326 U.S. 310, 316–17 (1945).

⁸⁸⁸ 326 U.S. at 319.

⁸⁸⁹ *Travelers Health Ass’n v. Virginia ex rel. State Corp. Comm’n*, 339 U.S. 643 (1950). The decision was 5-to-4 with one of the majority Justices also contributing a concurring opinion. *Id.* at 651 (Justice Douglas). The possible significance of the concurrence is that it appears to disagree with the implication of the majority opinion, *id.* at 647–48, that a state’s legislative jurisdiction and its judicial jurisdiction are coextensive. *Id.* at 652–53 (distinguishing between the use of the state’s judicial power to enforce its legislative powers and the judicial jurisdiction when a private party is suing). *See id.* at 659 (dissent).

⁸⁹⁰ 339 U.S. at 647–49. The holding in *Minnesota Commercial Men’s Ass’n v. Benn*, 261 U.S. 140 (1923), that a similar mail order insurance company could not be viewed as doing business in the forum state and that the circumstances under which its contracts with forum state citizens, executed and to be performed in its state of incorporation, were consummated could not support an implication that the foreign company had consented to be sued in the forum state, was distinguished rather than formally overruled. 339 U.S. at 647. In any event, *Benn* could not have survived *McGee v. International Life Ins. Co.*, 355 U.S. 220 (1957), below.