against the dissipation of the estate through ignorance as well as dishonesty. In such cases we have recourse to what we term joint control or joint supervision, which means that we require that the assets of the estate shall be deposited in safe deposit vaults and in banks with an arrangement that the fiduciary shall not have access thereto without the knowledge and consent of a representative of the Surety Company. Here again the knowledge of the lawyer is invaluable, for he will know what are and what are not the proper disbursements in any given trust, and if it is a case where there are investments to be made, whether the securities proposed to be purchased are of a character in which a fiduciary is by law allowed to invest trust funds.

When the time arrives for the cancellation of a risk, the lawyer's services are again in demand. This, of course, does not apply to a fidelity risk which is cancelled upon termination of service by resignation, dismissal or death, or by notice of cancellation given by obligee or surety, but to surety bonds. Some of you may be asking the question in your minds "what is a fidelity risk and what a surety?" I will not take the time here to go into an elaborate explanation of the differences but will give you a simple rule by which you will be able to distinguish one from the other nine times out of ten. A fidelity bond is the negative pole of suretyship. It is a guarantee that the principal will not do certain things. A surety bond is the positive pole. It undertakes that the principal will faithfully "perform some act or duty specified or carry out the terms of some contract undertaken."

Again let me illustrate. I recall a case where a man had a contract to instal a heating and ventilating plant in a federal building. He had to give a bond for the faithful performance of this contract. One of the clauses was that he would promptly pay his laborers, material, men, etc., a provision very common to municipal and government contracts. A surety company executed the common law form of bond which was required but, as the party was not overly responsible, took collateral security in the form of a certificate of deposit for an amount equal to about one-third of its liability. The contract was finished, a certificate to that effect was furnished by a government officer, and thereupon the collateral was, upon request, returned to the contractor and the bond cancelled. Some time later the surety company received notice from the company that had supplied the radiators that its bill had not been paid, and that Company had to pay the cost of those radiators for the experience it gained in the matter of cancellation of contract bonds.

An Illinois case will further illustrate the point I desire to make. It was the case of a guardian. A surety, whether personal or corporate, on a fiduciary bond, usually has the right to be relieved from future liability, and to this end it is commonly provided by statute that the surety may, upon proper petition, have the fiduciary summoned before the Court which made the appointment and compel him to account for his trust up to that time and to furnish other suretyship if he continues in the trust. The Illinois law gave a surety this privilege. In this case some differences arose between the guardian and surety company with respect to the management of the trust, and the surety threatened to petition to be relieved. The guardian forestalled the company, however, by himself petitioning to be allowed to give new sureties. The Court granted his petition, the accounting was had, and supposing the case closed, the surety cancelled the bond on its records. Some years afterwards, when the ward became of age and it was found that the guardian had been unfaithful to his trust, an enterprising lawyer found that the surety had been relieved by an order made in a proceeding commenced by a petition by the guardian and not by the surety, and that there was no authority in law for a guardian to petition to change sureties. It cost that company several thousand dollars to learn that there is no protection even in an order from the Court, when the Court is without jurisdiction in the matter.

(To be continued.)

NOTES AS POLICY PREMIUMS.

The custom among life insurance salesmen of taking notes for premiums causes more trouble and misunderstanding than almost any other phase of the business, thinks Mr. T. Price Thomas, provincial manager of the Excelsior Life Insurance Company for Saskatchewan. There seems to be something about life insurance that tends to procrastination in the payment of premiums, particularly in places where the system of credits and long-time settlements is in common use. Perhaps it comes from the idea that the event insured against is considered a long way off, and though the insurance deal is closed, the prospect thinks he ought to be allowed to take his time in paying for it.

The transaction is an immediate one on the part of the company, and the prospect should be made to see that it should be the same with him.

Were he to die, the company would be expected to pay the face of the policy within a reasonable time after the claim is filed, and the fact that this is the practise of all the companies should be brought out by the salesman in his endeavor to secure a cash settlement when the policy is delivered.

When a policy paid for in part by a note becomes a claim, the settlement always involves extra trouble to explain, especially if the claimant is a widow and unused to business methods, why a certain amount must be deducted from the face of the policy to pay for the note, with interest.

A great number of contested settlements arise from this cause. Even when explained carefully, an impression may remain in the mind of the beneficiary that an injustice has been done and the occurrence may come up to the prejudice of the salesman in securing applications.

Very often, too, a salesman is so eager to secure an application that he is somewhat careless as to the financial standing of the party who gives the note. It should be a steadfast rule on the part of every life insurance salesman never to accept for his company a note that he would not take himself if it involved a personal transaction. It is true in the majority of cases that a note is as good as cash payment, but the salesman who conducts the negotiation leading up to the transaction is the best judge, and he should be familiar with the financial standing of his prospect. By making certain on this point he will save himself wasted time and effort, and often embarrassing complications with the head office.