

trustee is given power by statute to give a valid discharge to the company for insurance moneys. A number of the provinces define the powers and duties of trustees in respect to the investment and management of funds coming into their hands for beneficiaries.

PAYMENT TO CREDITORS:

A creditor is limited to the amount of his actual claim unless the policy has been actually sold to him: *Hodgins on Life Insurance Contracts*, p. 131.

Art. 2592 of the Quebec Civil Code provides that the measure of the interest insured is the sum fixed in the policy, except in cases of insurance by creditors or in other like cases in which the interest is susceptible of exact pecuniary measurement. In these cases the sum fixed is reduced to the actual interest.

It has been held that a paid-up policy and bonus additions are exigible under execution and that a receiver may be appointed to receive the moneys on the application of an execution creditor: *Canadian Mutual v. Nisbet* (1900), 31 O.R. 562.

Rights of
creditors.

There is a provision in the Insurance Acts of all of the provinces, except Manitoba, to the effect that if the premiums are paid by the assured with intent to defraud his creditors, they are entitled to receive out of the insurance money an amount not exceeding the premiums so paid and interest thereon. It is to be noted that the creditors are only entitled to the premiums and interest. The wording of the provision in Quebec is different. It is as follows:

If, however, it be proved that all or any of the premiums were paid, at a time when the person whose life was insured was insolvent, in fraud of the rights of creditors, such creditors shall be entitled to recover