

Principles of Insuring Marital Settlement Agreements Against Unemployment Risks

Continuing Education Credit - End Of Course Test

The Test consists of two parts: Multiple Choice worth 80 points and the Essays/Survey which is worth 20 points. A total score of 80 points is required to pass.

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(Circle the correct answer)

1. Marital Settlement Unemployment Insurance ("MSAI") is available in what states?
 - a. All states
 - b. California, Nevada, Connecticut, Kentucky and Ohio
 - c. The Continental United States
 - d. None of the above

2. Who are MSAI claim payments paid to?
 - a. The insured obligor
 - b. The recipient party
 - c. Paid to both
 - d. None of the above

3. When the obligated party becomes unemployed what are the insured's premium payment obligations during the unemployment period?
 - a. The premium is frozen and can be repaid later once re-employed.
 - b. The premium is waived during the period of unemployment.
 - c. The premium is waived while the insured is receiving MSAI benefits.
 - d. None of the above

4. If MSAI is included in a marital settlement agreement, who is responsible for paying the premium?
 - a. The party that purchased the policy
 - b. The custodial parent
 - c. The non-custodial parent
 - d. None of the above

5. How many insurance companies in the United States offer MSAI insurance?
 - a. 7
 - b. 3
 - c. 4
 - d. None of the above

6. The concept of insuring marital settlement agreements was originated by
 - a. An insurance executive
 - b. A family law commissioner
 - c. An attorney
 - d. None of the above

7. Is loss of income from a labor dispute covered under MSAI
 - a. Yes, if the strike is sanctioned by the union in which the employee was a member
 - b. No, if the work stoppage was a result of an employer lockout
 - c. No, because striking is deemed to be a voluntary act
 - d. None of the above

8. Does a family law attorney have an ethical and/or best practices responsibility to inform clients that it is now possible to insure support obligations against the risk of involuntary unemployment in the same manner as life and disability insurance?
 - a. No
 - b. Yes
 - c. None of the above

9. The MSAI Program uses two versions of the policy. Why are there two versions?
 - a. Laws relating to private unemployment insurance vary from state to state
 - b. States with 14 weeks of unemployment benefits have a different policy form than those that offer 24 weeks
 - c. None of the above

10. The cost of MSAI insurance is predicated upon what situs variables:
 - a. The state where the obligated party is employed
 - b. The state where the obligated party lives
 - c. The state where the recipient party lives
 - d. None of the above

11. The greatest peril causing the non-payment of court ordered support is?
 - a. Unemployment of the obligated party
 - b. Death of the obligated party
 - c. Disability of the obligated party
 - d. None of the above

12. What is the purpose of the 6-months vesting period of the MSAI Policy?
 - a. To coordinate with the interlocutory period
 - b. To provide the court sufficient time to review the marital settlement agreement
 - c. To prevent fraud
 - d. None of the above

13. What is the triggering event that starts the flow of MSAI benefits to the beneficiary?
 - a. A letter from the employer certifying when the last day employment began
 - b. Automatically, 30 days from the last day of employment

- c. After the obligor has received two weekly unemployment checks from the state
- d. None of the above

14. What is the biggest risk an insurance company faces offering unemployment insurance?

- a. Economic down turn in the economy.
- b. Fraud
- c. Concentration of exposure
- d. All of the above
- e. None of the above

15. How long does the obligated party need to be gainfully employed to qualify for MSAI coverage?

- a. 6 months on the current job
- b. 12 months on the current job
- c. 90 days on the current job
- d. None of the above

16. How long did it take to establish the MSAI Program to insure support payments in the U.S.?

- a. 50 years
- b. 10 years
- c. 40 years
- d. None of the above

17. The most important variables for rating an MSAI policy are?

- a. State of employment, occupational category, annual income, benefit amount
- b. Occupational Category, annual income, state of employment, benefit amount, term of benefits
- c. Annual income, benefit amount, occupational category
- d. None of the above

18. Development of new insurance products is driven by?

- a. Societal necessity
- b. Government regulations
- c. Entrepreneurial pursuits
- d. None of the above

19. What caused the invention of fire insurance?

- a. Benjamin Franklin
- b. The Great Fire of London
- c. The Philadelphia Contributorship of Insurance for Houses from Loss by Fire
- d. None of the above

20. MSAI support insurance is written for?

- a. The term of the marital settlement agreement
- b. One-year term, renewable annually
- c. Monthly
- d. None of the above

21. State unemployment benefits vary by state, which one does not represent a state benefit period, what is the benefit period in most states?
- 26 weeks
 - 18 weeks
 - 12 weeks
 - None of the above
22. The MSAI “vesting period” is
- The elimination period from the date of purchase to when the policy becomes active; 6 months.
 - The two-week period before the obligor gets his/her first and second state benefit check
 - The first year.
 - None of the above
23. MSAI coverage pays benefits for
- 26 weeks
 - 24 weeks
 - For the benefit period selected by the obligor of 24 weeks or less
 - None of the above
24. Historically, unemployment insurance was most prevalent on?
- Home mortgages
 - Credit Cards
 - Automobile loans
 - None of the above
25. The average age of divorce in America is?
- 27
 - 30
 - 39
 - 45
 - None of the above
26. What was traditionally referred to as “Delinquency Insurance”?
- GAP Insurance
 - Debt Cancellation Insurance
 - Involuntary Unemployment Insurance
 - None of the above
27. What law allowed federally regulated insurance companies to sell unemployment insurance?
- The Bank Holding Company Act
 - Gramm-Leach-Bliley Act
 - Glass-Steagall Act
 - None of the above

28. When Involuntary Unemployment Insurance gave way to Debt Cancellation why were the regulators concerned?
- It was too expensive for the consumer
 - It was deceptive in the way it was sold
 - It was not insurance
 - None of the above
29. It is estimated that what percentage of single female heads of households don't receive their support?
- 75%
 - 60%
 - 50%
 - 47%
 - None of the above
30. Which of the following are insurable under MSAI?
- Child Support, Spousal Support, Medical/Dental, private school tuition, mortgage payments
 - Child Support, Spousal Support, Medical/Dental, private school tuition, car payments
 - Any court ordered obligations from \$450 to \$9000 per month for which MSAI was purchased
 - None of the above
31. What if the obligor's support payment is required to be paid to a state collection agent?
- It makes the obligor ineligible for private unemployment insurance
 - It requires the obligor to notify the state agency that he/she has purchased MSAI
 - The insurer sends the claim payments to the state's collection agent
 - None of the above
32. The purpose of a policy declarations page is to?
- Coordinate benefits
 - Personalize the policy to the insured
 - To renew the policy
 - None of the above
33. Private unemployment insurance was modified to insure divorces by?
- Changing the amount to be insured
 - Changing who was to be paid the claim benefits
 - All of the above
 - None of the above
34. If the insured obligor became unemployed within the first 6 month of the policy what would happen?
- The claim would be covered
 - The claim would be denied
 - The claim would be denied, the policy would be cancelled, and the premiums returned
 - None of the above
35. There are two ways to insure a marital settlement agreement for unemployment; they are?
- Term and whole life
 - Stated amount, or 50% of wages less state unemployment
 - Weekly expense allocation and annual expense allocation

- d. None of the above
36. In insurance terms, what does “adverse selection” mean?
- a. The insurance company made a bad decision in agreeing to insure the obligor
 - b. Choosing the wrong job category on an application to qualify for a lower rate
 - c. The insured obtained coverage by withholding information from the insurance company
 - d. None of the above
37. What percentage of all insurance claims have some element of fraud involved?
- a. 20% to 30%
 - b. 10% to 15%
 - c. 40% to 50%
 - d. None of the above
38. It is best for the parties to arrange for MSAI through an attorney vs. purchasing it online because?
- a. The attorney can make a commission on the sale
 - b. Its better if the attorney explains the coverage to their client
 - c. The attorney can create the obligation to renew the coverage through the settlement agreement
 - d. None of the above
39. It is best for an attorney to use what method to prove he informed the client about MSAI
- a. A Waiver Form
 - b. The policy declarations page
 - c. A copy of endorsement Special Endorsement SUI-05-00 (ED./12/16)
 - d. None of the above
40. If the obligor lived in New Jersey and worked in New York, which state would be used to determine MSAI rates?
- a. New York
 - b. New Jersey
 - c. It does not make a difference
 - d. None of the above
41. What percentage of unemployed people want a new job right away?
- a. 90%
 - b. 50%
 - c. 60%
 - d. None of the above
42. In unemployment terms, a “mass lay-off” is defined as?
- a. More than 10% of the nation is unemployed
 - b. More than 100 people working for the same company are terminated
 - c. When a particular industry has more than 5% unemployment
 - d. None of the above
43. According to the recruiting industry, which is the most accurate?
- a. It takes 90 days on average for most people to find a new job
 - b. 45% of unemployed people use a recruiter to find a new job
 - c. It takes 30 days of job seeking for every \$10,000 in income you are trying to replace

- d. None of the above
44. What is the biggest risk the insurance company faces when issuing an MSAI policy?
- a. It does not know how the divorce impacted the obligor's job stability
 - b. The obligor had a priori knowledge of job insecurity
 - c. The obligor is self-employed and more difficult to monitor
 - d. None of the above
45. What is the difference between policy "vesting" and the policy "elimination period"?
- a. If the policy is in the elimination period, the vesting period has already elapsed
 - b. The elimination period is the period of time, after issuance of the policy, the company can elect to cancel
 - c. Vesting of benefits occurs after the elimination period
 - d. None of the above
46. Statistically, which form of insurance is more likely to be useful to an obligor?
- a. Unemployment insurance
 - b. Disability Insurance
 - c. Life Insurance
 - d. None of the above
47. Why do most attorneys not recommend the 3-in-1 policy?
- a. Too expensive for most people to buy
 - b. It is extremely complicated due to the different policy forms in most states
 - c. This policy form does not exist for divorces
 - d. None of the above
48. What are the maximum number of weeks of benefits covered per each period of unemployment under MSAI?
- a. 24
 - b. 26
 - c. 12, 14 or 26 depending on the state where the obligor works
 - d. None of the above
49. The national crisis of unpaid child support is going to get worse because?
- a. The future job market in the U.S. does not look very encouraging
 - b. The laws to enforce support obligations are not tough enough
 - c. Most Millennials do not have any rainy-day savings accounts.
 - d. None of the above
50. MSAI can be written on?
- a. Seasonal workers, as long as they are in the agricultural industry
 - b. W2 Wage earners
 - c. Self Employed
 - d. All of the above

3. With the advent of private unemployment insurance to cover unemployment risks, what are the advantages, or disadvantages, in your opinion, of MSAI unemployment insurance vs. a modification order to assist your client? Is MSAI more equitable to the custodial party?

SIGN AND RETURN

I the undersigned have read the course text book "Principles of Insuring Marital Settlement Agreements Against Unemployment Risks" and have personally completed the examination questions above.

X _____ State Bar # _____ State: _____

Note: We will notify you by email as to whether you passed or failed the examination. We will notify your state bar if you passed and we will email a Certificate of Completion to you

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