

## BEYOND INSURANCE

1. "Expanding liability theory" describes the US Court System which makes legal decisions based on
  - A. Precedent
  - B. Statutes
  - C. Word of mouth
  - D. Jury polling
2. Without a revocable living trust or other planning document most people are unaware that upon their death, the probate court
  - A. Will charge a fee of 5%
  - B. Will immediately sell the most valuable assets of the estate
  - C. Obtains jurisdiction of all their assets
  - D. Shares all assets 50/50
3. State Guaranty Funds are an advance payment system designed to pay off individuals and groups who
  - A. Have not heard about a claim for 90 days
  - B. Who would be devastated by the lengthy liquidation of an insurance company
  - C. Have incomes below \$50,000
  - D. Have medical emergencies
4. Reason that agents should look a backup system "beyond insurance" include
  - A. The need for a protection structure if insurance premiums rise beyond a client's ability to pay
  - B. The need for a protection system that can cover gaps in insurance coverage
  - C. The need for a protection system when insurance lapses
  - D. All of the above are reasons
5. A fraudulent conveyance is defined as a transfer of property without \_\_\_\_\_ and with intent to defraud a creditor.
  - A. Adequate consideration
  - B. Court approval
  - C. Waiting 90 days
  - D. A receipt
6. An insurance shortfall is described as a situation where a liability surfaces from an unanticipated source that is \_\_\_\_\_.
  - A. Beyond the scope, features and limits of the policy
  - B. More than 90 days beyond the claim period
  - C. Always a casualty issue
  - D. Always related to a health issue
7. The Family limited Partnership operates by virtue of the Uniform Limited Partnership Act which states that no creditor can \_\_\_\_\_.
  - A. Call you more than five times
  - B. Pierce a Family Limited Partnership and obtain assets
  - C. Obtain a "personal" judgment against you
  - D. File an action against you
8. Free alienability of property is a legal protection theory that allows one who is free from creditor concerns to \_\_\_\_\_.
  - A. Dispose of his property as he sees fit.
  - B. Gift property to a spouse or child
  - C. Transfer property to a trust
  - D. All of the above are rights under free alienability
9. A VEBA is a trust arrangement that provides benefits to members from contributions made by \_\_\_\_\_.
  - A. Employers and members
  - B. Employers only
  - C. Members only
  - D. Employees under 55 years of age
10. An insurer has a "duty to defend" an insured where policy language gives the insured a \_\_\_\_\_ that the insurer will provide a defense.
  - A. Clue
  - B. Reasonable expectation
  - C. Hint
  - D. Presumption
11. A charging order against a limited partnership interest \_\_\_\_\_ distributions to be made from the partnership,
  - A. Cannot force
  - B. Requires
  - C. Permits
  - D. Forces
12. Whole vs sum of the parts asset protection involves the intentional breaking up of large ownership blocks into smaller blocks, each with its own title and life. The result of these efforts creates a \_\_\_\_\_ for a plaintiff or large creditor to pursue.
  - A. Bigger target
  - B. Smaller target
  - C. Impossible goal;
  - D. Known quantity

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13. The downfall of the corporate format in California is a 1962 Supreme Court ruling that does not allow the \_\_\_\_\_ to protect your business or personal assets from creditors.

- A. Law of Corporate Substance
- B. Rule of 98
- C. Corporate "veil"
- D. Courts

14. The goal of a coordinated approach to multi-entity protection includes:

- A. The preservation of assets from liability claims
- B. The lowering of taxable value of an estate
- C. Reduction of current income tax liability
- D. All of the above are goals

15. While asset protection planning can result in some lost insurance sales, there is cause to consider \_\_\_\_\_ to provide a higher level of client protection.

- A. BOTH insurance & asset protection
- B. The tax effect
- C. Estate planning
- D. Complete divestiture of assets

--END EXAM--

**195** **Beyond Insurance Exam** **3 Hours** **Instructions**

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