

EXAM 6 – CANADA, SPRING 2016

10. (2.0 points)

a. (1.25 point)

Identify five reasons why government participation in insurance is considered necessary.

b. (0.75 point)

Identify three ways in which the government can be involved as an insurance provider.

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SAMPLE ANSWERS AND EXAMINER'S REPORT

QUESTION 10	
TOTAL POINT VALUE: 2	LEARNING OBJECTIVE: B2
SAMPLE ANSWERS	
Part a: 1.25 points	
<ul style="list-style-type: none"> • Sample Answer #1 Filling a need unmet by private insurance Convenience Efficiency Providing compulsory coverage Social Purpose 	
Part b: 0.75 point	
<ul style="list-style-type: none"> • Sample Answer #1 Direct competition with private insurer In partnership with private insurer As a sole insurer • Sample Answer #2 As a direct competitor in the open market As the only provider in a monopoly As a reinsurer to private insurers 	
EXAMINER'S REPORT	
Part a	
<ul style="list-style-type: none"> • Candidates did extremely well on this part almost all candidates received full credit. • Candidates were expected to demonstrate knowledge of why government participation in insurance is sometimes considered necessary. • A common error was to identify less than the five reasons asked for in the question. 	
Part b	
<ul style="list-style-type: none"> • Candidates did extremely well on this part almost all candidates received full credit. • Candidates were expected to demonstrate knowledge of the different ways that the government can be involved as an insurance provider. • A common error was to identify less than the three ways asked for in the question. 	