

2. (1 point)

Briefly explain whether the following situations are in line with the relevant provincial automobile insurance regulations.

a. (0.25 point)

A private insurer in British Columbia must file its collision and comprehensive coverages rate change and wait for the approval of the insurance regulator before putting the rates into use.

b. (0.25 point)

An insurer in Nova Scotia must file its rate changes to the Nova Scotia Utility and Review Board within a specified period of time after putting the rates into use.

c. (0.25 point)

A private insurer in Quebec may use new rates for property damage coverages before the company's submission of the rate filing with the insurance regulator.

d. (0.25 point)

The Government of Alberta acts as a monopoly providing automobile insurance for transportation network companies.

CONTINUED ON NEXT PAGE

| | |
|--|----------------------------------|
| QUESTION 2 | |
| TOTAL POINT VALUE: 1 | LEARNING OBJECTIVE(S): A2 |
| SAMPLE ANSWERS | |
| Part a: 0.25 point | |
| <u>Sample 1</u> False, optional coverage in BC is open competition. | |
| <u>Sample 2</u> No, insurers are not required to file for optional coverages in BC. | |
| Part b: 0.25 point | |
| <u>Sample 1</u> False, Nova Scotia requires filing to be approved before using rates. | |
| <u>Sample 2</u> No, in Nova Scotia the system is prior approval. | |
| Part c: 0.25 point | |
| <u>Sample</u> Yes, property damage coverage in Quebec is under use and file. | |
| Part d: 0.25 point | |
| <u>Sample 1</u> No, TNC insurance is provided by private insurance companies. | |

Sample 2

Not in line, SPF9 is provided by private insurers.

EXAMINER'S REPORT

Candidates were expected to have knowledge of the rate regulations in different provinces in Canada.

Part a

Candidates were expected to demonstrate knowledge of the rate regulatory approach in British Columbia.

Common errors included:

- Stating that private insurers cannot provide optional coverages in British Columbia
- Stating that the government is the only provider of insurance in British Columbia

Part b

Candidates were expected to demonstrate knowledge of the rate regulatory approach in Nova Scotia.

Common errors included:

- Agreeing with the situation
- Answering "No" without providing a justification
- Providing an incorrect rate regulatory approach as a justification

Part c

Candidates were expected to demonstrate knowledge of the rate regulatory approach in Quebec.

Common errors included:

- Confusing automobile property damage with property coverage
- Providing no justification

Part d

Candidates were expected to demonstrate knowledge of the rate regulatory approach in Alberta.

Common errors included:

- Agreeing with the situation
- Justifying that both government and private insurers provide insurance for TNC in Alberta