

11. (3 points)

a. (2.5 points)

Fully describe the five-part action plan outlined in the Marshall Report to fairly deliver fair benefits to Ontario injured drivers.

b. (0.5 point)

Explain the value gap that exists in the Ontario auto insurance system.

CONTINUED ON NEXT PAGE

QUESTION 11**TOTAL POINT VALUE: 3****LEARNING OBJECTIVE(S): A2/B3****SAMPLE ANSWERS****Part a: 2.5 points***Sample responses for action 1*

- Appoint a regulator arms-length with the power to enact policies
- Change regulation to make clear and easy to understand. That will decrease the number of cases between of dispute over
- Fix structure flaw. Set up an arm-length regulator with skill-based board to regulate the insurance.

Sample responses for action 2

- Ensure better payment for the catastrophically impaired in court cases (lawyers are getting a large amount of payment)
- Provide care to catastrophic case. That's what they needed and not just cash.

Sample responses for action 3

- Change focus from cash to care for accident benefits payments (right now, focus is on volume of care, not quality of that care)
- Move from cash to care meaning increase the availability of care so that victims get appropriate medical care and focus on their well-being than cash compensation

Sample responses for action 4

- Make contingency fees more transparent and simplify benefits so there is less of a need for lawyers
- More transparency with contingent fee for lawyers. If system allows easy access to care, number of suits thus lawyers contingent fees will decrease

Sample responses for action 5

- Smart regulation – allow insurers to compete more freely on the basis of insurance premiums
- Allow insurers to offer new products or compete more freely on price and services i.e open system

Part b: 0.5 point

Sample 1

The system focuses on cash settlement instead of active medical care to help the injureds back to pre-accident life

Sample 2

The value gap is that no one actively monitors the access to medical care. If the care system is more elaborated, people will have easier access to care and that will decrease the cost paid to experts and lawyer and improve the structure of the insurance system in Ontario.

Sample 3

The value gap of medicare would be better if changing focus from maximizing cash payout to active medical management.

EXAMINER'S REPORT

Candidates were expected to describe the five-part action plan for improvements to the auto insurance system in Ontario and describe the value gap in the system as explained in the Marshall Report.

Part a

Candidates were expected to identify the five actions outlined in the Marshall Report and provide a brief explanation or example of what the action could be.

Common errors included:

- Not providing a full explanation of an action, for example, stating “fix structural flaw in system”
- Providing the current issues of the system instead of the providing the action plans proposed by Marshall which address these particular issues

Part b

Candidates were expected to address the issue that medical care for accident victims can be better managed and care for victims can be improved.

Common errors included:

- Not providing a complete answer and only alluding to improving care by stating there should be movement from cash settlement to care.
- Describing the opportunity gap which relates to Ontario automobile premiums instead of the value gap which relates to managing medical care.