

**EXAM 6 – CANADA, FALL 2019**

2. (1.5 points)

a. (0.75 point)

State the decision made by the Privy Council in *Citizens Insurance Co. v. Parsons* and describe the rationale behind this decision.

b. (0.75 point)

Identify three implications of the Privy Council's decision in *The Attorney-General for Canada v. The Attorney-General for Alberta*.

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## SAMPLE ANSWERS AND EXAMINER'S REPORT

<b>QUESTION 2</b>	
<b>TOTAL POINT VALUE: 1.5</b>	<b>LEARNING OBJECTIVE(S): A1, A3</b>
<b>SAMPLE ANSWERS</b>	
<b>Part a: 0.75 point</b>	
<u>Sample</u> <ul style="list-style-type: none"><li>• The Ontario Fire Insurance Policy Act was deemed to be intra-vires</li><li>• All insurers are treated equally</li><li>• Trade is inter-provincial, not intra-provincial</li></ul>	
<b>Part b: 0.75 point</b>	
<u>Sample</u> <ul style="list-style-type: none"><li>• Insurers incorporated in a single province have the capacity (not the right) to write in other provinces. They will need the other province's approval.</li><li>• Foreign insurer might have to be federally licensed even if operating in just one province</li><li>• Federally incorporated insurers have right and capacity to operate in all provinces</li></ul>	
<b>EXAMINER'S REPORT</b>	
Candidates were expected to understand the division of responsibility between federal and provincial/state regulators, the rationale of the decision made by the Privy Council and their implications.	
<b>Part a</b>	
Candidates were expected to understand the rationale behind Privy Council decision in Citizens Insurance Co. v. Parsons.  Common errors included: <ul style="list-style-type: none"><li>• Mixing up intra-vires and ultra-vires</li><li>• Mixing up inter-provincial trade and intra-provincial trade</li><li>• Providing answers based on a case other than Citizens Insurance Co. v. Parsons</li></ul>	
<b>Part b</b>	
Candidates were expected to understand the implications of the Privy Council's decision in The Attorney-General for Canada v. The Attorney-General for Alberta case.  Common errors included: <ul style="list-style-type: none"><li>• Stating foreign insurers must be (instead of may be required to be) federally incorporated to operate in any province or multiple provinces</li><li>• Providing answers based on an incorrect case</li></ul>	