

EXAM 6 – CANADA, FALL 2019

9. (2.25 points)

a. (0.75 point)

Briefly describe three criteria used to evaluate government insurance programs.

b. (1.5 points)

Evaluate the performance of each government insurance program below using the criteria from part a. above:

- i. AgriInsurance
- ii. Workers' compensation

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SAMPLE ANSWERS AND EXAMINER'S REPORT

QUESTION 9	
TOTAL POINT VALUE: 2.25	LEARNING OBJECTIVE(S): B.3
SAMPLE ANSWERS	
Part a: 0.75 point	
<p><u>Sample</u></p> <ul style="list-style-type: none"> • Whether it's social welfare / insurance program • Whether it's efficient or accepted by the public • Whether it's necessary or serves social purpose 	
Part b: 1.5 points	
<p>i. AgriInsurance</p> <p><u>(Each of the responses was expected to align with a criterion provided in part a.)</u></p> <ul style="list-style-type: none"> • Relating to social welfare / insurance program (one of the following) <ul style="list-style-type: none"> ○ It's insurance, producers pay a premium for the coverage (although it's subsidized) ○ Insurance since government pays out when there are adverse events • Relating to being efficient or accepted by the public (one of the following) <ul style="list-style-type: none"> ○ It's efficient because the government already has infrastructure set up and easier to get the funding ○ It's efficient, uses already established government bodies like prov. departments of agriculture, + no profit in the price + expenses covered. • Relating to being necessary or serving social purpose (one of the following) <ul style="list-style-type: none"> ○ It serves social purpose because farmers have low income and it stabilizes the producer's income ○ It's necessary as govt is subsidizing most of it <p>ii. Workers' compensation</p> <p><u>(Each of the responses was expected to align with a criterion provided in part a.)</u></p> <ul style="list-style-type: none"> • Relating to social welfare / insurance program (one of the following) <ul style="list-style-type: none"> ○ It is insurance -> prems are paid + payment only in case of loss ○ Insurance since pays only when worker is injured • Relating to being efficient or accepted by the public (one of the following) <ul style="list-style-type: none"> ○ It's efficient because government already has the infrastructure set up ○ It's efficient -> no profit -> lower cost to employers • Relating to being necessary or serving social purpose (one of the following) <ul style="list-style-type: none"> ○ It serves social purpose because the goal is to have less congestion in court and to immediately recover injured workers to work ○ It is necessary, potentially could be provided by private market but at a higher price 	
EXAMINER'S REPORT	
Candidates were expected to be familiar with government insurance programs and the criteria used to evaluate them.	

SAMPLE ANSWERS AND EXAMINER'S REPORT

Part a

Candidates were expected to provide criteria used to evaluate government insurance programs.

A common error included:

- Providing evaluation criteria which were not applicable or overly generic, for example, "insurance"

Part b

Candidates were expected to evaluate AgriInsurance and Workers' Compensation using the criteria they provided in part a.

Common errors included:

- Not using each of the criteria identified in part a. to evaluate the programs
- Not explaining how the program met the criteria, for example, simply stating "it is efficient"
- Using an incorrect argument to evaluate the program, for example, "it is insurance since the employee pays premiums"