

Risk Management and Insurance in Canada

Students' Manual for Chapters 4 to 6

Chapter References Pages 1 – 3
Key Terms Pages 4 – 6 Page numbers can be found in the Index at the back of the book.

Chapter 4

1. Page 114
2. Page 114
3. Page 115
4. Page 115
5. Page 115
6. Page 115
7. Page 115
8. Page 118
9. Page 118
10. Page 119
11. Page 119
12. Page 120
28. Page 129 #24 No
29. Page 129 #28 Yes
30. Page 129 #30 No
31. Page 129 #36 No
32. Page 130 #38 No
33. Page 130 #47 Yes if met conditions
34. Page 131 Credit Card #1 Yes No deductible
35. Page 131 Fire Dep't Yes No deductible
36. Page 132 Frozen Food Yes
37. Page 132 Mass Evacuation Yes \$2,450
38. Page 133 Outdoor Greenery Yes \$1,000/tree
39. Page 134 Reward Yes \$1,000 max

Application Questions

13. Page 115 Indemnity
14. Page 116
 - a. $350/400 = 87.5\% \times 200,000$
 - b. $350/500 = 70.0\% \times 200,000$
15. Page 118
16. Page 123, A #4 No
17. Page 123 A Tear Out No
18. Page 124 B See also Question 40
19. Page 124 C #1 No
20. Page 124 C #2 Yes
21. Page 125 C #3 Yes
22. Page 125 C #4 Yes
23. Page 125 Special Limits #1 \$2,500
24. Page 126 #8 \$6,000 Loss not caused by specified peril
25. Page 126 Business Use No
26. Page 126 D #1 Some – not likely \$250/day
27. Page 127 #5 Car No. Lightning Yes specified peril
40. Page 135
 - a. \$15,000
 - b. \$18,000
41. Page 139 E 1 Yes See also Definitions of “You and Yours”
42. Page 139 E 1. No, Page 141 G Yes
43. Page 141 F
 - a. Yes
 - b. No, Page 139 E 2 Yes
44. Page 143 H #5 Yes
45. Page 142 H 2nd #2 No
46. Page 144 Watercraft You Own Yes
47. Page 145 You Do Not Own Yes
48. Page 147 #13 No
49. Page 148 E No
50. Page 153 #4
 - a. Yes
 - b. No
51. Page 154 \$0 – Paid to bank
52. Page 156 \$0
53. Page 159 Identity Theft

Chapter 5

1. Page 172
2. Page 173
3. Page 174
4. Page 174 Doesn't differ
5. Page 174
6. Page 176
7. Page 175 Exhibit 5-1, Insurers 51.4%, Charities 7.0%
8. Page 175 Exhibit 5-1 85%, \$100 billion
9. Page 178
10. Page 179
11. Page 179
12. Page 179
13. Page 180
14. Page 180
15. Page 180
16. Page 181, 2. (b) Yes
17. Page 181, 3.
18. Page 182
19. Page 182
20. Page 183, Inland Marine #1
21. Page 183, Inland Marine #2
22. Page 183
23. Page 184
24. Page 184
25. Page 185
26. Page 186
27. Page 186
28. Page 186
29. Page 186
30. Page 187
31. Page 188
32. Page 189
33. Page 182. Covered – couldn't have known about the violations
40. Page 183 – 81/82 and 1/82
41. Page 184
 - a. Inside the premises
 - b. Forgery or alteration
 - c. Outside the premises
 - d. Computer fraud
 - e. Counterfeit currency
42. Page 184 Fidelity Bonds. Yes covered – he informed insurance company the first time.
43. Page 185 Leasehold Interest
44. Page 186 Breach of warranty
45. Page 186
 - a. Completed operations
 - b. Contingent liability
 - c. Product liability / Strict liability
46. Page 186 Dram Shop Law
47. Page 187
 - a. E & O
 - b. Engineers
 - c. Malpractice
 - d. D & O
48. Page 188
 - a. Bid
 - b. Performance
 - c. Maintenance
 - d. Payment
 - e. Federal Surety
 - f. Fiduciary

Application Questions

33. Page 174 Occurrence policy
34. Page 174
 - a. $500 + 1,500 + 600 - 2,000$
 - b. = per occurrence
35. Page 176, 177
 - a. Example 1. $720k (800k \times 90\%) + 400k$
 - b. Example 2. On total loss, gets 90% of 90%: $648k (800k \times 90\% \times 90\%) +$ On partial losses: $360k (400k \times 90\%)$.
36. Page 178 Example 4
37. Page 181, #2.
38. Page 182
 - a. Cargo
 - b. Freight
 - c. Protection and Indemnity
 - d. Protection and Indemnity for rig and oil, Hull for hull.

Chapter 6

1. Page 198
2. Page 199
3. Page 199
4. Page 200
5. Page 200
6. Page 200
7. Page 201
 - i. Host
 - ii. Home
8. Page 201
9. Page 202
10. Page 203
11. Page 203
12. Page 206, Table 6.3 NL, PE, QC and YT
13. Page 206 Table 6.3
 - a. None
 - b. AB, BC, MB, NS, ON, QC and SK.
14. Page 207 – a.
15. Page 208 – 7.1%, 4.2%
16. Page 208 Table 6.5 PE
17. Page 209 Table 6.6 6 months
18. Page 209 Table 6.7 – ON
19. Page 210 Surge capacity
20. Page 211 Longer
21. Page 212 Table 6.8 – 21 days, 10 weeks, 11 weeks
22. Page 213 Table 6.9 16.2%
23. Page 214 Table 6.10 – 43.1%, 42.8%, 183.2%
24. Page 213
 - a. 31.5%, 95.7%
 - c. 15.1%, 46 million
25. Page 214 Exhibit 6.1.
 - a. $259 \div 1,059$
 - b. $47 \div 307$
26. Page 215 Exhibit 6.2
27. Page 215
28. Page 216 Table 6.11
29. Page 217 Table 6.12
 - a. None
 - b. Australia, Austria and Japan
30. Page 217 Table 6.12
 - a. Austria and Japan
 - b. Australia
31. Page 217
32. Page 218
33. Page 219
34. Page 220
35. Page 220

Application Questions

36. Page 202 Prohibitions
37. Page 203, 1. (b) No
38. Page 204, Table 6.2.
 - a. NB, NL, NS (diabetes only), NT, NU, ON, PE and YT.
 - b. All
39. Page 206 – 207 Table 6.3 NU and NT
40. Page 206 – Yes, None
41. Page 206 – 207 Table 6.3. AB, BC, MB and SK.
42. Page 218 – g. Covered by public health plans
43. Page 219
44. Travel Insurance

Key Terms – Chapter 4

Actual cash value
Additional living expenses
All risk coverage
Allergenic
Basic policy
Basis of claims settlement
Bodily injury
Broad policy
Building fixtures & fittings
Business
Business property
Business pursuits
Civil authority
Coinsurance
Collectibles
Comprehensive policy
Conditions
Condominium insurance
Data
Declarations page
Defence, settlement, supplementary payments
Definitions
Direct loss
Domestic appliance
Dwelling
Employers' liability
Endorsement
Exclusions
Fair rental value
Fixtures and fittings
Floater
Fungi
Ground water
Guaranteed replacement cost
Health and commercial insurance
Indemnity
Identity Fraud
Identity Theft
Indirect loss
Insurable interest
Insured perils
Insuring agreement
Legal liability
Limit of insurance
Limit of liability
Loss
Mildew
Mobile homes
Mortgage default insurance
Mortgage fraud
Mortgage insurance
Mortgage life insurance
Motorized vehicles
Mould
Mushroom
Named perils coverage
Numismatic property
Pathogenic
Personal liability
Personal property
Philatelic property
Pollutants
Premises
Premises liability
Principal dwelling
Property damage
Reasonable expectations
Redlining
Replacement cost
Replacement value
Residence employee
Sections I, II and III
Silverware
Single limit of insurance
Specified perils
Spores
Standard policy
Statutory Conditions
Subrogation
Supplementary payments
Surface waters
Tear out
Tenants insurance
Tenants liability
Terrorism
Title insurance
Toxicogenic
Under construction
Vacant
Valued basis
Voluntary payments
Voluntary compensation for residence employees
Voluntary medical payments
Voluntary property payments
Voluntary payments
You and your
Watercraft
Watermain
We and us
Weekly indemnity
Yeast

Key Terms – Chapter 5

Accident	Contingent business interruption	Indirect loss
Accounts receivable	Contingent liability	Individual named insured endorsement
Additional building costs	Contract bond	Inland marine
Advertising injury	Contractual liability	Inland marine floater
Aggregate deductible	Counterfeit currency	Inside the premises
Architects and engineers	Course of construction	Insurance agent bond
Attachment bond	Court bond	Inventory
Auctioneer's bond	Credit	Judicial bond
Automobile liability	Crime	Law liability
Average	Crop (hail)	Leasehold interest
Bail bond	Debris	Legal liability
Bailee	Deductible	Legal malpractice
Bid bond	Direct loss	Liability for guests' property
Blanket coverage	Directors and officers (D&O)	Licence and permit bond
Blanket insurance	Discover period	Limited partnership reimbursement
Block policy	Dishonesty	Liquor liability
Boiler and machinery	Dram shop law	Loss
Bonded	Drive-other-car endorsement	Loss due to a peril
Breach of warranty	Employee injury	Loss due to dishonesty
Broad form	Employee theft	Lost-instrument bond
Builders risk	Employer liability	Machinery and equipment
Building	Employment practices	Maintenance bond
Building additions	Environmental liability	Malpractice
Building extensions	Equipment breakdown	Marine insurance
Burglary	Errors and omissions (E&O)	Means of transportation
Business and personal property	Excess insurance	Mechanical breakdown
Business auto	Exclusions	Money orders and counterfeit currency
Business floater	Extended coverage	Multiple-lines
Business income	Extended non-owned liability endorsement	Named non-owner
Business income and extra expenses	Extra expenses	Negligence
Business interruption	Federal surety bond	Non-employee theft
Business personal property	Fidelity bond	Obligee
Captive insurer	Fiduciary bond	Occurrence
Cargo	Fiduciary liability	Occurrence policy
Casualty insurance	Fire department charges	Ocean marine
Claims-made policy	Fire legal liability	Open perils
Coinsurance requirement	Forgery or alteration	Optional coverage
Commercial liability	Franchise deductible	Outdoor property
Commercial property	Freight	Outside the premises
Communication in a fixed location	Furniture and fixtures	Ownership and maintenance of the premises
Completed operations	General average	Partial loss
Comprehensive general liability	General insurance	Particular average
Computer fraud	General liability	Payment bond
Condominium association	General partners liability	Pension trust
Conduct of business operations	Glass	Per occurrence deductible
Consequential damage	Gradual pollution	Performance bond
Consequential loss	Group captive	Peril
	Health insurance	Permanently installed
	Hold-harmless clause	<i>continued ...</i>
	Hull	
	Independent contractors	

Personal and advertising injury	Protection and indemnity	Strict liability
Personal injury	Public official bond	Sudden pollution
Personal property of others	Pure captive	Surety
Pollutant clean-up	Rain	Surety bonds
Preservation of property	Real property	Terrorism Risk Insurance Act (TRIA)
Premises and operations	Refrigeration interruption	Theft
Principal	Robbery	Trailers of others
Product liability	Running down clause	Transportation
Professional liability	Salvage	Umbrella policy
Property & Casualty (P&C)	Scheduled coverage	Valuable business records
Property improvements	Self-insurance	Vicarious liability
Property insurance	Self-inured retention	Workers Compensation
Property in the insured's care, custody or control	Specified perils	Wrongful act
Property off the premises	Spoilage	
	Straight deductible	
	Stop-loss provision	

Key Terms – Chapter 6

Accessibility	Health Services Review	Physician services
Acupuncture	Home province	Physiotherapy
Activities of daily living	Hospital	Podiatrist
Alternative health care	Hospital Insurance and Diagnostic Services (HIDS) Act	Portability
Base plan	Hospital services	Private clinic
Cafeteria plans	Host province	Private plans
Canada Health Act (CHA)	Insured health services	Public administration
Chiropractor	Individual plans	Respite care
Cinderella diseases	Licensed massage therapist	Romanow Report
Coinsurance	Listed drugs	Royal Commission on Health Services
Commission of the Future of Health Care	Long-term care insurance	Saskatchewan Hospitalization Act
Comprehensiveness	Manitoba Cataract Waiting List Program (MCWLP)	Schedule of Benefits
Deductible	Medicaid	Supplementary health care plans
Delist	Medical Care Act	Surge capacity
Dental plan	Medical practitioner	Surgical-dental services
Dentist	Medically necessary	Travel insurance
Exclusion	Medically-required services	Two-tiered system
Extended health care	Medicare	Uninsured hospital services
Extended health care services	Métis	Uninsured physician services
Extra billing	National Health Service (NHS)	Universal health care
Facility fee	National Physician Survey	Universality
Final Report of the Federal Advisor on Wait Times	National Wait Times Strategy	User charge
First Ministers' Conference on Health Care	Naturopath	User fee
Formulary	Non-participating doctor	Wait times
Gender-based analysis (GBA)	Opted-out doctor	Waiver of premiums
Group health plans	Optional coverage	
Hall Report	Organization for Economic Co-operation and Development (OECD)	
Health care practitioner	Osteopath	
Health human resources (HHR)		