REGISTERED INSURANCE BROKERS OF ONTARIO (RIBO) PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

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How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

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Questions

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1. In the event of an accident involving an insured auto, what must the insured do?

A. Notify the police

B. Give written notice to the insurer

C. File a claim with the government

D. Have a witness statement prepared

2. What is the primary purpose of the Insurance Institute of Canada?

A. To provide legal support for insurers

B. To promote marketing strategies for insurance products

C. To provide education for members of the property-casualty insurance industry

D. To oversee insurance regulatory compliance

3. Which auto coverage responds regardless of fault?

A. Liability Coverage

B. Accident Benefits

C. Collision Coverage

D. Comprehensive Coverage

4. What is a key requirement for an insurance contract in terms of the involved parties?

A. Brokers must work independently.

B. Both parties must have an insurable interest.

C. Only one agent is needed for a contract.

D. The insured must be the policyholder.

5. Under Section 3: Liability coverage, the insured is entitled to what?

A. Out of pocket expenses for immediate medical aid.

B. Damage to the property in the care, custody and control of the insured.

C. Legal fees and legal representation, when suing an at-fault third party for a threshold injury.

D. $200,000 coverage under absolute liability provision, even if insured has contravened a term of the contract.

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6. The agreement between an insurance broker and an insurer typically allows the broker to do what?

A. Negotiate premiums

B. Bind the insurer on acceptable risks

C. Underwrite policies

D. Assume policyholder liability

7. Under the OAP 1, the Loss of Use due to Theft provision will not cover costs until:

A. Is only applicable to rent an automobile.

B. Is limited to $30 per day and $900 per occurrence.

C. Payments under this section will stop when your policy expires.

D. 72 hours after the theft has been reported.

8. What loss or damage does Section 7 of OAP 1 Owner's Form NOT usually apply to?

A. Fire

B. Lightning

C. Theft

D. Explosion

9. What is subrogation in the context of insurance?

A. The process of settling a claim

B. The attempt to recover costs from a third party responsible for a loss

C. The endorsement of additional coverage

D. The calculation of premium adjustments

10. If an insured is struck by an automobile while riding a bicycle and receives minor injuries, medical payments will be paid by:

A. The insured's automobile policy under Accident Benefits.

B. The provincial medical plan.

C. The motorist's automobile policy under Third Party Liability.

D. No one, if the insured was at fault.

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Answers

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1. B
2. C
3. B
4. B
5. A
6. B
7. D
8. B
9. B
10. A

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Explanations

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1. In the event of an accident involving an insured auto, what must the insured do?

A. Notify the police

B. Give written notice to the insurer

C. File a claim with the government

D. Have a witness statement prepared

The requirement for an insured person following an accident involving their vehicle includes giving written notice to the insurer. This step is crucial because it initiates the claims process and informs the insurance company about the incident as soon as possible. Timely notification allows the insurer to investigate the circumstances of the accident and determine coverage options, which is essential for ensuring that the insured receives the benefits they are entitled to. In the context of an accident, although notifying the police may be a necessary action to fulfill legal obligations or for securing a police report, it is not the primary duty to the insurer. Similarly, filing a claim with the government is not a typical requirement in the process of reporting an accident to an insurance company. While obtaining a witness statement can be beneficial in corroborating the details of the incident, it is not mandated or as critical to the insurer's process as providing written notice. Thus, promptly notifying the insurer is fundamental in managing the responsibilities of the insured after an accident.

2. What is the primary purpose of the Insurance Institute of Canada?

A. To provide legal support for insurers

B. To promote marketing strategies for insurance products

C. To provide education for members of the property-casualty insurance industry

D. To oversee insurance regulatory compliance

The primary purpose of the Insurance Institute of Canada is indeed to provide education for members of the property-casualty insurance industry. This organization plays a crucial role in enhancing the knowledge and skills of professionals within the insurance sector through various educational programs, courses, and resources. By focusing on education, the Insurance Institute helps to ensure that industry professionals are well-informed about best practices, emerging trends, and regulatory changes, which ultimately contributes to the overall development and professionalism within the field. The other options mentioned involve functions that are not the primary focus of the Institute. Legal support for insurers, promoting marketing strategies, and overseeing regulatory compliance are essential to the insurance landscape but fall outside the Institute's educational mandate. As a result, the emphasis on education uniquely aligns with the mission of the Insurance Institute of Canada, solidifying the correctness of this choice.

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3. Which auto coverage responds regardless of fault?

A. Liability Coverage

B. Accident Benefits

C. Collision Coverage

D. Comprehensive Coverage

You are correct that Accident Benefits coverage responds regardless of fault. This type of coverage is designed to provide financial support for medical expenses, rehabilitation, and other necessary benefits to individuals injured in an auto accident, irrespective of who caused the accident. This provision is essential because it ensures that injured parties have access to immediate assistance for their medical needs without the necessity of establishing liability. It promotes the principle of providing care and support to those affected by accidents, facilitating quicker recovery and ensuring that financial barriers do not impede necessary medical treatment. In contrast, other types of coverage, such as Liability Coverage, Collision Coverage, and Comprehensive Coverage, are contingent upon specific circumstances or liabilities. For instance, Liability Coverage only applies when the insured is deemed at fault for causing damage to another party, while Collision Coverage is applicable for damage to the insured's own vehicle resulting from a collision. Comprehensive Coverage addresses damages to the insured's vehicle due to non-collision events, but again, it depends on the nature of the incident and the insured's interests in terms of coverage.

4. What is a key requirement for an insurance contract in terms of the involved parties?

A. Brokers must work independently.

B. Both parties must have an insurable interest.

C. Only one agent is needed for a contract.

D. The insured must be the policyholder.

The correct answer is that both parties must have an insurable interest. This is a fundamental principle in insurance contracts, ensuring that the parties involved have a legitimate stake in the subject matter of the insurance. Insurable interest protects against moral hazard, where individuals might be incentivized to cause loss or damage if they stand to gain from the insurance payout. In insurance, the insured must have a genuine financial interest in the insured property or person at the time the contract is formed. For instance, when insuring a property, the owner must benefit from its preservation and thus has a vested interest in it not being harmed. The other concepts presented are not requirements for an insurance contract. While agents play a role in facilitating the transaction, the presence of a single agent does not define the validity of the contract itself. Additionally, a broker's independence can vary based on structure and agreements in place but isn't mandated as a requirement for the existence of an insurance contract. Similarly, while the insured is often the policyholder, they do not necessarily have to be the same person; for example, one might purchase life insurance on another individual, where the policyholder and the insured are distinct. Thus, the insurable interest requirement is crucial and foundational in establishing a valid insurance

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5. Under Section 3: Liability coverage, the insured is entitled to what?

A. Out of pocket expenses for immediate medical aid.

B. Damage to the property in the care, custody and control of the insured.

C. Legal fees and legal representation, when suing an at-fault third party for a threshold injury.

D. $200,000 coverage under absolute liability provision, even if insured has contravened a term of the contract.

The entitlement related to liability coverage under Section 3 is focused on legal defense and associated costs rather than out-of-pocket medical expenses. In typical liability coverage contexts, insured parties are often covered for legal fees and representation when dealing with claims made against them, particularly when pursuing recovery from at-fault third parties. This response aligns with the principles of liability coverage, which emphasize providing legal support in the event of a claim rather than covering immediate medical costs, which would typically fall under different types of insurance provisions. Other options, although related to different aspects of liability and insurance coverage, do not accurately represent the primary entitlements under standard liability coverage principles. For example, coverage for property in care, custody, and control often involves specific exclusions, while absolute liability provisions may contain clauses that restrict coverage if terms of the contract are not met. This illustrates the fundamental nature of liability coverage as it pertains to legal costs associated with claims against the insured, reinforcing the significance of legal support in liability contexts.

6. The agreement between an insurance broker and an insurer typically allows the broker to do what?

A. Negotiate premiums

B. Bind the insurer on acceptable risks

C. Underwrite policies

D. Assume policyholder liability

The correct answer is that the agreement between an insurance broker and an insurer typically allows the broker to bind the insurer on acceptable risks. This means that, within the terms set by the insurer, the broker has the authority to finalize coverage for clients by accepting risks that meet the insurer's underwriting criteria. This is a significant responsibility as it directly affects the insurer's risk exposure and liability. While brokers play a role in negotiating premiums, that is often more of a conversation with the client rather than a direct authority granted by the insurer. The actual underwriting of policies, which involves assessing risk and determining policy terms, is generally the responsibility of the insurer or underwriters employed by them. Additionally, brokers do not assume liability for policyholders; instead, they work to ensure that clients have appropriate coverage while maintaining a clear distinction between the insurer and the policyholder's responsibilities.

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7. Under the OAP 1, the Loss of Use due to Theft provision will not cover costs until:

A. Is only applicable to rent an automobile.

B. Is limited to $30 per day and $900 per occurrence.

C. Payments under this section will stop when your policy expires.

D. 72 hours after the theft has been reported.

The correct option states that coverage for Loss of Use due to Theft under the OAP 1 policy will not begin until 72 hours after the theft has been reported. This means that during the first 72 hours, any costs incurred for a rental vehicle or alternative transportation will not be covered by the policy. Option A is incorrect because Loss of Use coverage for theft is not limited to renting an automobile. It applies to any costs associated with alternative transportation while the insured vehicle is being repaired or replaced. Option B is also incorrect because it refers to the limits of coverage, not the starting point for coverage. Option C is incorrect because it suggests that the coverage will end when the policy expires. In reality, coverage for Loss of Use due to Theft will continue until repairs or replacement of the stolen vehicle are completed, up to the limit of coverage stated in the policy. Therefore, option

8. What loss or damage does Section 7 of OAP 1 Owner's Form NOT usually apply to?

A. Fire

B. Lightning

C. Theft

D. Explosion

Section 7 of the Ontario Automobile Policy (OAP 1) covers specific perils and sets out the circumstances where the insurer may not be liable for certain types of losses. In this context, the correct choice is one that indicates a type of loss or damage typically not covered by the policy. Fire, theft, and explosion are common risks that a standard automobile insurance policy often addresses. These perils can lead to significant damages, and it is important for insurers to provide coverage against such risks to protect policyholders adequately. In contrast, lightning incidents are generally not included in personal auto insurance policies for property damage. While lightning is a recognized peril in broader homeowners or property insurance, it does not typically apply in the context of automobile insurance, particularly in the standard coverage outlined in the OAP 1. Thus, lightning is less likely to be covered under Section 7, making it the option that is inconsistent with the usual types of coverage provided for vehicles.

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9. What is subrogation in the context of insurance?

A. The process of settling a claim

B. The attempt to recover costs from a third party responsible for a loss

C. The endorsement of additional coverage

D. The calculation of premium adjustments

Subrogation in the context of insurance refers specifically to the process where an insurance company seeks to recover the costs it has paid out on a claim from a third party that is deemed responsible for the loss. This concept allows insurers to "step into the shoes" of the insured, enabling them to pursue recovery from the party at fault. It is a crucial aspect of managing claims and ensuring that the responsible parties are held accountable for their actions, ultimately helping to keep insurance costs in check for policyholders. The other options provided do not align with the definition of subrogation. Settling a claim involves the process of determining the compensation owed to the insured and does not specifically relate to recovering costs from third parties. Endorsing additional coverage pertains to modifying a policy to include extra protections, which is unrelated to the recovery of funds. The calculation of premium adjustments focuses on determining the cost of premiums based on risk assessment and is not connected to the mechanism of subrogation.

10. If an insured is struck by an automobile while riding a bicycle and receives minor injuries, medical payments will be paid by:

A. The insured's automobile policy under Accident Benefits.

B. The provincial medical plan.

C. The motorist's automobile policy under Third Party Liability.

D. No one, if the insured was at fault.

In this scenario, the insured was struck by an automobile while riding a bicycle. The insured is not at fault and only received minor injuries. The correct answer is A because medical payments will be covered by the insured's own automobile policy under Accident Benefits. Option B, the provincial medical plan, would not be responsible for these medical payments as they would typically only cover medical expenses for incidents on public roads or highways. Option C, the motorist's automobile policy under Third Party Liability, would only come into play if the insured decides to pursue legal action against the responsible motorist. Option D, no one being responsible, is also incorrect as the insured's own automobile policy would still provide coverage for their medical expenses under Accident Benefits.

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Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

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We wish you the very best on your exam journey. You've got this!

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