

Ontario Automobile Supplement (OAS) Practice Test (Sample)

Study Guide



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SAMPLE

Questions

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- 1. What is the purpose of endorsements that exclude or restrict coverage like OPCF 9?**
 - A. To enhance the coverage provided**
 - B. To exclude certain uses from coverage**
 - C. To increase the liability limit**
 - D. To cover additional drivers**
- 2. What does Like, Kind, and Quality (LKQ) refer to in insurance?**
 - A. Determining the value of new property**
 - B. Replacing lost property with new items**
 - C. Replacement of lost property with used items of similar condition**
 - D. Appraising property based on its original value**
- 3. What does the OPCF 40 endorsement pertain to?**
 - A. Agreement not to rely on SABS priority of payments**
 - B. Fire deductible**
 - C. Use of recreational vehicles by unlicensed operators**
 - D. Mortgage (broad form)**
- 4. What is ridesharing?**
 - A. A service where passengers travel for free or for a fee in a vehicle driven by its owner**
 - B. A subscription service for regular taxi rides**
 - C. A program that allows for sharing of multi-passenger vehicles**
 - D. A rental service for personal vehicles only**
- 5. What does the term "Rate" refer to in insurance?**
 - A. The premium for uninsured motorists**
 - B. The expected loss for a covered risk and insurance costs**
 - C. The total number of claims made by all insureds**
 - D. The discount applied for bundling insurance products**

- 6. What is the purpose of the Facility Association in Canadian automobile insurance?**
- A. To provide insurance policies for high-risk drivers**
 - B. To offer discounted policies to all drivers**
 - C. To facilitate vehicle repairs from accidents**
 - D. To ensure legal driving for drivers unable to find insurance**
- 7. What type of insurance covers employees for injuries sustained at work?**
- A. Workers' Compensation Insurance**
 - B. General Liability Insurance**
 - C. Health Insurance**
 - D. Auto Insurance**
- 8. What does OPCF 6A endorsement allow?**
- A. Catering for food deliveries**
 - B. Carrying paying passengers**
 - C. Offering free rides**
 - D. Driving under a learner's permit**
- 9. What does OPCF 4A provide permission for?**
- A. Carrying radioactive materials**
 - B. Working as a delivery driver**
 - C. Carrying explosives**
 - D. Transporting hazardous waste**
- 10. What is defined as a failure to use the degree of care expected from a reasonable person?**
- A. Negligence**
 - B. Tort**
 - C. Liability**
 - D. Accident**

Answers

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

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Explanations

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1. What is the purpose of endorsements that exclude or restrict coverage like OPCF 9?

- A. To enhance the coverage provided**
- B. To exclude certain uses from coverage**
- C. To increase the liability limit**
- D. To cover additional drivers**

The purpose of endorsements like OPCF 9 is specifically to exclude or restrict coverage for certain situations or uses of a vehicle. This means that the endorsement outlines specific scenarios where coverage would not apply, effectively limiting the insurer's liability in those cases. For example, if an endorsement specifies that coverage is not applicable when a vehicle is used for business purposes, this directly impacts what is allowed under the insurance policy. This type of endorsement is typically used to clarify the terms of coverage and to inform the policyholder of what is not covered under their insurance. It helps both the insurer and the insured to understand the limitations of their policy, ensuring that there are no misunderstandings regarding what situations are included or excluded from the coverage provided. The other options relate to increasing or enhancing coverage, which is not the function of an endorsement like OPCF 9. Instead, it is designed to clearly delineate risks that are not covered, making it an important aspect of understanding one's insurance policy.

2. What does Like, Kind, and Quality (LKQ) refer to in insurance?

- A. Determining the value of new property**
- B. Replacing lost property with new items**
- C. Replacement of lost property with used items of similar condition**
- D. Appraising property based on its original value**

The term Like, Kind, and Quality (LKQ) in insurance specifically pertains to the replacement of lost property with used items that are of a similar condition or quality. This principle is often applied in property and casualty insurance to ensure that the insured is made whole after a loss without significantly profiting from the insurance claim. By replacing lost items with used equivalents that match the type, quality, and condition of the original, insurers aim to maintain fairness and reduce the financial burden on the insurer while addressing the needs of the insured. This concept helps to minimize disputes over valuation, as it establishes a clear standard for replacement, ensuring that claimants receive something comparable to what they had prior to the loss. This approach also supports sustainability by promoting the reuse of existing goods rather than incentivizing the purchase of new items.

3. What does the OPCF 40 endorsement pertain to?

- A. Agreement not to rely on SABS priority of payments
- B. Fire deductible**
- C. Use of recreational vehicles by unlicensed operators
- D. Mortgage (broad form)

The OPCF 40 endorsement specifically deals with the optional coverage related to a fire deductible in automobile insurance policies. This endorsement allows a policyholder to adjust the terms of coverage for fire-related incidents, meaning that in the event of a fire claim, the deductible may be affected depending on the conditions specified in the endorsement. It is a tailored approach to better suit the policyholder's needs in relation to how fire damage is handled financially in their insurance policy. In contrast, the other options relate to different aspects of insurance coverage. The first option discusses the priority of payments under the Statutory Accident Benefits Schedule (SABS), which does not pertain to fire deductibles. The third option addresses regulatory matters concerning the use of recreational vehicles, specifically focusing on licensing issues rather than coverage for fire damage. The fourth option, referring to mortgage coverage, deals with property insurance concerns and does not relate to the automobile context or fire deductibles. Thus, the OPCF 40 endorsement's primary focus on the fire deductible clearly distinguishes it from the other options provided.

4. What is ridesharing?

- A. A service where passengers travel for free or for a fee in a vehicle driven by its owner**
- B. A subscription service for regular taxi rides
- C. A program that allows for sharing of multi-passenger vehicles
- D. A rental service for personal vehicles only

Ridesharing refers to a service where individuals can travel in a vehicle driven by its owner, either for free or for a fee. This model typically involves drivers using their personal vehicles to transport passengers on a flexible basis, often arranged through a mobile app. Ridesharing has gained popularity as an alternative to traditional taxi services, offering convenience and affordability for users. The other choices describe different transportation options. A subscription service for regular taxi rides would be a structured, pre-paid model typically involving commercial taxis, rather than personal vehicles. A program that allows for sharing multi-passenger vehicles pertains to organized carpooling or vanpooling services, which focus more on group travels rather than the ride-on-demand model of ridesharing. A rental service for personal vehicles solely focuses on short-term vehicle rentals and does not encompass the aspect of personal drivers providing rides, which is central to ridesharing.

5. What does the term "Rate" refer to in insurance?

- A. The premium for uninsured motorists**
- B. The expected loss for a covered risk and insurance costs**
- C. The total number of claims made by all insureds**
- D. The discount applied for bundling insurance products**

The term "Rate" in insurance specifically refers to the expected loss for a covered risk and the associated insurance costs. This means that the rate is determined by assessing the likelihood of a loss occurring and estimating how much that loss would cost the insurer. It encompasses the calculations and factors that go into determining the premium that a policyholder will pay based on the risks associated with the insured property or individual. When calculating rates, insurers use actuarial data, which takes into account various factors, including historical claims data, risk assessments, and the overall underwriting process. This ensures that the premium collected corresponds to the anticipated number and value of future claims. Understanding this concept is crucial for evaluating insurance policies, as it helps policyholders grasp how their premiums are formulated based on risk exposure.

6. What is the purpose of the Facility Association in Canadian automobile insurance?

- A. To provide insurance policies for high-risk drivers**
- B. To offer discounted policies to all drivers**
- C. To facilitate vehicle repairs from accidents**
- D. To ensure legal driving for drivers unable to find insurance**

The purpose of the Facility Association in Canadian automobile insurance is to ensure that drivers who are unable to obtain insurance through traditional means have access to coverage, thereby allowing them to meet the legal requirements for operating a vehicle. This is particularly important for high-risk drivers who may be denied coverage by other insurers due to their driving history or other factors. The Facility Association serves as a safety net, providing a mechanism for these drivers to obtain the necessary insurance. This not only helps individuals comply with the law but also contributes to broader road safety by ensuring that more vehicles on the road are insured, even those driven by higher-risk individuals. In contrast, other options present different functions that do not accurately describe the role of the Facility Association. For instance, offering discounted policies to all drivers is not within its mandate, as the association is more focused on providing access to insurance rather than reducing costs universally. Likewise, while facilitating vehicle repairs from accidents is a function of the insurance industry, it is not specific to the Facility Association's purpose.

7. What type of insurance covers employees for injuries sustained at work?

A. Workers' Compensation Insurance

B. General Liability Insurance

C. Health Insurance

D. Auto Insurance

Workers' Compensation Insurance is specifically designed to cover employees who sustain injuries or illnesses as a result of their work. This insurance provides financial support for medical expenses, rehabilitation costs, and a portion of lost wages while the employee is unable to work due to their injury. Its primary purpose is to ensure that employees receive the necessary care and support without needing to pursue legal action against their employer, as it operates under a "no-fault" system. This means that employees are covered regardless of who was at fault for the accident. In contrast, General Liability Insurance typically protects businesses from claims of bodily injury or property damage to third parties, rather than covering employee injuries. Health Insurance usually refers to individual or family coverage for medical care, including doctor visits and hospital stays, but it does not specifically address work-related injuries. Auto Insurance covers vehicles and injuries related to vehicle accidents, which is irrelevant in the context of workplace injuries. Thus, the selection of Workers' Compensation Insurance is the most appropriate choice for covering employee injuries at work.

8. What does OPCF 6A endorsement allow?

A. Catering for food deliveries

B. Carrying paying passengers

C. Offering free rides

D. Driving under a learner's permit

The OPCF 6A endorsement specifically allows a driver to use their personal vehicle to carry paying passengers, which is often associated with services such as ride-sharing or taxi operations. This endorsement is crucial for drivers who wish to engage in commercial activities related to transporting passengers, ensuring that their insurance coverage is appropriately adjusted to account for the increased risks involved in such activities. While the other options might seem plausible, they do not align with the specific provisions of the OPCF 6A endorsement. Catering for food deliveries typically falls under different coverage or needs, as does offering free rides, which does not involve any financial transaction and may not require an endorsement. Driving under a learner's permit involves separate regulations and requirements specific to new drivers rather than passenger transport endorsements. Thus, the correct choice highlights the fundamental purpose of the OPCF 6A endorsement within the framework of auto insurance in Ontario.

9. What does OPCF 4A provide permission for?

- A. Carrying radioactive materials
- B. Working as a delivery driver
- C. Carrying explosives**
- D. Transporting hazardous waste

The OPCF 4A form, known as the "Certificate of Automobile Insurance," specifically pertains to providing permission for the transportation of explosives. This document is essential for ensuring that drivers who are carrying such materials are properly insured and compliant with regulatory requirements. The insurance coverage provided by the OPCF 4A recognizes the unique risks involved in transporting explosives and ensures that in the event of an incident or accident, the driver and others affected have the necessary protection. When looking at other options, carrying radioactive materials, working as a delivery driver, or transporting hazardous waste involves different regulatory frameworks and insurance provisions that are not covered by the OPCF 4A. Each of these activities would typically require more specialized policies or endorsements to address their specific risks and legal requirements. Thus, the focus of the OPCF 4A is distinctly on the legalities and responsibilities surrounding the transport of explosives.

10. What is defined as a failure to use the degree of care expected from a reasonable person?

- A. Negligence**
- B. Tort
- C. Liability
- D. Accident

The definition of negligence is indeed characterized by a failure to exercise the level of care that a reasonable person would provide under similar circumstances. This concept is crucial in law, particularly in personal injury cases or when determining if one party's actions caused harm to another. The central idea is that a reasonable person is expected to avoid actions that could foreseeably cause harm to others, and when they fail to act accordingly, that constitutes negligence. In legal terms, proving negligence typically involves establishing that the individual had a duty of care to the injured party, that they breached that duty through their actions (or inaction), and that this breach directly resulted in the injury or damage suffered. The other definitions do not encapsulate this concept as specifically. Tort refers to a broader class of civil wrongs not arising from contractual obligations, while liability pertains to being responsible for something, typically in the context of legal accountability. An accident denotes an unexpected event that causes harm, but it doesn't encompass the failure to act with reasonable care, which is fundamental to understanding negligence. Thus, negligence is the term that best defines the failure to use the appropriate degree of care expected from a reasonable person.