

Ontario Insurance Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

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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.

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!

Questions

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1. What does the term "coinsurance" mean?

- A. A requirement to share coverage with another policy
- B. A provision requiring insured to pay a percentage of the loss after the deductible has been met
- C. A penalty for late payment of premiums
- D. A feature that allows a policy to cover multiple properties

2. What does occupational accident insurance cover?

- A. Benefits for workers injured off the job
- B. Benefits for workers injured in an accident during their job
- C. Coverage for medical expenses only
- D. Disability insurance for long-term injuries

3. What is an "endorsement" in insurance terms?

- A. A type of insurance fraud
- B. A document that modifies an insurance policy's coverage
- C. The renewal agreement for an insurance policy
- D. A formal complaint against an insurer

4. What is a fortuitous event?

- A. Intended and planned event.
- B. Unexpected, accidental, uncertain occurrence.
- C. Predictable and recurring scenario.
- D. Generic risk assessment.

5. If a dwelling is declared unfit for occupancy, which coverage applies?

- A. Building coverage only
- B. Additional dwelling insurance
- C. Rental Value for lost income
- D. No coverage if limits are maxed

6. What type of service does OPCF 35 cover?

- A. Legal consultation
- B. Emergency road service
- C. Home repair service
- D. Personal injury assistance

- 7. What does OPCF 5 allow policyholders to do?**
- A. Purchase additional vehicles
 - B. Rent or lease vehicles
 - C. Insure vehicles driven less than a specific mileage
 - D. Drive vehicles not listed on the policy
- 8. Which of the following is NOT considered an additional living expense?**
- A. Loss of rental income
 - B. Mortgage payments
 - C. Laundry expenses
 - D. Food costs
- 9. Which of the following is a characteristic of an insurance broker?**
- A. They only work for one insurance company
 - B. They offer insurance products with no cost to clients
 - C. They are licensed professionals acting between clients and companies
 - D. They handle only life insurance policies
- 10. What do the limits on Special Limits apply to in insurance policies?**
- A. Valuables such as electronics
 - B. Portable and attractive items
 - C. All property in the home
 - D. Standard household items

Answers

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

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Explanations

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1. What does the term "coinsurance" mean?

- A. A requirement to share coverage with another policy
- B. A provision requiring insured to pay a percentage of the loss after the deductible has been met**
- C. A penalty for late payment of premiums
- D. A feature that allows a policy to cover multiple properties

Coinsurance is a term used in insurance to refer to a provision that requires the insured party to pay a certain percentage of the loss incurred after they have met their deductible. This concept is often applied in property insurance to promote the insured's interest in maintaining adequate coverage and to encourage risk management. The coinsurance percentage is typically specified in the policy, and it ensures that the insured shares in the financial responsibility of their claims. For example, if a policy has a coinsurance requirement of 80%, and the property is underinsured at the time of a loss, the insurer will only cover a portion of the claim proportional to the coverage that was actually maintained. This effectively encourages policyholders to insure their properties to a realistic value, reflecting their actual worth. The other options reflect different concepts within insurance. Sharing coverage with another policy is not the same as coinsurance; it relates more to other forms of coverage collaboration. A penalty for late payment of premiums pertains to policy management and compliance rather than loss sharing. Covering multiple properties under one policy is a feature related to policies but does not describe the foundational concept of coinsurance, which is specifically about the sharing of loss between the insurer and insured after the deductible is satisfied.

2. What does occupational accident insurance cover?

- A. Benefits for workers injured off the job
- B. Benefits for workers injured in an accident during their job**
- C. Coverage for medical expenses only
- D. Disability insurance for long-term injuries

Occupational accident insurance specifically provides coverage for employees who suffer injuries as a result of accidents that occur while they are performing their job duties. This type of insurance is designed to offer financial protection for medical expenses, lost wages, and rehabilitation costs incurred from work-related incidents. The focus of occupational accident insurance is on accidents that take place during the course of employment, which helps ensure that workers receive the appropriate support and compensation for injuries sustained in the workplace. This is vital for both the employee's recovery and the employer's responsibility to maintain a safe working environment. In contrast, the other options describe scenarios that fall outside the specific coverage of occupational accident insurance. For instance, benefits for injuries that occur off the job, medical expense coverage only, and long-term disability insurance are not included in this type of policy. Concisely, the correct answer highlights the policy's primary purpose of protecting workers from on-the-job accidents.

3. What is an "endorsement" in insurance terms?

- A. A type of insurance fraud
- B. A document that modifies an insurance policy's coverage**
- C. The renewal agreement for an insurance policy
- D. A formal complaint against an insurer

In the context of insurance, an endorsement is a document that modifies the coverage provided under an existing insurance policy. This can involve adding, deleting, or altering the terms of coverage. Endorsements are beneficial as they allow policyholders to tailor their insurance to better suit their specific needs or circumstances without having to rewrite the entire policy. For instance, if someone acquires a new piece of equipment that requires additional coverage, an endorsement can be added to the current policy to include that new equipment without replacing the entire document. This flexibility is key in adapting the policy to life changes or new risks the policyholder may face. The other options do not accurately define an endorsement. Insurance fraud refers to dishonest acts designed to deceive an insurer, a renewal agreement pertains to the continuation of a policy beyond its initial term, and a formal complaint involves grievances against an insurer, none of which capture the essence of what an endorsement is within the insurance framework.

4. What is a fortuitous event?

- A. Intended and planned event.
- B. Unexpected, accidental, uncertain occurrence.**
- C. Predictable and recurring scenario.
- D. Generic risk assessment.

A fortuitous event is defined as an unexpected, accidental, or uncertain occurrence. In the context of insurance, this concept is crucial because coverage is typically extended to events that are beyond the control of the insured party. These could include natural disasters, accidents, or other incidents that result in unexpected loss or damage. The essence of a fortuitous event lies in its unpredictability. Insurers assess risk based on the likelihood of such events occurring, and coverage is designed to protect against losses arising from these unpredictable incidents. Insurers do not cover planned or intended events, as they are foreseeable and within the control of the policyholder. Similarly, predictable or recurring scenarios are not considered fortuitous because they can be anticipated and accounted for in risk management strategies. A generic risk assessment is too vague and does not specifically pertain to the nature of fortuitous events, which emphasize the element of uncertainty and surprise in loss scenarios.

5. If a dwelling is declared unfit for occupancy, which coverage applies?

- A. Building coverage only
- B. Additional dwelling insurance
- C. Rental Value for lost income**
- D. No coverage if limits are maxed

When a dwelling is declared unfit for occupancy, the relevant coverage that applies is typically for lost rental income, often referred to as rental value coverage. This is because the declaration of unfitness generally means that the property cannot be occupied, leading to a loss of income for the owner if the dwelling is a rental property. Rental value coverage helps compensate the property owner for the income they would have earned from tenants during the period in which the property cannot be occupied due to safety or health concerns. It protects the financial interests of the owner by covering the loss of rental income until the dwelling is deemed fit for occupancy again. In contrast, building coverage would primarily address physical damages to the structure rather than income loss. Additional dwelling insurance typically pertains to the coverage of other structures or additional policies that enhance protection, which would not directly apply in this scenario of unoccupancy related to rental loss. Lastly, if the coverage limits are maxed, it would imply no coverage is available beyond the specified limits, but this does not address the initial concern of lost income due to the unfit status of the dwelling.

6. What type of service does OPCF 35 cover?

- A. Legal consultation
- B. Emergency road service**
- C. Home repair service
- D. Personal injury assistance

The correct answer is emergency road service, which is specifically covered by the Ontario Policy Change Form (OPCF) 35. This form is an endorsement added to an automobile insurance policy that provides additional benefits related to road emergencies. Under this coverage, if a driver experiences issues such as a breakdown, flat tire, or other mechanical failures while on the road, the insurance can assist with services such as towing, tire changes, and other necessary roadside assistance. This type of coverage is essential for ensuring drivers can receive timely assistance when they encounter vehicle issues away from home. While legal consultation, home repair service, and personal injury assistance are important aspects of various insurance policies, they do not fall under the OPCF 35 endorsement, which is strictly tailored to provide emergency road service benefits for vehicle owners.

7. What does OPCF 5 allow policyholders to do?

- A. Purchase additional vehicles
- B. Rent or lease vehicles**
- C. Insure vehicles driven less than a specific mileage
- D. Drive vehicles not listed on the policy

OPCF 5, also known as the "Permission to Drive Other Automobiles" endorsement, allows policyholders to operate vehicles that are not specifically listed on their insurance policy. This endorsement is particularly useful for individuals who may occasionally drive rental vehicles or borrow cars from friends or family without having to worry about a lack of coverage. This option is correct because it directly addresses the capability granted by OPCF 5, which is the coverage for driving vehicles other than those specifically insured under the policy. Policyholders can enjoy peace of mind knowing that they are protected while using various vehicles as long as they have appropriate permissions. Renting or leasing vehicles may require additional specific endorsements or policy adjustments, but OPCF 5 focuses specifically on allowing the use of other automobiles not explicitly included under the main policy. Thus, while renting or leasing is a common necessity for drivers, OPCF 5 more accurately pertains to the flexibility in driving non-owned vehicles.

8. Which of the following is NOT considered an additional living expense?

- A. Loss of rental income
- B. Mortgage payments**
- C. Laundry expenses
- D. Food costs

An additional living expense is typically any cost incurred that is necessary for maintaining a customary standard of living when your primary residence becomes uninhabitable due to a covered loss. This includes costs associated with temporarily living elsewhere, such as hotel bills, increased food expenses, and laundry costs. Mortgage payments, however, are not considered an additional living expense because they are a fixed cost associated with home ownership that remains applicable regardless of whether the home is occupied or not. Even if the home is damaged and you must live elsewhere, the obligation to pay the mortgage continues. In contrast, expenses like laundry, food costs, and even some utility costs can increase or change due to the circumstances of living away from home. Understanding the distinction between fixed housing obligations and variable living expenses helps clarify why the mortgage payments do not fall under the category of additional living expenses.

9. Which of the following is a characteristic of an insurance broker?

- A. They only work for one insurance company
- B. They offer insurance products with no cost to clients
- C. They are licensed professionals acting between clients and companies**
- D. They handle only life insurance policies

The role of an insurance broker is to act as an intermediary between clients seeking insurance and the various insurance companies that provide those products. Brokers are licensed professionals who have expertise in evaluating clients' needs and recommending appropriate insurance options from multiple carriers. This characteristic is significant because it emphasizes their independence, as they are not tied to any single insurance provider. This enables them to offer a broader range of choices and tailor recommendations based on the client's specific situation. The other choices highlight misunderstandings about the insurance brokerage model. Brokers do not exclusively represent one company, which would limit their ability to offer diverse options. Additionally, while some brokers may provide advisory services, they typically earn a commission from the insurance products sold; therefore, there are costs associated with the policies they recommend. Lastly, insurance brokers do not limit themselves to life insurance; they deal with various types of insurance products including health, auto, property, and more, which allows them to meet a wide array of client needs.

10. What do the limits on Special Limits apply to in insurance policies?

- A. Valuables such as electronics
- B. Portable and attractive items**
- C. All property in the home
- D. Standard household items

The correct answer focuses on the concept of "Special Limits," which are specific restraints that insurance policies place on certain categories of valuable property within a homeowner's insurance policy. These limits are designed to provide coverage for items that are more susceptible to loss, theft, or damage due to their nature. In this context, portable and attractive items, such as jewelry, furs, and various electronics, fall under the category of items that typically have special limits. This means that while the homeowner's policy may cover these items, it does so only up to a specified monetary limit. The rationale behind this limitation is due to the higher risk associated with these items; they not only have significant value but are also more likely to be taken or damaged because they are easily movable. This differentiation is important for policyholders, as it encourages them to secure additional coverage or endorsements for items that exceed these limits, ensuring they are fully protected against potential loss. Other options, while they may include valuable items, do not specifically capture the essence of what "Special Limits" refers to in the context of insurance principles. Consequently, understanding the nature of special limits helps policyholders know how their coverage will apply to certain high-value items they own.

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:

<https://ontarioinsurance.examzify.com>

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

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