

Registered Insurance Brokers of Ontario (RIBO) Level 1 Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

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Questions

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- 1. What is the additional amount supported for each dependent under the Caregiver Benefit?**
 - A. \$40 per week**
 - B. \$60 per week**
 - C. \$50 per week**
 - D. \$70 per week**
- 2. Who are the parties involved in a Surety Bond?**
 - A. Insurer, Insured, Beneficiary**
 - B. Principal, Obligee, Surety**
 - C. Claimant, Adjuster, Underwriter**
 - D. Agent, Broker, Client**
- 3. What is included under the Caregiver Benefit guidelines?**
 - A. Only compensation for catastrophic impairments**
 - B. Increased payments for multiple dependents**
 - C. Full-time caregivers of any individual**
 - D. Payments for temporary care assignments**
- 4. What does OHIP cover in Canada?**
 - A. Transportation services for patients**
 - B. Emergency services in public hospitals**
 - C. Private healthcare consultations**
 - D. Prescriptions through pharmacies**
- 5. What is the term for the money that the insured pays before the insurer covers the remaining loss?**
 - A. Pure Premium**
 - B. Deductible**
 - C. Loss Ratio**
 - D. General Insurance**

- 6. Under DCPD, what is required for the accident to qualify for coverage?**
- A. At least one vehicle must be unregistered**
 - B. At least two vehicles must have insurance**
 - C. Both vehicles must be registered in Ontario**
 - D. Only personal vehicles qualify**
- 7. What must an insured do following an accident with an unidentified auto?**
- A. Notify their insurer within 48 hours**
 - B. Report the incident to the police within 24 hours**
 - C. Contact a lawyer within 30 days**
 - D. File a claim with the government within 21 days**
- 8. Which of these is NOT a liability limitation regarding motor vehicles?**
- A. Business and business property**
 - B. Watercraft or motor vehicle owned**
 - C. Non-owned watercraft or motor vehicles**
 - D. Private property damage**
- 9. What does the valid OHIP card ensure?**
- A. Access to treatment without a waiting period**
 - B. Eligibility for certain healthcare services in Ontario**
 - C. Coverage for private health insurance costs**
 - D. Automatic enrollment in any provincial health plan**
- 10. Who is referred to as the mortgagee in an insurance context?**
- A. Individual or entity that provides the mortgage**
 - B. Person who has the mortgage**
 - C. Property owner**
 - D. Insurance underwriter**

Answers

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

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Explanations

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1. What is the additional amount supported for each dependent under the Caregiver Benefit?

- A. \$40 per week
- B. \$60 per week
- C. \$50 per week**
- D. \$70 per week

The additional amount supported for each dependent under the Caregiver Benefit is \$50 per week. This amount is designed to provide financial assistance to individuals who are caring for dependent family members, such as children or individuals with disabilities. The Caregiver Benefit reflects the ongoing costs associated with providing care, compensating caregivers for their time and resources. Understanding the value of \$50 per week is essential for anyone involved in family care arrangements or looking into financial planning related to caregiving.

2. Who are the parties involved in a Surety Bond?

- A. Insurer, Insured, Beneficiary
- B. Principal, Obligee, Surety**
- C. Claimant, Adjuster, Underwriter
- D. Agent, Broker, Client

In the context of a Surety Bond, the correct answer highlights the three key parties involved: the Principal, Obligee, and Surety. The Principal is the party that needs the bond and is responsible for fulfilling the obligation or contract. This could be a contractor required to complete a project as agreed. The Obligee is the entity that requires the bond for the protection against the Principal's potential failure to meet their obligations. This could be a project owner or a government entity that mandates the bond as a condition of the Principal's work. Lastly, the Surety is the party that issues the bond, providing a guarantee that the Principal will fulfill their contractual obligations; if not, the Surety will compensate the Obligee for any loss incurred due to the Principal's default. Understanding this relationship is critical, especially in contractual and construction contexts, where Surety Bonds help ensure that obligations are met and provide a layer of financial protection for the Obligee.

3. What is included under the Caregiver Benefit guidelines?

- A. Only compensation for catastrophic impairments
- B. Increased payments for multiple dependents**
- C. Full-time caregivers of any individual
- D. Payments for temporary care assignments

The Caregiver Benefit is designed to provide financial assistance to those who take on the responsibilities of caring for dependents, particularly those who may have significant needs. Under the guidelines, increased payments for multiple dependents recognize the extra burden and demand placed on caregivers when they are responsible for more than one individual requiring care. This component acknowledges that caregivers may face increased challenges, both financially and logistically, when managing the care of multiple dependents. Therefore, the structure of the benefit adjusts to ensure that those caregivers receive appropriate support reflecting their situation. Understanding this aspect of the Caregiver Benefit is crucial for understanding how benefits are structured to support those who are providing essential care work to vulnerable populations. This knowledge can help inform discussions about caregiving, financial assistance programs, and the importance of recognizing the varied needs of families and individuals relying on caregiver support.

4. What does OHIP cover in Canada?

- A. Transportation services for patients
- B. Emergency services in public hospitals**
- C. Private healthcare consultations
- D. Prescriptions through pharmacies

The correct answer highlights that OHIP, which stands for the Ontario Health Insurance Plan, covers emergency services in public hospitals as a fundamental aspect of its mandate. OHIP provides Ontario residents with financially accessible healthcare, meaning that when a patient requires emergency care, they can access these services at a public hospital without direct out-of-pocket costs at the point of care. Emergency services in public hospitals cover a wide range of activities, including diagnosis, treatment, and stabilization of critical health issues, which are essential for saving lives and managing urgent health concerns. This service ensures equitable access to necessary medical attention for all residents, regardless of their economic situation. In contrast, transportation services for patients is not covered directly under OHIP, as additional benefits often manage these aspects, typically involving specialized programs or insurance plans. Private health consultations generally don't fall under the coverage of OHIP, as it primarily subsidizes services rendered within the public healthcare framework. Finally, while prescriptions are covered to some extent through OHIP, this is limited to specific circumstances, such as for individuals receiving social assistance or those aged 65 and over; otherwise, most residents must pay for their medications out of pocket or have private insurance. Therefore, emergency services in public hospitals is a central and comprehensive aspect of what

5. What is the term for the money that the insured pays before the insurer covers the remaining loss?

- A. Pure Premium**
- B. Deductible**
- C. Loss Ratio**
- D. General Insurance**

The term for the money that the insured pays before the insurer covers the remaining loss is known as a deductible. A deductible is an amount that the policyholder is responsible for paying out of pocket when they make a claim on their insurance policy. It serves as a cost-sharing measure between the insured and the insurer and is typically specified within the terms of the insurance policy. For instance, if a policy has a deductible of \$500 and the insured incurs a loss of \$2,000, the insured would pay the first \$500, and the insurer would then cover the remaining \$1,500. This concept plays a key role in how insurance works, as it helps to reduce the number of small claims and keeps premiums lower. By requiring policyholders to bear some portion of the loss, it encourages them to be more mindful of risks and damages.

6. Under DCPD, what is required for the accident to qualify for coverage?

- A. At least one vehicle must be unregistered**
- B. At least two vehicles must have insurance**
- C. Both vehicles must be registered in Ontario**
- D. Only personal vehicles qualify**

Coverage under Direct Compensation - Property Damage (DCPD) requires that at least two vehicles involved in the accident are insured. This is because DCPD is a system designed to facilitate and streamline the claims process for insured vehicle owners, allowing them to claim damages to their vehicles from their own insurers regardless of fault, as long as the necessary conditions are met. In the context of DCPD, the premise is that if both vehicles are insured, they are capable of covering their respective damages without excessive complications from determining fault. It also highlights the importance of mutual protection among insured drivers, ensuring that both parties can rely on their insurance for coverage. For the other options, while unregistered vehicles or limitations to personal vehicles may influence the circumstances of an accident, they do not align with the requirements for DCPD coverage, which specifically hinges on having two insured vehicles involved in the incident. Hence, the focus remains on the necessity of insurance for both parties to ensure that proper claims procedures can be followed under DCPD regulations.

7. What must an insured do following an accident with an unidentified auto?

- A. Notify their insurer within 48 hours**
- B. Report the incident to the police within 24 hours**
- C. Contact a lawyer within 30 days**
- D. File a claim with the government within 21 days**

In the case of an accident involving an unidentified auto, it is crucial for the insured to report the incident to the police. This action serves several important purposes. Firstly, it helps to create an official record of the incident, which is vital for any potential investigations and for dealing with insurance claims. Secondly, police involvement may facilitate the identification of the unidentified driver if circumstances change or if evidence comes to light after the fact. The requirement to notify the police typically falls within a specific time frame, which, in many jurisdictions, is often 24 hours. This ensures that the incident is reported while it's still fresh in the minds of witnesses and evidence can be effectively gathered. While notification to the insurer and other actions such as consulting a lawyer or filing a claim with the government might be necessary steps in some situations, immediate police notification is generally prioritized in cases of unidentified vehicles to ensure safety and proper documentation.

8. Which of these is NOT a liability limitation regarding motor vehicles?

- A. Business and business property**
- B. Watercraft or motor vehicle owned**
- C. Non-owned watercraft or motor vehicles**
- D. Private property damage**

The answer highlights an important aspect of liability limitations related to motor vehicles. Private property damage is generally not categorized as a liability limitation for motor vehicles because it pertains to damages that may occur to someone's own property as a result of an accident involving a vehicle. In the context of motor vehicle liability insurance, limits typically apply to damages or injuries caused to others or their property (like business property, owned watercraft or vehicles, and non-owned watercraft or vehicles during operations). These coverages and limitations are designed to protect the insured from liability claims arising from their use of a vehicle. In contrast, private property damage refers to damages that you might cause to your own property during a vehicle-related incident, which typically falls outside the purview of liability limitations. Understanding these distinctions is critical in evaluating insurance coverages and ensuring adequate protection against potential liabilities arising from vehicle operation.

9. What does the valid OHIP card ensure?

- A. Access to treatment without a waiting period**
- B. Eligibility for certain healthcare services in Ontario**
- C. Coverage for private health insurance costs**
- D. Automatic enrollment in any provincial health plan**

A valid OHIP card ensures eligibility for certain healthcare services in Ontario. This means that individuals who possess a valid OHIP card are entitled to receive medically necessary services covered by the Ontario Health Insurance Plan. These services can include visits to doctors, hospital stays, and certain medical procedures. While it may seem appealing to think that a valid OHIP card guarantees immediate treatment or coverage for all types of health services, it specifically pertains to publicly funded healthcare. Option A may suggest that patients can receive treatment immediately without waiting; however, this is not always the case, as wait times can still exist for various treatments despite having a valid card. As for choosing private health insurance options, that falls outside the scope of what the OHIP card covers, thus making option C incorrect. And lastly, a valid OHIP card does not guarantee automatic enrollment in any provincial health plan, which reflects the misunderstanding of how provincial health systems work; not everyone is automatically enrolled in all plans unless specific criteria are met, making option D misleading.

10. Who is referred to as the mortgagee in an insurance context?

- A. Individual or entity that provides the mortgage**
- B. Person who has the mortgage**
- C. Property owner**
- D. Insurance underwriter**

In the context of insurance, the mortgagee refers to the individual or entity that provides the mortgage. This typically means that the mortgagee is the lender who offers the funds for purchasing the property, and in return, they hold a legal interest in the property until the mortgage is fully paid. The mortgagee has the right to ensure that the property is adequately insured, as their investment is at risk in the event of damage or loss to the property. Understanding this relationship is crucial for brokers, as they often liaise between clients and lenders regarding insurance requirements. The insurance policy must typically name the mortgagee as an additional insured or loss payee, ensuring protection of the lender's financial stake in the property. This highlights the importance of properly understanding the roles within the mortgage agreement and the corresponding insurance implications.