

Registered Insurance Brokers of Ontario (RIBO) 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. Priorities of payment under an automobile policy relate to which types of losses?**
 - A. Collision and property damage.**
 - B. Collision and direct compensation.**
 - C. Comprehensive and bodily injury.**
 - D. Bodily injury and property damage**

- 2. What is the purpose of coinsurance clauses in an insurance policy?**
 - A. To guarantee full replacement of insured property**
 - B. To prevent the insured from completely avoiding premiums**
 - C. To force the insured to share in partial loss if under-insured**
 - D. To simplify claims processing after a loss**

- 3. What is the significance of a policy's limits of liability in an insurance contract?**
 - A. They define the premium amount**
 - B. They restrict the extent of coverage**
 - C. They determine underwriting criteria**
 - D. They are negotiable based on client relationships**

- 4. Who most clearly has an insurable interest in an automobile?**
 - A. A family member**
 - B. The person who has financed the vehicle**
 - C. The person who actually owns the automobile**
 - D. The secondary driver of the vehicle**

- 5. Which peril can be added to a personal property policy for an extra premium?**
 - A. Flood damage**
 - B. Theft damage**
 - C. Loss or damage caused by earthquake**
 - D. Damage from mold**

- 6. What is the general purpose of an insurance policy's fidelity coverage?**
- A. To protect against property damage claims**
 - B. To cover theft by employees or partners**
 - C. To provide insurance for financial investments**
 - D. To ensure compliance with regulatory financial standards**
- 7. Which benefit is explicitly not covered under the OAP 1 for Accident Benefits?**
- A. Medical expenses for the insured driver**
 - B. Income replacement for the injured party**
 - C. Uninsured Motorists Benefits**
 - D. Rehabilitation costs for the injured parties**
- 8. Insurance under O.A.P. 1 Owner's Form, Section 7, Loss or Damage Coverages, is usually subject to a deductible. It does not apply to damage caused by:**
- A. Windstorm**
 - B. Explosion**
 - C. Vandalism**
 - D. Fire**
- 9. Your insured has bought a snowmobile and advises you a fourteen year old son will also be operating it. You advise that:**
- A. Damage to the exterior of the building directly caused by Vandalism or Malicious Acts**
 - B. You will add OPCF 32, Recreational Vehicle Endorsement to provide coverage for underage operator**
 - C. There is no coverage while the son is driving as he is under sixteen years of age and the coverage cannot be obtained**
 - D. You will add the OPCF 44 Family Protection Endorsement, to cover any accident the son may have**

10. What does Uninsured Automobile coverage specifically cover under the OAP 1 Owner's Form?

- A. Liability for injuries to the driver**
- B. Accidental damage to the insured's automobile**
- C. Rental costs of another vehicle**
- D. Damage from natural disasters**

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Answers

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

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Explanations

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1. Priorities of payment under an automobile policy relate to which types of losses?

- A. Collision and property damage.**
- B. Collision and direct compensation.**
- C. Comprehensive and bodily injury.**
- D. Bodily injury and property damage**

Payment priorities in an automobile policy refer to the order in which claims will be paid out and settled. In this case, the correct answer is D because bodily injury and property damage are two of the main types of losses covered by automobile insurance. While options A and B mention collision, which is a type of loss covered by automobile insurance, they do not mention bodily injury which is also important to prioritize in payment. Option C mentions comprehensive coverage which is not typically a part of an automobile policy.

2. What is the purpose of coinsurance clauses in an insurance policy?

- A. To guarantee full replacement of insured property**
- B. To prevent the insured from completely avoiding premiums**
- C. To force the insured to share in partial loss if under-insured**
- D. To simplify claims processing after a loss**

The correct answer addresses the primary function of coinsurance clauses, which is to ensure that policyholders maintain a certain level of coverage relative to the value of the property being insured. By requiring the insured to share in partial losses if they are under-insured, the coinsurance clause encourages policyholders to purchase coverage that reflects the true value of their property. This mechanism serves to promote responsible insurance buying behavior, ensuring that the insurer is not burdened with covering losses disproportionately resulting from inadequate coverage, while also minimizing moral hazard. In the context of the other options, the first option relates to full replacement coverage, which is typically covered by separate endorsements rather than through coinsurance. The second option suggests that coinsurance prevents the avoidance of premiums, but the primary purpose is more about maintaining adequate coverage rather than just financial contributions. The last option implies that coinsurance simplifies claims processing, but in reality, it can complicate settlements if there is under-insurance, as it introduces calculations to determine the sharing of loss based on the coverage maintained versus the property value.

3. What is the significance of a policy's limits of liability in an insurance contract?

- A. They define the premium amount**
- B. They restrict the extent of coverage**
- C. They determine underwriting criteria**
- D. They are negotiable based on client relationships**

The correct answer is that the limits of liability in an insurance contract serve to restrict the extent of coverage. This is crucial because it clearly defines the maximum amount that the insurer will pay for a covered loss. By having established limits, both the insurer and the insured understand the financial boundaries of the policy, which helps manage expectations during claims processing. The limits of liability can influence various aspects of the insurance agreement, ensuring that the policyholder knows how much protection they will receive in the event of a claim. This clarity helps in the risk assessment and financial planning for both parties involved. Although these limits can indirectly influence other factors such as premium amounts or underwriting criteria, their primary purpose is to delineate the boundaries of coverage, ensuring that the insured knows the financial limits of their policy.

4. Who most clearly has an insurable interest in an automobile?

- A. A family member**
- B. The person who has financed the vehicle**
- C. The person who actually owns the automobile**
- D. The secondary driver of the vehicle**

The most accurate answer is the person who actually owns the automobile, as ownership represents a legal and financial interest in the vehicle. Insurable interest is a principle in insurance that requires the insured party to have a stake in the value of the item being insured. In this case, the owner would suffer a direct financial loss if the vehicle were damaged or lost, making them the most clearly defined party with an insurable interest. While family members may have emotional ties or implications of usage, that connection does not establish a financial claim in the same way that ownership does. Similarly, a person who has financed the vehicle has an interest, but it might be focused on the loan rather than the ownership of the automobile itself. The secondary driver may use the vehicle, but they don't have a direct financial stake in it. Thus, ownership distinctly solidifies the insurable interest in an automobile.

5. Which peril can be added to a personal property policy for an extra premium?

A. Flood damage

B. Theft damage

C. Loss or damage caused by earthquake

D. Damage from mold

The option regarding loss or damage caused by earthquake is correct because many personal property policies exclude earthquake coverage by default. Therefore, policyholders often have the option to add this peril for an additional premium. This is a common practice in the insurance industry, as earthquakes can lead to significant damages that would not typically be covered under standard property policies. Flood damage usually requires a separate flood insurance policy, as it is often excluded from standard home insurance policies. Theft damage can be included within the policy's coverage under certain conditions, eliminating the need for an extra premium in many cases. Damage from mold is often covered only under specific circumstances and typically is not added as a separate peril, but rather is related to other covered water damage issues. By allowing the addition of earthquake coverage, insurers provide policyholders with the option to protect against a specific and potentially devastating risk, reflecting the variability in property insurance needs based on geographic locations and individual risk assessments.

6. What is the general purpose of an insurance policy's fidelity coverage?

A. To protect against property damage claims

B. To cover theft by employees or partners

C. To provide insurance for financial investments

D. To ensure compliance with regulatory financial standards

The general purpose of an insurance policy's fidelity coverage is indeed to address the risk of theft or dishonesty committed by employees or partners. This type of coverage is designed to safeguard a business from losses that result from fraudulent or dishonest acts, such as embezzlement or the misappropriation of funds. In various sectors, particularly where employees handle money or valuable property, fidelity coverage provides important financial protection by reimbursing the covered entity for the losses incurred because of these dishonest actions. This coverage is essential for businesses to maintain financial stability and trust, as it mitigates the financial impact that internal theft can inflict. Understanding this aspect of fidelity coverage helps businesses make informed decisions about risk management and ensures they have the necessary protections in place.

7. Which benefit is explicitly not covered under the OAP 1 for Accident Benefits?

- A. Medical expenses for the insured driver**
- B. Income replacement for the injured party**
- C. Uninsured Motorists Benefits**
- D. Rehabilitation costs for the injured parties**

The choice that identifies a benefit explicitly not covered under the Ontario Accident Policy (OAP 1) for Accident Benefits is indeed correct. Uninsured Motorist Benefits pertain specifically to situations in which a driver is injured by an uninsured motorist, providing coverage for certain damages that cannot be compensated due to the other party's lack of insurance. However, the OAP 1 primarily focuses on accident benefits that are available regardless of fault, such as those for medical expenses, income replacement, and rehabilitation costs for injured parties involved in a vehicular accident. In contrast, the other options represent benefits that are typically provided under the OAP 1. Medical expenses covered by the policy ensure that the insured receives necessary treatment following an accident. Income replacement assists those who are unable to work due to injuries sustained in an accident, offering financial support during recovery. Rehabilitation costs are also covered to help the injured parties regain their health and welfare after an accident. Therefore, the correct response to the question highlights a specific type of coverage that falls outside the typical benefits offered by the OAP 1.

8. Insurance under O.A.P. 1 Owner's Form, Section 7, Loss or Damage Coverages, is usually subject to a deductible. It does not apply to damage caused by:

- A. Windstorm**
- B. Explosion**
- C. Vandalism**
- D. Fire**

This section of the Owner's Form in O.A.P. 1 refers to coverage for loss or damage to the insured's vehicle. A deductible is an amount that the insured is responsible for paying before insurance coverage kicks in. This allows for a shared risk between the insurance company and the insured. The choices of windstorm, explosion, and vandalism are all examples of events that may cause damage to the insured's vehicle and would be covered under this section. However, fire is specifically excluded from this section, meaning any damage caused by a fire would not be covered and the insured would not have to pay a deductible. So, the correct answer is D.

9. Your insured has bought a snowmobile and advises you a fourteen year old son will also be operating it. You advise that:

A. Damage to the exterior of the building directly caused by Vandalism or Malicious Acts

B. You will add OPCF 32, Recreational Vehicle Endorsement to provide coverage for underage operator

C. There is no coverage while the son is driving as he is under sixteen years of age and the coverage cannot be obtained

D. You will add the OPCF 44 Family Protection Endorsement, to cover any accident the son may have

Adding the OPCF 32, Recreational Vehicle Endorsement is the best option because it specifically provides coverage for underage operators. Option A is incorrect because it mentions coverage for vandalism or malicious acts, which is not relevant to the situation. Option C is incorrect because it states there is no coverage for the son at all, which is not necessarily true. Option D is incorrect because it mentions adding a different endorsement that does not specifically address the issue of underage operators.

10. What does Uninsured Automobile coverage specifically cover under the OAP 1 Owner's Form?

A. Liability for injuries to the driver

B. Accidental damage to the insured's automobile

C. Rental costs of another vehicle

D. Damage from natural disasters

Uninsured Automobile coverage under the OAP 1 Owner's Form is designed to protect the insured in situations where they are involved in an accident caused by an uninsured driver or by a hit-and-run driver. The coverage is specifically tailored to cover losses related to bodily injury and damages to the insured vehicle, ensuring that the insured is not left without recourse due to the other party's lack of insurance. While it's important to understand the various other aspects of automobile insurance, they do not apply in this context. For example, liability for injuries to the driver would typically fall under a different category, ensuring protection from claims made against the insured. Accidental damage to the insured's automobile might be covered under comprehensive or collision coverage rather than specifically under uninsured motorist coverage. Additionally, costs associated with renting another vehicle are separate from what uninsured coverage addresses, as they are typically covered under rental reimbursement options. Lastly, damage from natural disasters would generally fall under comprehensive coverage rather than being related to the actions or inactions of other drivers.

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://ontarioautoribo.examzify.com>

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

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