

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



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE**

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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. Which action should a policyholder take if they believe their coverage may not meet the value of their property?**
 - A. Do nothing
 - B. Request an increase in coverage
 - C. Change to a new insurer
 - D. Lower the deductible
- 2. What does Freezer foods coverage typically insure against?**
 - A. Loss caused by any appliance breakdown
 - B. Loss due to spoilage from power interruptions
 - C. Loss caused by mechanical breakdown or outside power interruption
 - D. Loss from theft of freezer contents
- 3. True or False: Replacement cost coverage for buildings and personal belongings is considered basic coverage under a Homeowners Comprehensive policy?**
 - A. True
 - B. False
 - C. Only for buildings
 - D. Only for personal belongings
- 4. In the RIBO homeowner's form, when do limits not apply as stated in "The limits [listed below] do not apply to any claim caused by a Specified Peril"?**
 - A. The limits apply if the claim is due to theft.
 - B. The limits do not apply to vandalism claims.
 - C. All perils have the same limits.
 - D. Limits do not apply to fire damage claims.
- 5. Which of the following is NOT typically covered under standard homeowners insurance?**
 - A. Theft of personal property
 - B. Natural disasters like earthquakes
 - C. Vandalism
 - D. Liability for guest injuries

- 6. Which peril is excluded under a Fire and Extended Coverage policy?**
- A. Windstorm damage.
 - B. Theft.
 - C. Earthquake.
 - D. Lightning.
- 7. What is the primary benefit of having an Umbrella Policy?**
- A. It covers personal items
 - B. It provides coverage for unlisted risks
 - C. It adds extra coverage beyond standard limits
 - D. It eliminates the need for other policies
- 8. Income Replacement Coverage under the OAP1 is limited to:**
- A. Only those insureds who were working at the time of the accident.
 - B. 70% of the injured person's net weekly income, up to \$400 per week.
 - C. The name insured, his or her spouse, and their dependants only.
 - D. Loss of Income but subject to a 14 day waiting period from the date of the accident.
- 9. What is the maximum time frame within which brokers are required to provide a policy or certificate of insurance after placement?**
- A. Fourteen days
 - B. Twenty-one days
 - C. Thirty days
 - D. Sixty days
- 10. What is the actual cash value coverage for electronic accessories under OAP 1 Owner's Form?**
- A. Replacement cost
 - B. Full actual cash value if factory installed
 - C. No coverage
 - D. Market value

Answers

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

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Explanations

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1. Which action should a policyholder take if they believe their coverage may not meet the value of their property?

- A. Do nothing
- B. Request an increase in coverage**
- C. Change to a new insurer
- D. Lower the deductible

Choosing to request an increase in coverage is the most prudent action for a policyholder who suspects that their insurance may not adequately reflect the value of their property. This step allows the insured to ensure that their property is sufficiently protected in the event of a loss or damage. By increasing coverage, the policyholder can mitigate the risk of underinsurance, which could leave them financially vulnerable should they need to file a claim. This proactive approach is essential in maintaining proper insurance coverage that corresponds to the current value of the property, which can change over time due to factors like renovations, market fluctuations, or inflation. Engaging with their insurer to discuss coverage levels also provides an opportunity for the policyholder to understand their policy better and adjust it according to their specific needs. Other alternatives, such as doing nothing, could lead to significant financial loss if the property were damaged and the coverage was insufficient. Switching to a new insurer may not guarantee better coverage and could involve additional costs or complexities. Lowering the deductible might seem appealing but will not address the issue of inadequate overall coverage; instead, it may lead to increased out-of-pocket costs when filing claims.

2. What does Freezer foods coverage typically insure against?

- A. Loss caused by any appliance breakdown
- B. Loss due to spoilage from power interruptions
- C. Loss caused by mechanical breakdown or outside power interruption**
- D. Loss from theft of freezer contents

Freezer foods coverage is specifically designed to protect against losses related to food spoilage resulting from certain events. The correct answer encompasses two critical aspects: mechanical breakdown (such as a malfunction of the freezer itself) and outside power interruption (like a power outage from the utility company). This means that if either of these circumstances leads to the deterioration of the food stored in the freezer, the insurance policy would typically cover the associated losses. The focus here is on the conditions that directly impact the ability of a refrigerated appliance to maintain safe temperatures, leading to spoilage. Other scenarios, while they might seem relevant, do not comprehensively address the primary risks this coverage aims to mitigate. For instance, coverage for loss caused by any appliance breakdown overall may not be limited to food spoilage but could encompass various other issues not specifically tied to food losses. Similarly, loss from theft of freezer contents pertains to theft rather than spoilage, which is outside the standard focus of freezer foods coverage.

3. True or False: Replacement cost coverage for buildings and personal belongings is considered basic coverage under a Homeowners Comprehensive policy?

- A. True
- B. False**
- C. Only for buildings
- D. Only for personal belongings

Replacement cost coverage for buildings and personal belongings is not considered basic coverage under a Homeowners Comprehensive policy. Instead, it is classified as a more comprehensive level of coverage typically included in enhanced policies. Basic or fundamental coverage often provides actual cash value (ACV) rather than replacement cost, which means that depreciation is factored into the payout. Replacement cost coverage is designed to provide full compensation for the cost to replace damaged property without deducting for depreciation, which is a more beneficial form of coverage for homeowners. Therefore, stating that it is basic coverage is inaccurate, leading to the conclusion that the correct response is that the statement is false.

4. In the RIBO homeowner's form, when do limits not apply as stated in "The limits [listed below] do not apply to any claim caused by a Specified Peril"?

- A. The limits apply if the claim is due to theft.
- B. The limits do not apply to vandalism claims.**
- C. All perils have the same limits.
- D. Limits do not apply to fire damage claims.

The correct understanding involves recognizing the nuances surrounding the specific types of claims under the homeowner's form and the defined perils. The statement that limits do not apply when a claim is caused by a Specified Peril underscores that certain incidents can trigger payouts without being capped by the limits stated elsewhere in the policy. In the context provided, a claim due to theft falls under the category of a Specified Peril as outlined in many homeowner's insurance policies. This means that if a theft occurs, which is typically a specific risk covered under the policy, any claim stemming from that theft would not be limited by the designated policy limits. This ensures that the policyholder receives the full extent of coverage for that particular loss. The other options do not align with the specifics of how limits are applied. Vandalism and fire damage claims can have specified limits set within the policy, meaning those types of claims would likely still be subject to the stated policy limits. Furthermore, stating that "all perils have the same limits" oversimplifies the nuances of insurance policies, where different perils can indeed have varying limits based on the coverage. Therefore, a comprehensive understanding identifies theft as a significant example of a peril that allows claims which exceed typical limitations in the homeowner's

5. Which of the following is NOT typically covered under standard homeowners insurance?

- A. Theft of personal property
- B. Natural disasters like earthquakes**
- C. Vandalism
- D. Liability for guest injuries

Homeowners insurance generally provides coverage for a range of perils including theft of personal property, vandalism, and liability for injuries that occur to guests on the property. However, natural disasters such as earthquakes are often excluded from standard homeowners policies. This exclusion is significant because earthquakes can cause extensive damage that requires specialized coverage. Homeowners typically have to purchase separate earthquake insurance to protect against these specific risks. Understanding these coverage limits is crucial for homeowners when assessing their insurance needs and potential gaps in protection. Thus, the correct answer highlights an important aspect of homeowners insurance policies.

6. Which peril is excluded under a Fire and Extended Coverage policy?

- A. Windstorm damage.
- B. Theft.
- C. Earthquake.**
- D. Lightning.

A Fire and Extended Coverage policy typically excludes certain perils that are not directly related to fire or its extensions. Earthquake is one of those perils that is commonly excluded from such policies. Fire policies are primarily designed to cover losses resulting from fire, smoke, and certain direct extensions, such as lightning and windstorm damage under extended coverage. While windstorm damage, theft, and lightning might be covered under specific conditions or additional endorsements in other types of policies, earthquake damage is not covered by standard Fire and Extended Coverage policies. This exclusion is significant because earthquakes can cause substantial damage, and separate earthquake coverage options exist to address this risk. Getting this coverage generally requires a specific endorsement or a separate policy exclusively for earthquake risks. In summary, earthquake is excluded under a Fire and Extended Coverage policy because it is considered a separate risk requiring different coverage.

7. What is the primary benefit of having an Umbrella Policy?

- A. It covers personal items
- B. It provides coverage for unlisted risks
- C. It adds extra coverage beyond standard limits**
- D. It eliminates the need for other policies

The primary benefit of an Umbrella Policy is that it adds extra coverage beyond the standard limits of underlying policies, such as homeowners or auto insurance. This means that if you were to face a liability claim that exceeds the limits of your primary insurance, the Umbrella Policy kicks in to provide additional protection. This additional layer of coverage can help protect your assets in the event of large claims or lawsuits, ensuring that you are not financially vulnerable to high liability costs that could arise from unforeseen incidents. Considering other options: While some may think that the Umbrella Policy provides coverage for unlisted risks, it primarily extends coverage for existing risks rather than introducing new coverage for unique or unlisted conditions. The idea of covering personal items is typically more relevant to standard homeowners or renters insurance, which is not the main function of an Umbrella Policy. Lastly, an Umbrella Policy does not eliminate the need for other policies; instead, it complements them by providing additional protection on top of the existing coverage. Therefore, the correct choice of enhancing coverage beyond standard limits highlights the key advantage of an Umbrella Policy effectively.

8. Income Replacement Coverage under the OAP1 is limited to:

- A. Only those insureds who were working at the time of the accident.
- B. 70% of the injured person's net weekly income, up to \$400 per week.**
- C. The name insured, his or her spouse, and their dependants only.
- D. Loss of Income but subject to a 14 day waiting period from the date of the accident.

Income Replacement Coverage under the Ontario Automobile Policy (OAP1) is designed to provide financial support to individuals who are unable to work due to injuries sustained in a car accident. The coverage specifically stipulates that it compensates for 70% of the injured person's net weekly income, with a ceiling set at \$400 per week. This means that if an individual was earning a net income that translates to more than \$400 weekly, they would only receive the maximum benefit of \$400. This provision ensures that those who were employed can maintain some financial stability while they recover from their injuries. The percentage and the cap are significant as they reflect the policy's aim to balance providing aid to the injured while also managing the insurer's liability. The other options present various aspects of insurance coverage but do not accurately describe the specifics of Income Replacement Coverage under the OAP1. These nuances are essential for understanding how the policy operates and to ensure that those involved are well prepared for the financial implications of an accident.

9. What is the maximum time frame within which brokers are required to provide a policy or certificate of insurance after placement?

- A. Fourteen days
- B. Twenty-one days**
- C. Thirty days
- D. Sixty days

The maximum time frame within which brokers are required to provide a policy or certificate of insurance after placement is twenty-one days. This requirement ensures that clients receive their documentation in a timely manner, which is essential for maintaining trust and transparency in the broker-client relationship. Providing the policy or certificate promptly allows clients to confirm their coverage and understand the terms of their insurance, which can be crucial for their financial protection. The specified timeframe is designed to align with industry standards and legislative requirements intended to safeguard consumers. Shorter timeframes might not allow adequate processing of policy details, while longer periods could leave clients without necessary protection, leading to confusion or potential financial exposure. Therefore, twenty-one days strikes an appropriate balance for the provision of essential insurance documentation.

10. What is the actual cash value coverage for electronic accessories under OAP 1 Owner's Form?

- A. Replacement cost
- B. Full actual cash value if factory installed**
- C. No coverage
- D. Market value

The correct choice indicates that electronic accessories that are factory installed in a vehicle are covered for their full actual cash value under the OAP 1 Owner's Form. This means that in the event of a loss or damage, the insured would receive compensation equivalent to the depreciated value of those accessories at the time of the incident, rather than a replacement cost or a simple market value. In the context of insurance, actual cash value is generally calculated as replacement cost minus depreciation, so having full actual cash value means that the insured gets a fair assessment based on the item's condition prior to the loss. Considering alternative options, replacement cost typically refers to the amount needed to replace the item with a new one of similar kind and quality, which does not accurately describe the coverage for factory installed accessories under this specific policy. "No coverage" would imply that there is absolutely no protection for electronic accessories, which is not the case with factory-installed items. Lastly, "market value" doesn't adequately reflect the compensation principle that is usually applied in insurance policies, as it would take into account external market factors that may not accurately represent the depreciated worth of the accessories at the moment of loss.

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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