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

STUDY GUIDE

SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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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

1. How must an insurer notify an insured to terminate an insurance policy?

A. By phone call with immediate effect

B. By registered mail with a 15 days notice

C. Through email notification

D. By posting a letter without notice

2. What is a subscription policy typically used to insure?

A. Small personal items

B. Large risks

C. Everyday consumer goods

D. Consumer electronics

3. If the contents of a building are insured for $45,000 and valued at $100,000 with a 90% co-insurance clause and a $2,500 deductible, how much will the insurer pay after an $8,000 damage claim?

A. $2,500

B. $1,500

C. $4,000

D. $3,500

4. A newly acquired automobile is automatically covered for a period of 14 days. This coverage is limited to:

A. Those coverages which applied to the vehicle replaced

B. Private Passenger Vehicles Only

C. A vehicle which replaces one already insured under this policy

D. Vehicles used chiefly for pleasure purposes

5. What is the insurable value of contents if they are insured for $45,000 but valued at $100,000?

A. $45,000

B. $100,000

C. $2,500

D. $8,000

6. Which of the following statements is NOT true?

A. Hitting a deer on a road trip north would usually be considered a comprehensive claim.

B. DCPD coverage only pays for damages which you are not responsible for.

C. Premium rebating by brokers is permitted by RIBO provided the insured is advised of the practice before the rebate takes place.

D. Specified Perils coverage does not list war as an insured peril.

7. What is the maximum number of days OHIP provides coverage for medical treatment necessary when the insured is out of Canada?

A. 30 Days

B. 212 Days

C. 90 Days

D. 120 Days

8. Which type of insurance typically includes statutory conditions?

A. Auto insurance

B. Fire insurance

C. Life insurance

D. Travel insurance

9. Which type of policy protects a client against losses due to employee dishonesty?

A. Fidelity policy

B. General liability policy

C. Workers' compensation policy

D. Property insurance policy

10. If an insured is struck by an automobile while riding a bicycle and receives minor injuries, medical payments will be paid by:

A. The insured's automobile policy under Accident Benefits.

B. The provincial medical plan.

C. The motorist's automobile policy under Third Party Liability.

D. No one, if the insured was at fault.

Answers

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

<u>Explanations</u>

1. How must an insurer notify an insured to terminate an insurance policy?

A. By phone call with immediate effect

B. By registered mail with a 15 days notice

C. Through email notification

D. By posting a letter without notice

The correct method for an insurer to notify an insured about the termination of an insurance policy is through registered mail with a specified notice period of 15 days. This approach is crucial because it ensures that the insured is formally notified in a documented manner, which provides a clear record of the communication. Registered mail offers proof of delivery and allows the insured a reasonable amount of time to respond, seek clarification, or make alternative arrangements. While other methods like phone calls or emails may be quicker, they do not provide the same level of documentation and formality as registered mail. Phone calls offer no proof of notification, and emails can be overlooked or not received. Sending a letter without notice fails to uphold the necessary legal and ethical standards, leaving the insured unaware of the termination until potentially it is too late. Thus, registered mail with proper notice aligns with best practices for maintaining transparency and fairness in insurance dealings.

2. What is a subscription policy typically used to insure?

A. Small personal items

B. Large risks

C. Everyday consumer goods

D. Consumer electronics

A subscription policy is typically utilized to insure large risks. This approach allows multiple insurers to share the risk associated with significant or complex insurance needs, such as large commercial properties, major construction projects, or large corporate liability exposures. By distributing the risk among several insurers, each company can limit its exposure while still participating in the premium income associated with the policy. This is particularly relevant for large risks, where one insurer might not be willing or able to cover the entire amount due to potential exposure. In such cases, a subscription policy offers a collaborative solution in which different insurers can combine their resources and expertise to adequately cover the risk. In contrast, small personal items, everyday consumer goods, and consumer electronics typically do not require this type of coverage due to their lower individual value and the ability of standard insurance products to handle these risks effectively without the need for sharing among multiple insurers.

3. If the contents of a building are insured for $45,000 and valued at $100,000 with a 90% co-insurance clause and a $2,500 deductible, how much will the insurer pay after an $8,000 damage claim?

A. $2,500

B. $1,500

C. $4,000

D. $3,500

To determine how much the insurer will pay after an $8,000 damage claim, we first need to calculate the required coverage under the 90% co-insurance clause. The actual cash value (ACV) of the contents is $100,000. With a 90% co-insurance requirement, the insured amount should be at least 90% of the ACV to avoid penalties. This means the minimum required coverage is calculated as follows: \[\text{Minimum Required Coverage} = 90\% \times 100,000 = 90,000. \] However, the contents are only insured for $45,000, which is below the required minimum of $90,000. This triggers a penalty on the claim due to insufficient insurance coverage. The penalty is calculated based on the ratio of the insured amount to the required amount: \[\text{Penalty Ratio} = \frac{\text{Insured Amount}}{\text{Required Amount}} = \frac{45,000}{90,000} = 0.5. \] This means that the insurer will only pay 50% of any eligible claim amount. Now, we apply this penalty to the $8,000 damage claim:

4. A newly acquired automobile is automatically covered for a period of 14 days. This coverage is limited to:

A. Those coverages which applied to the vehicle replaced

B. Private Passenger Vehicles Only

C. A vehicle which replaces one already insured under this policy

D. Vehicles used chiefly for pleasure purposes

The correct choice indicates that coverage for a newly acquired automobile extends to those coverages that applied to the vehicle it replaces. This is important in insurance practice as it ensures continuity of coverage when policyholders make changes to their owned vehicles. When an individual acquires a new vehicle that serves as a replacement for an existing car already insured under the policy, the existing coverages associated with that replaced vehicle automatically carry over to the new automobile for a limited time of 14 days. This provision safeguards policyholders during the transitional period, allowing them to operate their new vehicle without a lapse in protection, as long as it mirrors the coverage of the outgoing vehicle. This option highlights the importance of maintaining coverage consistency, as it prevents the potential risks and financial gaps that could arise if an insured vehicle is not immediately covered under the relevant policy conditions. In this context, having coverage extend from the previous vehicle reinforces the notion of protecting the insured's interests throughout the acquisition of a new automobile.

5. What is the insurable value of contents if they are insured for $45,000 but valued at $100,000?

A. $45,000

B. $100,000

C. $2,500

D. $8,000

The insurable value of contents is determined by the amount for which they are insured, rather than their market value or replacement cost. In this case, the contents are insured for $45,000, which represents the maximum amount that the insurer would pay in the event of a loss. Even though the contents have a higher value of $100,000, insurance policies typically limit the payout to the insured amount. This means that if a claim was made, the policy would only cover up to $45,000, regardless of the actual value of the contents. Therefore, the correct determination of the insurable value is based on the coverage amount specified by the insured in the policy.

6. Which of the following statements is NOT true?

A. Hitting a deer on a road trip north would usually be considered a comprehensive claim.

B. DCPD coverage only pays for damages which you are not responsible for.

C. Premium rebating by brokers is permitted by RIBO provided the insured is advised of the practice before the rebate takes place.

D. Specified Perils coverage does not list war as an insured peril.

A This statement is true, as hitting a deer would usually be considered a comprehensive claim. B: This statement is true, as DCPD coverage only covers damages for which you are not at fault. D: This statement is true, as Specified Perils coverage does not cover damages from war.

7. What is the maximum number of days OHIP provides coverage for medical treatment necessary when the insured is out of Canada?

A. 30 Days

B. 212 Days

C. 90 Days

D. 120 Days

The correct answer is that OHIP provides coverage for medical treatment necessary when the insured is out of Canada for a maximum of 212 days. This is important for those traveling outside of the country, as it allows them to receive necessary medical care without incurring the full cost of treatment. Understanding this coverage limit is crucial for individuals who may need medical attention while abroad, as it helps them plan for potential healthcare needs and ensures they are aware of the extent of their insurance coverage while outside Canada. Knowing that this coverage lasts up to 212 days allows travelers to have peace of mind during longer trips, especially in situations where unexpected medical issues may arise.

8. Which type of insurance typically includes statutory conditions?

A. Auto insurance

B. Fire insurance

C. Life insurance

D. Travel insurance

The correct answer is fire insurance, as it typically includes statutory conditions mandated by the law. These statutory conditions are designed to protect the interests of both the insurer and the insured, ensuring that certain responsibilities and rights are clearly defined. In fire insurance, these conditions may cover aspects such as the duty to disclose material facts, the requirements for notice of loss, and obligations regarding the preservation of property post-loss. They are a critical part of the regulatory framework governing property insurance to ensure fair treatment and prevent misunderstandings between parties. While auto insurance may have its own set of regulations, it does not generally include statutory conditions in the same way as fire insurance. Life insurance does not typically involve statutory conditions because it is governed by different principles and laws. Similarly, travel insurance often comes with its own terms regarding coverage and exclusions, but not statutory conditions like those found in property insurance policies.

9. Which type of policy protects a client against losses due to employee dishonesty?

A. Fidelity policy

B. General liability policy

C. Workers' compensation policy

D. Property insurance policy

The correct answer is indeed a fidelity policy, as it is specifically designed to protect businesses from losses that occur due to dishonest acts by their employees, such as theft, fraud, or embezzlement. This type of insurance provides coverage for the financial losses incurred as a result of these actions, enabling businesses to recover and maintain their financial stability. In contrast, a general liability policy primarily covers claims related to bodily injury, property damage, or personal injury to third parties, which does not encompass employee dishonesty. A workers' compensation policy is focused on providing benefits to employees who suffer work-related injuries or illnesses, and it does not address the issue of theft or dishonesty by employees. Property insurance protects against damage to physical assets owned by the business, but it does not cover losses resulting from employee misconduct. Therefore, the fidelity policy is uniquely positioned to address the specific risks associated with employee dishonesty.

10. **If an insured is struck by an automobile while riding a bicycle and receives minor injuries, medical payments will be paid by:**

A. The insured's automobile policy under Accident Benefits.

B. The provincial medical plan.

C. The motorist's automobile policy under Third Party Liability.

D. No one, if the insured was at fault.

In this scenario, the insured was struck by an automobile while riding a bicycle. The insured is not at fault and only received minor injuries. The correct answer is A because medical payments will be covered by the insured's own automobile policy under Accident Benefits. Option B, the provincial medical plan, would not be responsible for these medical payments as they would typically only cover medical expenses for incidents on public roads or highways. Option C, the motorist's automobile policy under Third Party Liability, would only come into play if the insured decides to pursue legal action against the responsible motorist. Option D, no one being responsible, is also incorrect as the insured's own automobile policy would still provide coverage for their medical expenses under Accident Benefits.

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!