

SGI Restricted Auto Basic Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

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SAMPLE

Questions

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- 1. If someone is convicted for a 0.08% blood alcohol level, what is one consequence they might face?**
 - A. Increased insurance payments**
 - B. A lengthy suspension of driver's and vehicle licenses**
 - C. Access to Permanent Impairment benefits**
 - D. Immediate reinstatement of vehicle registration**
- 2. In No Fault insurance, what is a potential coverage feature for property damage?**
 - A. Full reimbursement of all costs**
 - B. Coverage up to a specific limit**
 - C. No coverage under any circumstances**
 - D. Only for identified drivers**
- 3. In a No Fault system, what is the primary purpose of the insurance coverage?**
 - A. To establish fault after an accident**
 - B. To provide benefits regardless of fault**
 - C. To minimize the number of claims made**
 - D. To increase litigation options**
- 4. Is auto liability intended to cover torts or contractual liability?**
 - A. Torts**
 - B. Contractual liability**
 - C. Both torts and contractual liability**
 - D. None of the above**
- 5. If found partly at fault, what right does the insured have?**
 - A. To accept the claim without question**
 - B. To appeal the adjuster's determination**
 - C. To request additional coverage**
 - D. To switch insurance providers**

- 6. Who is considered the insured in an insurance policy?**
- A. First Party**
 - B. Second Party**
 - C. Third Party**
 - D. None of the above**
- 7. Which of the following is NOT true of Accident Benefits?**
- A. Third Party coverage**
 - B. Regardless of fault**
 - C. Mandatory in all Canadian provinces**
 - D. Pay for injury or death**
- 8. What is defined as doing something a reasonable and prudent person would not do?**
- A. Liability**
 - B. Negligence**
 - C. Malpractice**
 - D. Foreseeability**
- 9. True or False: Personal contents in a private passenger auto are covered under the AAIA.**
- A. True**
 - B. False**
 - C. Only if they are secured**
 - D. Only for items over \$500**
- 10. What is one of the basic requirements to apply for a Restricted Auto license in Saskatchewan?**
- A. Must own a vehicle**
 - B. Must be at least 16 years old**
 - C. Must have a co-signer**
 - D. Must have passed a practical driving exam**

Answers

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

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Explanations

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1. If someone is convicted for a 0.08% blood alcohol level, what is one consequence they might face?

A. Increased insurance payments

B. A lengthy suspension of driver's and vehicle licenses

C. Access to Permanent Impairment benefits

D. Immediate reinstatement of vehicle registration

A conviction for driving with a blood alcohol level of 0.08% typically leads to serious consequences, one of the most significant being a lengthy suspension of driver's and vehicle licenses. This measure is in place to enhance road safety and deter impaired driving. The legal threshold of 0.08% is commonly used as a standard for determining impairment, and upon conviction, authorities often impose a suspension that can last for several months or even longer, depending on the jurisdiction and whether it's a repeat offense. While increased insurance payments may occur as a side effect due to higher risk factors, and access to Permanent Impairment benefits is not directly related to DUI convictions, the immediate reinstatement of vehicle registration is generally not applicable following such a conviction. In fact, a conviction often results in additional legal hurdles before driving privileges can be reinstated, if at all. Thus, the lengthy suspension serves as a primary and impactful consequence, impacting the individual's driving capabilities and legal standing on the road.

2. In No Fault insurance, what is a potential coverage feature for property damage?

A. Full reimbursement of all costs

B. Coverage up to a specific limit

C. No coverage under any circumstances

D. Only for identified drivers

In No Fault insurance, a potential coverage feature for property damage is coverage up to a specific limit. This is designed to provide financial protection to insured individuals when accidents occur, irrespective of who is at fault. The policy typically covers damages to the insured's vehicle or property caused by the accident, but only up to a predetermined monetary limit set forth in the policy. This ensures that the insurer can manage its risk while still providing essential coverage to insured individuals. Coverage limits are common in many types of insurance, including No Fault insurance, as they help to control costs and provide clarity on how much an insured individual can expect to be compensated for property damage. Notably, these limits are clearly stated in the insurance policy documents, allowing policyholders to understand the extent of their coverage.

3. In a No Fault system, what is the primary purpose of the insurance coverage?

- A. To establish fault after an accident**
- B. To provide benefits regardless of fault**
- C. To minimize the number of claims made**
- D. To increase litigation options**

In a No Fault system, the primary purpose of the insurance coverage is to provide benefits regardless of fault. This means that when an accident occurs, individuals can claim insurance benefits from their own insurer to cover medical expenses, lost wages, and other costs associated with the accident without needing to determine who was at fault. The No Fault system streamlines the claims process, reduces the need for legal disputes over fault, and ensures that victims can receive timely assistance for their injuries or damages. This approach is designed to promote quicker coverage and financial relief for those involved in an accident, thereby minimizing potential delays and complications that can arise from fault determination and litigation.

4. Is auto liability intended to cover torts or contractual liability?

- A. Torts**
- B. Contractual liability**
- C. Both torts and contractual liability**
- D. None of the above**

Auto liability insurance is designed to cover damages and injuries that arise from torts related to the use of a vehicle. A tort is a civil wrong that causes harm or loss to another party, for which legal action can be taken. In the context of auto liability, this typically includes incidents such as car accidents where one party is held responsible for causing injury or damage to another person or their property. This type of insurance primarily covers claims for bodily injury and property damage resulting from negligent driving, which falls under tort law. It is important to understand that while auto liability focuses on tortious conduct, it does not typically extend to contractual liabilities, which arise from agreements between parties. Therefore, the correct answer centers on the fact that auto liability is specifically aimed at addressing torts rather than contractual obligations.

5. If found partly at fault, what right does the insured have?

- A. To accept the claim without question**
- B. To appeal the adjuster's determination**
- C. To request additional coverage**
- D. To switch insurance providers**

When an insured individual is found partly at fault in an incident, they have the right to appeal the adjuster's determination. This means that they can contest the decision made regarding liability or the assessment of damages. An appeal allows the insured to present additional evidence or argue why they believe the fault determination should be reconsidered. This process is essential because it helps ensure that all circumstances of the case are thoroughly evaluated, and it provides the insured with a pathway to rectify what they perceive as an incorrect decision. The right to appeal protects the interests of the insured, allowing them to advocate for a fair evaluation of their claim, especially in situations where they believe they may not be as liable as determined. Regarding the other options, the choice to accept a claim without question does not apply in this context, as the insured has the right to challenge the finding. Requesting additional coverage is unrelated to the determination of fault in an accident scenario. Switching insurance providers may be an option, but it does not pertain to the immediate rights of the insured concerning an existing claim. Thus, the ability to appeal the adjuster's determination stands out as the correct response.

6. Who is considered the insured in an insurance policy?

- A. First Party**
- B. Second Party**
- C. Third Party**
- D. None of the above**

In the context of an insurance policy, the term "insured" typically refers to the individual or entity that is protected under that policy. The first party in an insurance contract is the policyholder, who has taken out the insurance and pays the premiums. This can be an individual, a business, or any organization that holds the insurance for the purpose of protecting against potential losses covered in the policy. Understanding the roles of the parties involved in an insurance contract is crucial. The "second party" usually refers to the insurance company that provides the coverage, while the "third party" often pertains to others who may be affected by the actions of the insured or may have claims against the insured. Therefore, recognizing the first party as the insured is essential for accurately identifying who is entitled to the benefits provided by the insurance policy. This identification ensures that the correct party can seek compensation in the event of a loss, as defined by the terms of the insurance agreement.

7. Which of the following is NOT true of Accident Benefits?

- A. Third Party coverage**
- B. Regardless of fault**
- C. Mandatory in all Canadian provinces**
- D. Pay for injury or death**

The statement that is not true regarding Accident Benefits is that they provide third-party coverage. Accident Benefits are designed to offer compensation for injury or death that an individual experiences due to a motor vehicle accident, irrespective of who was at fault. They are intended to support the insured party directly, covering medical expenses, rehabilitation costs, and compensation for lost wages. In contrast, third-party coverage refers to liability insurance, which protects the insured against claims by others for damages they may have caused in an accident. So, while Accident Benefits can assist you, they do not extend coverage to third parties, making this statement false. The other statements regarding Accident Benefits are accurate. They are indeed payable regardless of who is at fault in the accident. Additionally, Accident Benefits are mandatory in all Canadian provinces, ensuring all drivers have some level of coverage for injuries. Lastly, they are specifically designed to address injury or death resulting from accidents.

8. What is defined as doing something a reasonable and prudent person would not do?

- A. Liability**
- B. Negligence**
- C. Malpractice**
- D. Foreseeability**

The correct answer is negligence, which refers to actions or omissions that fall short of the standard expected of a reasonable and prudent person in similar circumstances. In legal terms, negligence is established when an individual fails to exercise the care that a typical person would use, leading to unintended harm or damage. This concept is vital in personal injury and tort law, where it's crucial to demonstrate that a person's lack of reasonable care directly resulted in an accident or injury. For example, if someone decides to drive while distracted by their phone, they are engaging in behavior that a reasonable person would recognize as risky and unacceptable, thereby potentially leading to claims of negligence if an accident occurs. In contrast to negligence, terms like liability, malpractice, and foreseeability have distinct definitions and applications. Liability generally refers to being legally responsible for something, which can arise from negligence or other wrongful acts. Malpractice specifically pertains to negligence by professionals, particularly in fields like medicine or law, where a breach of duty causes harm to a client or patient. Foreseeability is a legal concept that relates to whether the outcomes of an action could be anticipated; it is often discussed in the context of establishing causation in negligence cases.

9. True or False: Personal contents in a private passenger auto are covered under the AAIA.

A. True

B. False

C. Only if they are secured

D. Only for items over \$500

The assertion that personal contents in a private passenger auto are covered under the Auto Accident Insurance Agreement (AAIA) is false. The AAIA primarily provides coverage for the vehicle itself and does not extend to personal belongings inside the vehicle. Typically, personal items such as clothing, electronics, or other valuables are not insured in standard auto policies, which mainly focus on damage to the vehicle and liability for accidents. This means that if personal items are damaged or stolen from a vehicle, the owner would generally need to rely on a homeowners or renters insurance policy for coverage instead. This distinction is important for understanding the limits of auto insurance and ensures that vehicle owners are aware of what is protected in case of an incident involving their vehicle.

10. What is one of the basic requirements to apply for a Restricted Auto license in Saskatchewan?

A. Must own a vehicle

B. Must be at least 16 years old

C. Must have a co-signer

D. Must have passed a practical driving exam

To apply for a Restricted Auto license in Saskatchewan, one of the fundamental requirements is being at least 16 years old. This age requirement ensures that applicants are at a maturity level appropriate for learning to drive and understanding road safety. It reflects the legal framework in place regarding the minimum age for obtaining a driving license, which is designed to promote responsible driving behavior and ensure that all drivers have a basic level of maturity and judgement necessary for operating a vehicle safely. Other requirements may include passing knowledge tests or having certain documentation, but age remains a key factor in determining eligibility. Knowing the age requirement is essential for those interested in obtaining a Restricted Auto license, as it directly affects their ability to start the application process.