

## General Questions (47%)

1. What is the primary purpose of the Insurance Bureau of Canada?
  - A. Regulating insurance brokers
  - B. Providing legal advice to insurance companies
  - C. Collecting insurance statistics and providing actuarial analysis
  - D. Offering insurance policies to the public

i. Correct Answer: C
  
2. The Risk Inspection & Rating Services are provided by which organization?
  - A. Insurance Bureau of Canada
  - B. Insurer's Advisory Organization
  - C. Insurance Crime Prevention Bureau
  - D. Financial Services Regulatory Authority of Ontario

i. Correct Answer: B
  
3. What is the role of the Insurance Crime Prevention Bureau?
  - A. To prevent unauthorized insurance practices
  - B. To regulate insurance premiums
  - C. To help police detect, investigate, and prosecute insurance crimes
  - D. To provide risk management services

i. Correct Answer: C
  
4. Which of the following is NOT an additional condition imposed by insurers on policies?
  - A. Notice to authorities of any crime losses
  - B. Sue and labour clause
  - C. Automatic renewal of the policy
  - D. No benefit to bailee

i. Correct Answer: C
  
5. Sue and labor clause in insurance contracts requires the insured to:
  - A. Sue the third party responsible for the loss
  - B. Take reasonable steps to recover lost property
  - C. Labor for the insurance company
  - D. Report any employment changes to the insurer

i. Correct Answer: B

6. Which of the following best describes a 'bailee' in the context of insurance?
- A. An insurance agent
  - B. A person or entity who temporarily holds goods belonging to another
  - C. A beneficiary of a life insurance policy
  - D. A government regulator
- i. Correct Answer: B
7. What is the effect of the 'pair and set' clause in an insurance policy?
- A. It ensures that both members of a pair must be lost for a claim to be valid
  - B. It allows insurers to replace one item of a pair
  - C. It permits claims for the full set when one item is damaged
  - D. Loss of part does not equal loss of the whole set
- i. Correct Answer: D
8. Travel health insurance is necessary because:
- A. It covers trip cancellations
  - B. It provides healthcare coverage outside your home province
  - C. It insures your luggage
  - D. It is a requirement for visa applications
- i. Correct Answer: B
9. The underwriter in a travel health insurance policy is responsible for:
- A. Managing claims
  - B. Basic underwriting and product creation
  - C. Providing emergency medical services
  - D. Inspecting travel risks
- i. Correct Answer: B
10. Who handles claims management in a travel health insurance policy?
- A. The distributor
  - B. The underwriter
  - C. The claims manager
  - D. The insured
- i. Correct Answer: C

11. What does the term 'Accident' mean in travel insurance?
- A. Any unexpected event regardless of injury
  - B. Bodily harm due to sudden and unforeseeable external forces
  - C. A pre-existing medical condition that leads to injury
  - D. Any travel inconvenience experienced by the insured
- i. Correct Answer: B
12. A pre-existing condition in travel health insurance refers to:
- A. Any condition treated within a month before travel
  - B. A medical condition that existed before the effective or departure date
  - C. Only chronic conditions with ongoing treatment
  - D. Conditions diagnosed during the trip
- i. Correct Answer: B
13. Which of the following is a duty of the Registered Insurance Brokers of Ontario (RIBO)?
- A. Issuing insurance policies
  - B. Regulating insurance brokers to protect the public interest
  - C. Providing financial compensation to insured parties
  - D. Conducting insurance research
- i. Correct Answer: B
14. Under RIBO regulations, a broker must NOT:
- A. Act as a broker unless registered
  - B. Provide insurance advice for a fee
  - C. Advertise their services
  - D. Present themselves as certified unless they actually are
- i. Correct Answer: D
15. What is the primary role of a Discipline Committee under RIBO?
- A. To conduct insurance market research
  - B. To negotiate insurance contracts on behalf of clients
  - C. To hear and decide allegations of misconduct or incompetence
  - D. To provide continuing education programs for brokers
- i. Correct Answer: C

16. An insurance broker's 'duty of competence' means they must:

- A. Always offer the cheapest insurance options
- B. Possess the necessary knowledge and skill to provide their services
- C. Have a degree in finance or a related field
- D. Be competent in all classes of insurance

i. Correct Answer: B

17. What is meant by 'misconduct' under the RIBO Act?

- A. Failing to pass an insurance exam
- B. Actions not compatible with the dignity of the vocation
- C. Choosing not to renew a policy for a client
- D. Not selling enough insurance policies

i. Correct Answer: B

18. Which of the following is NOT a reason for the RIBO to suspend a broker's license?

- A. Personal bankruptcy
- B. Misrepresentation of policy terms to a client
- C. Failure to comply with continuing education requirements
- D. Lack of sales

i. Correct Answer: D

19. The term 'underwriting' in insurance refers to:

- A. The process of signing a policy document
- B. The process insurers use to assess risk and determine premiums
- C. The legal framework governing insurance policies
- D. The distribution of insurance policies

i. Correct Answer: B

20. Which entity helps police investigate and prosecute insurance crimes?

- A. Insurance Bureau of Canada
- B. Insurer's Advisory Organization
- C. Insurance Crime Prevention Bureau
- D. RIBO

i. Correct Answer: C

21. The 'no benefit to bailee' condition ensures that:

- A. The bailee cannot be held liable for damages
- B. Insurance benefits cannot be transferred to the bailee
- C. The policyholder benefits from bailee services
- D. The bailee receives direct payment for claims

i. Correct Answer: B

22. A 'pair and set' clause in an insurance policy is applied when:

- A. A single item from a set is lost or damaged
- B. An entire set is stolen
- C. A pair of items is lost during travel
- D. Only parts of a pair are insured

i. Correct Answer: A

23. Which of the following best defines a 'pre-existing condition' in travel insurance?

- A. Any medical advice received during travel
- B. A condition for which medication was prescribed three years prior
- C. A medical condition that existed before the policy effective date
- D. A newly diagnosed condition during the trip

i. Correct Answer: C

24. What is the primary function of the Qualifications and Registration Committee under RIBO?

- A. To offer insurance products to brokers
- B. To determine the eligibility and qualifications of applicants for registration
- C. To manage the financial assets of RIBO
- D. To provide ongoing education for registered brokers

i. Correct Answer: B

25. The Insurance Crime Prevention Bureau's main goal is to:

- A. Underwrite insurance policies
- B. Facilitate inter-company agreements
- C. Detect, investigate, and prosecute insurance crimes
- D. Offer risk inspection and rating services

i. Correct Answer: C

26. What is the primary purpose of the RIB Act and Regulations?
- A. To provide financial support to insurance companies
  - B. To regulate the conduct, responsibilities, and licensing of insurance brokers in Ontario
  - C. To set insurance premium rates for various policies
  - D. To manage claims and dispute resolutions between insureds and insurers
- i. Correct Answer: B
27. Marcus purchased a Comprehensive Homeowners insurance policy. Which of the following scenarios is most likely covered under his policy?
- A. Normal wear and tear of the home's exterior siding
  - B. Damage caused by Marcus conducting illegal activities in the home
  - C. Theft of personal property from his home
  - D. Business equipment loss in a home office
- i. Correct Answer: C
28. Which principle of insurance is demonstrated when insurers spread risk across many policyholders?
- A. Indemnity
  - B. Utmost good faith
  - C. Contribution
  - D. Risk pooling
- i. Correct Answer: D
29. In the context of insurance contracts, what does 'utmost good faith' imply?
- A. Insurers must cover all claims made by the insured
  - B. Both parties must enter the contract without disclosing important information
  - C. The insured and the insurer must act honestly and disclose all material facts
  - D. Only the insurer needs to disclose all relevant information
- i. Correct Answer: C
30. Which term best describes an insurer's right to pursue a third party that caused an insurance loss to the insured?
- A. Subrogation
  - B. Proximate cause
  - C. Contribution
  - D. Deductible
- i. Correct Answer: A

31. What type of insurer operates on the principle of mutual ownership by its policyholders?

- A. Stock company
- B. Mutual company
- C. Reinsurer
- D. Captive insurer

i. Correct Answer: B

32. In insurance terms, 'peril' refers to:

- A. The cost to protect against a specific risk
- B. The likelihood that an insured event will occur
- C. A specific risk that can cause loss
- D. The maximum amount covered by an insurance policy

i. Correct Answer: C

33. Which of the following best defines 'liability insurance'?

- A. Coverage that protects the policyholder from financial loss due to lawsuits
- B. Insurance that covers losses to the policyholder's own property
- C. A policy that provides life insurance coverage only
- D. Insurance against the loss of use of property

i. Correct Answer: A

34. The term 'deductible' in an insurance policy means:

- A. The amount the insurer will deduct from the claim payment for administrative fees
- B. A discount given to the insured for maintaining a claim-free record
- C. The portion of a claim that the insured must pay out of pocket before the insurer pays the remainder
- D. The maximum limit of coverage provided by the policy

i. Correct Answer: C

35. What does the 'coinsurance' clause in a property insurance policy encourage?

- A. Policyholders to insure their property to its full value
- B. Insurers to sell more policies
- C. Policyholders to file more claims
- D. Insurers to charge lower premiums

i. Correct Answer: A

36. Nina's Travel Health Insurance policy includes coverage for emergency medical evacuation.

This means the policy will cover:

- A. The cost for Nina to travel to a destination of her choice after being hospitalized
- B. Expenses for medical services provided in her home country
- C. Transportation costs if Nina needs to be moved to a suitable medical facility for treatment
- D. A refund for trip cancellations due to medical emergencies

i. Correct Answer: C

37. Which scenario illustrates the principle of 'insurable interest'?

- A. Liam insures his neighbor's car because he uses it occasionally
- B. Olivia purchases life insurance on her own life, naming her spouse as beneficiary
- C. Ethan buys health insurance for a friend as a gift
- D. Sophia insures her brother's artwork without his knowledge

i. Correct Answer: B

38. In the context of insurance, 'proximate cause' refers to:

- A. The nearest insurance agency
- B. The most direct cause of loss
- C. A secondary cause of loss that is less important
- D. The cause related to proximity to the policyholder's home

i. Correct Answer: B

39. Which of the following accurately describes a 'floater' insurance policy?

- A. Coverage that floats between different properties owned by the insured
- B. Insurance for properties located in flood-prone areas
- C. Coverage for items that have no fixed location on an insured premises
- D. Temporary insurance coverage for borrowed or rented items

i. Correct Answer: C

40. 'Actual cash value' in a property insurance policy is calculated as:

- A. Replacement cost minus depreciation
- B. The initial purchase price of the item
- C. The item's value in today's market without considering depreciation
- D. The agreed amount between the insured and the insurer regardless of the item's condition

i. Correct Answer: A



41. Which insurance principle is illustrated by a deductible?

- A. Risk transfer
- B. Risk sharing
- C. Indemnity
- D. Risk avoidance

i. Correct Answer: B

42. The 'aggregate limit' in an insurance policy refers to:

- A. The minimum amount that must be paid out over the policy term
- B. The total amount the insurer will pay for all covered losses during the policy term
- C. A limit set for a single claim
- D. The amount the policyholder must pay before coverage begins

i. Correct Answer: B

43. What role does the 'underwriter' play in the insurance process?

- A. Determines the premium rates for policies
- B. Handles claims filed by the insured
- C. Sells insurance policies to consumers
- D. Evaluates risks and determines policy terms

i. Correct Answer: D

44. Which of the following is an example of 'risk avoidance'?

- A. Purchasing insurance for potential financial losses
- B. Choosing not to engage in an activity that carries risk
- C. Setting aside funds to cover potential losses
- D. Dividing risks among multiple insurers

i. Correct Answer: B

## Habitational Lines (18%)

46. Sarah purchased a Comprehensive Homeowners insurance policy. What is likely covered in case of a natural disaster?
- A. Damage caused by an earthquake without an earthquake endorsement
  - B. Flood damage from a nearby river overflowing
  - C. Wind damage to the roof during a hurricane
  - D. Landslide damage if the property is on a cliff
- i. Correct Answer: C
47. Tom and Jerry, not related, share a rented apartment. They have a Renters' Insurance policy. If Tom's laptop is stolen from their apartment, how is this typically handled?
- A. The policy does not cover personal property.
  - B. Jerry's belongings are also covered under the claim.
  - C. The policy covers Tom's laptop, subject to the policy's terms and deductible.
  - D. Both must file separate claims for the incident.
- i. Correct Answer: C
48. Linda's basement flooded due to a sudden pipe burst. Will her standard Homeowners' insurance policy cover the damage?
- A. Yes, all water damage is covered.
  - B. No, unless she has specific flood insurance.
  - C. Yes, but only for the personal property damaged.
  - D. No, but it covers the cost to repair the burst pipe.
- i. Correct Answer: C
49. Megan's tree falls on her neighbor's house during a storm. Which part of Megan's Homeowners' insurance policy would respond to this incident?
- A. Property damage to her own home
  - B. The neighbor's property damage coverage
  - C. Megan's liability coverage
  - D. Megan's personal property coverage
- i. Correct Answer: C

50. Kevin has a Homeowners' insurance policy with a \$1,000 deductible. After a small kitchen fire, the repair costs are estimated at \$5,000. How much will Kevin's insurance pay?

- A. \$4,000
  - B. \$5,000
  - C. \$1,000
  - D. Nothing, because the damage is less than the policy limit.
- i. Correct Answer: A

51. Chloe's cottage is insured under a Seasonal Homeowners' policy. What type of event is most likely excluded from this policy?

- A. Theft during the off-season
  - B. Fire caused by a lightning strike
  - C. Vandalism when the property is unoccupied
  - D. Damage from freezing pipes during the winter
- i. Correct Answer: D

52. Nathan has a High-Value Homeowners' policy for his mansion. Which feature is most likely included in his policy that is not typically in standard policies?

- A. Coverage for earthquake damage
  - B. Guaranteed replacement cost for the home
  - C. Personal liability coverage up to \$100,000
  - D. A deductible for windstorm damage
- i. Correct Answer: B

53. During a severe storm, Elliot's roof is damaged, and rainwater damages his vintage guitar collection. What part of his Homeowners' policy would cover the guitars?

- A. The dwelling coverage
  - B. Personal property coverage
  - C. Separate structures coverage
  - D. Additional living expenses
- i. Correct Answer: B

54. Martha's detached garage is vandalized, causing damage to the structure and her car parked inside. How are these damages typically covered?
- A. The detached structure and the car are both covered under the dwelling coverage.
  - B. The garage is covered under separate structures coverage; the car is covered under her auto insurance.
  - C. Both the garage and the car are covered under personal property coverage.
  - D. Vandalism is not covered if the property was unoccupied.
- i. Correct Answer: B
55. James's Homeowners' insurance includes "Additional Living Expenses" coverage. This means if his home is uninhabitable due to a covered loss, the policy will:
- A. Pay to rebuild his home regardless of the cost
  - B. Cover the cost of temporary housing and living expenses
  - C. Replace his personal belongings without considering depreciation
  - D. Pay off his mortgage
- i. Correct Answer: B
56. Lucy's Homeowners' policy has a "guaranteed replacement cost" endorsement for her dwelling. After a fire, it turns out rebuilding costs have significantly risen. How does this endorsement affect her claim?
- A. The policy will only pay up to the dwelling coverage limit listed on the policy.
  - B. She will receive the actual cash value of her home before the fire.
  - C. The insurance will cover the full cost to rebuild her home, even if it exceeds the policy limit.
  - D. Lucy must cover the difference between the policy limit and the actual rebuilding costs.
- i. Correct Answer: C
57. After a break-in, Zoe discovers her expensive jewelry was stolen. How are high-value items like jewelry typically covered under a standard Homeowners' insurance policy?
- A. Up to a specified sub-limit with the option to purchase additional coverage
  - B. At actual cash value, not considering appreciation
  - C. Fully covered without any sub-limits
  - D. Not covered under Homeowners' insurance
- i. Correct Answer: A

58. Brian's Homeowners' insurance policy includes a clause for "inflation protection." This means his coverage amount will:
- A. Decrease annually to reflect depreciation
  - B. Remain the same regardless of inflation rates
  - C. Automatically adjust to reflect inflation rates
  - D. Only adjust upon renewal and with his explicit consent
- i. Correct Answer: C
59. If an insured's home is deemed a "total loss" after a disaster, the 'valuation' clause in their policy determines how compensation is calculated. Which is NOT a common method of valuation for total losses?
- A. Actual cash value
  - B. Agreed value
  - C. Replacement cost
  - D. Market value
- i. Correct Answer: D
60. Under what circumstance might a Homeowners' policy limit or exclude coverage for mold damage?
- A. When mold results from a covered peril, like a water leak from a burst pipe
  - B. If the mold is due to the homeowner's neglect, such as ignoring a known leak
  - C. Mold is always covered, regardless of the cause
  - D. Only if the homeowner did not purchase an additional mold coverage rider
- i. Correct Answer: B
61. Gavin's policy includes a 'water back-up' endorsement. This endorsement covers:
- A. Damage from natural flood events
  - B. Water damage from a sewer or drain that backs up into his home
  - C. The cost to repair the broken sewer line outside his home's foundation
  - D. Unlimited coverage for personal property damaged by water back-up
- i. Correct Answer: B
62. Samantha's home is damaged by a covered peril, and she must stay in a hotel during repairs. Her insurance covers \$3,000 for additional living expenses, but she only spends \$2,500. What happens to the remaining \$500?
- A. It is paid to Samantha as a cash settlement
  - B. It is applied to her policy premium as a credit
  - C. The remaining amount is not paid out as it exceeds her actual expenses
  - D. It covers any hidden damages found later
- i. Correct Answer: C

## Travel Insurance (5%)

63. While on vacation in Spain, Emily's bag containing her camera and personal belongings was stolen. Emily has a travel insurance policy that includes coverage for lost personal items.

What action should Emily take first?

- A. Purchase a new camera and submit the receipt for reimbursement.
- B. Immediately report the theft to the local police and then notify her insurance company.
- C. Call her insurance company to cancel her policy.
- D. Wait until returning home to file a claim for the lost items.

i. Correct Answer: B

64. Alex and Jordan are on a cruise when Jordan falls ill and needs to be evacuated for medical treatment. Their travel insurance includes emergency medical evacuation coverage. Which of the following costs would typically be covered under this provision?

- A. The cost of a private jet to return home after treatment.
- B. The expenses for a hotel stay while Jordan recovers enough to travel.
- C. The cost of the medical evacuation to the nearest suitable medical facility.
- D. Refund of the unused portion of the cruise.

i. Correct Answer: C

65. Isabella purchased travel insurance for her ski trip to Canada, which includes coverage for sports-related injuries. If Isabella breaks her leg while skiing, what type of expense would likely be covered by her policy?

- A. Reimbursement for her unused ski pass and rental equipment.
- B. A refund for the entire trip because she could not enjoy it.
- C. The cost of a private skiing lesson to improve her skills and avoid future injuries.
- D. Emergency medical treatment and possibly transportation costs related to the injury.

i. Correct Answer: D

66. During a guided tour in Egypt, Kevin suffers heatstroke and requires hospitalization. His travel insurance policy includes coverage for medical expenses incurred abroad. Regarding his hospital stay and treatment for heatstroke, which of the following statements is true?
- A. Kevin may have to pay for his hospital stay upfront and seek reimbursement from his insurer upon return home.
  - B. Travel insurance coverage is not available in Egypt due to heightened risk in that region.
  - C. Only a portion of the medical costs will be covered, depending on the limits of his policy.
  - D. Travel insurance does not cover illnesses caused by environmental factors, so Kevin is responsible for all costs.
- i. Correct Answer: A

67. Mia and Leo's flight back home was canceled due to a severe snowstorm, and they are forced to stay an extra night at their destination. Their travel insurance includes trip interruption coverage. Which of the following additional expenses would typically be covered under this coverage?
- A. Souvenirs Mia and Leo decide to purchase with their extra time.
  - B. A fine for changing their flight date at the last minute.
  - C. The cost of accommodations and meals during the unexpected delay.
  - D. Compensation for missed work days due to the delayed return.
- i. Correct Answer: C

## Automobile (20%)

69. Sophia purchases a standard automobile insurance policy in Ontario. Which of the following would be covered under her Comprehensive coverage?
- A. Damage to her car's engine due to oil leakage.
  - B. Theft of her car while parked outside her workplace.
  - C. A dent on her car's door caused by opening it against a light pole.
  - D. Wear and tear on her car's brakes.
- i. Correct Answer: B
70. Liam's car is damaged in a hit-and-run incident. He has a standard auto insurance policy with collision coverage. What should Liam do to ensure coverage for the damage?
- A. Repair the vehicle and then inform the insurance company.
  - B. Wait for the hit-and-run driver to be found before filing a claim.
  - C. Report the incident to the police within 24 hours and then file a claim.
  - D. Only file a police report if the damage exceeds \$2,000.
- i. Correct Answer: C
71. Eva has an automobile insurance policy with a \$500 deductible for Collision coverage. If she is at fault in an accident causing \$3,000 worth of damage to her car, how much will her insurer pay?
- A. \$2,500
  - B. \$3,000
  - C. \$500
  - D. Nothing, because she was at fault.
- i. Correct Answer: A
72. Nathan rents a car while on vacation in Alberta. He has an Ontario auto insurance policy. Which coverage would extend to the rental car?
- A. Comprehensive only
  - B. Third-party liability and accident benefits
  - C. Collision and Comprehensive
  - D. Only third-party liability
- i. Correct Answer: B



73. During a heavy snowstorm, Marco slides off the road and into a fence, causing damage to the fence and his car. Which part of his auto insurance policy is most likely to cover the damage to the fence?

- A. Collision
  - B. Comprehensive
  - C. Third-party liability
  - D. Uninsured automobile
- i. Correct Answer: C

74. Ava's parked car is hit by a vehicle driven by an uninsured driver. Which part of Ava's auto insurance policy will cover the damage to her car?

- A. Uninsured automobile coverage
  - B. Collision coverage
  - C. Direct compensation - Property damage (DCPD)
  - D. Third-party liability
- i. Correct Answer: A

75. Julian's car is stolen. He reports the theft to the police and his insurer. Under which coverage would Julian's claim for the stolen car be processed?

- A. Third-party liability
  - B. Collision
  - C. Comprehensive
  - D. Specified perils
- i. Correct Answer: C

76. Grace accidentally drives through her garage door. She has collision and comprehensive coverage. Which coverage would apply to repair the garage door?

- A. Home Insurance
  - B. Comprehensive
  - C. Both A and B
  - D. Neither A nor B
- i. Correct Answer: A

77. Henry's vehicle is damaged by hail. He has third-party liability and collision coverage only. Is the hail damage covered under his policy?

- A. Yes, under third-party liability
  - B. Yes, under collision coverage
  - C. No, because he does not have comprehensive coverage
  - D. Yes, under uninsured automobile coverage
- i. Correct Answer: C

78. While driving, Mia's car is damaged by flying debris from a construction site. Which part of her auto insurance policy would cover the damage?

- A. Third-party liability
- B. Comprehensive
- C. Collision
- D. Specified perils

i. Correct Answer: B

79. Noah's car is vandalized overnight while parked in his driveway. He has a standard auto insurance policy. Which coverage would he claim under?

- A. Collision
- B. Comprehensive
- C. Third-party liability
- D. Accident benefits

i. Correct Answer: B

80. Lucas is rear-ended at a stoplight, and the other driver is at fault. His car suffers \$2,000 in damages. Assuming Lucas is in a province with DCPD, how will his claim be handled?

- A. His insurer will cover the damage, and no deductible applies.
- B. He must claim through the at-fault driver's insurer.
- C. His collision coverage will apply, subject to a deductible.
- D. He can only claim for personal injury, not property damage.

i. Correct Answer: A

81. Isabelle's car is damaged by a rock slide during a mountain trip. She has specified perils coverage. Will her insurance cover the damage?

- A. Yes, because rock slides are included in specified perils.
- B. No, because rock slides are only covered under comprehensive.
- C. Yes, but only if she has additional natural disaster coverage.
- D. No, because auto insurance does not cover natural disasters.

i. Correct Answer: B

82. Charlotte finds her car's windshield cracked by an unknown cause overnight. She has third-party liability, collision, and comprehensive coverage. Under which coverage should she file a claim for the windshield?

- A. Third-party liability
- B. Collision
- C. Comprehensive
- D. She cannot claim as the cause is unknown.

i. Correct Answer: C

83. Ben's car breaks down due to a mechanical failure while on the highway. He has collision, comprehensive, and specified perils coverage. Will his auto insurance policy cover the repairs?

- A. Yes, under comprehensive coverage
- B. Yes, under collision coverage
- C. No, auto insurance does not cover mechanical failures.
- D. Yes, but only if he has additional mechanical breakdown coverage.

i. Correct Answer: C

84. A tree falls on Zoe's car during a storm, causing significant damage. Zoe has comprehensive coverage. What is the most likely outcome of her insurance claim?

- A. The insurer will cover the damage after the deductible is paid.
- B. The claim will be denied because natural disasters are not covered.
- C. The damage is covered, but Zoe must also file a claim with the city.
- D. Only the car's current market value will be reimbursed.

i. Correct Answer: A

85. Ethan's car is hit in a parking lot, and the other driver leaves without providing contact information. Ethan has uninsured automobile coverage. What will his policy likely cover?

- A. The cost to repair his car, subject to his policy's deductible.
- B. A rental car while his car is being repaired, but not the repair costs.
- C. Only personal injuries, not property damage.
- D. The entire cost, without any deductible.

i. Correct Answer: A

86. Jasmine is involved in an accident where she is at fault. She has accident benefits coverage. Which of the following is she entitled to under her policy?

- A. Repairs to her vehicle.
- B. Compensation for the other party's vehicle damage.
- C. Medical expenses for her injuries.
- D. A replacement vehicle while hers is being repaired.

i. Correct Answer: C

## Miscellaneous (10%)

87. Linda purchases a Travel Health Insurance policy before her trip to Italy. She has a pre-existing heart condition that worsens during her trip, requiring hospitalization. Which statement is true regarding her coverage?
- A. The policy covers all medical expenses since she was already insured.
  - B. Coverage depends on whether her condition was stable and controlled at the time of purchasing the policy.
  - C. Pre-existing conditions are not covered under any travel health insurance policy.
  - D. She is only covered for medical expenses unrelated to her heart condition.
- i. Correct Answer: B
88. Derek has a Commercial Property Insurance policy for his bookstore. A severe flood damages several first editions. How is this typically covered under his policy?
- A. Flood damage is fully covered under all standard commercial property policies.
  - B. Coverage is provided if Derek had added a flood endorsement to his policy.
  - C. Only the building but not its contents are covered for flood damage.
  - D. Flood damage is automatically excluded from commercial property insurance.
- i. Correct Answer: B
89. Emily and Jake own a townhouse with a Standard Homeowners Insurance policy. During a robbery, their front door is damaged. Which aspect of their policy covers the door repair?
- A. Dwelling coverage
  - B. Personal property coverage
  - C. Liability coverage
  - D. Additional living expenses
- i. Correct Answer: A
90. Sarah's small café business has a Business Interruption Insurance policy. After a fire, the café closes for repairs for three months. What does her policy likely cover during this period?
- A. The full cost of property repairs only
  - B. Lost income based on past financial records and ongoing fixed expenses
  - C. A lump sum payout, regardless of actual losses incurred
  - D. Only the salaries of the employees
- i. Correct Answer: B

91. In Ontario, George purchases a Mandatory Automobile Insurance policy. If he's involved in an at-fault accident, what does his policy guarantee coverage for?

- A. Repairs to his own vehicle
- B. Repairs to the other party's vehicle and their medical expenses
- C. A rental car while his car is being repaired
- D. His legal fees if the other party sues him

i. Correct Answer: B

92. Raj owns a manufacturing business with a Commercial General Liability (CGL) Insurance policy. A customer is injured on the premises due to a poorly maintained walkway. What aspect of his CGL policy addresses this situation?

- A. Bodily injury liability
- B. Property damage liability
- C. Personal and advertising injury liability
- D. Medical payments

i. Correct Answer: A