FOI Level 1 Final Review Sheet

The night before, read only these pages.

Exam rules

Item	Current rule	Checked
Questions and time	100 multiple-choice questions, 2.5 hours (150 minutes), written online.	2026-11-15
Pass mark	70%.	2026-11-15
Fee and validity	$195, valid for one year from purchase; no refund after 6 months.	2026-11-15
Rewrites	$195 each time; the second attempt can be taken right away, after that wait one month between attempts.	2026-11-15
Study material	IBABC's current material is the 2017 edition with the April 2024 Autoplan supplement.	2026-11-15
Section weights	IBABC does not publish section weights for the FOI exam (rechecked 2026-11-15).	2026-11-15
Result validity and application window	Exam or course results are valid for 2 years (24 months); the licence application must reach the Insurance Council within 2 years of passing.	2026-11-15
Council Rules Course	Required for every individual applicant (except reinstatement cases).	2026-11-15
CAIB transition and FOI	The CAIB old-to-new transition affects CAIB only; the FOI route is unchanged.	2026-11-15
Weights of IIC's separate Level 1 exam	IIC's Level 1 exam (2 hours, closed book) publishes 30/30/30/5/5; it is a different exam, shown for reference only.	2026-11-15
Three ICBC Basic numbers often tested (2026 policy year)	Third Party Liability $200,000; Basic Vehicle Damage Coverage up to $200,000; UMP up to $1,000,000 per person; income replacement at 90% of net income, gross annual income capped at $122,500.	2026-11-15

Last 24 hours checklist

- Candidate code and government photo ID in English.
- Online exam: quiet room, stable internet, updated browser; log in on time, late candidates are refused.
- Pace: 100 questions in 150 minutes = 90 seconds each; first pass: do not get stuck, flag it and come back.
- Circle NOT / EXCEPT / main / best before reading the options.
- Where the exam answer and the current rule differ, give the exam answer.

One trap and one must-know per chapter

01 Introduction to General Insurance

P2 Hold steady

Trap: True Statement but Not the Primary Function——The question stem contains terms like 'main purpose' or 'primary function of insurance'.

Must know: Insurance has five social functions, but only the spread of risk (sharing the losses of the few among the many who contribute to a pool) is recognized as the primary function.

02 Insurance Contracts P1 Must score

Trap: Treating Conditional Acceptance as Agreement——The question stem contains 'accepts the quote, provided that / as long as / but changes...' or the issued policy terms conflict with the application.

Must know: There are four methods to deal with personal, property, and liability risks: avoidance is the least practical; control only reduces frequency and severity; retention includes deductibles (higher deductibles mean more retained risk); and transfer (buying insurance) is the most common and practical.

03 Government and Regulation of Insurance

P1 Must score

Trap: Confusing Provincial Regulation with Premium Rate Setting——The question stem asks for the functions or duties of the provincial government or Superintendent, and options mention setting premium levels or fixing rates.

Must know: The federal government (OSFI) monitors the financial stability of federally registered insurers; the provincial Superintendent of Insurance supervises policy terms, licenses insurers (a provincial licence is required even if holding a federal licence), and monitors the solvency of provincially chartered insurers (solvency being the ability to pay all insured losses), but the provincial government does not establish premium rates.

04 The Insurance Process: From Application to Claims P2 Hold steady

Trap: One-Sided Duty Trap——Options containing extreme words such as only, lowest premium, or no obligation to the insurer.

Must know: An application must be submitted before insurance is issued (substandard risks are generally declined), and premiums vary based on specific risk factors rather than being the same for everyone.

05 Chapter 5: Common Features of Property Insurance Policies P1 Must score

Trap: Omitting the Least-of-Three Rule or Selecting the Wrong Payee——Questions presenting multiple dollar figures (replacement cost, depreciation, policy limit, mortgage balance) and asking how much the insured is entitled to receive.

Must know: There is no standardized property insurance policy, as most forms are adapted from IBC advisory models; named perils policies cover only specified perils, whereas all risks policies cover all direct physical damage subject to explicit policy exclusions.

06 Habitational Insurance (Homeowners, Condominium, Tenants, and Related Forms)

P1 Must score

Trap: Mistaking Theft–Only Special Limits for All–Loss Limits——When question stems mention damaged furs, jewellery, numismatic property, stamps, collector cards, or bicycles, first check whether the peril is fire/windstorm or theft; when business tools or laptops appear, first check whether they were on the premises or taken off the premises.

Must know: Unnamed insureds (spouse, relatives of either, and persons under 21 in their care) must be living in the same household with the named insured at the time of loss (except full–time students dependent on the named insured, who may be over 21 and temporarily living away at school); a common–law partner qualifies as a spouse only after living together continuously for 3 years, or for 1 year if they are natural or adoptive parents of the same child; boarders and roomers are excluded from the definition of the insured, and only the named insured has the legal right to commence an action against the insurer.

07 Commercial Property Insurance

P1 Must score

Trap: Switching the question (insurer payout vs insured share)——The stem ends with phrases such as how much must the insured bear, absorb, pay out of pocket, or what is the insured's share of the loss.

Must know: Stock plus equipment is collectively termed contents, and all three classes combined are termed all property; improvements made at the tenant's expense or purchased from a prior tenant are classified under equipment because the tenant is not the building owner.

08 Principles of Legal Liability P2 Hold steady

Trap: Qualifier substitution trap——The stem asks Which statement is FALSE or NOT true, and options contain absolutist or exaggerated terms such as moral duty, highest degree of care, all sources of loss, or always responsible.

Must know: Criminal law addresses wrongs against society and punishes offenders through fines, probation, and imprisonment, with insurance never covering the financial consequences of criminal acts; civil law resolves private disputes with the goal of awarding financial damages to compensate the injured party.

09 Introduction to Liability Insurance

P3 Skim

Trap: Excluding Loss of Use from Property Damage——The question stem or options contain phrases like 'only covers physical repair or replacement' or 'excludes loss of use', or ask how a neighbor's temporary rent and pet boarding costs caused by a fire are classified.

Must know: The insurer agrees to pay compensatory damages that the insured becomes legally obligated to pay to a third party, provided the injury or damage is caused by an occurrence within the policy period and coverage territory.

10 Liability Insurance Policies P2 Hold steady

Trap: Confusing first–party with third–party coverage——The question stem or injury scenario mentions the insured, the insured's spouse, children residing in the household, or boarders.

Must know: Homeowners, Tenants, Condominium Unit Owners, and Mobile Homeowners forms all include Section II Liability Coverage: Coverage E provides worldwide legal liability coverage as a private citizen (sample limit $1,000,000), while Coverage F (common sample limit $5,000), Coverage G (sample limit table $500, usually capped at $1,000), and Coverage H (schedule of benefits) provide voluntary payments without requiring proof of legal liability and generally without a deductible.

11 Accident and Sickness Insurance and Travel Insurance P3 Skim

Trap: Confusing the consequences of fraud and age misstatement——The question stem mentions an application misstatement discovered after two years (incontestability), concealment of medical history (fraudulent misrepresentation), or an incorrect age (misstatement of age).

Must know: Before age 65, one out of three people will suffer a disability lasting longer than 90 days (averaging more than 2 years); sickness is the primary cause of disability, and more than 90% of accidents are not work–related.

12 Introduction to BC Automobile Insurance: Systems, ICBC, and Premiums P1 Must score

Trap: Confusing rate class with rate group——When the question stem mentions vehicle use or Basic premium adjustment, select rate class; only when it mentions vehicle make/model or own damage does it refer to rate group.

Must know: BC, SK, and MB operate compulsory government auto insurance plans (all with a minimum third–party liability limit of $200,000), while Quebec operates a hybrid system with government bodily injury and private property damage; BC private insurers may sell only three excess coverages (extended third–party liability, excess underinsured motorist protection, and own damage coverage), and lower collision deductibles are available only from private insurers.

13 Autoplan Basic Coverage and Own–Damage Coverage P1 Must score

Trap: Confusing boundaries between Collision and Comprehensive——The question stem mentions fallen tree on the road, pothole, guardrail, hit–and–run damaging the insured vehicle, or specific damage perils like animal, windshield, hail, or vandalism.

Must know: Basic coverage protects the vehicle owner, lessee, named drivers, and any licensed driver operating the vehicle with consent; however, persons engaged in buying, selling, repairing, maintaining, storing, servicing, or valeting vehicles are excluded even with permission (requiring a garage policy); territorial limits are confined to Canada, the United States, and vessels travelling between their ports, excluding Mexico.

14 Optional Auto Coverages and Coverage Conditions P1 Must score

Trap: Treating co–residing relatives as occasional borrowers——The question stem mentions household member, family member, employee, or indicates the driver lives with or is employed by the vehicle owner.

Must know: Most optional coverages are listed and priced separately on the same policy document as the basic coverage, but Income Top–Up and Specialized Coverages are issued as separate standalone policies.

15 Regulation and Ethics of Insurance Intermediaries P2 Hold steady

Trap: Confusing regulatory bodies and their distinct functions——The question stem mentions licensing, complaints, disciplinary action, or regulating conduct in BC, AB, SK, or MB.

Must know: Regulation of insurance intermediaries falls under provincial jurisdiction; British Columbia, Alberta, Saskatchewan, and Manitoba delegate licensing, complaints, discipline, and the enactment of codes of conduct to an independent Insurance Council, whose decisions may generally be appealed to the Superintendent.