

California Self-Insurance Plans (SIP) Exam (Sample)

Study Guide



Everything you need from our exam experts!

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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 term describes an injury that occurs as the result of a single incident or exposure?**
 - A. Specific injury**
 - B. Cumulative injury**
 - C. Progressive injury**
 - D. Recurrent injury**

- 2. UR or management functions that prospectively, retrospectively, or concurrently review and approve, modify or delay based on medical necessity to cure or relieve treatment recommendations by physicians are known as**
 - A. Case management**
 - B. Utilization review**
 - C. Medical auditing**
 - D. Quality assurance**

- 3. To whom do you apply for a Certificate of Consent to Self-Insurance?**
 - A. The director of Industrial Relations**
 - B. The manager of Self-Insurance plans**
 - C. The director of the Division of Worker's Compensation**
 - D. The director of Industrial Accidents**

- 4. Which option best describes the compensability in the parking lot scenario?**
 - A. Compensable**
 - B. Non-Compensable**
 - C. Compensable because the employer is required to provide a safe place to work**
 - D. Non Compensable due to the going and coming rule**

- 5. Which region is primarily associated with injury to the trapezius muscle?**
 - A. Knee**
 - B. Hand**
 - C. Low Back**
 - D. Neck**

- 6. What is the maximum penalty for the most serious types of violations?**
- A. \$100**
 - B. \$1,000**
 - C. \$50,000**
 - D. \$5,000**
- 7. If a WCAB issues a notice to pay benefits to a TPA, what is the proper course of action?**
- A. Deny benefits**
 - B. File an appeal with the WCAB**
 - C. Report to the Administrative Director**
 - D. Pay benefits in accordance with the Labor Code**
- 8. In the city police officer scenario, who pays the Labor Code 4850 benefits?**
- A. The city**
 - B. The county**
 - C. The state**
 - D. The insurer**
- 9. What is the maximum burial expense for a death on or after January 1, 2013?**
- A. \$10,000**
 - B. \$5,000**
 - C. \$2,000**
 - D. \$7,000**
- 10. Following revocation, the managers shall determine the need for a special revocation audit of claims and the need for a deposit adjustment to secure future liabilities.**
- A. Reinsurance Recovery**
 - B. Filing Fee**
 - C. Premium Adjustment**
 - D. Deposit Adjustment**

Answers

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

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Explanations

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1. Which term describes an injury that occurs as the result of a single incident or exposure?

- A. Specific injury**
- B. Cumulative injury**
- C. Progressive injury**
- D. Recurrent injury**

Injury classifications often separate injuries by whether they come from one event or from repeated exposure. A single incident or exposure causing damage is described as a specific injury. This term highlights that there is one identifiable event that produced the injury, such as a fall causing a sprain or a chemical splash causing dermatitis. Cumulative injuries, by contrast, result from many small insults over time, like repetitive motions building up to a problem. Progressive injuries worsen with ongoing exposure or disease progression, not just from a one-time event. Recurrent injuries are new occurrences that happen after the initial injury has healed, often related to re-exposure or reinjury of the same area.

2. UR or management functions that prospectively, retrospectively, or concurrently review and approve, modify or delay based on medical necessity to cure or relieve treatment recommendations by physicians are known as

- A. Case management**
- B. Utilization review**
- C. Medical auditing**
- D. Quality assurance**

Utilization review is the process that prospectively, concurrently, or retrospectively evaluates the medical necessity and appropriateness of proposed, ongoing, or completed medical services. It reviews physician treatment recommendations and can approve, modify (such as substituting a different treatment or requiring additional information), or delay care based on established medical criteria, guidelines, or payer policies. This focus on whether a treatment is necessary and appropriate is what sets utilization review apart from related functions. Case management centers on coordinating care and resources for complex patients, not primarily on deciding medical necessity. Medical auditing looks at whether records and billing meet standards and rules, while quality assurance concentrates on overall care quality processes rather than the real-time decision-making about specific treatments.

3. To whom do you apply for a Certificate of Consent to Self-Insurance?

- A. The director of Industrial Relations**
- B. The manager of Self-Insurance plans**
- C. The director of the Division of Worker's Compensation**
- D. The director of Industrial Accidents**

The authority to grant a Certificate of Consent to Self-Insure rests with the Director of Industrial Relations. In California, employers seeking to self-insure their workers' compensation obligations must apply directly to the Director of Industrial Relations for consent. This official oversees the self-insurance program and ensures applicants meet the required financial and operational standards before the certificate is issued. The other roles listed do not have issuing authority for this certificate—the manager of Self-Insurance plans isn't a state office; the Director of the Division of Worker's Compensation handles claims administration rather than the consent process; and the director of Industrial Accidents isn't the approving official for this certificate.

4. Which option best describes the compensability in the parking lot scenario?

- A. Compensable**
- B. Non-Compensable**
- C. Compensable because the employer is required to provide a safe place to work**
- D. Non Compensable due to the going and coming rule**

In California workers' compensation, the going-and-coming rule says injuries to employees while commuting to or from work are generally not compensable. But there's an important exception: when the injury happens on property that the employer provides for the employee's use, such as a parking lot on the employer's premises. That parking area is part of the workplace, and the employee is there in connection with the job. If the injury occurs there, it is considered to occur in the course of employment, making it compensable. So the parking lot scenario is compensable because the injury arises on employer-provided premises that are part of the work environment, not a purely personal commute.

5. Which region is primarily associated with injury to the trapezius muscle?

- A. Knee**
- B. Hand**
- C. Low Back**
- D. Neck**

The trapezius sits in the upper back and neck, extending from the skull and cervical spine down to the mid back and attaching to the scapula and clavicle. Because of its location and role in supporting and moving the head and shoulders, injuries to this muscle are most closely associated with the neck region (the upper neck/shoulder area). The knee, hand, and low back aren't where the trapezius mainly resides or functions, so they aren't the primary region linked to trapezius injuries.

6. What is the maximum penalty for the most serious types of violations?

- A. \$100**
- B. \$1,000**
- C. \$50,000**
- D. \$5,000**

Understanding penalties for the most serious SIP violations is about the enforcement scale. The regulations establish civil penalties that escalate with severity, and for the most serious violations the cap is five thousand dollars. This keeps penalties strict enough to deter egregious noncompliance while remaining proportionate to the size and resources of many self-insurance plans. So the maximum you should memorize for the most serious violations is five thousand dollars. The other amounts are not the top-end cap and represent lower penalties or different violation tiers.

7. If a WCAB issues a notice to pay benefits to a TPA, what is the proper course of action?

- A. Deny benefits**
- B. File an appeal with the WCAB**
- C. Report to the Administrative Director**
- D. Pay benefits in accordance with the Labor Code**

When the WCAB directs that benefits be paid to a third-party administrator, the correct action is to follow that directive and pay benefits to the TPA in accordance with the Labor Code. The TPA administers the claim on behalf of the employer or insurer, but the legal obligation to provide the benefits remains governed by the Labor Code and the WCAB order. Denying benefits or delaying payment would violate the order, and appealing it is not the immediate remedy for the directive itself. The essential move is to make timely, proper payments to the TPA as specified, so the benefits are then distributed to the worker under the statute's rules.

8. In the city police officer scenario, who pays the Labor Code 4850 benefits?

- A. The city**
- B. The county**
- C. The state**
- D. The insurer**

Labor Code 4850 provides salary continuation for public safety officers who are injured in the line of duty. The benefits are paid by the employing agency, not by the workers' compensation insurer. In a city police officer scenario, the city is the employer, so the city pays the 4850 benefits. This paid leave continues full salary for up to one year while the officer is off work due to the injury, separate from any workers' compensation payments.

9. What is the maximum burial expense for a death on or after January 1, 2013?

- A. \$10,000**
- B. \$5,000**
- C. \$2,000**
- D. \$7,000**

This item tests the burial expense cap for California workers' compensation death benefits. As of January 1, 2013, the law provides a one-time burial allowance up to ten thousand dollars to help cover funeral costs related to a work-related death. This amount is a fixed statutory limit and is separate from other death benefits like ongoing indemnity or dependent compensation. The smaller figures listed in the other options reflect prior caps or different contexts, but the applicable limit starting in 2013 is ten thousand dollars.

10. Following revocation, the managers shall determine the need for a special revocation audit of claims and the need for a deposit adjustment to secure future liabilities.

- A. Reinsurance Recovery**
- B. Filing Fee**
- C. Premium Adjustment**
- D. Deposit Adjustment**

After revocation, the key issue is ensuring that any remaining or potential future claim liabilities are properly funded. A special revocation audit of claims helps determine the magnitude and timing of those liabilities. Based on what the audit uncovers, a deposit adjustment may be needed to increase or modify the funds held to secure future liabilities, ensuring the plan's obligations are covered as claims continue or are settled. Reinsurance recovery focuses on getting money from reinsurers and isn't the primary tool for funding post-revocation liabilities. Filing fees are merely administrative costs, and a premium adjustment relates to ongoing funding while the plan is active, not the security of future liabilities after revocation. The deposit adjustment directly addresses securing those liabilities, so it's the correct concept.

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://californiasip.examzify.com>

We wish you the very best on your exam journey. You've got this!

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