

CALIFORNIA SELF-INSURANCE PLANS (SIP) 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

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- 1. For private insured employers, by what date must actuarial studies and summaries be completed and filed each calendar year?**
 - A. May 15th
 - B. May 1st
 - C. March 1st
 - D. May 31st
- 2. Which scenario yields a 40 percent knee rating?**
 - A. Stretch knee brace with no objective disability.
 - B. Long leg brace with no objective disability or work restrictions.
 - C. No objective disability but brace prescribed.
 - D. Knee injury with precluded heavy lifting.
- 3. A cardiac condition precludes heavy lifting. What is the scheduled rating?**
 - A. 10%
 - B. 15%
 - C. 20%
 - D. 25%
- 4. In a scenario where serious and willful misconduct reduces compensation by 50%, the reduction is avoided if the injury results in death or what else?**
 - A. The injury results in death
 - B. Permanent disability of 70% or over
 - C. Minor
 - D. Death or permanent disability of 70% or over
- 5. An employee has a finger amputation at the proximal joint and prescription glasses broken. Which should be paid?**
 - A. Repair of the glasses only.
 - B. The amputation only.
 - C. Prorate the glasses over the time the employee has owned them.
 - D. Both the glasses and the finger amputation.

- 6. What is the standard rating for slight to moderate pain?**
- A. 50%
 - B. 75%
 - C. 25%
 - D. 60%
- 7. Which action would be consistent with public policy regarding settlement offers tied to resignation?**
- A. Advise it is okay
 - B. Advise against public policy
 - C. Compromise and Release with misrepresented resignation money
 - D. Prepare a stipulated Findings and Award for 15 percent
- 8. Which term corresponds to double vision?**
- A. Monocular diplopia
 - B. Binocular diplopia
 - C. Ocular misalignment
 - D. Diplopia
- 9. Reapplication to the Director for a Certificate of Consent to Self-Insure is required if an employer fails to initiate a self-insurance program within how many months?**
- A. Three months
 - B. Six months
 - C. Nine months
 - D. Late annual report
- 10. Which statement best describes the effect of serious misconduct by the employee on compensation?**
- A. Increase by 10%
 - B. Increase by 50%
 - C. Decrease by 50%
 - D. Decrease by 10%

Answers

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

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Explanations

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1. For private insured employers, by what date must actuarial studies and summaries be completed and filed each calendar year?

- A. May 15th
- B. May 1st**
- C. March 1st
- D. May 31st

Private insured employers are required to complete and file actuarial studies and their summaries on an annual schedule to keep the regulatory view of an employer's future claim costs current. The correct due date is May 1st of each calendar year. This timing follows the standard annual reporting cycle, giving the department up-to-date information on expected liabilities, reserves, and loss experience so the overseers can monitor financial responsibility and ensure proper funding for future workers' compensation obligations. The other dates don't fit the mandated deadline, as they are either earlier than required or later than the established May 1st cutoff.

2. Which scenario yields a 40 percent knee rating?

- A. Stretch knee brace with no objective disability.
- B. Long leg brace with no objective disability or work restrictions.**
- C. No objective disability but brace prescribed.
- D. Knee injury with precluded heavy lifting.

In this knee rating scenario, the important idea is how the level of impairment is reflected by the use of an assistive device. A long leg brace signifies a substantial functional impact on the knee—enough to warrant a fairly high rating—even when there aren't documented objective measurements or work restrictions. The brace itself communicates that the knee's function is significantly limited in daily activities, which aligns with a 40 percent knee rating under the applicable impairment guidelines. A stretch knee brace is lighter and typically indicates less impairment, so it wouldn't usually reach that 40 percent level. No objective disability but a brace prescribed suggests some impairment, but the lack of objective findings generally points to a lower rating. And a knee injury with precluded heavy lifting involves work restrictions, but the rating would depend on how impairment and restrictions combine under the guidelines, not automatically equating to 40 percent from the restriction alone. So, the long leg brace with no objective disability or work restrictions best corresponds to the 40 percent knee rating because its severity is conveyed by the need for substantial external support.

3. A cardiac condition precludes heavy lifting. What is the scheduled rating?

- A. 10%**
- B. 15%
- C. 20%
- D. 25%

Functional impairment level and work capacity determine the scheduled rating for a cardiac condition. When the condition prevents heavy lifting, it signals a noticeable but not severe limitation in physical labor. The rating schedule assigns this level of limitation a 10% disability rating. If there were additional issues—such as heart failure, angina with light activity, or the need for continuous medication—the rating would be higher. Since the stem only states that heavy lifting is precluded, the 10% rating best fits.

4. In a scenario where serious and willful misconduct reduces compensation by 50%, the reduction is avoided if the injury results in death or what else?

- A. The injury results in death
- B. Permanent disability of 70% or over
- C. Minor

D. Death or permanent disability of 70% or over

When serious and willful misconduct triggers a 50% reduction in compensation, there's an exception for cases with very severe outcomes. The reduction is not applied if the injury results in death or in permanent disability of 70% or more. The idea is that if the injury is fatal or leaves the worker with a high level of permanent impairment, applying a punitive reduction would be inappropriate or overshadowed by the seriousness of the outcome. So the "what else" besides death is permanent disability rated at 70% or over.

5. An employee has a finger amputation at the proximal joint and prescription glasses broken. Which should be paid?

- A. Repair of the glasses only.
- B. The amputation only.
- C. Prorate the glasses over the time the employee has owned them.

D. Both the glasses and the finger amputation.

The main idea is that medical benefits under California workers' compensation cover all reasonable and necessary medical treatment to cure or relieve the effects of an injury, including devices and prostheses needed because of the injury. In this scenario, two items stem from the same work-related incident: the finger amputation requires medical care and possibly a prosthesis or related stump care, which is clearly payable. The prescription glasses, if they were broken as a result of the incident and are prescribed for the employee, can be considered a medical device needed for treatment or for the employee to function while healing. Therefore, both the glasses and the finger amputation-related care are payable. Prorating or paying only one item isn't appropriate when both are necessary to treat or relieve the injury.

6. What is the standard rating for slight to moderate pain?

- A. 50%
- B. 75%**
- C. 25%
- D. 60%

The thing being tested is how pain intensity is categorized in this rating system. In this SIP context, slight to moderate pain is assigned a rating of 75% because that level of pain is treated as having a relatively high impact on function and work capacity. Even when pain is described as only slight to moderate, it often interferes with daily activities enough to warrant a higher impairment percentage. The other percentages would place the pain in lower severity bands and don't align with the standard interpretation of "slight to moderate" within this rating framework.

7. Which action would be consistent with public policy regarding settlement offers tied to resignation?

- A. Advise it is okay
- B. Advise against public policy**
- C. Compromise and Release with misrepresented resignation money
- D. Prepare a stipulated Findings and Award for 15 percent

Public policy requires settlements to be voluntary and free from coercion or deception. Tying a resignation to a settlement offer pressures the employee to quit in exchange for money, which undermines the integrity of the resolution process. Advising against such a practice aligns with the goal of fair, legitimate settlements. When you consider the other options, they each endorse or enable improper conduct: saying it's okay would normalize coercive deals; a Compromise and Release based on misrepresented resignation money would be deceptive and likely illegal; and drafting a Findings and Award structured around a resignation incentive still masks an improper arrangement and doesn't meet proper settlement practice.

8. Which term corresponds to double vision?

- A. Monocular diplopia
- B. Binocular diplopia
- C. Ocular misalignment
- D. Diplopia**

Double vision is called diplopia, the general medical term for seeing two images instead of one. The other terms describe specific forms or causes: monocular diplopia occurs when the double vision persists with one eye open, usually due to eye-level issues in that eye; binocular diplopia happens when both eyes must be open to see double, typically stemming from a misalignment or coordination problem between the eyes. Ocular misalignment refers to the underlying issue that can lead to binocular diplopia, not the name of the symptom itself. So the term that directly means double vision is diplopia.

9. Reapplication to the Director for a Certificate of Consent to Self-Insure is required if an employer fails to initiate a self-insurance program within how many months?

- A. Three months
- B. Six months**
- C. Nine months
- D. Late annual report

In California's self-insurance framework, once an employer receives consent to self-insure, there's a defined window to put the program into action. If the employer does not initiate the self-insurance program within six months, a new application to the Director is required. This six-month threshold ensures the plan is actively moving forward and that the employer remains financially and operationally capable of meeting the responsibilities of self-insurance. It protects workers by avoiding long delays and keeps the Director's oversight current. Shorter timeframes would be unnecessarily harsh and could penalize a company legitimately working through setup steps, while a longer period might delay essential oversight. A late annual report, by contrast, is a separate compliance issue and does not address the timeliness of initiating self-insurance.

10. Which statement best describes the effect of serious misconduct by the employee on compensation?

- A. Increase by 10%
- B. Increase by 50%
- C. Decrease by 50%
- D. Decrease by 10%

Serious misconduct by the employee is treated as a fault-based adjustment in California workers' compensation. When the employee's serious and willful conduct contributes to the injury, the law allows reducing the benefits rather than paying them in full. The standard effect is a 50% reduction in the compensation attributable to that injury, which reflects accountability for unsafe behavior while still providing partial coverage. Increases aren't allowed, and the other percentages don't match the policy's approach to this misconduct.

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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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