

Certified Authority of Workers Compensation (CAWC) Practice Test (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. How is the manual premium calculated?**
 - A. Payroll x Class code rate / 100**
 - B. Class code rate x Payroll**
 - C. Governing class code**
 - D. Highest exposure in a business**

- 2. Which person is explicitly excluded from LHWCA coverage as part of the exclusions?**
 - A. A master or member of a crew of any vessel**
 - B. A factory supervisor on land**
 - C. A longshore worker performing heavy duty tasks on land**
 - D. A temporary clerical worker**

- 3. Who is the typical recipient of the Death Benefit in workers' compensation?**
 - A. The deceased employee**
 - B. The employee's family**
 - C. The employer**
 - D. The state government**

- 4. Which category describes a worker employed by a supplier, transporter, or vendor who is doing temporary business?**
 - A. Supplier or vendor worker on a temporary assignment**
 - B. A dockworker on a permanent basis**
 - C. A ship's engineer**
 - D. A fisherman**

- 5. The 'lost wages' (indemnity) benefit is defined as what?**
 - A. Medical bills coverage**
 - B. Funeral expenses coverage**
 - C. Benefit provided for money the employee would have been making if able to work**
 - D. A stipend for relocation costs**

- 6. In influencing safety changes, what does Modeling involve?**
- A. Providing annual safety awards**
 - B. The manager consistently demonstrates the proper technique for doing the job**
 - C. Writing new safety policies quarterly**
 - D. Conducting safety drills monthly**
- 7. A Captive is a closely held insurance company owned and controlled by their insureds.**
- A. True**
 - B. False**
 - C. Not sure**
 - D. Sometimes**
- 8. With a retrospective policy, when is the first retro formula applied?**
- A. Immediately**
 - B. 6 months after inception**
 - C. 24 months after inception**
 - D. 18 months after inception**
- 9. Which of the following is a component of RIGWAW?**
- A. Final Report.**
 - B. Investigation time frame.**
 - C. Gather Witnesses.**
 - D. Safety training materials.**
- 10. What is the main responsibility of a Workers' Compensation Coordinator?**
- A. The main responsibility is to act as the organization's liaison for work-related injuries.**
 - B. To manage payroll**
 - C. To oversee payroll benefits**
 - D. To handle marketing communications**

Answers

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

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Explanations

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1. How is the manual premium calculated?

A. Payroll x Class code rate / 100

B. Class code rate x Payroll

C. Governing class code

D. Highest exposure in a business

Manual premium is determined by the amount of payroll and the class code rate assigned to that payroll, with the rate expressed per \$100 of payroll. To get the actual premium, you multiply the payroll by the class code rate and then divide by 100. This converts the per-\$100 rate into the total premium for all payroll covered. The other ideas described do not compute the premium itself: using the product without dividing by 100 would assume the rate is per full dollar, which it is not; and the governing class code or the highest exposure are classification factors, not the calculation formula for the premium.

2. Which person is explicitly excluded from LHWCA coverage as part of the exclusions?

A. A master or member of a crew of any vessel

B. A factory supervisor on land

C. A longshore worker performing heavy duty tasks on land

D. A temporary clerical worker

Longshore and Harbor Workers' Compensation Act covers workers who load, unload, build, repair, or otherwise assist with ships and shipyards, typically on land or at the waterfront. But there is a specific exclusion for people who are aboard a vessel in the capacity of master or crew. Those individuals are considered seamen and are covered by maritime law under the Jones Act, not by LHWCA. So a master or member of a vessel's crew is explicitly excluded from LHWCA coverage. The other roles described don't fit that explicit vessel-crew exclusion. A factory supervisor on land isn't performing shore-side longshore work, a longshore worker on land performing heavy duties is precisely the kind of covered task, and a temporary clerical worker on land generally isn't within LHWCA's scope.

3. Who is the typical recipient of the Death Benefit in workers' compensation?

A. The deceased employee

B. The employee's family

C. The employer

D. The state government

When a worker dies from a work-related incident, death benefits are meant to support the survivors who depended on the worker's income. The typical recipient is the employee's family—usually a surviving spouse and/or dependent children—who receive payments to help replace lost wages and cover related costs. These benefits are not paid to the employer or to the state government. In some cases, if there are no eligible dependents, benefits may be directed to the deceased's estate, depending on the jurisdiction.

4. Which category describes a worker employed by a supplier, transporter, or vendor who is doing temporary business?
- A. Supplier or vendor worker on a temporary assignment
 - B. A dockworker on a permanent basis
 - C. A ship's engineer**
 - D. A fisherman

The key idea is temporary staffing through a supplier or vendor. A worker who is employed by that third party and brought in on a short-term basis to support operations at another site fits the category of a supplier or vendor worker on a temporary assignment. The employer of record is the supplier or vendor, not the host company, and the work is for a limited period, which is exactly what "temporary assignment" describes. The other scenarios don't fit because they describe either permanent employment by the host organization (a dockworker hired permanently by the site) or workers who come from a different line of work (a ship's engineer or a fisherman) who aren't performing a temporary assignment through a supplier or vendor.

5. The 'lost wages' (indemnity) benefit is defined as what?
- A. Medical bills coverage
 - B. Funeral expenses coverage
 - C. Benefit provided for money the employee would have been making if able to work**
 - D. A stipend for relocation costs

The key idea is wage replacement. The lost wages benefit is the money the employee would have earned if they could work during the period of disability. It's designed to offset the income drop caused by a work-related injury, not to pay for medical treatment or other costs. Medical bills are handled as medical benefits, while funeral expenses and relocation costs are separate types of assistance. In many workers' comp systems, this indemnity is calculated as a portion of the worker's usual earnings (often tied to the average weekly wage) and paid while the worker is disabled.

6. In influencing safety changes, what does Modeling involve?
- A. Providing annual safety awards
 - B. The manager consistently demonstrates the proper technique for doing the job**
 - C. Writing new safety policies quarterly
 - D. Conducting safety drills monthly

In influencing safety changes, modeling means leaders show the correct way through their own consistent demonstration of safe techniques. When a manager or supervisor repeatedly performs the task using proper technique, it sends a clear, observable standard for others to follow. People learn by watching trusted figures, and this live demonstration builds credibility, reduces ambiguity, and signals that safety is a practiced, everyday value—not just a rule. This kind of behavior-by-example helps workers imitate the safe method in real work, making the change more likely to take hold. Other options, while related to safety, don't capture this observing-and-imitating effect. Providing annual awards recognizes past performance but doesn't routinely model behavior. Writing new safety policies sets expectations but doesn't show workers how to perform the technique. Conducting safety drills teaches preparedness but may focus on response rather than demonstrating the proper technique in regular tasks.

7. A Captive is a closely held insurance company owned and controlled by their insureds.
- A. True**
 - B. False
 - C. Not sure
 - D. Sometimes

Captive insurance companies are created by a business to insure its own risks, so ownership sits with the insureds. That makes the captive closely held, typically owned by the parent or a small group of insureds who also control it through board and management decisions. This structure gives the owners direct influence over coverage terms, pricing, and claims handling, aligning risk financing with their own risk management goals. Variations exist (like single-parent or group captives), but the common thread is ownership and control by the insureds.

8. With a retrospective policy, when is the first retro formula applied?
- A. Immediately
 - B. 6 months after inception
 - C. 24 months after inception
 - D. 18 months after inception**

In retrospective rating, the premium is adjusted after the policy has been in force to reflect actual losses rather than just estimates up front. The first retro formula is applied about 18 months after inception because that allows enough claims data to develop and mature, giving a more reliable estimate of ultimate losses. Applying the adjustment earlier would be based on incomplete information, while waiting longer would delay proper pricing and settlement. So the initial retro adjustment occurs at 18 months.

9. Which of the following is a component of RIGWAW?

- A. Final Report.**
- B. Investigation time frame.**
- C. Gather Witnesses.**
- D. Safety training materials.**

Gather Witnesses is a core part of the RIGWAW process because collecting firsthand accounts from people who saw or were involved in the incident provides essential context, timings, and sequence of events. These statements help verify what happened, fill in gaps, and reveal factors that contributed to the incident, which you can't reliably establish from documents alone. In RIGWAW, the act of gathering witness input directly informs understanding and analysis, making it the most practical and foundational component. The final report is the completed document that communicates findings after the investigation, so it's an end result rather than a step within the investigation itself. The investigation time frame is a planning element that sets how long the investigation should take, not a specific investigative action. Safety training materials are resources used for prevention and education, not part of the investigation steps.

10. What is the main responsibility of a Workers' Compensation Coordinator?

- A. The main responsibility is to act as the organization's liaison for work-related injuries.**
- B. To manage payroll**
- C. To oversee payroll benefits**
- D. To handle marketing communications**

Acting as the organization's liaison for work-related injuries is the main responsibility. This role centers on being the primary contact among the injured employee, the employer, medical providers, and the insurer, and on coordinating the entire claim process from the initial report to return-to-work. It includes ensuring injuries are reported promptly, maintaining accurate documentation, obtaining appropriate medical treatment, and keeping all parties informed throughout the claim. It also involves coordinating with healthcare providers, adjusters, and human resources to monitor progress, manage any necessary accommodations, and support a safe, timely return to work. Payroll or benefits tasks belong to separate HR duties, and marketing communications is not related to workers' compensation coordination, so they don't fit the core focus of this role.

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://cawc.examzify.com>

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

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