

CERTIFIED AUTHORITY OF WORKERS COMPENSATION (CAWC) PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE**

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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. What does reasonable medical necessity mean in California workers' compensation?**
 - A. Treatments must be appropriate, necessary, and related to the work injury, supported by evidence.
 - B. Any treatment requested by the employee is allowed.
 - C. Only surgery can be considered.
 - D. Treatment must be the cheapest option.
- 2. Permanent Disability is grant when?**
 - A. When medical restrictions are permanent.
 - B. The MMI is reached.
 - C. When full recovery occurs.
 - D. After 12 months of treatment.
- 3. Which term describes an insurer arrangement where control is retained by the insureds and the entity is closely held?**
 - A. A Mutual
 - B. An Exchange
 - C. A Captive
 - D. A Carrier
- 4. Under the Fellow Servant Rule, who is liable for injuries caused by a coworker?**
 - A. The employer is always liable for injuries caused by coworkers
 - B. Co-worker is liable for the injury, not the employer
 - C. Employees cannot sue in any circumstance
 - D. The state government covers medical costs
- 5. Which activity is excluded under LHWCA for recreational vessels under sixty-five feet?**
 - A. A person building a recreational vessel under 65 feet
 - B. A person performing administrative tasks for a vessel
 - C. A person cleaning recreational vessels under 65 feet
 - D. A person selling spare parts for a recreational vessel

- 6. How are overpayments or adjustments handled in California WC indemnity payments?**
- A. Overpayments are recovered or offset through subsequent payments or settlement adjustments.
 - B. Overpayments are forgiven after six months.
 - C. Overpayments are kept by the employee.
 - D. Overpayments void the claim.
- 7. Which statement correctly contrasts temporary disability with permanent disability in California workers' compensation?**
- A. Temporary disability lasts longer than treatment.
 - B. Permanent disability ends when treatment ends.
 - C. Temporary disability is defined by a lasting impairment.
 - D. Permanent disability reflects a lasting impairment.
- 8. Which benefit is described as providing rehabilitation, including vocational or physical therapy?**
- A. Rehabilitation services
 - B. Medical services
 - C. Lost wages
 - D. Death Benefit
- 9. Under privacy and confidentiality obligations in CA WC claims, how should access to medical records be handled?**
- A. Access should be provided to any party upon request.
 - B. Access is restricted to the employer only.
 - C. Access must be limited to authorized individuals and comply with privacy laws and regulations.
 - D. Access is unnecessary for audits or legal proceedings.
- 10. What is the function of the WCAB's discovery process?**
- A. To obtain relevant information and documents to resolve disputed issues.
 - B. To determine weekly wage benefit amount.
 - C. To schedule medical exams.
 - D. To issue fines to the employer.

Answers

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

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Explanations

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1. What does reasonable medical necessity mean in California workers' compensation?

- A. Treatments must be appropriate, necessary, and related to the work injury, supported by evidence.
- B. Any treatment requested by the employee is allowed.**
- C. Only surgery can be considered.
- D. Treatment must be the cheapest option.

Reasonable medical necessity in California workers' compensation means the medical treatment is appropriate, necessary to cure or relieve the effects of the work injury, and clearly related to that injury. It isn't enough for care to be offered or requested; a treating physician must determine that the treatment is medically justified, supported by evidence, and aligned with standard care for the diagnosed condition. In practice, this often means the treatment has a reasonable chance of helping the worker recover or regain function and is appropriate given the injury, the patient's overall health, and the expected benefits versus risks. Because of this, merely because an employee asks for a specific treatment does not automatically make it reasonable medical necessity. The decision rests on the physician's medical judgment, the diagnosis, supporting medical evidence, and established guidelines or standards of care. Treatments that are experimental, not related to the injury, or not likely to provide meaningful benefit are typically not considered reasonable medical necessity, even if requested by the worker.

2. Permanent Disability is grant when?

- A. When medical restrictions are permanent.
- B. The MMI is reached.**
- C. When full recovery occurs.
- D. After 12 months of treatment.

Permanent disability benefits come into play when the injured worker's condition has stabilized and is not expected to improve with further treatment. This state is known as Maximum Medical Improvement (MMI). Once MMI is reached, clinicians can assess any permanent impairment and translate that impairment into a permanent disability award using the applicable impairment ratings and schedules. If recovery is complete, there is no permanent disability. The idea that disability hinges on reaching MMI distinguishes it from simply having permanent restrictions or from a set treatment duration like a fixed 12 months.

3. Which term describes an insurer arrangement where control is retained by the insureds and the entity is closely held?

- A. A Mutual
- B. An Exchange
- C. A Captive**
- D. A Carrier

At the heart of this concept is ownership and control by the insureds within a dedicated insurer. A captive is a company created to insure the risks of its parent company or affiliated entities. Because it is owned and often governed by the insureds themselves, the insureds retain control over how the captive is run, what coverages it provides, and how profits or losses are allocated. This closely held structure allows for tailored risk management, potential cost savings, and direct oversight by those who face the risks. A mutual, while owned by policyholders, usually serves a broad membership rather than being tightly held by a single group, so it doesn't inherently imply the same close control. An insurance exchange is a marketplace for trading risks and does not describe an insurer owned and controlled by insureds. A carrier is a general term for an insurer and doesn't specify ownership or control dynamics. Therefore, the term that best fits an insurer arrangement where control remains with the insureds and the entity is closely held is captive.

4. Under the Fellow Servant Rule, who is liable for injuries caused by a coworker?

- A. The employer is always liable for injuries caused by coworkers
- B. Co-worker is liable for the injury, not the employer**
- C. Employees cannot sue in any circumstance
- D. The state government covers medical costs

The main idea is who bears responsibility when a coworker injures another employee during work. The Fellow Servant Rule says the employer isn't vicariously liable for injuries caused by a fellow employee; liability falls on the coworker who actually caused the harm. So, the person who acted negligently is personally responsible for damages, not the employer. This reflects the idea that the wrongdoer among the workers should answer for their own conduct, while the employer isn't automatically at fault for a coworker's actions. In many systems, workers' compensation provides benefits regardless of fault, but that doesn't make the employer liable for the coworker's injury—it simply offers a separate remedy mechanism.

5. Which activity is excluded under LHWCA for recreational vessels under sixty-five feet?

- A. A person building a recreational vessel under 65 feet**
- B. A person performing administrative tasks for a vessel
- C. A person cleaning recreational vessels under 65 feet
- D. A person selling spare parts for a recreational vessel

The main idea is the recreational vessel exclusion under LHWCA: injuries arising from construction, repair, or modification of a recreational vessel that is under 65 feet are not covered by the act. Building a recreational vessel under 65 feet falls squarely into that excluded activity, so it is not covered by LHWCA. Other tasks listed—administrative duties for a vessel, cleaning a recreational vessel under 65 feet, or selling spare parts—do not involve construction, repair, or modification. Those activities aren't the exclusion, so they would not be excluded and can fall under LHWCA coverage (assuming the worker is otherwise a covered employee).

6. How are overpayments or adjustments handled in California WC indemnity payments?

- A. Overpayments are recovered or offset through subsequent payments or settlement adjustments.
- B. Overpayments are forgiven after six months.
- C. Overpayments are kept by the employee.

D. Overpayments void the claim.

When an overpayment happens in California workers' compensation indemnity payments, the usual remedy is to recover the excess by offsetting against future indemnity payments or by adjusting a settlement. This ensures the injured worker ultimately receives the correct total benefits. Overpayments aren't forgiven after a fixed period, aren't kept by the employee, and don't automatically void the claim. Instead, the payer and the claimant arrange a method—often a set-off against future payments or a settlement adjustment—to recover the amount overpaid.

7. Which statement correctly contrasts temporary disability with permanent disability in California workers' compensation?

- A. Temporary disability lasts longer than treatment.
- B. Permanent disability ends when treatment ends.
- C. Temporary disability is defined by a lasting impairment.

D. Permanent disability reflects a lasting impairment.

Distinguishing between temporary and permanent disability in California workers' compensation hinges on whether the impairment is expected to be temporary or lasting and how it affects earning capacity. Permanent disability reflects a lasting impairment that persists after treatment and can reduce future earning ability, even if medical care ends. Temporary disability, on the other hand, covers the period an employee cannot work during recovery and typically ends when the worker is cleared to return to work or reaches the end of the allowable TD period. Therefore, the statement that best contrasts the two is that permanent disability represents a lasting impairment. The other options describe timing or criteria that don't align with how TD and PD are defined: temporary disability is not defined by the duration of treatment, permanent disability does not automatically end when treatment ends, and temporary disability is not defined by a lasting impairment.

8. Which benefit is described as providing rehabilitation, including vocational or physical therapy?

A. Rehabilitation services

- B. Medical services
- C. Lost wages
- D. Death Benefit

Rehabilitation services focus on restoring a worker's ability to work by addressing functional deficits through therapies like physical therapy and vocational rehabilitation. These services are designed to help the injured employee recover and return to work, whether that means regaining physical function or retraining for a new job if the original role isn't feasible. This distinguishes them from medical services, which cover direct treatment of the injury (doctor visits, surgeries, medications), lost wages, which replace income while out of work, and death benefits, which go to survivors. By including both physical therapy to restore function and vocational rehab to facilitate a return to work, rehabilitation services are the category that specifically addresses the goal of rehabilitation.

9. Under privacy and confidentiality obligations in CA WC claims, how should access to medical records be handled?

- A. Access should be provided to any party upon request.
- B. Access is restricted to the employer only.
- C. Access must be limited to authorized individuals and comply with privacy laws and regulations.**
- D. Access is unnecessary for audits or legal proceedings.

Access to medical records in CA workers' compensation claims must be tightly controlled to protect sensitive information. Only people who have a legitimate need to know—the authorized individuals involved in treating or evaluating the claim, and those who administer the claim with proper authorization—should see the records. Disclosures must follow applicable privacy laws and regulations, such as HIPAA and California's confidentiality rules, and should be limited to the minimum information necessary for the purpose. If an employee or their representative provides a valid authorization, disclosures can occur within those boundaries; there are also lawful exceptions for audits or legal proceedings when proper safeguards are in place. This approach preserves privacy while allowing essential claim handling and compliance.

10. What is the function of the WCAB's discovery process?

- A. To obtain relevant information and documents to resolve disputed issues.**
- B. To determine weekly wage benefit amount.
- C. To schedule medical exams.
- D. To issue fines to the employer.

The function of the WCAB discovery process is to gather the information and documents needed to resolve disputed issues. Through discovery, parties request and obtain medical records, wage statements, employer documents, witness statements, and other relevant materials. This helps create a complete evidentiary record, reduces surprises at hearing, and lets the judge base decisions on all pertinent facts. Scheduling medical exams and determining weekly wage benefits are separate tasks. The weekly benefit amount is calculated from the evidence presented, and medical exams are arranged through medical-legal procedures rather than discovery. Fines for noncompliance are not part of the discovery process.

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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