

General Claims Handling – California Workers Compensation, Self Insurance 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. What is the maximum penalty for failing to comply with California Workers' Compensation reporting requirements?
 - A. Employers may face administrative fines
 - B. Employers will have their licenses revoked
 - C. Employers must pay back lost wages to employees
 - D. Employers will be sued by the state

2. What is the role of a Qualified Medical Evaluator (QME)?
 - A. To provide legal representation for employees
 - B. To conduct impartial medical evaluations for disputes
 - C. To manage insurance claims for employers
 - D. To recommend rehabilitation services

3. Are injured workers in California entitled to reimbursement for out-of-pocket medical expenses?
 - A. Yes, for any medical expenses related to work injuries
 - B. No, they must pay those expenses themselves
 - C. Only if the employer approves the expenses
 - D. Only for medical expenses over a certain amount

4. Under what circumstance does exclusive remedy for injury or death not apply?
 - A. When an employee is working off-site
 - B. In cases of intoxication or if the employee is the initial physical aggressor
 - C. When the injury occurs during a break
 - D. If the employer has not provided adequate training

5. What methods can employers use to communicate about workers' compensation benefits?
 - A. Through performance reviews only
 - B. Informational posters and direct communication
 - C. Only through emails
 - D. Only available through company meetings

6. What action should you take when an employee is sent to a physician for the removal of a foreign object from their eye?
 - A. Set up a formal claim for workers' compensation
 - B. Document the incident and treat it as first aid
 - C. Send the employee back to work without any follow-up
 - D. Schedule an emergency surgery immediately

7. If an employee has a Permanent Disability between 26% - 49% from 2004 - 2013, what is the benefit provided?
 - A. \$5,000
 - B. \$6,000
 - C. \$8,000
 - D. \$10,000

8. What is a consequence of failing to report a claim to the excess carrier in a timely manner?
 - A. Increased legal fees
 - B. An automatic denial of the claim
 - C. A potential penalty imposed by the excess carrier
 - D. No consequences

9. Who is responsible for administering the Workers' Compensation system in California?
 - A. The California Department of Health
 - B. The California Division of Workers' Compensation
 - C. The California Department of Employment
 - D. The Federal Workers' Compensation Board

10. In what context is the term "Independent Medical Review" used in California Workers Compensation?
 - A. Policy underwriter review
 - B. Determination of medical necessity
 - C. Evaluation of fraud
 - D. Review of insurance premiums

Answers

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

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Explanations

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1. What is the maximum penalty for failing to comply with California Workers' Compensation reporting requirements?

- A. Employers may face administrative fines
- B. Employers will have their licenses revoked
- C. Employers must pay back lost wages to employees
- D. Employers will be sued by the state

The maximum penalty for failing to comply with California Workers' Compensation reporting requirements includes the imposition of administrative fines on employers. California's workers' compensation system is structured to enforce compliance through various regulatory measures, and administrative fines are a primary method to ensure that employers adhere to the reporting and procedural obligations set forth by the state. These fines serve not only as a punishment for non-compliance but also as a deterrent against future violations. This approach emphasizes the importance of accurate and timely reporting in the workers' compensation system, as it protects the rights of injured employees and maintains the integrity of the system. Other options, such as revocation of licenses, paying back lost wages, or being sued by the state, fall outside the standard repercussions outlined for non-compliance specifically related to reporting requirements. Each of these scenarios pertains to different areas of legal or regulatory enforcement rather than the penalties specific to reporting violations in workers' compensation.

2. What is the role of a Qualified Medical Evaluator (QME)?

- A. To provide legal representation for employees
- B. To conduct impartial medical evaluations for disputes
- C. To manage insurance claims for employers
- D. To recommend rehabilitation services

The role of a Qualified Medical Evaluator (QME) is to conduct impartial medical evaluations in the context of disputes arising from Workers' Compensation claims. QMEs are selected through a process intended to maintain neutrality and objectivity, ensuring that the evaluations are fair and based solely on medical evidence. Their primary responsibility is to assess an injured worker's condition and provide an opinion on the extent of the injury, any causal relationship to the workplace incident, and the appropriate medical care needed. Such evaluations are critical in resolving disputes between injured employees and employers or insurance carriers regarding the nature and severity of injuries, which can affect the determination of benefits and compensations. By delivering unbiased assessments, QMEs play a pivotal role in facilitating the resolution of claims without the influence of the parties' interests, thereby aiding in the fair application of Workers' Compensation laws. While other options mention related roles in Workers' Compensation, they do not accurately describe the primary function of a QME. For instance, providing legal representation or managing insurance claims involves advocacy or administrative actions that are outside the impartial scope of a QME's evaluation duties. Similarly, while recommending rehabilitation services may fall within the purview of a medical provider, it is not a primary function of a QME.

3. Are injured workers in California entitled to reimbursement for out-of-pocket medical expenses?

A. Yes, for any medical expenses related to work injuries

B. No, they must pay those expenses themselves

C. Only if the employer approves the expenses

D. Only for medical expenses over a certain amount

In California, injured workers are entitled to reimbursement for out-of-pocket medical expenses that are directly related to their work injuries. This entitlement is a fundamental aspect of the workers' compensation system, designed to ensure that employees are not financially burdened by necessary medical treatment resulting from their job-related injuries. Under California law, any reasonable and necessary medical expenses incurred by the injured worker as a result of their workplace injury can be claimed for reimbursement. This includes costs for treatment, medication, rehabilitation, and any ancillary services that are required as part of the healing process. The system is structured to protect workers by ensuring they can access the medical care they need without incurring out-of-pocket costs. The other responses do not provide a correct understanding of the law. For example, out-of-pocket expenses are generally not the responsibility of the injured worker, and there is no requirement for prior approval from the employer for reimbursement of all such expenses as long as they are deemed reasonable and necessary. Also, there is no threshold amount; all reasonable medical expenses related to the injury can be claimed regardless of the total cost. This comprehensive approach reflects California's commitment to supporting the health and recovery of injured workers.

4. Under what circumstance does exclusive remedy for injury or death not apply?

A. When an employee is working off-site

B. In cases of intoxication or if the employee is the initial physical aggressor

C. When the injury occurs during a break

D. If the employer has not provided adequate training

The exclusive remedy provision in California workers' compensation law is designed to limit an employee's ability to sue an employer in tort for work-related injuries or deaths. This protection is generally upheld unless specific exceptions apply. The correct circumstance under which the exclusive remedy does not apply is when there is intoxication or if the employee is the initial physical aggressor. In these situations, the employee may be barred from claiming workers' compensation benefits against the employer due to engaging in egregious behavior or actions that lead to the incident. Intoxication typically indicates a disregard for safety policies, while being the initial aggressor suggests that the employee instigated the harm. Both factors can establish that the actions taken by the employee were outside the bounds of typical workplace conduct, thus allowing for potential legal action against the employer. Understanding this allows one to see how specific behaviors or circumstances can create exceptions to the otherwise broad protections workers' compensation laws provide, emphasizing the importance of workplace safety and personal responsibility. Other options may involve situations where the exclusive remedy still applies, as they do not constitute the same level of misconduct or deviation from expected behavior in the workplace.

5. What methods can employers use to communicate about workers' compensation benefits?

A. Through performance reviews only

B. Informational posters and direct communication

C. Only through emails

D. Only available through company meetings

Employers have various effective methods to communicate about workers' compensation benefits, with informational posters and direct communication being key components. Informational posters serve as a visible and accessible resource for employees, providing essential details about their rights and benefits under the workers' compensation system. These posters usually contain basic information about how to report a work injury, the claims process, and contacts for further inquiries. Direct communication complements these posters and includes face-to-face conversations, one-on-one meetings, and written communications that can clarify any questions employees may have about their benefits. This approach encourages an open dialogue, enabling employees to express concerns or seek clarification regarding the benefits they are entitled to. Other choices, like performance reviews, emails, and company meetings, do not provide a comprehensive or effective means of communication on their own. Performance reviews focus on employee evaluation and development rather than on benefits communication, while limiting information solely to emails or meetings may restrict access and reduce awareness. Combining several methods, as in the correct answer, ensures that the information is widely disseminated and understood among all employees, promoting better awareness and utilization of their workers' compensation benefits.

6. What action should you take when an employee is sent to a physician for the removal of a foreign object from their eye?

A. Set up a formal claim for workers' compensation

B. Document the incident and treat it as first aid

C. Send the employee back to work without any follow-up

D. Schedule an emergency surgery immediately

When an employee is sent to a physician for the removal of a foreign object from their eye, treating the situation as first aid and documenting the incident is the appropriate action. This approach acknowledges that while medical attention is needed, the incident may not necessarily require a formal workers' compensation claim if it is handled quickly and effectively with first aid measures. Documenting the incident is crucial as it provides a record of what occurred, which can be valuable for future reference, especially if complications arise later or if the employee develops any related issues. In many cases where incidents require minor medical intervention, such as the removal of a foreign object, employers can address it through first aid policies rather than initiating a full claim process. Developing a formal claim for workers' compensation might be an overreaction if the employee only needs immediate medical assistance without ongoing complications. Sending the employee back to work without follow-up could lead to further complications if there are any unresolved issues from the incident. Scheduling emergency surgery may be excessive unless specifically indicated by the physician and typically wouldn't apply when dealing with a foreign body that can be removed in a less urgent manner. Thus, treating the situation as first aid while ensuring proper documentation supports the effective management of minor workplace injuries, aligning with general best practices in

7. If an employee has a Permanent Disability between 26% - 49% from 2004 - 2013, what is the benefit provided?

- A. \$5,000
- B. \$6,000
- C. \$8,000
- D. \$10,000

The benefit amount for an employee with a Permanent Disability rating between 26% and 49% reflects specific provisions established under California's workers' compensation laws during the specified time period. For disabilities assessed between these percentages, the system dictates that the compensation amount corresponds to a midpoint between the benchmarks of the disability rating scale and the benefits associated with those ratings. In this particular instance, the amount of \$8,000 is set according to the statutory guidelines prescribed for Permanent Disabilities within the range of 26% to 49%. This figure serves as a benchmark to compensate employees for the limitations imposed by their permanent injury, therefore providing a degree of financial support that reflects their level of disability. Other options such as \$5,000, \$6,000, and \$10,000 do not align with the established benefits structure for that specific range of Permanent Disability ratings during the indicated years; they may correspond to different percentages or types of benefits within the California workers' compensation framework, but not for this particular bracket of disability. This illustrates the importance of understanding how workers' compensation benefits are tiered based on the severity of disabilities and the historical context of benefit assignments.

8. What is a consequence of failing to report a claim to the excess carrier in a timely manner?

- A. Increased legal fees
- B. An automatic denial of the claim
- C. A potential penalty imposed by the excess carrier
- D. No consequences

Failing to report a claim to the excess carrier in a timely manner can lead to the imposition of a potential penalty by the excess carrier. Most excess insurance policies contain clauses that require policyholders to notify the insurer promptly about any claims that may exceed the limits of the primary insurance. When claims are reported late, the excess carrier may view this as a breach of the policy conditions, which can result in various consequences, including penalties. These penalties can vary depending on the terms outlined in the policy, and they could manifest as the denial of coverage for the claim or additional costs incurred due to the delay. Timely reporting is essential not only to ensure proper claims handling but also to maintain a favorable relationship with the excess insurer, which relies on this information to evaluate potential liability and exposure. Being aware of and adhering to reporting timelines is crucial for ensuring coverage and minimizing risks associated with delayed notifications, which can disrupt proper claim management.

9. Who is responsible for administering the Workers' Compensation system in California?

- A. The California Department of Health
- B. The California Division of Workers' Compensation
- C. The California Department of Employment
- D. The Federal Workers' Compensation Board

The responsibility for administering the Workers' Compensation system in California lies with the California Division of Workers' Compensation (DWC). This division plays a crucial role in overseeing the implementation and enforcement of laws surrounding workers' compensation in the state. It establishes regulations, processes claims, facilitates the resolution of disputes, and ensures that workers receive the benefits they are entitled to in case of work-related injuries or illnesses. The DWC also provides information to both employers and employees about their rights and responsibilities under the workers' compensation system. By managing these functions, the DWC supports the overall integrity and efficiency of California's workers' compensation framework, ensuring it operates in alignment with state legislation.

10. In what context is the term "Independent Medical Review" used in California Workers Compensation?

- A. Policy underwriter review
- B. Determination of medical necessity
- C. Evaluation of fraud
- D. Review of insurance premiums

The term "Independent Medical Review" (IMR) is specifically used in the context of determining medical necessity in California Workers' Compensation. This process is implemented to resolve disputes regarding the appropriateness of medical treatment requested by an injured worker. When a claim involves a disagreement over whether a specific medical treatment is necessary and appropriate for the worker's injury, the IMR process allows an independent third-party physician, who is expert in the relevant medical field, to review the case and render an unbiased opinion. This ensures that treatment decisions are based on objective medical evidence rather than on the opinions of either the employer's representatives or the injured worker. The IMR process is an essential mechanism in ensuring that injured workers receive the necessary medical treatment while also protecting the interests of employers in managing claims and costs associated with workers' compensation. By focusing on medical necessity, IMR helps streamline the treatment process and clarify the obligations and rights of all parties involved in the claim.

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://genclaimshandlingcawc.examzify.com>

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

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